



COMMONWEALTH OF AUSTRALIA

# Official Committee Hansard

## **SENATE**

EMPLOYMENT, WORKPLACE RELATIONS AND EDUCATION  
LEGISLATION COMMITTEE

ESTIMATES

**(Additional Estimates)**

THURSDAY, 17 FEBRUARY 2005

CANBERRA

BY AUTHORITY OF THE SENATE



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**SENATE**  
**EMPLOYMENT, WORKPLACE RELATIONS,**  
**AND EDUCATION LEGISLATION COMMITTEE**

**Thursday, 17 February 2005**

**Members:** Senator Tierney (*Chair*), Senator Marshall (*Deputy Chair*), Senators Barnett, Johnston, Stott Despoja and Wong

**Senators in attendance:** Senators Allison, Barnett, Buckland, George Campbell, Carr, Collins, Crossin, Harradine, Johnston, Marshall, Tierney, Webber and Wong

**Committee met at 9.05 a.m.**

**EMPLOYMENT AND WORKPLACE RELATIONS PORTFOLIO**

**In Attendance**

Senator Abetz, Special Minister of State

**Department of Employment and Workplace Relations**

**Portfolio overview and major corporate issues**

**Portfolio overview**

Dr Peter Boxall, Secretary

Mr Bob Correll, Deputy Secretary, Workforce Participation

Ms Malisa Golightly, Deputy Secretary, Employment

Mr Finn Pratt, Deputy Secretary, Workplace Relations

Ms Vanessa Graham, Chief Financial Officer, Financial Management Group

Mr Craig Symon, Group Manager, Corporate

Mr Darren Hooper, Assistant Secretary, Business Services Branch, Corporate

Mr Brian Quade, Assistant Secretary, Parliamentary Performance and Communications Branch, Corporate

Ms Anya Moore, Assistant Secretary, Human Resources Branch, Corporate

Mr John Burston, Chief Information Officer, IT Services Group

Mr Simon Gotzinger, Assistant Secretary, Legal Branch, Corporate

**Outcome 1 Employment**

Ms Serena Wilson, Group Manager, Complementary Programmes & Payments Group

Mr Bruce Smith, Assistant Secretary, Disability Employment Services Branch

Ms Margaret Kidd, Assistant Secretary, Complementary Programmes Branch

Mr Pete Searle, Assistant Secretary, Working Age Payments Branch

Mr Michael Manthorpe, Group Manager, Employment Business Services Group

Ms Joan ten Brummelaar, Assistant Secretary, Centrelink & Stakeholder Management Branch

Mr Stephen Moore, Acting Group Manager, Employment Systems Group

Ms Jo Caldwell, Group Manager, Intensive Support Group

Mr Anthony Parsons, Group Manager, Job Search Support Group

**Outcome 2 Workplace Relations**

Ms Barbara Bennett, Group Manager, Workplace Relations Policy Group  
Ms Linda Lipp, Assistant Secretary, Safety, Compensation and International Branch  
Ms Miranda Poynton, Assistant Secretary, Strategic Policy Branch  
Ms Louise McDonough, Assistant Secretary, Wages and Conditions Policy Branch  
Mr James Smythe, Chief Counsel, Workplace Relations Legal Group  
Mr Bob Bennett, Assistant Secretary, Legal Policy Branch  
Mr Jeremy O'Sullivan, Assistant Secretary, Legal Policy Branch  
Ms Jenet Connell, Group Manager, Workplace Relations Services Group  
Mr Steve Kibble, Assistant Secretary, Workplace Services Branch  
Mr Alfred Bongi, Assistant Secretary, Employee Entitlements Branch  
Mr Brien Armstrong, Director, Quality Assurance Team, Employee Entitlements Branch  
Mr George Brennan, Assistant Secretary, Employee Entitlements Project Branch  
Mr Derren Gillespie, Assistant Secretary, Remuneration Tribunal Secretariat  
Mr John Kovacic, Group Manager, Workplace Relations Implementation Group  
Mr Leigh Quealy, Acting Assistant Secretary, Building Industry Branch  
Ms Dianne Merryfull, Assistant Secretary, Industries Branch  
Mr Michael Maynard, Assistant Secretary, Public Sector Branch  
Ms Anna Clendinning, Acting Group Manager, Office of the Federal Safety Commissioner  
Mr Ted Cole, Team Leader, Advocacy  
Mr Nigel Hadgkiss, Director Building Industry Taskforce  
Ms Sandra Parker, Assistant Secretary, The Office of the Australian Safety and Compensation Council  
Mr Wayne Artuso, Executive Manager, The Office of the Australian Safety and Compensation Council

**Outcome 3 Workforce Participation**

Mr Bob Harvey, Group Manager, Community Development Employment Projects (CDEP) Group  
Ms Christine Langsford, Assistant Secretary, CDEP Programme Management  
Ms Jennifer Taylor, Group Manager, Labour Market Strategies Group  
Mr Chris Foster, Acting Group Manager, Research, Evaluation & Legislation Group  
Mr Graham Carters, Group Manager, Working Age Policy Group  
Mr Barry Sandison, Assistant Secretary, Disability Policy Branch  
Mr Bruce Whittingham, Manager, Working Age Taskforce

**Office of the Employment Advocate**

Mr Peter McIlwain, Employment Advocate  
Mr David Rushton, Senior Legal Manager  
Ms Ann Skarratt, Corporate Director

**Comcare**

Mr Barry Leahy, Chief Executive Officer  
Mr Noel Swails, Deputy Chief Executive Officer  
Ms Janette Davis, General Manager, OHS (CE) Act Policy and Support  
Mr Stewart Ellis, General Manager, Injury Management  
Mr Matt Goldrick, General Manager, Claims Policy and Systems Improvement

Mr Terry Langton, General Manager, Corporate Management Division

**Australian Industrial Registry**

Mr Nicholas Wilson, Industrial Registrar

Mr Terry Nassios, General Manager, Statutory Services

**National Occupational Health and Safety Commission**

Mr Tom Fisher, Acting Chief Executive Officer

**Office of the Employment Advocate**

**CHAIR**—I welcome the minister representing the Minister for Employment and Workplace Relations, Senator the Hon. Eric Abetz. I welcome people from the agencies and observers to this public hearing. The committee was examining budget expenditure in the portfolio at its hearings in June 2004 and asked supplementary questions in December 2004. Today, the committee will consider proposed additional expenditure for the year ending June 2005 which the Senate referred to the committee on 10 February 2005. The committee has resolved that answers to questions on notice are to be returned to the committee by Friday, 8 April 2005, and it will report to the Senate before or on 15 March 2005. I remind participants that oral evidence and documents in estimates proceedings are part of the public record. Minister, do you wish to make an opening statement?

**Senator Abetz**—No, I do not, thank you.

**Senator MARSHALL**—I want to ask some questions about AWAs in the Commonwealth Public Service. Can you tell me how many active AWAs there are now in the Commonwealth public sector?

**Mr McIlwain**—Yes, we do have that figure. If you bear with us for one moment we will give it to you exactly.

**Senator MARSHALL**—While you are looking at that, I am also interested to know the numerical increase since we asked this question in the last round of estimates.

**Mr McIlwain**—In answer to your first question, we are advised that the most recent Department of Employment and Workplace Relations AWA survey disclosed that there were approximately 11,085 APS and Parliamentary Service employees covered by AWAs as at 31 December 2004. That comprised 9,157 non-SES employees and 1,928 SES employees.

**Senator MARSHALL**—Do you know roughly what percentage of that is in the public sector?

**Mr McIlwain**—I am not able to be exact on that. But I believe that there are over 100,000 employees in the Australian Public Service.

**Senator MARSHALL**—So about 10 per cent is a ballpark figure.

**Mr McIlwain**—Yes.

**Senator MARSHALL**—Are you able to tell me what that increase is?

**Mr McIlwain**—I am afraid we do not have the figure before us for the last appearance. We believe we will be able to work it out from some information that we believe we have, so we will continue to do that and we will provide the answer during the hearing if we are able to.

**Senator MARSHALL**—How often do you actually report those figures? Do you actually do those calculations weekly or monthly or quarterly?

**Mr McIlwain**—They are not calculations done by the OEA: they are done on the basis of DEWR AWA surveys. I think it might be best to ask DEWR officers how often that survey is conducted.

**Senator MARSHALL**—I am interested in actually looking at the proportion of AWAs that contain certain provisions. We asked some similar questions in the last round of estimates and this information was asked for last time. I know that it is a lot, but I suspect you probably have this information available. I am particularly interested in the percentage of AWAs that contain paid maternity leave, the right for an employee to request part-time work, job sharing, home based work, family responsibilities and paid family leave and unpaid family leave.

**Mr McIlwain**—If I may, I will refer to a question on notice which we answered last year. This was from the hearings of 31 May and 1 June 2004. The question number is W002-05. In regard to paid maternity leave, I will read our preamble. It says

The proportion of AWAs in the sample examined, which contain these provisions, is shown in the following table. The analysis was conducted using 500 randomly selected AWAs approved during the calendar years 2002 and 2003 ...

And there were 250 from each year. Paid maternity leave was eight per cent of the sample. I am trying to remember your categories in order. Perhaps I can just go through the categories as an answer to the question.

**Senator MARSHALL**—Is this the answer to the question on notice from last estimates?

**Mr McIlwain**—Yes.

**Senator MARSHALL**—I am really interested in looking at the trends to see whether inclusion of those particular categories in AWAs is in fact growing or decreasing.

**Mr McIlwain**—I do not have that information today.

**Senator MARSHALL**—Would you be able to obtain that for me?

**Mr McIlwain**—Yes, I believe we will be able to answer that question on the same basis as we answered it on the last occasion.

**Senator MARSHALL**—The last time we were in estimates I believe the OEA provided a representative AWA, with the names deleted, that applied to OEA staff. Have you had a new round of AWAs in the OEA since that time?

**Mr McIlwain**—We have not. We plan to offer new AWAs to our employees beginning in April or May this year. The intention is that those agreements will come into operation on or about 1 July.

**Senator MARSHALL**—Will those AWAs be similar in terms?

**Mr McIlwain**—They will be similar in terms. There will be some differences as a result of our consideration of issues over the last period of the current round of AWAs. Of course, as always, we will invite the comments and ideas of staff. They too will be taken into account.

**Senator MARSHALL**—Is that from individual staff or do you do that collectively?



**Mr McIlwain**—It is open to staff to make individual submissions, but staff may also make submissions, as members of a business unit or indeed as members of the CPSU, regarding the content of AWAs for the next period. We also have a standing committee within the OEA—a staff consultative committee—which meets regularly. When an AWA round commences, it has an important role in coordinating input from individuals or groups of staff to the AWA development process. A delegate sits on that committee representing the CPSU members.

**Senator MARSHALL**—So will people employed within a particular classification be offered identical AWAs across that classification?

**Mr McIlwain**—Not necessarily.

**Senator MARSHALL**—It could be different. What happens to employees who commence between a bargaining period for AWAs, as you have described it?

**Mr McIlwain**—They are offered an AWA that would be similar in terms or in the same terms as AWAs that were offered during the formal round to employees in that business unit performing that work.

**Senator MARSHALL**—I am trying to work out what the parameters would be when you negotiate a change to what has already been agreed.

**Mr McIlwain**—We have regard to government policy on agreement making. We are concerned that any individuation of an AWA not add unreasonably to the cost of employing that employee or to the salary costs of that business unit. It is open to employees to submit to me ideas that they have for individualising their AWA. Indeed, I believe that has occurred in the past, when my predecessor was in the job. The principle concern is of course that the provision that the employee is looking for is reasonable in APS terms, is reasonable in offering a high level of service to our clients, is reasonable in sharing equitably the workload within that business unit and is for the most part value neutral—that is, it does not add to the cost of employing that staff member.

**Senator MARSHALL**—In terms of AWAs generally, can you tell me how many have been approved since the last estimates for people under the ages of 21 and 15?

**Mr McIlwain**—I do not have a figure with me for AWAs approved for employees under the age of 21, but we will take that question on notice.

**Senator MARSHALL**—How would that information be collated? Is that done through your survey or is that actually recorded through the approval process?

**Mr McIlwain**—Statistics on AWAs for employees under the age of 21 are compiled automatically by the statistical module of our IT system, so they are available as an automatic report through an SQL query.

**Senator MARSHALL**—If that question was not asked specifically in the last round of estimates, could you give me monthly breakdowns of the last six months. Is that information easily accessible?

**Mr McIlwain**—I believe we would be able to do that. If it turns out that there is some technical impediment we will let the secretariat know straightaway.

**Senator GEORGE CAMPBELL**—Is it possible for you to identify them by industry sector, Mr McIlwain?

**Mr McIlwain**—Again, I think that is possible. Again, though, if I am advised later by our technical people that there is a difficulty I will let the secretariat know straightaway.

**Senator MARSHALL**—I understand that in a recent Western Australian case in the building industry—BGC Construction Pty Ltd v the Construction, Forestry, Mining and Energy Union of Workers—an employee gave evidence that an AWA allegedly bearing his signature had not in fact ever been signed by him. I understand your office was conducting an investigation into how that situation came about, including the process of approval of the AWA itself. Has this investigation been concluded yet?

**Mr McIlwain**—No, it has not been concluded.

**Senator MARSHALL**—Has it been commenced?

**Mr McIlwain**—Yes, it has been commenced. It commenced on 17 August 2004. Several persons have been interviewed. The employee concerned has advised the OEA that he did not see or sign the AWA. We are still in the process of conducting interviews with certain persons regarding that matter.

**Senator MARSHALL**—Who is conducting that investigation?

**Mr Rushton**—I will answer that question. Officers of the Office of the Employment Advocate are presently conducting that investigation.

**Senator MARSHALL**—Can you tell me which officers?

**Mr Rushton**—It is the Western Australian regional manager and a legal manager who is based in Victoria. Obviously staff of the Western Australian office are involved in that investigation as well.

**Senator MARSHALL**—Have you taken any steps to modify the approval process of AWAs?

**Mr McIlwain**—Thus far, we have not seen cause to modify the arrangements for the lodgment and approval of AWAs, as a result of any information that has come to us out of that matter.

**Senator MARSHALL**—What will be the status of the report into that? Will that be available to the committee?

**Mr Rushton**—It will depend on the nature of the investigation.

**Senator MARSHALL**—We know the nature of the investigation.

**Mr Rushton**—There are potentially breaches of the Workplace Relations Act, but also there are potentially breaches of the Commonwealth Criminal Code.

**Senator MARSHALL**—So are you saying that, if you need to use that report as a basis to launch criminal investigations, it will not be available until that is over? If you do not, will it be available then?

**Mr Rushton**—Generally speaking, investigations carried out by our office have not been provided to this committee on the basis that it may prejudice the investigation.

**Senator MARSHALL**—But, once the investigation is over, it cannot prejudice it. I am still interested because I think this is an important aspect if AWAs are being signed on behalf of people.

**Mr Rushton**—Yes, we will certainly report on the result of the investigation.

**Senator MARSHALL**—In what form?

**Mr Rushton**—In response to your questions.

**Senator GEORGE CAMPBELL**—Why has the investigation taken so long? It has taken six months roughly.

**Mr Rushton**—It is mainly the tyranny of distance involved in the matter. It is the difficulty of getting hold of witnesses in Western Australia, given the distances involved. That has been the main reason, as I understand it.

**Senator MARSHALL**—It has been conducted by your Western Australian office though.

**Mr Rushton**—That is so.

**Senator MARSHALL**—So what is the problem with the distance?

**Mr Rushton**—The major difficulty is simply getting hold of certain witnesses who need to be interviewed and the fact that many of them are in remote areas of Western Australia.

**Senator MARSHALL**—Okay.

**Mr Rushton**—Some of them are up in the northern reaches of Western Australia.

**Senator MARSHALL**—I just want to go to the three-year longitudinal study of AWAs, which you promote on page 8 of your current newsletter. What actually is being studied?

**Mr McIlwain**—The prospectus states that, amongst other things, the three-year study will examine the relationship between human resource and business strategies, the agreement-making process and employee satisfaction and business performance.

**Senator MARSHALL**—Has it started yet?

**Mr McIlwain**—The contract with the consortium of researchers has commenced. It is in stage 1, which is to identify and secure the participation of subject workplaces where both management and employees will be surveyed and interviewed for the three years of the study.

**Senator MARSHALL**—So it has officially commenced. When will be the three-year completion date?

**Mr McIlwain**—The intention is to run it for the three years, roughly calendar 2005, 2006 and into 2007.

**Senator MARSHALL**—How many organisations so far have shown an interest in participating?

**Mr McIlwain**—Many organisations have shown an interest. I believe the formal sign-on so far is nine or so workplaces—businesses.

**Senator MARSHALL**—How many are you looking for?

**Mr McIlwain**—We are currently looking for at least 10 and we would be delighted to have up to 15.

**Senator MARSHALL**—Are you looking across industries? If so, which industries do you require to participate?

**Mr McIlwain**—We are looking for a spread of workplaces across industries. We are not certain at this stage which industries we have been able to cover with the nine workplaces that thus far have agreed to participate. We do not have that information with us right now but we believe we will be able to obtain it and provide it before we finish today.

**Senator MARSHALL**—Can you tell me also whether you want to see small and large business represented?

**Mr McIlwain**—We expect that most of the subject businesses will be medium or larger enterprises, simply because of the resource requirements on those businesses of participating in the study. The study requires a substantial commitment by those subject organisations, by both management and staff. For that reason we imagine that it might be much harder for a small business to make that commitment to make those resources available over a three-year period. So for that reason we expect that most of the subjects will be medium or larger enterprises.

**Senator MARSHALL**—When do you expect to finalise the list of participants?

**Mr McIlwain**—We are hopeful that we will be able to finalise that list in the next four weeks.

**Senator MARSHALL**—Will you be able to provide a list of those participants to the committee?

**Mr McIlwain**—I believe so, yes.

**Senator MARSHALL**—What will they be paid to undertake the study?

**Mr McIlwain**—The budget for the study is \$240,000 inclusive of GST.

**Senator MARSHALL**—What will the participants be paid?

**Mr McIlwain**—I beg your pardon. The participants are not paid.

**Senator MARSHALL**—They are not paid at all?

**Mr McIlwain**—No.

**Senator MARSHALL**—So no-one will be paid for participating in any way?

**Mr McIlwain**—No.

**Senator MARSHALL**—Who is organising the study?

**Mr McIlwain**—The management of the project is within the Office of the Employment Advocate, our strategic advice unit, but the study itself is being conducted by a consortium that comprises academics from four Australian universities—the Queensland University of Technology, the University of Western Australia, the University of New South Wales and the University of South Australia.

**Senator GEORGE CAMPBELL**—Who are the academics involved?

**Mr McIlwain**—From Queensland University of Technology, Professor Mark Griffin and Dr Alannah Rafferty; from the University of Western Australia, Professor John Cordery; from the University of New South Wales, Professor Sharon Parker; and from the University of South Australia, Professor Phyllis Tharenou.

**Senator MARSHALL**—Do you have some documentation on what the organisations will be required to do throughout the study and also in respect of what employees and unions, if applicable, would need to do?

**Mr McIlwain**—We have a detailed prospectus document we have made available to organisations contemplating participation. That is available on our web site, but we could also provide you with a copy, if you wish.

**Senator MARSHALL**—Thank you.

**Senator GEORGE CAMPBELL**—What is the purpose of the study? What is it you are trying to identify?

**Mr McIlwain**—To read from an extract from our prospectus, ‘The study will examine the relationship between human resource and business strategies, the agreement-making process itself and employee satisfaction and business performance.’

**Senator GEORGE CAMPBELL**—Will one of the features of the study be to identify the number of people engaged on AWAs in these particular organisations who have been given no alternative form of employment contract?

**Mr McIlwain**—No, I do not think that is a specific element of the study.

**Senator GEORGE CAMPBELL**—I thought you said one of the objectives was to examine the agreement-making process.

**Mr McIlwain**—That is indeed correct.

**Senator GEORGE CAMPBELL**—If there is nothing else on offer, what is the process where they are simply offered an AWA?

**Mr McIlwain**—We are talking in hypotheticals here. I feel bound to say that, of course, for existing employees not already on an AWA there is always a choice to sign or not sign AWAs; for prospective employees, an AWA can lawfully be a condition of that offer of employment.

**Senator GEORGE CAMPBELL**—That is correct, and I would have thought it would have been important, as part of this study, to be able to identify, where people are being offered alternative forms of agreements, what choices those employees are making in respect of their agreement processes. In the early days of the promotion of AWAs, as you probably would know, ‘choice’ was a big word that was bandied around an awful lot—that the work force would have choice of what agreements they worked under. That seems to have slipped off the table over the past seven or eight years.

**Mr McIlwain**—As I said, I do not believe it is a specific element of the research. But, when we have our full complement of participating organisations, there may indeed be amongst those 10 to 15 workplaces some where some employees are working on AWAs, some are working on certified agreements and some working on awards. I am not able to speculate

at this time because I do not have with me the names of those workplaces and I do not have direct knowledge of the workplace relations instruments that they have in place.

**Senator GEORGE CAMPBELL**—If that is the case, if that does emerge when you examine the organisations, wouldn't it be an obvious question then to ask why they have chosen a different form of agreement making?

**Mr McIlwain**—I think if that does emerge that will be an observation, one way or another, that the researchers will properly make.

**Senator MARSHALL**—What are you currently doing to promote AWAs, and has that changed since the election at all?

**Mr McIlwain**—I think a significant change since the federal election is a redoubled effort on promoting to employers and employees in small business workplaces the advantages of Australian workplace agreements.

**Senator MARSHALL**—What do you mean by 'redoubled effort'?

**Mr McIlwain**—By that, I mean it is a statutory responsibility of the Employment Advocate to have regard particularly to employers and employees in small business in discharging his duties, so that has always been a focus. You would be aware that the federal government, following the election, made available to the OEA an extra \$12 million in funding over a four-year period specifically to promote the advantages of AWAs to small business employers and employees, to streamline the processing of AWAs particularly for small business and to run an education program for small business workplaces.

**Senator MARSHALL**—Again, really, when you say you have redoubled the effort, I understand what you have just said, but what does that mean? Have you doubled the amount of staff involved in this? How much money have you allocated? Have you doubled the budget for promotion, streamlining and education?

**Mr McIlwain**—I will be able to give you in a moment a detailed financial break-up of spending from that \$12 million, but we have established a small business project group and it is overseeing a number of initiatives—for example, the development of a small business AWA template, the planning of small business forums to discuss employment related issues with both employers and employees, the arrangement of seminars for small business employers and we hope also to convene a small business reference group with representatives from area consultative committees, industry associations and other interested bodies. Additionally, we are planning in the next few months to launch a small business hotline—a 1300 hotline—which will provide advice to not only employers but also employees in small business, and we plan also to launch a small business webpage. These are the initiatives that are on the table for the next six to eight months. The project will of course continue over the four-year period. We plan also to work very closely with the Department of Employment and Workplace Relations' Office of Workplace Services in running education programs for small business employers.

**Senator MARSHALL**—So those six areas that you identified are new activities, and they are funded out of the \$12 million over the four years extra which you mentioned earlier?

**Mr McIlwain**—Yes, that is correct.

**Senator MARSHALL**—In the figures you are going to give me, can you break down the cost for each of those areas?

**Mr McIlwain**—I can break down the cost against the three initiatives which were covered in the new policy proposal—processing efficiency, promotion and education. This is for the \$3 million allocated in the current financial year. For processing efficiency there is \$1,558,000, which is 58 per cent of the budget; for promotion, \$578,000, which is 22 per cent; for education, \$518,000, which is 20 per cent. To clarify, I have agreed with DEWR to make available around \$330,000 of the \$3 million each financial year to the Office of Workplace Services to fund its half of the collaborative activities. So the figures I have just given you in fact add up to \$2.67 million when that \$330,000 which I have agreed to give to DEWR is taken into account.

**Senator MARSHALL**—Who is accountable for the money you give to DEWR, to ensure that it is expended on their half, as you describe it, of those activities?

**Mr McIlwain**—I believe it will be expended by the workplace relations implementation group.

**Senator MARSHALL**—And we will be able to identify that money separately?

**Mr McIlwain**—That is not a question I am able to answer. That is properly put to the officers of the department.

**Senator MARSHALL**—That is your activities out of your new money. What about within your normal operating budget? What has been the increase in activity in AWA promotion there?

**Mr McIlwain**—Since the election there has been no increase or change to our ongoing promotional activities. The changes that have occurred since the election have been in the area of small business initiatives and are funded from that extra \$2.67 million in this current financial year.

**Senator MARSHALL**—But you were already engaged in many of these activities. Now you have money specifically to fund that, what are you doing with the money you were spending on those activities?

**Mr McIlwain**—That money is being expended on the activities that it was being expended on before the extra funding became available to us. There has been an exponential growth in interest in AWAs over the last three years and every cent of our funding is needed to deal with the interest that there is in the community in terms of providing advice and assistance as we are required to under the act.

**Senator MARSHALL**—Given what you have told me, I guess I am really trying to establish that, while \$12 million has been allocated over the next four years for those six areas that you identify, that is not the totality of the money being spent on those areas, because there is already money and you are going to continue to spend money.

**Mr McIlwain**—Sure.

**Senator MARSHALL**—Are you able to tell me—and you might have to take this on notice—the actual amount that you will spend on those activities in addition to the \$12 million over the four years?

**Mr McIlwain**—We can certainly tell you how much money is spent between our different divisions. Broadly speaking, our AWA operations division is responsible for processing AWAs. In the current financial year, their budget is \$4.03 million. Broadly speaking again, the promotion and education activities are undertaken by our client service network division, and in the current financial year its budget is \$3.8 million. We have some other business units which undertake activities that would be split between those two broad activities. If you wish, we can disaggregate in approximate terms the split of their resources between those two broad activities, which are, if I can put it this way, filing and approval, and advice and assistance.

**Senator MARSHALL**—I would appreciate it if you could do that. What is the level of paid advertising engaged in by your department?

**Mr McIlwain**—We can provide that figure before we finish today.

**Senator MARSHALL**—I have a couple of questions around that, so I will just ask them. I am interested to know what the advertisements promoted. What was their purpose? How many ads were there and over what period of time? What media was used? How much did it cost, in a state breakdown? In particular, with regard to Victoria, how many ads were placed in the lead-up to 1 January 2005 to promote AWAs in light of the changes to employment legislation affecting Victorian workers?

**Mr McIlwain**—With regard to the last question, I am able to provide you with the information immediately.

**Senator MARSHALL**—Thank you. It must have been a very predictable question.

**Mr McIlwain**—Yes, perhaps.

**Senator Abetz**—We would hate to say that about you, Senator.

**Mr McIlwain**—There were nine press advertisements placed in Victorian print media leading up to the introduction of common rule declarations on 1 January. I have a total cost and a disaggregated cost. I can tell you exactly when the ads were placed and how much they cost.

**Senator MARSHALL**—If you could provide that, that would be good.

**Mr McIlwain**—Would you like me to provide it now?

**Senator MARSHALL**—I am happy to have it on notice. In terms of New Apprenticeships, can you tell me what the figure for AWAs for new apprentices was in 2003 and in 2004? I think you have previously provided the figures for 2001 and 2002.

**Mr McIlwain**—Yes, I can. Beginning with calendar year 2004, Australia wide, I believe the number of AWAs approved for trainees under the Australian traineeship system was 8,572. In calendar year 2003, there were 6,396.

**Senator MARSHALL**—The figures I have are for new apprentices, but that is different to trainees, isn't it? I am happy to have both sets of figures, but they are actually different, aren't they?



**Mr McIlwain**—Perhaps I have been unclear. These figures include both trainees and new apprentices.

**Senator MARSHALL**—Are we able to separate them out?

**Mr McIlwain**—I do not believe we would be able to do that.

**Senator MARSHALL**—Why not?

**Mr McIlwain**—The information that would distinguish those two groups is not collected automatically by our system. The figures are aggregated.

**Senator MARSHALL**—So the figures that I have for 2001 and 2002 will not be just apprentices; they will be the traineeship coverage as you have described it there?

**Mr McIlwain**—Are they figures provided by the Office of the Employment Advocate?

**Senator MARSHALL**—I understand so. They would have come out of the previous estimates. The numbers I have—and you may have them there; we can check them off—are, for 2001, 1,663 and, for 2002, 3,178.

**Mr McIlwain**—They are aggregate figures for both trainees and new apprentices.

**Senator GEORGE CAMPBELL**—Mr McIlwain, would you be able to identify how many of these new apprentices, in the broad, were existing employees of companies when they were transferred into the New Apprenticeships?

**Mr McIlwain**—That information would not readily be available from our workflow system.

**Senator GEORGE CAMPBELL**—It would not be?

**Mr McIlwain**—No.

**Senator MARSHALL**—Are you able to break it down by state for us?

**Mr McIlwain**—I am able to break it down by state. I have those figures for calendar years two, three and four and also aggregated for those three calendar years by state.

**Senator MARSHALL**—If you could provide them to the committee, that would be good. There are four new agencies in outcome 2.2. What is your relationship with them?

**Mr McIlwain**—We have no formal relationship with those agencies.

**Senator MARSHALL**—Are you aware of why they were set up?

**Mr McIlwain**—My responsibilities, I am relieved to say, go only to those given to me by the parliament in the act, so I am not able to comment on the establishment of other agencies.

**Senator MARSHALL**—Were you consulted about their establishment?

**Mr McIlwain**—No.

**Senator GEORGE CAMPBELL**—Mr McIlwain, one of these new agencies, I understand, assists the Employment Advocate.

**Mr McIlwain**—I do not think that is new. There is additional funding for the OEA, as discussed, but output 2.2.3 is a longstanding output, as I understand it. The assistance to the Office of the Employment Advocate is the Office of the Employment Advocate as

distinguished from the statutory officeholder. This output has existed for as long as the Office of the Employment Advocate has existed.

**Senator GEORGE CAMPBELL**—What about the Australian Workplace Agreements assessment? Is that new?

**Mr McIlwain**—I am not sure what document you are referring to.

**Senator GEORGE CAMPBELL**—I am reading from notes. We might come back to that when we deal with the department. It may be more appropriate to ask them. Why is it that AWAs are regularly taking over six months to be approved?

**Mr McIlwain**—I will begin by saying that the OEA has a performance target—it is not a statutory requirement but our own performance target—that 80 per cent of AWAs be approved within 20 working days. In calendar year 2004 we approved 71.4 per cent within 20 working days. It is a matter of regret to me that we were not able to achieve our own, self-imposed, target of 80 per cent.

**Senator GEORGE CAMPBELL**—Why are some of them taking upwards of six months?

**Mr McIlwain**—In the last three years the OEA has had to contend an enormous increase in the number of AWAs being lodged. In 2003-04, though, we were able to increase AWAs approved, if my memory serves me correctly, by 47 per cent. In the current financial year, we have already approved 110,000 AWAs. So we are set in 2004-05 to achieve our target band of approvals of between 200,000 and 220,000 AWAs, compared to 151,000 in 2003-04. It is unfortunately the case that, with such dramatic increases in AWAs being lodged, we will not be able to approve all AWAs within our self-imposed target period of 20 working days. Unfortunately, this year again, I believe that we will not meet our self-imposed target of 80 per cent approved within 20 working days. I understand that I have given a rather long answer to your question. But the short answer is that the interest in AWAs is so high that we have not yet been able to catch up and process all of them and, unfortunately, a number are unprocessed six months after being lodged.

**Senator MARSHALL**—You are spending, though, at least another \$12 million over the next four years to promote AWAs. What processes are you putting in place to fix that problem? Because, as you describe it, it is going to continue.

**Mr McIlwain**—We have had several intakes of new staff in our processing division right throughout calendar 2004, and we expect to continue taking on new processing staff right throughout calendar 2005. Additionally, we have appointed new staff in each of our regional offices to work directly with clients, employers and employees, at the front end of the process—if I can describe it that way—to assist employers and employees to make agreements that not only meet their specific needs but are in a form that suits them and allows us to more efficiently process and approve those agreements.

**Senator MARSHALL**—Can you provide to the committee the additional expenditure required in all of those areas as a result of this?

**Mr McIlwain**—I have information about the extra staff appointed for those two main divisions and the cost of that. I can read it out.

**Senator MARSHALL**—It is probably better if you just provide it to the committee.

**Senator GEORGE CAMPBELL**—How many AWA approvals are repeat business?

**Mr McIlwain**—A proportion of them would be AWAs made by employers and employees to replace an AWA that has been operating in that workplace. It is very difficult for us to be exact about that proportion.

**Senator GEORGE CAMPBELL**—Why is it difficult?

**Mr McIlwain**—The reason for that is that employees move from employment to employment. Even if we are able to identify an individual by name and date of birth, it is not always certain that that is the one person. In fact, my experience from my early days in the OEA as an assessment officer was that a surprising number of people in the community have the same name, use different forms of the same name, have the same name and the same birth date, or put down different birth dates on different forms. So there are a constellation of statistical challenges in being able to precisely say whether an AWA is one for an employee who has never signed an AWA before, has never signed an AWA with that employer before, already has an AWA with that employer or has had an AWA with another employer. With all of those statistical challenges it is difficult for us to be precise about the proportion.

**Senator BUCKLAND**—Would that then mean that if an employee was moving around—and they do in many industries—and because there is a delay in processing the AWAs, an employee could actually never be covered with an approved AWA?

**Mr McIlwain**—An AWA for a new employee commences operation the day after the filing receipt is issued in most cases. There are a few technicalities. For an existing employee, it commences operation the day after the approval notice is issued.

**Senator BUCKLAND**—But surely they could in fact go for long periods of time without a properly approved terms of employment.

**Mr McIlwain**—Not so. In the case of a new employee, the AWA would commence the day after the filing receipt is issued.

**Senator BUCKLAND**—What are the technicalities though?

**Mr McIlwain**—If I may just explain this, because I think it does clarify it. We issue filing receipts for well over 90 per cent of AWAs within three days of their lodgment, and in fact within a week we have issued filing receipts for 100 per cent of AWAs. A new employee is then covered by the terms of that AWA. In the case of an existing employee, the filing receipt is issued but the AWA cannot operate, as you say correctly, until the approval notice is issued. However, that does not mean that that employee is not covered by a relevant industrial instrument. The relevant industrial instrument would be an award or a certified agreement—if a certified agreement operated in that workplace. In the very small proportion of cases where an employee is award free, they would remain award free until the AWA was approved and came into operation. That is in the case of an existing employee.

**Senator BUCKLAND**—I accept that. I still see difficulties with it, but I will not pursue it at the moment. You referred to some technicalities. Can you explain those technicalities, or were those technicalities wound up in your answer?

**Mr McIlwain**—I will ask Mr Rushton to explain those. They go to the less common arrangements for when a new employee's AWA begins to operate. They are set out in the act.

**Mr Rushton**—Essentially, as Mr McIlwain has said, the AWA commences to operate for a new employee on the later of three dates: the day after the filing receipt is issued, the day they start employment or, if they specify a date in the AWA, that date. They are the only three dates. The most common one is after the filing receipt is issued, but obviously if they have not started employment at that stage it does not start to operate until they commence employment.

**Senator BUCKLAND**—So a less than diligent employer could have employees working for them who technically are not covered. Would they have to fall back on an award?

**Mr Rushton**—As Mr McIlwain said, the issuing of the filing receipt is very quick. You have to meet the filing requirements under the act, which essentially go to the fact that the AWA has been signed by the parties, a declaration has been provided by the employer and any other relevant information required by the gazette has been provided.

**Senator BUCKLAND**—But if the employer is a bit slow because they are busy or something, it might be a month before they get that away, and it has to go through the filing and get a certificate.

**Mr Rushton**—The employer is required to file the AWA within 21 days of signing.

**Senator BUCKLAND**—What happens if they do not?

**Mr Rushton**—They have to redo the process if they want to have those employees on an AWA.

**Senator BUCKLAND**—Are there penalties?

**Mr Rushton**—No, there is not a penalty.

**Senator BUCKLAND**—Sorry, I should not have asked the question—there is no penalty on the employer.

**Mr Rushton**—As Mr McIlwain has said, the existing industrial instrument still continues to operate. The award is not displaced by the AWA until the AWA commences to operate.

**Senator GEORGE CAMPBELL**—I come back to my original question, Mr McIlwain. You say you cannot precisely identify the amount of repeat business. Are you able to identify the number of AWAs that are rolled over with no change?

**Mr McIlwain**—Again, that provides very considerable challenges for our statistical processes. As in the previous case, it would not be possible to be precise.

**Senator GEORGE CAMPBELL**—What work has the Office of the Employment Advocate done to establish whether or not this statistical information can be obtained? This issue has been raised, to my knowledge, consistently over the past five or six years, and it appears that little has been done to try to meet the requests of the parliament in terms of being able to extract this material.

**Mr McIlwain**—The question has always been given careful consideration, but I am afraid that, for the reasons I have explained, the position of the office has not changed over that period of time. There are too many uncertain factors involved to safely come up with a figure that we or others could rely upon.

**Senator GEORGE CAMPBELL**—I would have thought it had more to do with breaking a hole in the statistical evidence in the way it is presented in terms of AWAs. You say that there were X number of AWAs last year and this year. How do we know whether they are AWAs covering the same persons that have simply been renewed?

**Mr McIlwain**—I have been quite straight in answering that question. A proportion of them are for employees who already had entered into an earlier AWA.

**Senator GEORGE CAMPBELL**—In examining the effectiveness of AWAs without having precise statistical evidence it is very easy to present the view that there are many more employees being covered by AWAs than in fact is the case. Isn't that true? If 10,000 people had AWAs in year 1 and they still have AWAs in year 5, in your statistical presentation that could be counted as 50,000 people.

**Mr McIlwain**—If those people had AWAs in year 1 and they did not enter into an agreement again until year 5, the increase that we have seen in the last three years simply could not have occurred.

**Senator GEORGE CAMPBELL**—But if they were rolled over each year, that would be another 10,000 AWAs each year. So by the end of year 5 there would be 50,000 AWAs covering the same 10,000 people.

**Mr McIlwain**—It is open to an employer and an employee to make a new AWA whenever they choose. However, the law prescribes a nominal expiry date of three years. In fact most AWAs adopt that nominal expiry date or do not nominate a nominal expiry date, in which case the three years ordinarily applies. When the nominal expiry date is reached the agreement may continue without change or it may be renewed or it may be terminated by one or other of the parties in some of the prescribed ways. Indeed, during the three-year period of the nominal expiry date duration an employee and employer may choose at any time to make another AWA. But the figures that we report are figures of AWA approvals in a calendar year, in a financial year or over a three-year period, and by any measure those figures are growing exponentially. The argument concerning AWAs extending beyond a nominal expiry date seems to militate against the view that those figures are wrongly inflated.

**Senator GEORGE CAMPBELL**—Are you able to identify for us how many companies, as opposed to individual employees, are operating AWAs? Do you have that statistical evidence?

**Mr McIlwain**—I am sorry, I might have missed that. The number of employers with AWAs?

**Senator GEORGE CAMPBELL**—Yes.

**Mr McIlwain**—I do not have a precise figure with me today but it is in excess of 11,000 Australian workplaces.

**Senator GEORGE CAMPBELL**—And what has been the growth in that over the past 12 months?

**Mr McIlwain**—We will see whether we have that figure with us. Over the two-year period from the beginning of 2002 to the end of 2004, on a quarterly basis new employers—if I can describe them in that way—to AWAs, beginning with the base line in the September 2002

quarter of 475, increased to 1,000 by the June 2004 quarter. That remains our current experience. Between 330 and 400 employers come on board each month as AWA employers, totalling in excess of 11,000 since March 1997.

**Senator GEORGE CAMPBELL**—Do you know what the average number of employees per employer is?

**Mr McIlwain**—I am not sure whether I have the average, but we can tell you what percentage of employers employed fewer than 20 employees, what percentage employed fewer than 100, what percentage employed between 100 and 500 and what percentage of employers employed more than 500 employees. We have the figures available in that form.

**Senator GEORGE CAMPBELL**—Can you take that on notice and provide us with those figures.

**Mr McIlwain**—Of course. My colleague has just passed me the exact figure for total employers since the inception of the OEA, and it is 11,559.

**Senator GEORGE CAMPBELL**—The figures that you quote for AWA approvals—and the figures certainly are quoted by the minister in the statistics presented to parliament—also contain unapprovals, don't they?

**Mr McIlwain**—I am sorry?

**Senator GEORGE CAMPBELL**—Where AWAs have been unapproved or declared void.

**Mr McIlwain**—I did not catch that.

**Senator GEORGE CAMPBELL**—Do the figures presented by the minister, the statistics presented to the parliament, include also the figures of AWAs that have been declared void or unapproved?

**Mr McIlwain**—Yes, they do. There is literally a handful of AWAs revoked in a calendar year. For example, in 2004, off the top of my head, there were no more than 14 or 15 individual agreements, not employers, not batches. So I take your point. In the calendar year 2004 we approved 180,620 AWAs and 14 or 15, I believe, were revoked. So that figure might be reduced to 180,605.

**Senator GEORGE CAMPBELL**—Why would they be revoked?

**Mr McIlwain**—The decision to revoke an AWA is not made lightly. An AWA is revoked for two reasons: an error of law or an error of fact. Included in the error of law would be agreements that never operated because of a failure in the legal process that has come to the OEA's attention subsequently. But, as I said, it is a handful each year.

**Senator GEORGE CAMPBELL**—What procedures are implemented by the office when these AWAs are being revoked?

**Mr Rushton**—The procedures are actually set out in our procedures manual, which is on the Internet web site. There is a detailed procedure for reconsideration of the decision to approve an AWA based on administrative law principles. If there has been an error of fact that subsequently comes to the OEA's attention, essentially the procedure is that that matter is investigated and the parties are given an opportunity to put their sides of the story in relation to whether the matter should be reconsidered or not. It is then a matter for the Employment

Advocate to consider, at his discretion, whether there is in fact a revocation of that approval. It is not done lightly. It is done in accordance with administrative law principles and the Acts Interpretation Act.

The issue of an error of law is slightly different if the AWA was never made, for instance—that is, if there never was an AWA. That is an example, perhaps, of an error of law if the approval has been issued then. That AWA could never operate and there is in effect no decision to be made by the Employment Advocate. It is simply void as a matter of law.

**Senator GEORGE CAMPBELL**—And the parties to the agreement are involved in that process?

**Mr Rushton**—They are. It usually comes about because one of the parties has raised an issue. Then the other party is given the opportunity to put their version of events or their side of the story and make any submissions they wish to about the issue.

**Senator MARSHALL**—I want to ask you some questions about the former Employment Advocate, Mr Jonathan Hamberger. Can you give me the actual date that he finished?

**Mr McIlwain**—Perhaps I can answer the question this way: I can give you the date that I commenced.

**Senator MARSHALL**—Did he finish on the same day?

**Mr McIlwain**—I can take the date of Mr Hamberger's resignation on notice.

**Senator MARSHALL**—So he actually resigned?

**Mr McIlwain**—I did use that term, but I understand it might have been part of a process. If I have used it—

**Senator MARSHALL**—I am actually interested in the process. I want to be clear on whether he resigned or was terminated or his tenure ended or he was retrenched.

**Senator Abetz**—That might be more a question, it has been suggested to me, for the department to answer. Either way, these questions can be taken on notice and the detail of his departure provided.

**Senator MARSHALL**—Is it a more appropriate question for the department? I am happy to ask them.

**Senator Abetz**—I am not sure whether it is a departmental or a ministerial appointment. That might determine where the information comes from.

**Mr McIlwain**—There is no mystery about it. It is just that we do not know that. That relates directly to Mr Hamberger. We will attempt to advise the secretariat of the correct agency or authority to provide that information.

**Senator MARSHALL**—Apart from any accrued leave entitlements, did he receive any other moneys on his termination in whatever form that took?

**Mr McIlwain**—The OEA itself does not have a role in the management of—

**Senator MARSHALL**—If it is a department question, please say so. Can all matters on the cost of his separation and any expenses that he accrued during his period of employment all be dealt with by the department?

**Mr McIlwain**—Yes, I believe so. The department has a unit that manages the employment arrangements of statutory office holders. We understand that the department will answer those questions.

**Senator MARSHALL**—So I suspect that, in relation to the terms of your appointment, that would be better addressed to the department as well?

**Mr McIlwain**—Yes.

**Senator Abetz**—Although I suppose Mr McIlwain might have more personal knowledge of it and therefore be able to assist you.

**Senator MARSHALL**—He may indeed.

**Mr McIlwain**—I am happy to do that.

**Senator MARSHALL**—Can you describe the terms of your appointment?

**Mr McIlwain**—I am appointed for a five-year period by the Governor-General, in counsel.

**Senator MARSHALL**—What are the terms of your package?

**Mr McIlwain**—They are covered by the PEO, the professional executive officer, arrangements for some statutory office holders. I am sure the department can provide you with the details of those professional executive officer arrangements. The conditions for PEOs are set by the Remuneration Tribunal. That is a matter for the Remuneration Tribunal.

**Senator MARSHALL**—Are you provided with a corporate credit card which your department is responsible for?

**Mr McIlwain**—No.

**Senator MARSHALL**—Do you have a food and beverage allowance?

**Mr McIlwain**—No.

**Senator Abetz**—He is not a trade union official.

**Senator GEORGE CAMPBELL**—Would you like one? I am happy to negotiate an AWA for you.

**Senator Abetz**—There you go: under a Labor government, not only would they keep your position but they would also give you a credit card.

**Senator GEORGE CAMPBELL**—You have to be fair, Eric. We made you pay for the rorts—the FBT.

**Senator Abetz**—I doubt that this position would be in existence under a Labor government. That is all I am saying.

**Senator GEORGE CAMPBELL**—Mr McIlwain, just while we are sorting ourselves out here, you said you would provide me with figures of the businesses—

**Senator Abetz**—For what it is worth, it has been confirmed to me by an official that Mr Hamburger resigned. The department will be able to give other details later on.



**Senator GEORGE CAMPBELL**—Fine. I asked you earlier for the break-up of the size of businesses—20 to 99 employees, and so forth. When you are providing those figures, can you also give me the average approval times for AWAs in those various groups?

**Mr McIlwain**—I can give you some average approval times immediately, if that is convenient for you.

**Senator GEORGE CAMPBELL**—In those various groupings?

**Mr McIlwain**—No, I am afraid I do not have them aggregated by workplace size, but the average approval time in 2004 was 35 working days, and in the first six months of the current calendar year the average was 32.5 working days. In 2004, 71 per cent of all AWAs were approved within 20 working days.

**Senator GEORGE CAMPBELL**—Can you also give us the number of AWAs that have taken longer than, say, a six-month period for approval?

**Mr McIlwain**—Yes. Again, we can provide figures to you now or on notice with the others—whatever you prefer.

**Senator GEORGE CAMPBELL**—Take them on notice and give them to us all together. That is probably easiest. Can you also give us a number of instances where the specified partners have been found to be using incorrect awards for the no disadvantage test?

**Mr McIlwain**—We conduct the no disadvantage test.

**Senator GEORGE CAMPBELL**—But you do it against an award, don't you?

**Mr McIlwain**—We do. We use the relevant award that applies or an award which we designate to conduct the no disadvantage test.

**Senator GEORGE CAMPBELL**—But I presume you use the relevant award, if there is a relevant award.

**Mr McIlwain**—Yes, absolutely. But we conduct the no disadvantage test, not anyone else, including specified partners.

**Senator GEORGE CAMPBELL**—I understand that, but I am asking: on how many occasions has it been found that the no disadvantage test has been designated under the wrong award? For example, I know of one, which was a fast food outlet, where the hospitality award was used to establish the no disadvantage test, which resulted in workers getting a rate of some \$2 an hour less than they would have got had the appropriate award been used. It is those types of examples that I am asking you to identify.

**Mr McIlwain**—I am not sure. Are you talking about an award that was relevant or an award that was designated in that case?

**Senator GEORGE CAMPBELL**—An award that was designated.

**Mr McIlwain**—When we designate an award, we do what the law requires us to do, which is to choose an award that is appropriate for the employees in a workplace. It is entirely conceivable that reasonable minds will sometimes differ on that question. I am not aware of the OEA having, to use your words, made a mistake in designating an award. It may be that reasonable minds had differed as to which was the appropriate award to designate, but we do

what the law says, which is designate an award that is appropriate for workers performing that work.

**Senator Abetz**—It sounds like a demarcation dispute.

**Senator GEORGE CAMPBELL**—Why would you use a hospitality award for a company that is involved in the fast food industry? To me it seems that is not even close.

**Mr McIlwain**—I cannot answer that because I do not know the facts. In designating an award it is necessary to have regard to a whole plethora of issues and, without having specific facts, I am afraid any answer I give could be only speculative.

**Senator GEORGE CAMPBELL**—There must have been examples, and you must have examples, where you have designated a wrong award. Are you saying you have never done that?

**Mr McIlwain**—I am saying that we do what the law requires us to do, which is to designate an appropriate award. It is open to the parties to an AWA to raise with us their concerns or views about which award is appropriate, and we will take those into account. We may change our minds, having had regard to submissions from either an employee or their representative, or an employer or their representative. But I am not sure what you mean by designating a wrong award. Obviously, I agree that to designate the Southern States Plumbing Award for a fast food outlet would be a wrong award, but to designate a hospitality award covering cafes and restaurants for—you will pardon me if I just use what you have told me—a fast food restaurant does not necessarily mean that was an inappropriate choice as per the law. These are the issues that my staff must nut out every day. Fast food restaurants often now have areas where patrons are seated. Some fast food restaurants even offer table service. So, if you will pardon me, this is why employers and employees see AWAs as a flexible and attractive option.

**Senator Abetz**—Exactly.

**Mr McIlwain**—These issues about whether one award or another award applies in a workplace can be dealt with sensibly by having an AWA. You can avoid the collision of competing or opposing conditions and definitions by entering into an AWA. Senator, if you have specific information that you would prefer to provide me with at any time, of course I will look into it and provide you with the answer.

**Proceedings suspended from 10.34 a.m. to 10.53 a.m.**

**CHAIR**—I welcome back the officers from the Office of the Employment Advocate.

**Senator GEORGE CAMPBELL**—Mr McIlwain, that was a very interesting explanation that you gave before we went to the break, but I just want to come back to my original question. Can you provide us with the details of how many occasions you have had to vary the award in AWAs for the application of a no disadvantage test?

**Mr McIlwain**—I need to understand exactly the question so we can answer it correctly. Is the question: on how many occasions has the OEA designated the wrong award? Or is it: on how many occasions is the OEA aware that it used the wrong award for the purpose of a no disadvantage test?

**Senator GEORGE CAMPBELL**—It may not necessarily be the Office of the Employment Advocate; the parties may have designated the wrong award. So it is a little bit wider than what you are saying.

**Mr McIlwain**—Thank you. That is very helpful. I think I am now able to answer your question. It is not common but occasionally an employer or their agent will nominate an award that they believe covers the workplace. They might nominate it as an award to which they are respondent or covered by a common rule. We always check the award that is included in the filing application forms, because we need to be certain that the award we use for the no disadvantage test is the correct award.

Where we discover an employer is not covered by an award, we will then designate an appropriate award as provided by the act to conduct the no disadvantage test. For example—if I can return to my plumber example—if the employee is a plumber, we will designate, for instance, a southern states plumbing award, and that is how the NDT will be conducted. If an employer chooses, for example, the wrong award and writes the agreement for a workplace that their workplace is not, we pick that up in the no disadvantage test process. At that point, there would be a couple of options available. Depending upon the circumstances, the employer might be invited to withdraw the AWA and start again with the correct award in mind or we might go through the process of conducting the NDT against the correct award. If the agreement then failed the NDT, we would, as the law asks me to do, seek an undertaking to have that agreement fixed up so that it could be approved.

**Senator GEORGE CAMPBELL**—Can you give us the number of instances where that has occurred?

**Mr McIlwain**—I do not think I can, because this is a process that occurs in every AWA and hundreds of NDTs are conducted each day by my staff. We simply do not record that information in a manner that is searchable.

**Senator GEORGE CAMPBELL**—I accept what you are saying. If I had had that answer 20 minutes ago I might not still be sitting here asking the question. If it is not obtainable, it is not obtainable. Is that what you are saying?

**Mr McIlwain**—Now that I understand correctly what I was being asked to answer, what I am saying is that we do not have that information in a way that is searchable.

**CHAIR**—That concludes consideration of this matter. I thank the officers.

[11.01 a.m.]

### **Department of Employment and Workplace Relations**

**CHAIR**—The committee is considering cross-portfolio issues for the department.

**Senator MARSHALL**—I am interested to have details provided to the committee of all the consultancies in place for the current financial year. If you want to take this on notice, you can, but if you have the information now, that would be appreciated. Could you provide the total cost, the breakdown of the cost of each consultancy, the consultant engaged and the purpose or task for which the consultant is engaged or was engaged?

**Dr Boxall**—Obviously we will need to take that on notice. In table 51, appendix 8 on page 323 of the annual report, we have reported on that for the past financial year, so we could take on notice a request for the consultancies so far this financial year.

**Senator MARSHALL**—Thank you. A number of questions—I think around 17—are still outstanding from December 2004. Can you provide the committee with an explanation as to why those questions have not been answered?

**Dr Boxall**—The department received 56 questions on notice, to be tabled by 31 January 2005—35 were tabled, four have been tabled since and 17 remain outstanding. I expect they will be tabled shortly. The reason why they are outstanding is some of the questions are very detailed and require lots of information.

**Senator MARSHALL**—When you say ‘shortly’, can you give us a more definite estimation?

**Dr Boxall**—I am afraid not, because it is the minister who tables them, not us.

**Senator MARSHALL**—Can you tell me how long ago they went to the minister?

**Dr Boxall**—Some have been sent to the minister’s office quite recently. There are about four that are yet to go to the minister’s office, but we expect them to go to the minister’s office very shortly.

**Senator MARSHALL**—What about the remainder?

**Dr Boxall**—If four are yet to go to the minister’s office, that means 13 have gone to the minister’s office very recently.

**Senator MARSHALL**—So there are 13 with the minister now and four will be shortly.

**Dr Boxall**—There are roughly 13.

**CHAIR**—Are there any more cross-portfolio questions?

**Senator JACINTA COLLINS**—Chair, I think you will find most of the cross-portfolio issues relate to outcomes 1 and 3. For the department’s benefit, cross-portfolio issues that might relate to those outcomes will probably be dealt with by senators dealing with those outcomes. I am happy to move on to outcome 2.

[11.06 a.m.]

**CHAIR**—We will move to outcome 2, Higher productivity, higher pay workplaces.

**Senator MARSHALL**—I started to ask the Office of the Employment Advocate matters in relation to Mr Jonathan Hamberger, and I was told this is the appropriate area to ask those questions.

**Dr Boxall**—That is correct.

**Senator MARSHALL**—Can you tell me on what date he finished in his position?

**Mr Bennett**—He commenced his new position on the commission on 2 August 2004. He resigned his former position on 18 June 2004.

**Senator MARSHALL**—Are you saying it was a resignation?

**Mr Bennett**—Yes.

**Senator MARSHALL**—Apart from any accrued leave entitlements, did he receive any other moneys upon his resignation?

**Mr Bennett**—Not that I am aware of. We are having that matter checked already though.

**Senator MARSHALL**—Can you provide details of what his travel expenses were for the last year and overall while he occupied the position?

**Mr Bennett**—On the OEA?

**Senator MARSHALL**—Yes.

**Mr Bennett**—I am sorry to obfuscate, but that would be a question for the OEA rather than us. However, I am sure that between the two of us we can provide you with the information you are requesting—but not necessarily at this moment.

**Senator MARSHALL**—Thank you. I thought they advised me that all questions in relation to his employment were to be dealt with by the department.

**Mr Bennett**—Yes, I heard that.

**Senator GEORGE CAMPBELL**—With the minister's concurrence.

**Senator MARSHALL**—Was he provided with a corporate credit card?

**Mr Bennett**—In his position in the OEA?

**Senator MARSHALL**—Yes.

**Mr Bennett**—I am also unable to answer that question for you, but I am sure that the OEA people will be able to provide you with an answer.

**Senator MARSHALL**—Will you be able to provide that on notice?

**Mr Bennett**—Yes.

**Senator MARSHALL**—Will you also be able to provide a list of accommodation expenses?

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

**Senator MARSHALL**—And whether he had a food and beverage allowance?

**Mr Bennett**—Again, we will take that on notice.

**Senator MARSHALL**—And if he did, how that was accounted for?

**Mr Bennett**—Again, we have to take that on notice. These are questions for the OEA, though I understand the background of why you are asking us.

**Senator MARSHALL**—I did start to ask some of these questions and follow up with specific questions for the person occupying the position now, and I was advised that all of those areas should be handled by the department.

**Mr Bennett**—What may have happened is that, given your questions about when he started in his new position, people have made the assumption that they are questions about his current position at the AIRC.

**Senator MARSHALL**—I just want to be assured that I will get the answers to these questions and the department will take responsibility for doing so.

**Mr Bennett**—Yes.

**Senator MARSHALL**—In the period 18 June to 2 August, did he work for the department in any form?

**Mr Bennett**—No, not for the department.

**Senator MARSHALL**—Did he work for anyone else that you are aware of?

**Mr Bennett**—His date of resignation took effect from 1 August 2004, so he would have continued on as Employment Advocate until 1 August 2004.

**Senator MARSHALL**—So he put in his resignation on 8 June and continued working in the position until 2 August.

**Mr Bennett**—Yes.

**Senator MARSHALL**—Are you able to provide details of Mr McIlwain's employment package to the committee?

**Mr Bennett**—We would have to take that on notice.

**Senator MARSHALL**—Please do that.

**Senator JACINTA COLLINS**—While we are on the Office of the Employment Advocate, and having listened to the discussion earlier this morning, it might be helpful if we go back to the issue of the department's role with respect to the Office of the Employment Advocate. Can you provide the committee with a description of the department's role with respect to that office and what functions you perform?

**Dr Boxall**—Before the chief financial officer addresses the detail of that question, the Office of the Employment Advocate is one of the outputs of outcome 2. It is assigned a budget which is part of the outcome 2 budget.

**Ms Graham**—We also have a memorandum of understanding between the department and the OEA. We provide corporate type services to the OEA under that memorandum of understanding.

**Senator JACINTA COLLINS**—That is another reason why the OEA might be suggesting we need to talk to the department about corporate services such as the management of corporate support.

**Ms Graham**—They do manage some of their own corporate support, but there are some services that are provided by the department.

**Senator JACINTA COLLINS**—Can you describe for me the distinction between the two—what the department does as opposed to what the OEA does for itself?

**Ms Graham**—Things like property management are undertaken by the department. Obviously, they are on our financial management system with their transaction processing—

**Senator JACINTA COLLINS**—Who manages corporate credit cards?

**Ms Graham**—I would have to check, but I believe they manage their own corporate credit cards.

**Mr Pratt**—The department also provides the OEA with IT support on a fee-for-service basis.

**Senator JACINTA COLLINS**—Can we be provided with a copy of that memorandum of understanding?

**Ms Graham**—I have to take that on notice.

**Senator JACINTA COLLINS**—I appreciate that you would not have one here. I cannot think of any reason why it would be problematic to furnish the committee with a copy of it.

**Dr Boxall**—We will take it on notice.

**Senator JACINTA COLLINS**—I will probably have a few questions about how this outcome is currently structured, but since we are on the Employment Advocate I might start there. This is why I am seeking to understand, in current terms, the relationship between the department and the OEA.

**Mr Pratt**—Page 36 of the portfolio additional estimates statement might help.

**Senator JACINTA COLLINS**—It is actually another page I am looking for. It had more detail, outlining changes in the additional estimates for the department. One of them related to an OEA project. It was an additional amount of money to advocate increased numbers of AWAs. It is on page 35 and it says:

An increase of \$3.00m for *Australian Workplace Agreement—Encouraging Uptake by Small Businesses*; ...

Does that funding go into the department or does that go into the OEA?

**Ms Graham**—That measure, which was announced during the election process, was the measure that Mr Peter McIlwain spoke to Senator Marshall about previously when he referred to the \$12 million over four years.

**Senator JACINTA COLLINS**—I was not here at that time, so humour me, please.

**Ms Graham**—A large component of that was provided directly to the OEA as an increase in their budget, and a small component was retained by the department to undertake work associated with that measure.

**Senator JACINTA COLLINS**—This is what I am trying to understand—what is the work associated with that measure that is performed within the department, as opposed to within the agency?

**Mr Pratt**—Of the \$3 million that was made available to the OEA for this financial year, \$2.7 million went to the OEA for its purposes and \$300,000 has come to the department for the Office of Workplace Services for the promotion of AWAs as part of the promotion of agreement making generally that that office does.

**Senator JACINTA COLLINS**—A component of promoting agreement making is promoting AWAs, so presumably some project or some work being done within the department receives that \$300,000.

**Mr Pratt**—It will do, yes.

**Senator JACINTA COLLINS**—Is there a particular project that you are referring to there, Mr Pratt?

**Mr Pratt**—Not at this stage.

**Senator JACINTA COLLINS**—What—so there is \$300,000 for no known purpose at this stage?

**Mr Pratt**—No, but I will get an expert to come and tell you what we are going to use that funding for.

**Senator JACINTA COLLINS**—Thank you. I think you also indicated that it was part of broader funding for promoting agreement making, so I presume there is more than just the \$300,000. Is that correct?

**Mr Pratt**—No, it is only \$300,000 that has come to us from that election measure.

**Senator JACINTA COLLINS**—It is not combined with other funding for the promotion of agreement making other than for AWA purposes?

**Mr Pratt**—Certainly, it has gone into the budget for the Office of Workplace Services, which has a much bigger budget than that. That is covered by outcome 2.2.4.

**Senator JACINTA COLLINS**—Have you got a page number for me?

**Mr Pratt**—Page 39 provides information on output 2.2.4. You can see from that that the original budget price was \$23.985 million and the new price is now \$26.73 million, which includes the extra funding for AWA promotion.

**Senator JACINTA COLLINS**—But at this stage it does not specify a particular project about promoting agreement making. Is that correct?

**Mr Kibble**—The money has just been allocated to the branch. We are working with the OEA. The OEA, as Mr Pratt indicated, got \$2.7 million, so we are working to complement their work to promote AWAs to small business, particularly through our workplace advisory service. We run seminars, produce publications and do workplace visits.

**Senator JACINTA COLLINS**—So is this money retained by you essentially to defray existing costs?

**Mr Kibble**—No.

**Senator JACINTA COLLINS**—There will be new activities in relation to the funding.

**Mr Kibble**—There will be new activities which will complement the OEA's activities.

**Senator JACINTA COLLINS**—That is what I am trying to get to—what will they be? What activities that do not presently occur and that could be described as promoting agreement making will be conducted now with this additional funding?

**Mr Kibble**—We will be conducting more seminars, producing more publications and making more workplace visits.

**Senator JACINTA COLLINS**—So it allows you to extend existing services?



**Mr Pratt**—Yes, with a focus on small business. The election measure was \$12 million over four years to the OEA, and to the department as part of that, to increase the uptake of AWAs by Australian workers in small businesses.

**Senator JACINTA COLLINS**—So you hope you might get more phone calls from people in small businesses and this \$300,000 will help you to defray some of those costs?

**Mr Pratt**—Yes, that is possible.

**Senator JACINTA COLLINS**—The other change described on page 35 is the Workplace Dispute Settlement Pilot Program. Can you describe that for me?

**Ms Bennett**—What would you like to know?

**Senator JACINTA COLLINS**—A bit more than that an increase is received for the Workplace Dispute Settlement Pilot Program, whatever that might be.

**Ms Bennett**—It is a workplace mediation advisory service particularly targeting small businesses. It is \$7 million over two years and it will operate—

**Senator JACINTA COLLINS**—There is an increase of \$0.1 million described here for a pilot program.

**Ms Bennett**—Is this the disputed—

**Senator JACINTA COLLINS**—This is additional funds to mediation—

**Mr Pratt**—Can I refer you to page 12 of the additional estimates statement. You will find under the heading ‘Variations to measures’ the Workplace Dispute Settlement Pilot Program, which shows that the department receives \$100,000 this financial year and \$200,000 next financial year. That funding is split between us and the AIRC.

**Ms Bennett**—No, the AIRC receives \$400,000. It is \$500,000 this year: \$100,000 goes to the department this year to conduct the tender and the evaluation component and \$400,000 is for the AIRC to administer the arrangements.

**Senator JACINTA COLLINS**—Which are?

**Ms Bennett**—It is going to be conducted in Victoria as a pilot to provide mediation services from a number of providers. Some of those may be Industrial Relations Commission conciliators providing mediation services. The other stream to it will be that contracted mediators will go into a workplace or to a regional location to make the service more accessible. It is particularly so that small businesses will be able to have access to a free and more centrally located mediator to deal with workplace disputes.

**Senator JACINTA COLLINS**—So this is a pilot project aimed at extending the functions of the Australian Industrial Relations Commission towards mediation, with a particular focus on small business. Is that a fair description?

**Mr Pratt**—Yes.

**Senator JACINTA COLLINS**—Was that ever announced?

**Ms Bennett**—It was an election commitment.

**Mr Pratt**—For the detail on the funding there, I would refer you to page 68 of the additional estimates statement. This is the part of the statement that relates to the AIRC and the AIR. Any detailed questioning on that funding would, of course, go to them.

**Senator JACINTA COLLINS**—Okay. We will go back to page 36. The only other changes of any significance are those related to the changes with respect to what was not.

**Mr Pratt**—That and the creation of output 2.10, which is the creation of the Office of the Federal Safety Commissioner, which was announced some time back.

**Senator JACINTA COLLINS**—What happened to Mr Stewart-Crompton? Has his tenure concluded and he has moved on to another life?

**Dr Boxall**—His appointment finished I think on 16 December, or around then, and he has retired from the Australian Public Service.

**Senator JACINTA COLLINS**—That is a loss to the Australian Public Service, and I take a moment to reflect. I will move to output 2.1. Are there any changes in relation to the structure in 2.1 or its relation to other outputs?

**Mr Pratt**—No. As you can see from page 36, the only changes to the outcome 2 output structure relate to 2.2.9 and 2.2.10, the Office of the Australian Safety and Compensation Council and the Office of the Federal Safety Commissioner.

**Senator JACINTA COLLINS**—I would have thought that output 2.1 would be particularly busy at the moment. How are they dealing with the strains of additional workload associated with the new reform agenda?

**Mr Pratt**—They are always very busy.

**Senator JACINTA COLLINS**—How many officers are in that area, 2.1, these days?

**Dr Boxall**—That comprises the Workplace Relations Policy Group and the Workplace Relations Legal Group. I am advised about 100 officers are in those two groups.

**Senator JACINTA COLLINS**—Can you give me a bit more detail on the structure of those groups, such as where those officers are working and what their functions are?

**Dr Boxall**—I will call upon Ms Bennett to give you a breakdown of the structure of the Workplace Relations Policy Group and Mr Smythe to give a breakdown of the structure of the Workplace Relations Legal Group.

**Ms Bennett**—There are three branches in the Workplace Relations Policy Group: the Strategic Policy Branch; the Safety Compensation and International Branch; and the Wages and Conditions Policy Branch.

**Mr Pratt**—Page 98 of our annual report might help there.

**Senator JACINTA COLLINS**—This might help me with my next question. The targets here are ‘satisfactory or above’ and ‘effective or above’. What is the difference between ‘satisfactory or above’ and ‘effective or above’? I am on 2.2 here, going back to 2.1, in terms of performance information for the output.

**Mr Pratt**—There is no real difference.

**Senator JACINTA COLLINS**—Are they different scales? Why does one refer to ‘satisfactory’ and the other refer to ‘effective’?

**Mr Pratt**—I think it is just a different choice of language.

**Senator JACINTA COLLINS**—Has the performance appraisal scale changed between the budget and its revision, or is it just loose language of what a performance target might be?

**Mr Pratt**—There has been a small change to the rating scale that the minister uses to assess the quality of our advice. In the past we have had a scale which identified quality of advice, timeliness and presentation, and that has been combined into one scale, so there has been a slight change to the measurement, but the ‘effective’ and ‘satisfactory’ would be equivalent.

**Senator JACINTA COLLINS**—We were going to page 98 of the annual report. At this stage you are telling me about 2.1 policy advice and legal, the organisational unit, but Ms Bennett was down to branches.

**Ms Bennett**—That is also listed on page 98—group manager, workplace policy. They were the three policy areas, the last light shaded area on that page. They are the branches. Mr Smythe and his two branches are listed there as well.

**Senator JACINTA COLLINS**—Has Mr Hoy departed the Public Service too?

**Dr Boxall**—No.

**Senator JACINTA COLLINS**—Let us move down to the next level from the branches—how many officers and where are they in your different branches?

**Ms Bennett**—I would have to take that on notice.

**Senator JACINTA COLLINS**—I have a general question just to guide you in dealing with this on notice in terms of the level of resourcing. What, if any, changes have occurred to that level of resourcing in recent times? There has also been some talk, which I suspect is a misapprehension of the situation, that there has been a new unit established within the department to deal with the reform agenda. I am presuming that is people not properly comprehending how the department is currently functioning and that they are referring to 2.1. Is that correct?

**Dr Boxall**—Your presumption is correct.

**Senator JACINTA COLLINS**—There is no new unit?

**Dr Boxall**—No.

**Senator JACINTA COLLINS**—And from what you are telling me there is no new resourcing either.

**Dr Boxall**—That is correct.

**Senator JACINTA COLLINS**—Since we went to the annual report, and I was looking at the targets for performance outcome 2.1, how has 2.1 been performing? You can take me to the annual report or you can give me an update.

**Mr Pratt**—I will correct this if someone advises me that I am in error here but, from memory, all performance indicators for output 2.1 have been met and are being met at the moment.

**Senator JACINTA COLLINS**—There is generally a scale and a description, and usually it is in the annual report.

**Dr Boxall**—Is that on page 112?

**Senator JACINTA COLLINS**—Yes. I know this because last time around, unfortunately, the Department of Family and Community Services, when Minister Vanstone moved on, had a most unfortunate description of their performance in their annual report which I personally did not think was warranted by the department, but I am curious about what is happening within this department. Over the reporting period for the annual report that would bring us up to, what, mid 2004?

**Dr Boxall**—Yes. This is reporting against the performance targets for 2003-04—that is, up to 30 June 2004. You will notice that table 17 at the top of page 112 has output 2.1.1 Policy advice and legislation development, but this year that output has been split into policy advice and legislation development. In other words, it has been split so that it now—

**Senator JACINTA COLLINS**—Maybe that is the substance for this view that there was some distinct unit within the department.

**Dr Boxall**—Sorry?

**Senator JACINTA COLLINS**—I was just trying to understand why people would perceive that there was a new unit. Maybe that is the only substance to it.

**Dr Boxall**—I am sorry, I have no idea why people perceive that something has happened which did not happen. The point is that, in the budget before last, we had an output which covered both policy advice and legal—in other words, they were covered together. In the last budget, which is reflected in this portfolio budget statement, they are split and that is the discussion we are having. We now have one output for workplace relations policy and one for workplace relations legal. We have performance indicators for both those outputs and they have been listed again on page 37 in the additional estimates statement, which I know you are focused on. We will report against those indicators in the annual report at the end of the financial year.

You asked Mr Pratt, I think, or the department, how things are going in workplace relations policy advice and Mr Pratt advised that, as far as he was aware, so far during the financial year they were meeting their performance indicators.

**Senator JACINTA COLLINS**—When I go to the annual report at page 112, under the results for that period, it says that over the year 664 briefs were submitted to the minister, with an average rating of 3.7—‘satisfactory target met’. Could you tell me what the performance is under that measure to date?

**Mr Pratt**—No, we would have to take that on notice but it is above the target.

**Senator JACINTA COLLINS**—I would appreciate if you could give me, to the date appropriate for the question on notice, how many briefs were submitted to the minister and whether they have met the target.

**Dr Boxall**—Yes, we can do that. That is for workplace relations policy and legal.

**Senator JACINTA COLLINS**—Some years ago, for instance, the department apprised me that, at the time, Minister Reith was the most interventionist IR minister they had had in their experience. I am curious about the level of work that the present minister is putting the department to.

**Dr Boxall**—We can report on that.

**Senator JACINTA COLLINS**—How much legislation is the group presently dealing with?

**Dr Boxall**—Mr Smythe can answer that.

**Mr Smythe**—There are presently four bills before the parliament.

**Senator JACINTA COLLINS**—And how many on their way?

**Mr Pratt**—I think that is a matter for the government at this stage.

**Senator JACINTA COLLINS**—Not necessarily. There are some bills that, certainly historically, the government has announced that they are proceeding with and, to the extent that it is public information, I would ask Mr Smythe to answer that question.

**Mr Smythe**—As you are aware there is a public list of bills. I do not have a copy of the public list with me. I will take that on notice and report to you what the public list discloses for the current sitting and the next sittings.

**Senator JACINTA COLLINS**—Equally I could go and look at the public list. I was hoping you might conveniently be able to tell me how many others that are a matter of public knowledge are actually in your workload.

**Mr Smythe**—I do not have that information at my fingertips.

**Senator JACINTA COLLINS**—Is it a bit hard for you to distinguish those that are of public knowledge and those that are not?

**Mr Smythe**—I cannot comment on that.

**Senator JACINTA COLLINS**—Are you also in the process of reviewing the pieces of legislation that had been knocked back from the Senate since 1996?

**Mr Smythe**—I believe that the government has indicated that it intends to reintroduce all legislation that has been stalled since 1996. It follows, therefore, that the department is working on looking at that legislation.

**Senator JACINTA COLLINS**—You might know better than I do: how many pieces of legislation does that amount to?

**Senator Abetz**—There is one piece that has been knocked back 44 times; we know that.

**Mr Smythe**—Again, I will have to take that on notice. I can probably find it before the end of the day. My recollection is that it is of the order of 40 bills, but, as the minister has

indicated, some of those bills have been reintroduced in an identical form, so the total number would not represent the number of different pieces of legislation covering different topics.

**Senator JACINTA COLLINS**—It is that figure that I would be most interested in.

**Mr Smythe**—So you want the figure for bills dealing with separate topics.

**Senator JACINTA COLLINS**—Yes.

**Senator Abetz**—Don't you know what you voted against?

**Senator JACINTA COLLINS**—Oh, Senator Abetz, take a holiday.

**Senator Abetz**—I would have thought you would know what you had voted against and you would have little check list saying: 'We knocked this one back and we knocked that one back.'

**Senator JACINTA COLLINS**—I am probably the person in this parliament who has been kept most busy with these. It is a bit like overload. When you have dealt with so many of them the department's resources are very helpful.

**Senator Abetz**—We are a very proactive government; I accept that.

**CHAIR**—I am sure, Senator Collins, that you have more questions to ask.

**Senator JACINTA COLLINS**—Thank you. Mr Smythe, we were just talking about topics. As you would be aware, in some cases some of the bills that followed earlier rejected bills between parliaments had some subtle differences within them. I would appreciate most your description of different topics. Some of the duplicate bills would be very similar in the next parliament but with some issues dealt with in some slightly different ways. The figure on topics would probably be most useful to me.

**Mr Smythe**—I will take the question on notice, but I am reasonably confident that I can provide you with a document which gives you a clear picture of the legislative history of the bills that have been stalled and may be under consideration.

**Senator JACINTA COLLINS**—You were hopeful that you might be able to do that sooner rather than later.

**Mr Smythe**—I can give you numbers today. A comprehensive picture might take a little longer.

**Senator JACINTA COLLINS**—Thank you. I do not want to put words in your mouth, but you indicated that it would be reasonable to assume that you were in the process of reviewing that past legislation. Can I understand that to mean potential amendments to what was proceeded with previously?

**Mr Smythe**—I cannot comment on that. The content of future legislation, as you know, is entirely a matter for the government and is confidential until such time as it is introduced into the parliament.

**Senator JACINTA COLLINS**—I am more interested in asking process questions about the department's workload, so if you find the way I have classified a question problematic please tell me and we will move back to the avenue I am seeking to explore. We were getting back to staffing of the units. In the past, legislation officers have moved between legislation

and policy. I can recall some Senate inquiries where we have had officers from one section of 2.1 as opposed to another, depending upon what a particular piece of legislation was. Is that still the case or is it all now focused within legislation?

**Mr Smythe**—No, it is as it was before.

**Senator JACINTA COLLINS**—There is a bit of fluctuation between the two.

**Mr Smythe**—And within the group there is a fair amount of flexibility as to who works on what. Although both the groups have branches and sections formally, structurally it is not uncommon for people to work in a flexible way on legislation and policy development as the need arises.

**Senator JACINTA COLLINS**—I will need an indication of overall staffing within each of the branches—let us say, the trend for the last three years. Is that possible?

**Mr Smythe**—I can give you that now in terms of the legal group. There are 30 staff members in the legal group. There are two branches, legal policy branch 1 and legal policy branch 2.

**Senator JACINTA COLLINS**—But I was right in my original contention that it also draws in people from policy?

**Mr Smythe**—From time to time, yes, and vice versa. There are approximately 15 staff in each of the branches.

**Senator JACINTA COLLINS**—What is the difference between the two branches? What does branch 1 do and what does branch 2 do?

**Mr Smythe**—It is notionally subject matter oriented. Within legal policy branch 1 there are sections dealing with appointments, another section dealing with organisations, freedom of association and international matters, another section dealing with termination, transmission, Victoria and minimum entitlements matters—

**Senator JACINTA COLLINS**—Sorry, termination and transmission?

**Mr Smythe**—Termination, transmission, Victoria—which was largely the common rule exercise but there are other special issues relating to Victoria because as you know Victoria has referred its industrial relations power to the Commonwealth, so—

**Senator JACINTA COLLINS**—Yes. That was actually a very long-term campaign of mine that ultimately had some success, as I recall. Let us hope we do not go backwards very soon. Keep going.

**Mr Smythe**—And minimum entitlements. In legal policy branch 2, the sections are the bargaining and industrial action section and the employee protection section. But as I indicated earlier there is a large amount of flexibility so that, if particular issues come up requiring additional work, people work outside the formal nomenclature of their section.

**Senator JACINTA COLLINS**—Those people who come to assist with legislation from the policy group would be essentially those in the strategic branch. Is that correct?

**Mr Pratt**—We can do a similar exercise to the one that Mr Smythe has gone through on the policy groups. That might answer your question.

**Senator JACINTA COLLINS**—Okay.

**Mr Smythe**—If I can continue, the second part of your question was about trends over the past three years. Those staffing figures have remained pretty stable over the last three years. The variation would be plus or minus a couple of per cent.

**Senator JACINTA COLLINS**—And the last eight years?

**Mr Smythe**—I would have to take that on notice.

**Ms Bennett**—In relation to the workplace relations policy group, it has had pretty consistent staffing numbers. Of the branches, the safety compensation and international branch has four sections. It has roughly 18 to 19 people, because there are some part-timers and how that works out specifically. The strategic policy branch has about 17 to 18 staff and it has four sections. The wages and conditions policy branch has about 32 staff and it has five sections. Also within the group is the outcome 2 support unit.

**Senator JACINTA COLLINS**—What is the outcome 2 support unit?

**Ms Bennett**—It provides administrative support.

**Mr Pratt**—It provides administrative support for the entire workplace relations outcome—all of the groups in the outcome.

**Senator JACINTA COLLINS**—So is the wages and conditions policy branch assisting with legislation as well or it principally the strategic branch that does that?

**Ms Bennett**—It is principally the strategic policy branch.

**Senator JACINTA COLLINS**—Have there been any changes in the extent to which that has occurred in recent times?

**Ms Bennett**—No. We have worked closely with the legal policy group for some time.

**Mr Smythe**—As you would appreciate, not so long ago the two groups were part of the same group and naturally there are fairly close working relationships on these sorts of issues.

**Senator JACINTA COLLINS**—In relation to any new legislation, all of that—other than what is on the public list—is in the category of advice to government. Is that correct?

**Mr Smythe**—I do not think I am able to comment on legislation that is not in the public list.

**Senator JACINTA COLLINS**—When does the public list bring us up to?

**Mr Smythe**—There is a public list for the next sitting of parliament—the winter one.

**Senator JACINTA COLLINS**—So that brings us up to the changeover of parliament, doesn't it?

**Mr Smythe**—The public list is up to the end of the financial year.

**Senator JACINTA COLLINS**—In the past the department had areas focusing exclusively on sectoral reform. Does any of that still reside within the present structure of the department?

**Dr Boxall**—Output 2.2.2, 'Industry and Australian government employment advice' covers issues to do with sectoral matters.



**Senator JACINTA COLLINS**—In relation to government employment.

**Dr Boxall**—No, it says ‘Industry and—

**Senator JACINTA COLLINS**—Okay.

**Mr Pratt**—And page 133 of the annual report describes the activities of the output.

**Senator JACINTA COLLINS**—Am I in the right place—‘Anzac Day substitution’?

**Mr Pratt**—It is just below that.

**Senator JACINTA COLLINS**—So at the moment we have the building industry—surprisingly—but what other industries are being focused on at the moment?

**Dr Boxall**—That is in the next paragraph on page 133 under ‘Other industries’.

**Senator JACINTA COLLINS**—So transport, resources and manufacturing and services. What is presently occurring in those particular sectors?

**Dr Boxall**—Senator, are we finished with output 2.1?

**Senator JACINTA COLLINS**—I suppose rather than cross-portfolio, we are on total output.

**Dr Boxall**—So we can expect people to come back?

**Senator JACINTA COLLINS**—Yes.

**Mr Smythe**—I would like to correct something I told you a moment ago. The public list is at the moment available only for the autumn sittings. There is no public listing available yet for the winter sitting.

**Senator JACINTA COLLINS**—Mr Smythe, perhaps I will charge you with a different question to take on notice—that is, to your understanding, how many other pieces of legislation has the government announced or are public knowledge but which are not presently on the list?

**Mr Smythe**—So non-public list?

**Senator JACINTA COLLINS**—I am not asking you to tell me about pieces of legislation that you are working on which are matters solely for advice to the minister; I am asking you to—

**Mr Smythe**—But if the government has announced that it will do certain things legislatively, you would like a list of those announcements?

**Senator JACINTA COLLINS**—Yes.

**Mr Smythe**—Certainly.

**Senator JACINTA COLLINS**—Particularly if they are not on the present public list. Does that make sense?

**Mr Smythe**—Yes, I will take that on notice.

**Mr Kovacic**—With respect to sectoral activities across the areas identified in the annual report, there are two key elements to the work of the group. One is to monitor industrial relations development in those particular sectors—for instance, if there are major disputes or

major enterprise bargaining negotiations, campaigns et cetera. Secondly, there is a role for the group in terms of advancing the government's workplace reform agenda in those particular sectors. That involves activities such as liaising with stakeholders from the industry sectors, including highlighting to them the flexibilities that are available under the Workplace Relations Act, as well as other particular issues that may arise in the context of those discussions.

**Senator JACINTA COLLINS**—Within those particular sectors of—

**Mr Kovacic**—Resources, transport, services and manufacturing.

**Senator JACINTA COLLINS**—Does that include the work with the Prime Minister's task forces, or is all of that done in PM&C?

**Mr Kovacic**—That is primarily PM&C.

**Senator JACINTA COLLINS**—Do you work with them?

**Mr Pratt**—Which task force are you referring to?

**Senator JACINTA COLLINS**—Over time task forces have been established to work in particular sectors—for example, the food industry. I cannot think of others offhand, but my understanding is that they have essentially worked within PM&C.

**Mr Kovacic**—I am not aware of any.

**Senator JACINTA COLLINS**—You are not aware of any at the moment that relate to the work in your sectors?

**Mr Kovacic**—Not currently.

**Senator JACINTA COLLINS**—In relation to those sectors, you mentioned consultation and the like. I have a question about consultation in relation to the government's reform agenda—and this is where I have said that I am probably across the total output at the moment. What can you tell me about what has occurred there to date?

**Dr Boxall**—In a general sense, the minister is on the record as saying that he has been consulting widely with employers, unions and anybody else who wants to come and consult with him. He has been consulting with them.

**Senator JACINTA COLLINS**—What has the department's role been in the consultation process?

**Dr Boxall**—The department advises the minister from time to time before a consultation.

**Senator JACINTA COLLINS**—Have you been conducting the consultations yourselves as well, independently of the minister?

**Dr Boxall**—No, the minister has been doing the consultation and we have been advising the minister.

**Senator JACINTA COLLINS**—How many different organisations, classified for instance into employer groups, union groups—

**Dr Boxall**—Just to follow up on my answer, we do have informal discussions with various stakeholders, because often a stakeholder will request a meeting with the minister and also

request one with us. But that is a normal part of doing business. We have met with stakeholders ever since I became secretary, and I am sure the previous secretary did.

**Senator JACINTA COLLINS**—I am not seeking to make that distinction; I am seeking to understand, in relation to the reform agenda and legislation that may be proceeded with, the extent to which consultation has been occurring and what level of resourcing of the department has been involved in that. To the extent that you are able, for instance, to indicate the number of briefs that go to the minister and his overall level satisfaction with those, I am curious about the extent to which the department has been facilitating consultation and overall satisfaction with that. The questions I am asking are best couched the following terms. In relation to the government's reform agenda what has been the nature of the consultation to date? Have there been consultative forums that the department has facilitated? Have there been meetings with a variety of employers or employer groups, unions, union groups? If so, how many? How many organisations have been involved? What level of resourcing has been attached thereto? And so on.

**Dr Boxall**—The answer is that the minister has been conducting consultation. As he has stated in the public record, he stands ready to talk with and consult with any parties who want to do so, and he has been doing that. The department from time to time has been advising him, preparing a brief for him, before he enters into a consultation.

**Senator JACINTA COLLINS**—I am now asking on how many occasions and with how many organisations has this occurred?

**Dr Boxall**—That clearly would need to be taken on notice.

**Senator JACINTA COLLINS**—My further question is about the nature of those organisations broken up into your typical IR constituencies.

**Mr Pratt**—We will certainly take this on notice but I will be pleasantly surprised if we can give you the sort of detail that you are looking for, because if you have a relatively informal meeting with a stakeholder it is very hard to define whether you would categorise that as a consultation on reform or whether it might cover a whole bunch of issues relating to the role of the department. We will endeavour to look at it, but I will be surprised if we can give you the sort of detail that you are looking for.

**Senator JACINTA COLLINS**—Let me give it to you this way, to contemplate it: in the future, were a piece of legislation to be proceeding and the minister in his second reading speech to be talking about how widely it had been consulted about, what would be the nature of the consultations that might be pulled together to describe that process?

**Dr Boxall**—We cannot answer that question because we do not know what will have happened in the future in the lead-up to when the minister gives his second reading speech.

**Senator JACINTA COLLINS**—I am not asking that; I am trying to understand what consultation has occurred to date in relation to the legislative reform agenda, and I am suggesting to Mr Pratt that the way to review what has occurred from the department's end, without touching on the issue of me seeking to get at advice to the minister, is to think: would that particular consultation be regarded by the minister in the future when he presents his second reading speech as being related to consultation on that legislation?

**Dr Boxall**—As both Mr Pratt and I have said, the minister is on the public record about what consultations he is engaging in and the method of consultation, and he has been very clear about that. We will take on notice how many consultations the minister conducted and with whom—broken into reasonably sensible groups. Mr Pratt has indicated that he doubts that we will be able to advise the minister at that level of detail in order to answer the question. Nevertheless, we will take it on notice.

**Senator JACINTA COLLINS**—You have indicated that the minister has spoken publicly about his method of consultation. Could you give me a breakdown of that to date? I have not been following this as closely as you obviously have.

**Mr Pratt**—The only public statement that the minister has made on this that I am aware of is to the extent that his door is open to talk to whoever wishes to talk to him about workplace relations.

**Senator JACINTA COLLINS**—Do you know whether there have been any consultation group forums conducted in this process to date that the department has been involved in?

**Mr Pratt**—This is still difficult. No special forums along the lines that you are identifying, but these sorts of matters have been discussed, for example, in meetings with stakeholders, as part of a bigger meeting.

**Senator JACINTA COLLINS**—When you deal with this on notice, that would be an example of one occasion when it would be relatively clear if it occurred as a discrete component of broader events.

**Mr Pratt**—I can give you an example of the National Workplace Relations Consultative Council, which has membership from the unions and employer groups, as well as the department. At that forum, part of the discussions related to these issues. That would be an example of something that we would categorise as a consultation.

**Senator JACINTA COLLINS**—Looking at extreme examples there have not, for instance, been summits? I pick up Dr Boxall's point about the minister being open about his method.

**Mr Pratt**—I can safely say there have been no summits, to my knowledge.

**Senator JACINTA COLLINS**—Have there been specific forums? I think, from your answer, none come immediately to mind.

**Mr Pratt**—No, I cannot think of a specific forum that the minister has convened for that purpose. We will take that on notice.

**ACTING CHAIR (Senator Marshall)**—I want to go specifically to the proposed unitary system. Has the department commissioned or is it working on a paper for public discussion or discussion between interested parties in relation to that process?

**Mr Pratt**—No.

**ACTING CHAIR**—Is the department conducting discussions with your equivalents in the states?

**Mr Pratt**—I certainly have discussions with my equivalents in the states—

**ACTING CHAIR**—I am talking specifically about the unitary system.

**Mr Pratt**—No.

**ACTING CHAIR**—Again, from what I understand, the minister has made public statements about the intention to go down this path. Are you able to tell me on that basis whether you are working on legislation to achieve a unitary system of industrial relations?

**Mr Pratt**—No, we would not comment on anything that the government may wish to do in the future.

**ACTING CHAIR**—Given the discussion between you and Senator Collins before, even though the minister has made a public statement about the intention, you are still unable to tell me? It is in the public domain that that is the intention of the government.

**Mr Pratt**—There is no specific legislation on the public list relating to a unitary system.

**ACTING CHAIR**—But it has to be done through legislation, does it not?

**Mr Pratt**—If the government were to chose to do so, yes—although it is possible that the states may seek to work with the government to cede their industrial relations systems to the federal system. But that is a matter of speculation.

**ACTING CHAIR**—Are there any proposals for the department to conduct forums, seminars or information sessions regarding a move to a unitary system?

**Mr Pratt**—I do not think it is appropriate for me to comment on anything which the government has yet to make up its mind on or may or may not be thinking of.

**ACTING CHAIR**—So there are no plans to conduct any seminars or information sessions on the move to a unitary system?

**Mr Pratt**—I am saying that I do not think it would be appropriate for me to comment on anything which the government may be considering at this stage but which it has not announced any plans on.

**ACTING CHAIR**—You are not doing any now then, are you?

**Mr Pratt**—No.

**ACTING CHAIR**—I have a few more questions on this output in relation to ILO funding.

**Senator JACINTA COLLINS**—How many delegates do we send these days?

**Mr Pratt**—It varies, depending on the meeting of the ILO.

**Senator JACINTA COLLINS**—So there is not a set number these days? It used to be four, then it dropped back to one. What is it now?

**Ms Bennett**—Two department officers attended the last meeting.

**Senator JACINTA COLLINS**—And two employer and two worker representatives?

**Ms Bennett**—Yes.

**Senator JACINTA COLLINS**—Was that particular for the last meeting, or is that now an ongoing increase?

**Ms Bennett**—As Mr Pratt said, it varies depending on what the issues are.

**Senator JACINTA COLLINS**—How many are we sending this year, or is that not known at this point?

**Ms Bennett**—Ms Lipp has confirmed that, for the governing body in June, there was one worker and one employer.

**Ms Lipp**—The last International Labour Conference had four government representatives in attendance. The usual ratio is two to one. So there were two employer and two union representatives. The last governing body meeting, which was in November, had two representatives from Canberra and one employer and one union representative. That is the usual ratio.

**Senator JACINTA COLLINS**—So there were two government representatives to the governing body?

**Ms Lipp**—Yes. Of course, we are not members of the governing body at this stage.

**Senator JACINTA COLLINS**—We are not members of the governing body but went to—

**Dr Boxall**—Australia is not a member.

**Senator JACINTA COLLINS**—I appreciate that, but we still send a delegation to the governing body?

**Ms Bennett**—Yes.

**Senator JACINTA COLLINS**—What is planned for the next meeting, or is nothing planned at this point?

**Ms Lipp**—At this stage, it is proposed that two departmental representatives will attend the meeting that is occurring in two to three weeks time, and there will be the usual one from the employer and one from the union as far as I am aware.

**Senator JACINTA COLLINS**—So you are saying the last occasion was an anomaly, where a higher representation attended—two worker, two employer and four government representatives. What was the particular policy issue that justified that level of representation on that occasion?

**Ms Lipp**—Once a year there is the International Labour Conference, as you are aware, which has a series of technical discussions as well as the core business of the ILO. It takes place usually in May or June. For the last two years, four government representatives and two union and two employer representatives have attended. Detailed discussion of those technical matters and the core business is finalised with a meeting of the governing body in the last one or two days of the International Labour Conference. The governing body only, without these particular topics or whatever—you know the way it works—meets in March and November, and that is when the representation was the 2-1-1.

**Senator JACINTA COLLINS**—Prior to the last two years, I think the representation at the ILO conference was only one or two.

**Ms Lipp**—I think it was two.

**Senator JACINTA COLLINS**—So, as you have described to me, for the last two years that has been increased to two worker representatives, for instance?

**Ms Lipp**—That is correct.

**Senator JACINTA COLLINS**—And, on this occasion, it is dropping back to one?

**Dr Boxall**—No, we have not decided the representation yet.

**Senator JACINTA COLLINS**—Okay. So it is a meeting of the governing body.

**Ms Lipp**—It is just the governing body meeting in March.

**Senator JACINTA COLLINS**—So you have not decided about the future representation or, should I take it, that on an ongoing basis it is back to the two?

**Dr Boxall**—No, you should not take anything in that regard. It will be decided by the minister prior to the meeting in June.

**Senator JACINTA COLLINS**—It is just that you said something earlier about it depending upon what is being dealt with. For two years we have had an increase in the delegation. Did that relate to it dealing with a particular policy issue, because usually they flow through the two conferences, or was there some other explanation?

**Ms Bennett**—As Ms Lipp reflected, it is partly about the issues but also Australia is seeking a position on the governing body, and the work involved—

**Senator JACINTA COLLINS**—Is this a government position on the working body?

**Ms Bennett**—Yes. The work and meetings involved have to date determined the participation by government.

**Senator JACINTA COLLINS**—So the increase in our delegation of worker representatives, government representatives and employer representatives has been associated with a desire to achieve a position on the governing body for the government?

**Ms Bennett**—The workers and employers representation is decided by a formula. So if more government people are represented, the flow-on effect is that there is proportional representation from non-government participants. It is a formula set by the ILO.

**Senator JACINTA COLLINS**—When will the additional positions on the governing body be determined?

**Ms Lipp**—The election is in June 2005.

**ACTING CHAIR**—Have we increased our funding accordingly?

**Ms Bennett**—Australia is the 13th largest contributor to the ILO. Our funding—the actual amount of how much we contribute—proportionally remains the same but goes up and down, depending on the value of the Australian dollar.

**ACTING CHAIR**—Why hasn't Australia ratified conventions 138 and 182 concerning the abolition of child labour?

**Ms Bennett**—We are hoping that will be ratified in the autumn sitting. All the states have indicated their support for it, as has the minister. We are waiting for one state to make the

required legislative amendments within that state, which it is hoping to do in the next few months, and then we can formally ratify the convention.

**ACTING CHAIR**—Is that our attention to do so?

**Ms Bennett**—Yes.

**Senator Abetz**—Which Labor state is that?

**Ms Bennett**—Tasmania.

**ACTING CHAIR**—Has the ILO complained in any way to Australia that we are contravening any of the conventions to which we are a signatory, either formally or verbally at meetings that have been attended by government representatives?

**Ms Lipp**—What time frame?

**Senator JACINTA COLLINS**—Recently.

**ACTING CHAIR**—Recently.

**Ms Lipp**—Not that I am aware of recently. Perhaps in the last two years, but I could take it on notice and come back to you.

**ACTING CHAIR**—Thank you. I was trying to think of an appropriate time frame to describe ‘recently’ or ‘a short time’. It seems to move around depending on who you are talking to.

**Ms Bennett**—The question was: do we have the ILO having made an assessment that we had breached a convention? Is that the question that you have asked?

**ACTING CHAIR**—Not necessarily an assessment but have they raised any concerns with us that we may be breaching any of the conventions?

**Ms Lipp**—In relation to freedom of association, I think you suggested.

**ACTING CHAIR**—In relation to any of their conventions that we have signed up to.

**Ms Lipp**—I can answer in the affirmative on that. Last year at the International Labour Conference Australia did appear before the application of standards committee in relation to forced labour and private prisons. We appeared before it and a conclusion was reached which indicated that we would continue discussions with the committee on that matter. Indeed, Australia participated in an expert meeting in relation to some of the issues around this very dated concept in this convention. We sent an expert from the Western Australian prison system to help to deliberate on the matters at hand.

**Ms Bennett**—In addition to that, an issue has been raised by the ILO with the government in regard to a complaint made by the ACTU that the Building and Construction Industry Improvement Bill, which was tabled before parliament was prorogued, may breach the freedom of association conventions.

**ACTING CHAIR**—So what is the status of that complaint?

**Ms Bennett**—The government has been asked to comment and a response has been provided to the ILO for their consideration.

**ACTING CHAIR**—Can we have a copy of the response?



**Ms Bennett**—That response is not a public document, so until the ILO reveals the details of the complaint and the government response within the context of the complaint that was made it is not publicly available.

**Senator JACINTA COLLINS**—You could take on notice whether the minister would make such a document available to the committee.

**Ms Bennett**—We will take that on notice.

**Ms Lipp**—A copy of the submission has been made available to the social partners, the ACTU and ACCI.

[12.19 p.m.]

**ACTING CHAIR**—We have finished with that output, so we will move on to output 2.2.

**ACTING CHAIR**—How many staff work in the advocacy team?

**Mr Cole**—Three.

**ACTING CHAIR**—What APS levels are covered there?

**Mr Cole**—As team leader, I am an SES officer band 2. The other two staff are executive level 2 staff.

**ACTING CHAIR**—What is your current financial year budget?

**Mr Pratt**—At the top of page 38 of the estimates statements, which is a landscape page, you will see, under output 2.2.1, that the revised price for the advocacy team for 2004-05 is \$0.73 million.

**ACTING CHAIR**—How many cases in the Australian Industrial Relations Commission did the Commonwealth intervene in in 2003 and 2004?

**Senator JACINTA COLLINS**—And 2005?

**ACTING CHAIR**—Or is this not a question for the advocacy team?

**Dr Boxall**—We will get James Smythe to answer that question.

**Mr Smythe**—I will have to take that question on notice.

**ACTING CHAIR**—While you are doing that, do you know how many you have done to date this year?

**Mr Smythe**—How many new ones this year?

**ACTING CHAIR**—Yes.

**Mr Smythe**—Interventions altogether this year have been 10 in number. The number in the AIRC is six.

**ACTING CHAIR**—Are you able to provide the committee with a list of all the interventions over those years across all jurisdictions?

**Senator JACINTA COLLINS**—Or an update on past answers?

**Mr Smythe**—Yes, on notice.

**Mr Pratt**—The annual report covers 2003-04 on page 115.

**ACTING CHAIR**—Is that the whole year or just the financial year?

**Mr Pratt**—That is for the financial year of 2003-04.

**Senator JACINTA COLLINS**—Mr Pratt, as an aside, do we know who printed this annual report?

**Mr Pratt**—I am sure we do.

**Senator JACINTA COLLINS**—I have only just started on mine and it is falling apart already. Is this a common problem?

**Mr Pratt**—No. Mine is in very good shape.

**Senator JACINTA COLLINS**—Take this on notice, but was this done by the usual printing arrangements, or is there some new outsourced arrangement for printing the annual report that I am suffering from?

**Mr Pratt**—We will take that on notice. It is certainly not something outcome 2 can comment on.

**Dr Boxall**—I think we have given this information in past Senate estimates, and we can update anything that has happened since the previous information was tabled.

**ACTING CHAIR**—Thank you.

**Mr Smythe**—If you wish, I can read out the cases in which the Commonwealth has intervened since the last Senate estimates.

**ACTING CHAIR**—Please do.

**Mr Smythe**—They are: the Wesfarmers case, which was in the Federal Court in Western Australia; ANZ Banking against the FSUA in the AIRC; the Alcheringa Hostels case in the AIRC; a series of cases that were all heard together by the full bench of the AIRC which we refer to as the Schefenacker series of cases; a case regarding the business development agreement for the AaE with the TWU before the full bench of the ARC; the Tenix Solutions Pty Ltd case before the AIRC; an application under section 113 of the act by the Liquor, Hospitality and Miscellaneous Union to vary the supported employment award regarding employees with disabilities before the AIRC; the state redundancy test case flow-on of the federal TCR decision before the Western Australian Industrial Relations Commission; the CFMEU against Billiton and Integrated Group Pty Ltd before the Western Australian Industrial Relations Commission; and Newcrest Mining Ltd against the CFMEU before the New South Wales Industrial Relations Commission.

**Senator JACINTA COLLINS**—Another question is: how many current matters are there?

**Mr Smythe**—There have been 22 ongoing matters this financial year. Some of those have now concluded.

**Senator JACINTA COLLINS**—Could you provide us with a list of those?

**Mr Smythe**—I can, on notice.

**Senator JACINTA COLLINS**—Was the department intervening for the government in the child-care workers case?

**Mr Smythe**—No.

**ACTING CHAIR (Senator Marshall)**—We will suspend the committee for lunch.

**Proceedings suspended from 12.28 p.m. to 1.32 p.m.**

**ACTING CHAIR**—Dr Boxall, I have some questions for you on GEERS. I understand that Korda Mentha, the administrators of the Walter Construction Group, and a representative of Walter Construction Group staff requested that GEERS officers attend a meeting today, Thursday, 17 February, with direct employees of the collapsed company to assist with their redundancy applications. I understand that this request was refused yesterday. Can you explain why?

**Ms Connell**—You are referring, I believe, to the Walter Construction Group request?

**ACTING CHAIR**—Yes, that is right.

**Ms Connell**—It is not common practice for the department to send along an officer to those creditors' meetings. That is the role of the insolvency practitioner, and that was conveyed to both the staff representative and the insolvency practitioner.

**ACTING CHAIR**—So you are saying that the meeting that they refused to attend was the creditors' meeting; it was not a request to attend a meeting with the staff.

**Ms Connell**—No. It was a request to attend a meeting being held by the insolvency practitioner to brief staff or ex-employees on the situation.

**ACTING CHAIR**—Can you tell me whether the request for GEERS staff to attend the meeting was forwarded to and considered by the minister or an officer in his office?

**Mr Bonggi**—Yes, I think it was. The request was made of my area to send someone there. But, as Ms Connell has just indicated, it is not normal practice for us to attend these meetings. As I understand it, this was meant to be some sort of expo to brief staff and have people come through and ask questions of different elements, but we just do not do that sort of thing, especially so early.

**ACTING CHAIR**—Indeed, but this is a high-profile collapse. I thought you indicated—but you should clarify this—that the request for GEERS staff to attend the meeting was passed on to the minister's office. Is that what you said before?

**Ms Connell**—It was not done by the department. I understand that there was a separate approach made by a representative of staff directly to the minister's office. That was conveyed to us to deal with.

**Dr Boxall**—But it was our decision.

**ACTING CHAIR**—What assistance is the department proposing to offer the former employees of Walter Construction Group?

**Mr Bonggi**—It would be the normal assistance that would be provided under the scheme. That starts off with sending information material in information packs, which we have done. We have also sent information to the administrator in an insolvency practitioners pack. We have also sent both of those lots of material to the staff representative and we are in constant dialogue with the administrator.

**ACTING CHAIR**—I am advised that a Walter Construction Group employee was advised in writing by the director of the New South Wales case management group that, ‘It should be noted that GEERS is not designed to divert taxpayer funds to underwrite commercial arrangements.’ Can you explain the necessity of the statement?

**Mr Bongi**—Under the operational arrangements we pay for employee entitlements. We do not pay for restructuring. At this stage it is very early in the case. The information that we have at the moment is not sufficient to make any decision about whether employees will need GEERS funding.

**ACTING CHAIR**—Is that a standard response to individuals simply making an inquiry about GEERS?

**Mr Bongi**—We have provided that, I think, from time to time. I would have to check. But it is within the language that we use in the branch.

**Mr Pratt**—For the record, they have not applied yet for assistance under the scheme.

**ACTING CHAIR**—But obviously people are making inquiries. It has already been stated that some information has been provided to employees of the company. I am just trying to find out what the standard response is.

**Mr Pratt**—We have provided assistance to the IP. Is that correct?

**Ms Connell**—Yes. Our standard approach is to provide the IP with all of the information he or she requires to understand how GEERS operates. It is the IP’s responsibility to ensure that the employees of the company are fully informed of all of their options, including the availability of GEERS if they are eligible.

**ACTING CHAIR**—I understand that employees of Walter Construction Group have been advised that, once their applications for entitlement have been received, it could take anywhere between four weeks and four months to process the applications. Can you explain to the committee why it takes that long?

**Ms Connell**—About 80 per cent of our claims are processed within a 16-week period. That is the normal practice.

**Mr Pratt**—If you look at page 38 of the additional estimates statement you will find the performance indicator which the department operates to. It is at paragraph 2.2.5. It says that 80 per cent of claims are processed within 16 weeks of receipt. Many, of course, are processed much quicker than that. It depends on the complexity of the claim and the information that is provided with the claim. So it could be that claims will be processed very quickly, within a few weeks. If they are more complex, it may take a bit longer.

**ACTING CHAIR**—Are you aware of any applications or inquiries from contractors and subcontractors at Walter Construction Group?

**Mr Bongi**—No. I also want to correct something that Mr Boxall said a moment ago. To date, we have received five applications. We received one application last Friday.

**ACTING CHAIR**—I think that was Mr Pratt.

**Mr Pratt**—I am very grateful for having been corrected. There are two of us now very happy with Mr Bongi.

**Mr Bong**i—We have received five claims.

**ACTING CHAIR**—Are contractors or subcontractors eligible for GEERS?

**Mr Bong**i—No, they are not.

**Senator MARSHALL**—Under no circumstances?

**Mr Bong**i—Not as contractors or subcontractors.

**Senator MARSHALL**—Has the department undertaken any work relating to the inclusion of contractors or subcontractors into GEERS?

**Mr Bong**i—No.

**Senator MARSHALL**—Is it your intention to do so?

**Mr Bong**i—That is a matter for the government to make a decision on.

**Senator MARSHALL**—Have there been any instructions from the minister's office to consider amending entitlements under GEERS as it is currently to include contractors or subcontractor?

**Mr Bong**i—I am not aware of any.

**Senator MARSHALL**—Has there been any instruction from the minister to cost an increase in the common redundancy payment above the current eight weeks?

**Dr Boxall**—We cannot canvass issues that might go on between the minister and his office and the department. We simply cannot confirm or deny or answer that question.

**Senator MARSHALL**—Is the department considering or doing any costings for increasing the common redundancy payment above the current eight weeks?

**Dr Boxall**—We cannot answer that question, either, because the government has to make an announcement about whether they want to change some of the parameters for the operation of GEERS. In the event they do decide to do that they will announce it. But we cannot canvass issues that we may or may not be working on.

**Senator MARSHALL**—If I can move to GEERS generally and away from Walter Construction Group, I am advised that the office of Sharon Grierson, the member for Newcastle, has been advised that electorate officers can no longer undertake advocacy directly with GEERS on behalf of constituents. Can you advise me when this arrangement came into place?

**Mr Bong**i—There was a call placed to my branch from that office—yesterday, I think it was—asking for information. We have a protocol within our department that those matters are to be referred to our minister's office and that is where that matter was referred to.

**Senator MARSHALL**—So inquiries from electorate office staff are not dealt with by GEERS; they are referred to the minister.

**Dr Boxall**—It is a general protocol in the department that the department does not engage in one on one discussions with senators or members or their office apart from through our minister's office. So if somebody in a senator's or member's office wants to make an inquiry on behalf of a constituent about GEERS they need to go through our minister's office.

**Senator MARSHALL**—How long has that been in place?

**Dr Boxall**—This protocol has been in place ever since I have been secretary, and there might well have been a similar protocol in place under my predecessor.

**Senator MARSHALL**—I take it from that the minister's office would have a liaison officer to work with electorate offices on GEERS matters? Would that be the case?

**Dr Boxall**—If an electoral officer of a member of parliament wants to make an inquiry on behalf of a constituent, they can call the minister's office and the minister's office will handle it. In the minister's office we have two departmental liaison officers. If they could not handle it then they would get in contact with the department.

**Senator MARSHALL**—So your department has departmental liaison officers within the minister's office, and there are two of them.

**Dr Boxall**—Yes. That is standard practice.

**Senator ALLISON**—I now want to go to SEESA, or the Special Employee Entitlement Scheme for Ansett group workers.

**Dr Boxall**—Yes.

**Senator ALLISON**—Could we start by describing the relationship between this department—I know that it crosses over with Transport and so on—so that we understand what the relationship is and who it is that ought to be answering the questions that I have?

**Ms Connell**—The department is responsible for administering SEESA as a program. We also have the contract responsibilities with SEES Pty Ltd, which is a private sector entity that was contracted to assist with the delivery of the program.

**Senator ALLISON**—Is there a set of rules of arrangements which govern the relationship between your department, SEES and SEESA and the administrators, KordaMentha?

**Ms Connell**—We have a commercial contract with SEES Pty Ltd.

**Mr Armstrong**—There were a number of arrangements that were put in place to support the operation of the Special Employee Entitlement Scheme. There is a contract that we have with SEES Pty Ltd which outlines their role, functions and responsibilities that we agreed with them. There are also arrangements and deeds put in place with the Ansett administrators.

**Senator ALLISON**—KordaMentha.

**Mr Armstrong**—Yes.

**Senator ALLISON**—Sorry—that you have put in place?

**Mr Armstrong**—Yes, and SEES were involved in—

**Senator ALLISON**—Is it possible to make those available to the committee?

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

**Senator ALLISON**—Do you have regular contact with KordaMentha and SEES?

**Mr Armstrong**—We have quite regular contract with SEES Pty Ltd, because they are dealing with a range of matters still under the contract, including paying employee entitlements. There are still some employees employed by the Ansett administrators, and they

are paying out those entitlements. The other contact that we have with them relates to their role managing the recovering of the money paid through the distributions from the Ansett administrators. So, yes, we have quite frequent contact with SEES Pty Ltd. We do have some contact with KordaMentha, but it is not that frequent. It is generally every three to four months.

**Senator ALLISON**—Can you explain to the committee how it was that, on 15 December last year, Ansett administrators were able to announce \$16 million in payments to Ansett workers and also announce \$10 million in payment to the Commonwealth? What is the process that gave rise to that announcement?

**Ms Connell**—I can talk generally about it. Any distributions by KordaMentha will be through the realisation of assets or an injection of funds into the administration process. Part of the SEESA scheme is that, while the government advanced funds to employees at the outset, they then stand in the shoes of employees to receive the recovery. So the Commonwealth is a creditor and party to the administration process. There have been a number of distributions since Ansett was insolvent and that was yet another distribution.

**Senator ALLISON**—Is it correct that the Commonwealth is in fact a priority creditor?

**Ms Connell**—We have equal status with the employees.

**Mr Armstrong**—It is equal status with the employees but the way that status is worked out is that, for any amount of money that the Ansett administrators might have available to distribute to the creditors—the Commonwealth and the employees—because of the size of the various debts that are owed, the distribution is made relevant to the size of the debt. My advice from SEES Pty Ltd is that the distributions are occurring at a rate of 30 per cent to us and about 70 per cent of any dollar to employees.

**Senator ALLISON**—How does that fit with the payment of \$16 million to Ansett workers and \$10 million to the Commonwealth? It is not quite that percentage, is it?

**Mr Armstrong**—I would have to have a look. It is not quite that percentage. I would have to take advice on that.

**Senator ALLISON**—Who is empowered to make that decision about the size of the payment?

**Mr Armstrong**—The Ansett administrators would work through that, based on their application of the priorities under section 556 of the Corporations Act. The responsibility for making that distribution lies with the Ansett administrators.

**Senator ALLISON**—Help me out with this. What does it mean in respect of this payment?

**Mr Armstrong**—When they look at the funds available from the realisation of assets, they are required under the Corporations Act to make the distributions in accordance with a set of priorities that are laid down in the act. In our case, they are provided in a deed of company arrangements that is in place for the Ansett administration. They would look at that and say, ‘Given the various debts that are available, we need to pay the employees this amount of what they’re owed and the Commonwealth this amount of what they’re owed, based on those priorities.’

**Senator ALLISON**—Is the deed of company arrangements available?

**Mr Armstrong**—I will take that on notice.

**Senator ALLISON**—What forward calculations were done on expected revenues prior to the introduction of the levy?

**Mr Armstrong**—The calculations on what would be collected under the levy would have been undertaken by the Department of Transport and Regional Services.

**Senator ALLISON**—The Department of Transport and Regional Service say that this is not a matter for them to have done and that it was your department.

**Mr Armstrong**—The levy collection was a responsibility of that department. My understanding was that in their appearance here the other day they indicated that they would be looking through their files to provide information to the extent that they would have done those calculations.

**Senator ALLISON**—So these were not provided to your department?

**Mr Armstrong**—There was a time when we had to make a decision about the level of loan repayments that we would make on the loan taken out by SEES Pty Ltd. They did indicate to us at that time that, on their estimates, the flow of funds from ticket levy collections would be about \$8 million a month.

**Senator ALLISON**—And it turned out to be what?

**Mr Armstrong**—On average, I believe it turned out to be \$13 million.

**Senator ALLISON**—A month? So an underestimation.

**Dr Boxall**—That is really a question for the Department of Transport and Regional Services.

**Senator ALLISON**—We have already established that. However, they advised your department so it seems a logical thing for me to ask you what advice you received from the department.

**Dr Boxall**—We are not in a position to pass on other departments' data that they have given us, for which they are responsible.

**Senator ALLISON**—Dr Boxall, really! What assessment was made of the value of the Ansett assets? Is this also the department of transport's responsibility, because they definitely told me that it was not.

**Dr Boxall**—The assessment of the assets is a process that is undertaken by the Ansett administrators, KordaMentha.

**Senator ALLISON**—Are you allowed to tell me what they told you about it?

**Dr Boxall**—Most of that would be publicly available information. I would have to take that on notice because I would be speaking about our particular area of interest rather than the assets as a whole.

**Senator ALLISON**—It is not in this document? I have not had the chance, I must say, to look through this.



**Dr Boxall**—No, is not in that document.

**Senator ALLISON**—It is not in here?

**Dr Boxall**—No, it is not in there, because it relates to the responsibilities of KordaMentha.

**Senator ALLISON**—While I am on the subject, why is it that this document, which has only just been released, is already almost 12 months out of date?

**Ms Connell**—There is a question on notice about the reasons for the delay in producing that annual report.

**Senator ALLISON**—It is a question on notice? You cannot answer it?

**Ms Connell**—I think we do have that on notice already.

**Senator ALLISON**—It is only a four-page report. Why does it take 12 months to produce a four-page report?

**Ms Connell**—It was tabled as soon as was practicable. We have that question on notice.

**Senator ALLISON**—When can we see the report of the period from April 2004 to March 2005?

**Dr Boxall**—Sometime after the end of that period.

**Senator ALLISON**—How long after?

**Dr Boxall**—That depends. It is the minister who tables the report. My memory is in accord with Ms Connell's: this was a question asked on notice and there will be an answer tabled about the length of time it has taken to produce a report.

**Senator ALLISON**—Are you able to tell the committee when this was made available to the minister?

**Dr Boxall**—No. I do not know.

**Senator ALLISON**—Are you able to indicate when the next one will be made available to the minister?

**Ms Connell**—As soon as practicable after the—

**Senator ALLISON**—What is that, Ms Connell?

**Ms Connell**—That is a requirement of tabling the report, as soon as practicable, and that is what we endeavoured to do.

**Senator ALLISON**—It may well be that there are figures in here that you cannot get until 12 months later, or there may be some other explanation and you are unable to provide that.

**Ms Connell**—We are not in a position to say when the next report will be tabled.

**Senator ALLISON**—Are you in a position to say how long it takes, after having compiled the figures or after the particular period, to compile the report?

**Ms Connell**—It takes some months. It depends on the complexity of the information but it does take some months.

**Senator ALLISON**—Would you expect the information to be more or less complex than that previous 12 months information?

**Ms Connell**—Just as complex.

**Senator ALLISON**—So you are unable to give me the value of the Ansett assets. Was there an assessment made of those values in relation to the ability of KordaMentha to repay the loan at the time that the loan was made?

**Ms Connell**—KordaMentha does not repay the loan. I am sorry, I do not quite understand your question. Mr Armstrong said earlier that, in estimating the repayment schedule on the loan, we had to take information from the Department of Transport and Regional Services as to the potential realisation of assets, which I think Mr Armstrong has already provided to you. On that estimate we based our repayments on the loan at \$8 million.

**Senator ALLISON**—So the \$8 million a month turned out to be \$13 million a month. To what extent did the estimate of the asset sales also exceed the anticipated amount?

**Mr Armstrong**—Again, that is something for KordaMentha. It is an issue through the whole process of the Ansett administration. Until probably about November 2003 the potential value of assets and what would be returned to creditors as a result were somewhat up in the air because of the number of disputes that KordaMentha were involved in.

**Senator ALLISON**—So no assessment was made. Is that what you are saying?

**Mr Armstrong**—The assessment was that initially there was an expectation that the Ansett company may have been sold to Tesna, which you will recall was around at the time. That gave some potential for most of the debts of Ansett to be paid. When that fell through there was an ongoing process by the administrators looking at all the assets they had available to them to make assessments and advise assessments in creditors reports, and they are publicly available information on the Ansett administrator's web sites. Over the course of the Ansett administration, as the assets were being realised or as conditions changed, there were necessary adjustments by them to the estimates of the assets that they had to realise.

**Senator ALLISON**—So that happened progressively.

**Mr Armstrong**—Yes, progressively.

**Senator ALLISON**—As assets were sold, as new information came on board, the assessment was upgraded accordingly.

**Mr Armstrong**—It was updated. And the information on the progress of those assessments is available on KordaMentha's web site. Their reports to creditors are there, and they show the fluctuations in those adjustments.

**Senator ALLISON**—So at what point did it become apparent that the assets were being realised at a higher rate than anticipated?

**Mr Armstrong**—I am not too sure that I can confidently suggest that the assets were being realised at a higher rate than was anticipated. I would have to go back and have a look at the original advice from KordaMentha as to what was, at the commencement of the administration, their belief about the value of the assets once realised.

**Senator ALLISON**—I am sorry, what was that last sentence?

**Mr Armstrong**—As I understood the question, you asked: at what point in time was there a realisation that the assets value would be higher than initially anticipated? My answer was

that I would have to go back and look at the original estimates made by KordaMentha in order to determine if there was a higher realisation of assets than the original estimation.

**Senator ALLISON**—Is this information you do not know at the present time?

**Mr Armstrong**—I would have to take it on notice.

**Ms Connell**—I could clarify it a little bit. What Mr Armstrong is trying to say is that there is a lot of uncertainty surrounding the realisation of the assets. The estimate of assets would change with either court cases or uncertainties about the realisation of certain assets. I think there was never any one point in time when that would have changed significantly. It was a moving feast, if you like. It was a very complex arrangement, clearly.

**Senator ALLISON**—Mr Armstrong has pointed out that it fluctuated—it went up and down—but you did not keep a tally? You were not at any point saying, ‘Oh well, that means overall we’re likely to have revenue much higher than the estimate’?

**Ms Connell**—There was continuing uncertainty. It was very difficult to make a clear prediction at any one point in time because the flows varied and fluctuated so much.

**Senator ALLISON**—Was KordaMentha required to make regular reports about the realisation of the assets and the value?

**Ms Connell**—They were required to report to the creditors which, as Mr Armstrong advised, produced regular creditors’ reports which they posted on their web sites. As administrators, they were required to regularly report to creditors.

**Senator ALLISON**—I do not have the benefit of having seen the web sites, so I cannot make judgments. Did that reporting on the web sites or in some other way show totals? Did it indicate how many had been sold so far and adjust the estimate accordingly? If so, with what regularity?

**Ms Connell**—I think they produced quarterly reports to the creditors with sufficient detail about the assets, the rate at which they were being realised—

I have been corrected. There have been four creditors’ reports to date, and the reports detailed that sort of information.

**Senator ALLISON**—So that is a bit less than quarterly?

**Ms Connell**—Yes.

**Senator ALLISON**—Twice yearly?

**Ms Connell**—Yes, roughly.

**Senator ALLISON**—What is the up-to-date figure on the realisation of assets?

**Ms Connell**—We will get that figure for you. The department does not actually sit on the committee of creditors. We have to gain that information second-hand.

**Mr Armstrong**—The most recent information we have is that, in respect of employee entitlements from the realisation of assets, it is anticipated that they will be able to pay \$636 million of the employee entitlements, which is partly paid by SEESA—\$380 million—and the rest will come from the realisation of assets.

**Senator ALLISON**—You are making me do the maths. So that is \$328 million—yes?

**Mr Armstrong**—I will trust you, Senator.

**Senator ALLISON**—What is the value of the assets yet to be realised?

**Mr Armstrong**—I would not have that information with me. That is a total estimate by KordaMentha at the end of the administration. That is their expectation.

**Senator ALLISON**—I see. What was the original estimate?

**Mr Armstrong**—I will take that on notice.

**Senator ALLISON**—Roughly what percentage of the assets has now been sold? Does \$328 million represent the vast majority; is there 10 per cent left to sell?

**Ms Connell**—We are not aware of the exact proportion.

**Senator ALLISON**—I have not seen the web site, but you presumably have. Is it on the web site?

**Mr Armstrong**—It would be on the web site. We could take that on notice. We would have to go back and look at the reports to creditors to determine the answer to that question.

**Senator ALLISON**—This whole matter is not of much interest to you; you do not keep a running check on it?

**Ms Connell**—The Commonwealth is represented on the committee of creditors by DOTARS. They have the detailed information. We source the information from the documents Mr Armstrong has mentioned.

**Senator ALLISON**—Going back to Korda-Mentha reporting, does it appear just on the web site or is there a written report? If so, is it more frequent than twice a year?

**Ms Connell**—Mr Armstrong has advised me they do provide a quarterly report to the department.

**Senator ALLISON**—Is it possible to get a copy of those reports?

**Ms Connell**—We will take that on notice.

**Senator ALLISON**—Would there be any reason why it should not be made a public document?

**Ms Connell**—We will take it on notice.

**Senator ALLISON**—Who provided those quarterly reports? Was it SEES or Korda-Mentha?

**Ms Connell**—They came directly from Korda-Mentha.

**Senator ALLISON**—What was the date on which the government ceased collecting the ticket levy?

**Ms Connell**—That would be a question for DOTARS. But our recollection is July 2003.

**Senator ALLISON**—How was that decision made? Given the fluctuations and the difficulty in understanding the situation at any point in time, what was the process and how was your department involved in the decision that led to cease collecting the levy?

**Ms Connell**—SEES did not collect the levy. As I said, anything to do with the ticket levy is the responsibility of the Department of Transport and Regional Services.

**Senator ALLISON**—Did you advise the Department of Transport and Regional Services about when it was appropriate to stop collecting the levy?

**Ms Connell**—There may have been some consultation, but it was a decision for the department and the Minister for Transport and Regional Services.

**Senator ALLISON**—But the department of transport says it does not know anything about the asset sales and is in no position to comment on such matters. All it knows about is the levy and how much levy has been collected.

**Ms Connell**—The department of transport represent the Commonwealth on the committee of creditors. They are provided with this information and they have responsibility for the ticket levy.

**Senator ALLISON**—Your department did not provide any information to the department of transport with regard to an appropriate time to stop the levy collection?

**Dr Boxall**—My understanding is that we were consulted by the department of transport, but they have prime carriage of it.

**Senator ALLISON**—When you were consulted, what advice did you provide?

**Dr Boxall**—We cannot disclose that. My understanding is that it is not within the standing orders of the committee for us to disclose what advice we might or might not have supplied.

**Senator ALLISON**—There is a lot of obfuscation going on between the two departments over this matter. It will be difficult to get to the bottom of it.

**Dr Boxall**—There is no obfuscation going on by the Department of Employment and Workplace Relations on this issue.

**Senator ALLISON**—Except that we cannot be party to why the decision was made, when it was made or on what basis.

**Dr Boxall**—But these are decisions taken by government. We advise the government and the government makes decisions. We cannot say what advice we might have given the department of transport—which was formulating advice for their minister—or, in turn, what advice we might have given our minister, when the issue was raised with him. We cannot do that.

**Senator ALLISON**—The policy was clear, as I understand it. This levy was being raised in order to fund employee entitlements, together with the asset sales. I think it is quite appropriate for the Senate to ask the question: did the Commonwealth go beyond that levy and the asset sales in terms of profiteering over this issue? We had assurances from the minister for transport to say this would not occur, and I think it is incumbent on us, or on you, to answer questions about whether or not that profiteering took place.

**Senator Abetz**—What the minister may or may not have said is not for the departmental officials.

**Senator ALLISON**—Perhaps you can answer, Minister.

**Senator Abetz**—If I understand correctly, from the outset the government said that any surplus from the Ansett ticket levy would be used for aviation and tourism initiatives. So in talking about profiteering: there was at the very outset the thought that an excess of money may possibly be raised, and if that were to occur then that excess money would be used in the manner that I have just outlined.

**Senator ALLISON**—As indeed it has.

**Senator Abetz**—So there was no obfuscation. That was up front right from the start and I would have thought there was no confusion about it.

**Senator ALLISON**—Minister, you are not suggesting that the minister for transport said at the time of the levy being put in place, at the time the parliament considered the matter, that more money would be collected than was necessary?

**Senator Abetz**—What he said was that there might be that—

**Senator ALLISON**—Subsequently, the minister said that, I think you will find.

**Senator Abetz**—My advice is that, from the outset, the government indicated that any surplus would be used for aviation and tourism initiatives and, consistent with that position, the Minister for Transport and Regional Services announced on 4 December that any levy surplus would be applied to aviation security initiatives. There is nothing inconsistent with that. When you raise a levy, it is pretty difficult in the circumstances to indicate that you will raise exactly the right amount of money. I would have thought that it would be beyond anybody's capacity to say that if we levy an amount for so long on each ticket we will raise the exact amount of money. The possibility of an excess was canvassed at the very beginning, and if there were to be an excess then the minister indicated how it would be spent.

**Senator ALLISON**—What is that excess? When you take into account the levy and the realisation of asset sales?

**Senator Abetz**—Can I suggest, with respect, that question ought to go to Transport and Regional Services and not to Employment and Workplace Relations.

**CHAIR**—It is not really the purview of this committee, Senator.

**Senator Abetz**—My brief here deals more with the employment side. I will just see if the brief does deal with that. I am sure the figures would be available somewhere.

**Senator ALLISON**—If I can assist—it is my understanding that the loan was \$300 million, that the asset sales were somewhere around \$208 million and that the ticket levy has raised \$286.1 million. Would that be accurate?

**Senator Abetz**—I think Ms Connell indicated earlier it was 'a moving feast'—is that what you said?

**Ms Connell**—That is what I said, yes.

**Senator Abetz**—And there are questions about the assets—whether you can sell them, whether they have all been sold, at what value et cetera—that have not been fully determined, so we are still in a state of flux.

**Senator ALLISON**—I understand that. All I am suggesting is that \$208 million in asset sales has already been achieved. Is this correct?

**Mr Armstrong**—A higher amount of asset sales have been achieved by the Ansett administrators. The \$208 million figure that you may be referring to is the loan repayments that we made off the loan that the private sector company—SEES Pty Ltd—obtained to fund the payment of employee entitlements.

**Senator ALLISON**—The \$208 million is the amount repaid from the asset sales to the Commonwealth?

**Mr Armstrong**—The \$208 million was paid from the Commonwealth to meet the principal and loan repayments of SEES Pty Ltd. SEES took out a \$350 million loan to fund the cost of the Ansett employee entitlements. The Commonwealth paid \$208 million in principal and interest from the ticket levy receipts.

**Senator ALLISON**—Is there a schedule which shows us all of these figures?

**Ms Connell**—There is a question on notice from Senator O'Brien, I believe, that is being finalised that addresses that question. It will be provided shortly.

**Senator ALLISON**—So the loan to the Commonwealth has been fully paid now.

**Mr Armstrong**—Correct.

**Senator ALLISON**—How much money is still likely to be collected through asset sales?

**Mr Armstrong**—Again, that is something that I would have to go back and look at.

**Senator ALLISON**—Roughly.

**Mr Armstrong**—It is KordaMentha's responsibility. I would have to go back and look at their reports to creditors.

**Senator ALLISON**—Those are on the web site, you say.

**Mr Armstrong**—Yes.

**Senator ALLISON**—Maybe I should look at the web site. You are not able to recall the last report on the web site about what still remained to be sold and its value?

**Mr Armstrong**—No.

**Senator ALLISON**—Are you aware of who the shareholders are or who owns SEES?

**Ms Connell**—SEES Pty Ltd is a private company set up by Bentleys MRI. It was set up specifically for the purpose of fulfilling the contract with the Commonwealth for the SEESA program.

**Senator ALLISON**—Bentleys MRI.

**Ms Connell**—Yes.

**Senator ALLISON**—Who owns Bentleys MRI?

**Mr Armstrong**—It is an accounting and insolvency firm with a range of partners.

**Senator ALLISON**—Does the Commonwealth have any interest in Bentleys MRI or anything to do with Bentleys MRI?

**Ms Connell**—It is a private sector firm, so there is no direct Commonwealth interest.

**Senator ALLISON**—None whatsoever?

**Ms Connell**—Not to my knowledge.

**Senator ALLISON**—What does the government expect to receive in future payments? Is there a schedule of future payments likely to be coming through from KordaMentha?

**Mr Armstrong**—Yes. Based on the current estimates available from KordaMentha, it is expected that we would receive approximately an additional \$50 million.

**Senator ALLISON**—So \$50 million is still to come.

**Mr Armstrong**—Yes.

**Senator ALLISON**—It might have been useful to have said that in the first place. And this is from asset sales?

**Mr Armstrong**—That is correct.

**Ms Connell**—That is just to the Commonwealth, though. Your question earlier, I believe, asked what were the total assets to be realised.

**Senator ALLISON**—So where will other moneys go?

**Mr Armstrong**—Other moneys would be going to the employees.

**Ms Connell**—Other creditors.

**Senator ALLISON**—Do they include Ansett workers?

**Ms Connell**—Ex-employees, yes.

**Senator ALLISON**—Just going back to that \$50 million still to come, you say that the loan has been fully paid back to the Commonwealth. Is that right?

**Ms Connell**—The private sector loan that was taken out to meet the payments to Ansett employees has been repaid in full. That is correct.

**Senator ALLISON**—What are the total administrative costs that SEES Pty Ltd can expect to collect in addition to the repayment of the loan by KordaMentha?

**Ms Connell**—Sorry, are you asking about the total fees paid to SEES?

**Senator ALLISON**—The administrative costs.

**Mr Armstrong**—I would not be able to provide you with an estimated total administrative cost for SEES Pty Ltd because it depends on the work that they do under the contract. What we have paid them to date would be \$2.9 million.

**Senator ALLISON**—What are the unknowns?

**Mr Armstrong**—The unknowns in terms of SEES Pty Ltd are that they are required to do work under the contract and, depending on the work that they do, they bill us on set hourly rates. It will depend on the activities that surround the—

**Senator ALLISON**—So it is a kind of costs-plus contract, is it?



**Mr Armstrong**—Yes, that is correct. There was an initial cost and now they are billing us on hourly rates for the work that they actually do on SEESA.

**Senator ALLISON**—Is there a cap or an estimate that they are working to?

**Mr Armstrong**—No.

**Senator ALLISON**—An open-ended contract on hourly rates?

**Ms Connell**—Sorry, was that a question?

**Senator ALLISON**—Yes. Is it an open-ended contract or is there a limit?

**Ms Connell**—No, it is a contract where we have a list of tasks that are required to be fulfilled and we pay SEES on an hourly basis.

**Senator ALLISON**—Does KordaMentha give you details of what was done for that administration or do you just get a set number of hours and a dollar value on the hourly rate?

**Ms Connell**—You may be a bit confused. KordaMentha does not advise the Commonwealth about the hours relevant to SEES.

**Senator ALLISON**—Sorry. It is SEES I am referring to, not KordaMentha.

**Ms Connell**—SEES give us an hourly breakdown and a task breakdown of exactly what work they have undertaken for the Commonwealth. That is provided on a monthly basis.

**Senator ALLISON**—Is that available publicly?

**Ms Connell**—We would have to take that on notice.

**Senator ALLISON**—I am being given the wind-up here, so I want to finish on the community standard. How were worker entitlements determined and who decided that?

**Ms Connell**—Are you referring to SEESA?

**Senator ALLISON**—No, to the community standard that determined worker entitlements, which, as I understand it, your department had something to do with. In other words, eight weeks redundancy, sick leave and annual leave.

**Ms Connell**—Are you referring to its application under SEESA or under the employee entitlement scheme more broadly?

**Senator ALLISON**—What is the difference?

**Ms Connell**—SEESA is a defined scheme that was set up to deal with the ex-employees of Ansett, and that has its parameters. Then we have the employee entitlement scheme that is broader.

**Senator ALLISON**—Do you mean beyond Ansett?

**Ms Connell**—They do both apply the same community standard to redundancy at the moment.

**Senator ALLISON**—What is the other one you are referring to?

**Ms Connell**—The broader employee entitlements scheme—GEERS.

**Senator ALLISON**—Are they the same?

**Ms Connell**—They currently have the same redundancy cap; that is correct.

**Senator ALLISON**—Who does this other scheme apply to?

**Dr Boxall**—It applies to employees who cannot have their entitlements paid more generally. The SEESA scheme applies just to ex-Ansett employees; GEERS applies to any employees who have not had their entitlements paid.

**Senator ALLISON**—That the Commonwealth has a role in funding.

**Dr Boxall**—Yes, indeed. The Commonwealth pays out considerable money under GEERS for workers who have lost their entitlements.

**Senator ALLISON**—So who determined that this should be the community standard for the SEESA scheme?

**Dr Boxall**—The government.

**Senator ALLISON**—So that was a ministerial decision?

**Ms Connell**—Yes.

**Dr Boxall**—Yes, I think so.

**Senator ALLISON**—And it did not take into account the entitlements that former Ansett employees understood themselves to be entitled to.

**Dr Boxall**—The government was aware of what former Ansett employees thought were their entitlements, such as redundancy, but the government decided that it would determine a community standard and pay up to the community standard.

**Senator ALLISON**—Even though, in this case, the Commonwealth was not in effect or in reality funding those entitlements?

**Dr Boxall**—In the case of GEERS, the Commonwealth does fund the entitlements.

**Senator ALLISON**—I realise that, but not in this case.

**Dr Boxall**—The Commonwealth made advances.

**Senator ALLISON**—But those advances have all been repaid and more.

**Dr Boxall**—When the Commonwealth made advances, it was not clear that they would all be repaid; otherwise there would have been no need to make the advances.

**Senator ALLISON**—We had a levy that would have applied, surely, until that loan was repaid?

**Dr Boxall**—The levy is taxation revenue, so it goes into the consolidated account just like anything else.

**Senator ALLISON**—It was set up for the purpose of paying for the entitlements. That is how it was sold to the general public. How can you say it was just general revenue?

**Ms Connell**—The ticket levy was never intended to directly fund the employee entitlements.

**Senator ALLISON**—I understand that. It was to be added to by the assets.

**Ms Connell**—The private sector loan was obtained for that reason.

**Senator ALLISON**—Precisely. In other words, apart from the standard which is set for schemes which the Commonwealth entirely funds, that was used as the standard for the Ansett levy, regardless of what Ansett entitlements might have been for redundancy at the time of the collapse. Is that correct?

**Dr Boxall**—The government determined a community standard for redundancy, and that is the standard that they applied for redundancy in the case of the SEESA employees.

**Senator ALLISON**—I will leave some questions on notice. Can the department provide copies of any and all determinations made in relation to SEESA and the air passenger ticket levy? The Auditor-General's report in 2004 into the scheme says that around 9,500 employees are waiting for payment of entitlements for redundancy in excess of eight weeks. Have any of those workers received any further payments since that report was handed down? How many workers are still awaiting payment of entitlements for redundancy pay in excess of eight weeks? What is the total sum that the workers are still owed? What consideration has been given to speeding up those payments, and when can they expect to receive their money?

**Senator MARSHALL**—I am very conscious of the time and, while we are not very far through output 2, I want to give my colleagues enough time to deal with outputs 1 and 3. I should just advise the department that we will put the rest of the output 2 questions on notice, and that will probably mean there will be a much higher than normal number of questions that come through on notice.

[2.26 p.m.]

**CHAIR**—We will move to the two Indigenous programs: output 1.2, Labour market program management and delivery, and output 3.2, Labour market strategies.

**Dr Boxall**—That is fine. We will deal with them together.

**Senator CARR**—I might begin with Indigenous employment programs. How is the review of the Indigenous Employment Policy going?

**Mr Correll**—A two-stage evaluation has been undertaken of the Indigenous Employment Policy and program. In the questions put to us a little over a week ago in relation to the previous Senate hearings, there was a request as to whether the senators could have access to those two-stage reports, which are being finalised at the moment. Basically the answer to that question is yes, and those reports are being provided to the select committee secretariat.

**Senator CARR**—When will that be done?

**Mr Correll**—As soon as those answers to the questions are finalised. I think the answers are due by 5 p.m. tomorrow.

**Senator CARR**—You expect to have no trouble with that time line?

**Mr Correll**—No, subject to the usual ministerial clearance.

**Senator CARR**—Do those reviews go to the issue of the local jobs for local people plans for the regions?

**Mr Correll**—Through our Indigenous employment program there have certainly been specific projects relating to local jobs for local people. We have run those projects in locations like Shepparton and Cape York, and they have been successful when they use the STEP

component of the Indigenous Employment Policy and program. So within the evaluation reports I would expect reference to the local jobs for local people projects. I would have to check the specific wording to determine the extent of the reference.

**Senator CARR**—Thank you. Were you looking for additional functions to be undertaken through those particular projects?

**Mr Correll**—In terms of the Indigenous Employment Policy and the Indigenous employment program, essentially when that program was first created, it was established like a suite of tools to be flexibly applied to meet Indigenous community needs. The findings are that that approach is working well. I think one of the most substantive issues to emerge from the evaluation related to building stronger links between the Indigenous employment program and mainstream services like Job Network. The most substantive issue was continuing to build those strong links.

**Senator CARR**—Will these additional functions require additional resourcing?

**Mr Correll**—From memory, that is not the case. The issue is really establishing the stronger links between the Indigenous specific and mainstream programs.

**Senator CARR**—Within existing resources?

**Mr Correll**—Yes.

**Senator CARR**—Do you intend to ensure that the solution brokers will be in the ICCs?

**Mr Correll**—Yes. We are in the process of finalising selection processes across the country for solution brokers in Indigenous coordination centres. There have already been rounds of the first wave of training in solution brokering activity, and we are going to have continuing waves of training.

**Senator CARR**—Will they be primarily responsible for implementing the local jobs for local people plans?

**Mr Correll**—Yes, they would be very actively involved with that. We would see the solution brokers as members of the Indigenous coordination centres working very closely with the other agencies in the development of a shared responsibility agreement and with local jobs for local people strategies connecting into those shared responsibility agreements.

**Senator CARR**—Are you familiar with the paper ‘Indigenous centres in the policy margins: the CDEP scheme over 30 years’ by Dr Will Sanders? It was a paper presented to the ACOSS annual conference and, I understand, put on the web site of the Centre for Aboriginal Economic Policy Research recently.

**Mr Correll**—I have read the paper.

**Senator CARR**—So you are familiar with it, are you?

**Mr Correll**—I have read it, but I would not say that I have it memorised in any way.

**Senator CARR**—Do you agree with the assessment of Dr Sanders that, with Indigenous specific programs, it will be hard to have a program such as CDEP integrated within the mainstream programs of the department?

**Mr Correll**—I cannot really give an opinion on that paper. I would want to look at the specific clauses.

**Senator CARR**—You cannot give an opinion on the paper?

**Mr Correll**—No.

**Senator CARR**—But what about the conclusion? Essentially, given the objectives of CDEP, which is a community development project, and the objectives of the department, which is primarily focusing on employment outcomes, there will inevitably be a tension.

**Mr Correll**—I cannot really comment on a view from that author. I would simply make one observation: there is already a strong role being shown through the new Indigenous employment centres in many CDEP organisations today, where increasingly strong employment outcomes are being achieved.

**Senator CARR**—What is the primary objective of the department as far as the integration of CDEP programs goes?

**Mr Correll**—The Minister for Employment and Workplace Relations has flagged that next week, on 21 February, he will be launching a discussion paper which will set out possible directions for CDEP. That will trigger wide-ranging briefing and consultation sessions all over the country. That will essentially be the vehicle where the government will be outlining those possible directions and then wanting to get strong feedback on those directions.

**Senator CROSSIN**—Where will the briefing sessions on the discussion paper be held?

**Mr Correll**—There are 37 locations across Australia. I might ask my colleague Mr Harvey if he has the detail.

**Mr Harvey**—We can provide you with a list. There are 37 locations, in places such as Fitzroy Crossing, Port Hedland and Derby. It has a range of rural and more remote locations—so 37 locations across Australia.

**Senator CROSSIN**—Could you provide that list to us now?

**Mr Harvey**—Yes.

**Mr Correll**—We can provide that.

**Senator CARR**—Has it changed from the one published with the press release of the minister?

**Mr Harvey**—No, it is the same list. It is on the web site.

**Senator CARR**—We might turn to the announcement that the minister is intending to make on Monday. I understand that you invited Senator Crossin to the announcement in Alice Springs. Is that correct?

**Senator CROSSIN**—I am not sure you have invited me, but I will be at—

**Senator CARR**—Have you invited Senator Crossin?

**Mr Harvey**—That would be up to the minister.

**Senator CARR**—Have you invited any Labor politicians to any of the consultation sessions—apart from Senator Crossin, whom I am sure you would have?

**Senator ALLISON**—Or a Democrat senator?

**Senator CARR**—We will go to that in a minute.

**Mr Correll**—The briefing and consultation sessions are public forums. They are being notified via both newspaper and Indigenous radio. Our intention is that they be open for all to attend.

**Senator CARR**—Perhaps I can go through some of the questions that have emerged in the public debate in recent times about the proposed briefing paper—and some of the issues more specifically, because you invariably tell me that you cannot discuss a briefing paper until it is ready to be released. Is that right?

**Mr Harvey**—That is correct.

**Senator CARR**—You cannot tell me much about what is in the briefing paper?

**Mr Harvey**—No, apart from the fact that the minister issued a press release on the 15th, and he talked in very broad terms about what was going to be in the discussion paper. That is also on the web site.

**Senator Abetz**—Can I indicate that my advice is that coalition MPs were not specifically invited either, so if Labor and Democrat senators and MPs feel upset that they did not get a personal invitation I can advise them that no coalition MP got a personal invitation. Those who feel aggrieved can now feel unaggrieved.

**Senator ALLISON**—Not necessarily.

**Senator Abetz**—Okay, you keep feeling aggrieved.

**Senator CARR**—Is it the intention of the government to maintain the existing CDEP guidelines?

**Mr Correll**—Not necessarily. That will depend on feedback from the consultation process which will be triggered with the launch of the discussion paper. There are guidelines in play for the current CDEP funding agreement, but they would certainly be under review, following the feedback from the consultations, for the next funding agreement starting on 1 July 2005.

**Senator CARR**—So I can ask you about the existing funding agreement?

**Mr Correll**—If you wish.

**Senator CARR**—There is no reason why you cannot answer questions on that. For instance, I understand that in the past the government has made some point of stressing the need for the Working for Families component of CDEP. Is that still an important part of the program?

**Mr Harvey**—Yes, it is an important part of the program, and there are 1,000 places each year.

**Senator CARR**—How many places in that program have been filled this year?

**Mr Harvey**—This year we have 946 targeted places. Of those, 558 have been allocated at this stage.

**Senator CARR**—So of the 1,000, 558 have been filled?

**Mr Harvey**—That is correct.

**Senator CARR**—Whereabouts are those 558? Where have they been placed?

**Mr Harvey**—I have a list for 2003-04, but I do not have a list with me for 2004-05. However, they are in a range of locations. For example, last year there was a range of participant places in the Northern Territory, Queensland and South Australia.

**Senator CARR**—You could give me the list. I would appreciate that. How many places would be in regional areas, and what do you think the breakdown would be in terms of regional versus urban areas?

**Mr Harvey**—The initiative was targeted on more remote areas. I do not have a breakdown with me.

**Senator CARR**—That surprises me. I thought you would be able to help me with that.

**Senator Abetz**—You can be surprised.

**Senator CARR**—I am constantly surprised. Can one of the officers here help you? I see someone coming to the table. Are you able to provide that information today?

**Mr Harvey**—All I can say is that all the placements for this year are in remote locations, but I do not have a list with me.

**Senator CARR**—They are all in remote locations?

**Mr Harvey**—Yes.

**Senator CARR**—Are you absolutely certain that they are all in remote locations?

**Mr Harvey**—For this year. In past years there may have been some that were not in remote locations. That is why I answered that some were not necessarily in remote locations in previous years.

**Senator CROSSIN**—With the 558 places, when you say ‘this year’, are you saying from 1 January?

**Mr Harvey**—From 1 July, so for this financial year.

**Senator CROSSIN**—None of those are in places such as Darwin or Cairns?

**Mr Harvey**—That is my understanding.

**Senator CARR**—So the full 558 are in remote communities?

**Mr Harvey**—That is my understanding, yes. But when we come back to you with the list, it will provide you with the complete information.

**Senator CARR**—Have you done any evaluation of the outcomes with regard to family violence?

**Mr Harvey**—There has been some work done on the outcomes by the department, but it is only discussions with the CDEPs about the outcomes. There is no formal—

**Senator CARR**—Not formal?

**Mr Harvey**—No.

**Senator CARR**—An informal evaluation?

**Mr Harvey**—No. It is just work undertaken by our staff in terms of talking to the CDEPs about the outcomes.

**Senator CARR**—You ring them and ask them, ‘How’s it going?’

**Mr Harvey**—In general terms, yes.

**Senator CARR**—Is that the way the department normally works?

**Mr Harvey**—It is the way that we are working at this stage with this program.

**Senator CARR**—There is a unique set of arrangements for this?

**Mr Harvey**—That is correct.

**Senator CARR**—So the evaluation process remains informal for this particular program?

**Mr Correll**—We have only had this program since 1 July last year and, in a similar way to the way we have done comprehensive evaluations of other programs—such as the Indigenous employment policy—in other areas, we would be looking to apply those sorts of standards to this program.

**Senator CARR**—Sure. But you have had it for eight months. Is it not the case that the officers from ATSIC moved over to the department as well?

**Mr Harvey**—That is correct.

**Senator CARR**—It is not really much of an excuse to say you have only had it for eight months.

**Mr Correll**—Our initial emphasis on the transfer of the program to the department—and remember this is a very significant program: 240 projects and 36,000 or 37,000 participants across Australia—was to ensure a smooth transition across to the department. That is the first phase. The second phase is the government now looking closely at the future directions of the program. The first phase was a smooth transition. That mission has been accomplished, and we are now looking at the phase of looking at the future directions of the program.

**Senator CARR**—What can I say in terms of your informal evaluations? What is the difference now between the way in which you are administering the program and the way it was done traditionally?

**Mr Correll**—I think the sorts of things that characterise the way this portfolio administers programs is a very strong focus on outcomes, objectives, clear accountability for those objectives and high levels of transparency over performance. We operate within a national contract management framework, which applies across all the programs. We are currently in the process of implementing that national contract management framework in relation to the CDEP program. That uses a network of account managers and contract managers throughout the country. So it is a focus on performance, outcomes and accountability.

**Senator CARR**—How is that different from ATSIC?

**Mr Correll**—I am not familiar with ATSIC’s processes. All I can comment on is the way we do business in DEWR.

**Senator CARR**—Can you advise me what particular activities have been approved under your tutelage of the CDEP with regard to the working for families component?



**Mr Harvey**—The range of activities?

**Senator CARR**—Yes.

**Mr Harvey**—There is a significant range of activities and they might relate to—

**Senator CARR**—I am looking for additionality. What additional functions are now being performed under your administration that were previously administered by ATSIC? Are there any differences?

**Mr Harvey**—With regard to this program?

**Senator CARR**—Yes.

**Mr Harvey**—As Mr Correll said, we are just applying our national contract management approach and, with regard to this program, the main emphasis at this stage is ensuring a smooth transition and continuation of the program.

**Senator CARR**—There are no differences?

**Mr Correll**—We have now completed a full risk assessment of every CDEP project across the country. But we need to remember that the program is currently operating to the guidelines that were established under the funding agreement for the current financial year. In terms of the forward and possible directions in that area, you will have to be patient until 21 February.

**Senator CARR**—It is not me being impatient; the people who have to use the services are the ones you will have to deal with. I am interested in knowing what the transformation has meant for people on the ground. I am waiting to hear what evidence there is that there has been any change.

**Mr Harvey**—As part of our strategy there is a lot closer contact with CDEPs across Australia and so there has been that contact, particularly through our contract managers on the ground. As Bob Correll said, there has been an emphasis on looking at the risks associated with each CDEP and making an assessment about them and also understanding how the program operates and, importantly, the links that can be made with other programs—whether they are with the Job Network or other Indigenous employment programs.

**Senator CARR**—In your assessment of risks, how much fraud did you discover?

**Mr Harvey**—We discovered some fraud.

**Senator CARR**—Whereabouts?

**Mr Harvey**—We generally do not make available publicly the areas where we think there has been fraud, as we would have to substantiate it.

**Senator CARR**—Yes, you would.

**Mr Harvey**—We would have to go through that process. There are some areas where we consider there could be fraud.

**Senator CARR**—You suspect?

**Mr Harvey**—Yes.

**Senator CARR**—In how many CDEPs did you discover there could be fraud?

**Mr Harvey**—I do not have that figure with me.

**Senator CARR**—Is it widespread?

**Mr Harvey**—No, it is not widespread.

**Senator CARR**—Was it in just a couple?

**Mr Harvey**—From my understanding at this stage there would be just a small number.

**Senator CARR**—Given the size and the complexity of the program and the nature of the administrative requirements, would you regard it as out of the order of your normal experience of contract management in the department?

**Mr Correll**—In that area we have had the opportunity now to undertake, as I said, risk assessments against the projects. A limited number of cases in relation to issues of potential concern have warranted investigative action to follow. There have also been areas of concern in some cases with questions as to the level of financial administration and governance aspects, which I would see as a separate issue to other investigative matters. In those latter cases, we look to work through those particular issues with the organisations. In some cases, at present, we have administrators working with some CDEP organisations.

**Senator CARR**—Can you give me a list of those?

**Mr Harvey**—Yes, we can.

**Senator CARR**—Would it be many of the total number?

**Mr Harvey**—No, it would not be many.

**Senator CARR**—So you could not characterise this as a program with any serious concerns about widespread criminality, misappropriation or inappropriate behaviour with regard to financial management.

**Senator Abetz**—That is a value judgment. You are asking the officers to do a comparison of all the other contracts that the department has let—how many end up with suspected fraud in comparison to the 300-something in CDEP and how many of them have suspected fraud. In that regard, it may be that you get an answer that is not necessarily to your liking.

**Senator CARR**—Thank you. When you get into opposition, you can come and ask the questions for me.

**Senator Abetz**—I will not bother, because I hope not to be there.

**Senator CARR**—You never know your luck in a big city and maybe you will do a better job—

**Senator Abetz**—If I am in opposition, the chances are that you will not be.

**Senator CARR**—There is a very good chance that that will be the case. Mr Harvey, given what you have experienced in your risk assessments across the scheme, has there been a widespread or an unusually high level of fraudulent activity or misappropriation of public funds in this program?

**Senator Abetz**—Judged against what standard? That is the point I am trying to make.

**Senator CARR**—I have been through this several times, Minister, and I am asking Mr Harvey: in terms of the department's experience, are there serious concerns in this area?

**Mr Correll**—As I mentioned earlier, we have now undertaken a complete risk assessment of those CDEP organisations. Of course, we have undertaken risk assessments of a large number of other contracted service provider organisations across a wide range of programs and services as well. Regarding the mix of risk—between low, medium and high risk—it would be fair to say that there is a stronger mix of risk towards high risk in relation to the CDEP organisations.

**Senator CARR**—High risk.

**Mr Correll**—A stronger mix towards high risk.

**Senator CARR**—In those organisations where you have identified problems, are you planning prosecutions?

**Mr Correll**—The undertaking of a risk assessment goes to a wide range of issues in relation to the organisation's ability to deliver results, and a high risk does not necessarily mean any concern over a matter of fraud. It simply may be matters relating to the organisation's overall performance or related capacity in some of those areas.

**Senator CARR**—Is it your intention to administer the current arrangements with regard to the existing business requirements of the program? Is it possible for the CDEP to compete with existing businesses?

**Mr Harvey**—The current guidelines talk about arrangements with regard to competing with existing businesses, and those guidelines have been in place for some time. So there are arrangements within the guidelines for them to compete with existing businesses.

**Senator CARR**—Is it your intention to change that provision?

**Mr Harvey**—No, not at this stage, because basically those guidelines are consistent with any arrangement where a Commonwealth agency provides funds to an organisation. They generally must comply with arrangements that exist across all government arrangements.

**Senator CARR**—So there are no exemptions for this program for competition policy?

**Mr Harvey**—No.

**Senator CARR**—None at all?

**Mr Harvey**—Not that I am aware of.

**Senator CARR**—Where garbage collection, water or sewerage services exist, is it possible to provide them through CDEP?

**Mr Correll**—Under CDEP, at the present stage there are community works and services being provided.

**Senator CARR**—Where there is an existing service?

**Mr Correll**—To my knowledge, not where there is an existing service.

**Senator CARR**—In fact, it is not within the guidelines to do so, is it?

**Mr Correll**—The guidelines address this issue. I will ask my colleague to explain.

**Mr Harvey**—There are two issues: the first issue deals with competition and the second issue deals with the provision of services in the case of competition. As I said earlier, the issue is basically to do with complying with general competition, and that might be a business. Generally it is not a situation where they are in competition, because in the examples that you talked about, such as waste disposal, they are providing services in remote regions and they might be contracted by local or state government. So that is a different situation.

**Senator CARR**—Under the guidelines, if the service is provided and sold on it has to be at commercial rates, does it not?

**Mr Harvey**—If the service is provided and sold on?

**Senator CARR**—Yes.

**Mr Harvey**—In the case of waste disposal it would not be sold on.

**Senator CARR**—So how does the concept of commercial rates apply in those circumstances?

**Mr Harvey**—My understanding in regard to the concept of commercial rates is that that related to the setting up a quasi-business. If they operate a business then they should compete on normal competition grounds. But if they are offering a service, that is covered in another part of the guidelines in regard to provision of services. There are two separate parts of the guidelines, the first dealing with service provision and the second dealing with competitive neutrality. Waste disposal and road maintenance are services.

**Senator CARR**—Or kindergartens or a whole range of other services.

**Mr Harvey**—That is correct.

**Senator CROSSIN**—In some remote communities, though, the local community council would only get, say, \$12,000 a year in their budget for garbage collection, so there is no way they can provide a labour market job for that and they are reliant on CDEP to assist with the garbage collection. Is that understood and appreciated by the department?

**Mr Harvey**—Yes.

**Senator CROSSIN**—In what way?

**Mr Harvey**—In exactly the way you described it. There is a situation where a certain amount of money comes into the community to provide a service and there is a certain amount of money that comes into the community to provide CDEP services. The community makes decisions about the level of service that it will provide.

**Senator CARR**—Have you sought advice, or has the department or any of its agencies sought advice, on the implications of national competition policy for CDEP?

**Mr Harvey**—Not at this stage. The guidelines that apply are the guidelines that apply consistently across other program allocations. These are the guidelines that we inherited. At this stage, we have not seen the need to go any further with them.

**Senator CARR**—So as part of the discussion paper's preparation there has been no need to examine the implications of national competition policy for CDEP?

**Mr Harvey**—Again you will have to wait until the discussion paper comes out.

**Senator CARR**—I have not asked you about the discussion paper per se; I have asked you about the process for its preparation. Have you seen the need to get advice on the implications of national competition policy for CDEP?

**Mr Harvey**—No.

**Senator CARR**—Is it the intention of the government to broaden the role of CDEP to compete more directly in the mainstream economy?

**Mr Correll**—You will need to wait to see what is referred to on that area in the discussion paper.

**Senator CARR**—Is it the intention of the government, in the terms of its stated election position, to propose changes to CDEP which require CDEPs to, where possible, partner with mainstream employment providers and to, over time, compete to provide employment services under Job Network?

**Mr Correll**—Again, that is a matter for the discussion paper.

**Senator CARR**—Is it not the position that has already been put in regard to the incoming government brief?

**Dr Boxall**—Which incoming government brief is this?

**Senator CARR**—The incoming government brief to the incoming coalition government. Did the department participate in the preparation of an incoming brief?

**Dr Boxall**—The department prepared an incoming brief for our own minister. I do not think that you are reading from the department's incoming brief.

**Senator CARR**—No. So you have not canvassed the possibility of CDEPs partnering with mainstream employment service providers and over time competing to provide employment services under Job Network?

**Dr Boxall**—These issues will be covered in the discussion paper.

**Mr Correll**—There are current arrangements where CDEP organisations partner with Job Network organisations.

**Senator CARR**—Is it the intention of the department to move to spell out, through the shared responsibility agreements, family and individual obligations and the range of community jobs to be undertaken?

**Dr Boxall**—Shared responsibility agreements are something that the Indigenous coordination centres will be negotiating with various communities. The government's intention with CDEP will be outlined in the discussion paper.

**Senator CARR**—However, is it not the case that the review of Indigenous employment policy canvassed this as well?

**Mr Correll**—Canvassed which specific issue?

**Senator CARR**—Making CDEP places or other community participation opportunities available through shared responsibility agreements that spell out family and individual obligations and the range of community jobs to be undertaken.

**Mr Correll**—I do not believe that the review of the Indigenous employment policy would have canvassed issues associated with shared responsibility agreements. I believe the shared responsibility arrangements would post date the review of the Indigenous employment policy but I will take it on notice to check that fact.

**Senator CARR**—Thank you. In regard to the removal of remote area exemptions is it the intention of the discussion paper to canvass that issue?

**Mr Correll**—The removal of remote area exemptions is a related issue to CDEP but it does not go directly to CDEP; therefore, it perhaps is less likely to be canvassed in the discussion paper.

**Senator CARR**—I have here what purports to be advice to the government which says: ‘The lifting of the remote area exemption will need to be accompanied by substantial reform of CDEP to ensure that similar participation requirements apply—e.g. no work no pay—and that perverse incentives are not created. Participation opportunities will need to be created and managed in Indigenous communities to support this more active participation strategy guided by the SRAs and consistent with social security provisions. Arrangements are already in place to test this approach in a range of remoter communities.’ Are you saying that that is not right?

**Senator Abetz**—If we could see the actual document we might be able to identify—

**Senator CARR**—Is that right? Is it your intention to lift the RAE and, as part of the reform of the CDEP, to ensure that similar participation requirements apply and that perverse incentives are not created?

**Mr Correll**—I do not know what document you are referring you to there, and that makes it very difficult.

**Senator CARR**—That might be the case but I am asking you a specific question and I am wondering whether you could—

**ACTING CHAIR (Senator Johnston)**—If you are reading from a particular document, can you help the committee?

**Senator CARR**—I have already explained the nature of the document. I am asking a question directly: is it the case that the department intends to propose the lifting of the remote area exemptions as part of the reform of CDEP?

**Senator Abetz**—You are asking about what the intention is in relation to a discussion paper that I understand the minister will release on Monday. Until such time as the discussion paper is released, we are really dealing with hypotheticals. Until it is released one would assume that it is not completely and utterly finalised. Therefore, what is going to be in it is going to be a matter of conjecture, and I do not think that that assists the committee.

**ACTING CHAIR**—Senator Carr might have taken note of that.

**Senator CARR**—So I take it that you do not intend to answer questions as to what the intention is in regard to the remote area exemptions.

**Senator Abetz**—Everything will be revealed by the minister on Monday as to what will or will not be in the discussion paper; otherwise, the discussion paper might as well be dropped here now if you want to ask what is going to be in it and not in it.

**Senator CROSSIN**—Has your department done any work in looking at the relationship between remote area exemptions and CDEP?

**Mr Correll**—Yes. I think this was an issue that was canvassed at the previous Senate hearings. There is some work proceeding in two trial locations to lift remote area exemptions. We are working with the communities concerned, who are very keen to lift those remote area exemptions—

**Senator CROSSIN**—Where are those communities again?

**Mr Correll**—We took the details of that on notice at the last hearing and we will have the reply coming in the near future.

**Senator CARR**—So that is at five o'clock tomorrow as well; is it?

**Senator CROSSIN**—That hearing was two weeks ago now. We are only asking for two location names. Surely it does not take two weeks to find that out.

**Dr Boxall**—It is not a question of how long it takes to find out. The minister will table the answer to the questions and the deadline is tomorrow evening.

**Senator CROSSIN**—These were questions in relation to the select committee, by the way. Can I go back for one moment to the consultations. Why are only four consultations about the discussion paper being held in the Northern Territory? There are nine in WA and I think there are even six in Queensland.

**Mr Harvey**—We basically consulted with our staff on the ground and also with other people about where the best locations to have those were and these were the locations that we came to. We looked at the distribution of Indigenous populations and made a judgment on that basis. Our assessment was that these were the best locations to run the consultations at.

**Senator CROSSIN**—Given that Darwin only has the regional CDEP at the Indigenous employment centre, why are there no consultations at Maningrida? That is a town of nearly 3,000 Indigenous people. Wadeye has 3,000 Indigenous people. There were no consultations in Tennant Creek and no consultations in traditional Aboriginal communities in the Northern Territory—in communities that rely solely on CDEP—other than Nhulunbuy or Katherine. There are absolutely no remote communities in the Northern Territory on your list. Why is that?

**Mr Harvey**—We made a judgment on the basis of advice on the ground about where we should hold the consultations, and the advice in terms of access and so on was that this is where we should be holding the consultations.

**Senator CROSSIN**—In terms of access—I do not quite understand. There are no access problems in getting to remote communities in the Northern Territory these days, with cars and aeroplanes. Was that advice not ever questioned, given that 95 per cent of the CDEP places are anywhere in the Northern Territory but these four towns?

**Mr Correll**—Our position is that we believe we have got a pretty wide coverage. We are doing 37 locations next week across Australia. But we will be looking closely to see whether there are any issues with remote communities being able to get to consultation sessions, and if it proves necessary to go out and do some more consultation sessions we will.

**Senator CROSSIN**—Are you paying people from remote communities to come to these four centres?

**Mr Correll**—No, we are not. These are public consultations. We are not paying anyone to attend.

**Senator CROSSIN**—How do you expect people from remote communities to have any input? Two weeks ago I gave you some very good examples of people in Central Australia in a number of communities who have some ideas about improving CDEP. Unless they bother to drive into Alice Springs next Tuesday you are not going to hear from them. Can I ask you to please reconsider fairly quickly your method of consultation in the Northern Territory and where you are going. I do not actually believe you are going to be meeting people who have a day-to-day involvement with CDEP to the extent that that might benefit and improve your discussion paper.

**Mr Correll**—We should note that in the Territory we will have significant representation at the CDEP awards at Alice Springs, which will be the point of launching the discussion paper and the first major presentation of the discussion paper.

**Senator CROSSIN**—Are we going to consult over cheese and wine at 11 o'clock at night; are we?

**Mr Harvey**—There is a consultation session on the Tuesday morning being held in Alice Springs. It is an opportunity for the people that participate in those CDEP awards to go into a consultation session on the Tuesday morning. The other thing that we have put in place is a 1800 number. We have also provided the opportunity—

**Senator CROSSIN**—Now you are assuming that telephones in remote communities work as well and that people have access to them.

**Senator Abetz**—Rather than being very negative towards the officials at the table—it is very time consuming to ask why Nhulunby or wherever else is not on the list of visitations—you have been told that there are 37 Australia-wide: four of them, or about one-ninth, are in the Northern Territory. Are you suggesting that there should be consultations with every CDEP scheme or project? What are you suggesting? It is all very well to ask, 'Why isn't this one being visited or that one being visited?' but, at the end of the day, I dare say you would agree that not all of them can be visited.

**Senator CARR**—It goes to the issue of how serious the government is about talking to—

**Senator Abetz**—I would have thought 37 consultations was pretty serious.

**Senator CROSSIN**—But, with all due respect, you are actually going to four places in the Northern Territory that are in the heart of affluent labour market program areas, and I think you are way missing the mark. If this is an example of the sincerity and opportunity that DEWR now has to embrace CDEP and try and improve it, you are way off the mark in the Northern Territory if you do not step off the east or west side of the Stuart Highway. You may well be having consultations in Alice Springs on Tuesday morning, and I hope the people who come to the dinner hang around, but the Top End mob are quite different to the Central Australia mob and I see no capacity for the Top End Indigenous mob to have any input other than in the major towns. Quite frankly, I believe that you not be talking to a significant



number of people in the Northern Territory who are the administrators and who deal on a day-to-day basis with CDEP. If you really want to know how to improve CDEP, you need to get into the bush.

**Senator Abetz**—Yes, but they will not be denied—

**Senator CROSSIN**—Even if you picked three or four other locations in the Territory—

**Senator Abetz**—This is a good speech, but—

**Senator CROSSIN**—You have to step outside of the major towns.

**Senator Abetz**—These people will not be denied the capacity to have input. As I understand it, they will have access to the discussion paper and they will be able to make representations in relation to the discussion paper. If they cannot do so face to face there will be, I would assume, other methods—

**Mr Harvey**—That is correct.

**Senator Abetz**—of being able to have that communication. So unless you are suggesting that absolutely every project ought to be visited then I think this is a pretty good start, with 37 consultations around Australia.

**Senator CARR**—What is the budget for the consultations?

**Mr Harvey**—At this stage there is an indicative budget set; the full budget will be assessed after we have run the consultations, but it will be somewhere around \$50,000.

**Senator CARR**—And that is mainly for airfares for the public servants?

**Mr Harvey**—No, it is for a whole range of things associated with venue hire, and a range of things.

**Senator CARR**—Can you give me a breakdown of where that money is—

**Mr Harvey**—I have not got that breakdown with me.

**Senator CROSSIN**—How will the 1800 number be advertised to the 220 Indigenous communities in the Northern Territory?

**Mr Harvey**—It has already been advertised through the minister's press release. It is also listed—

**Senator CARR**—That would be widely read, wouldn't it!

**Mr Harvey**—It will also be listed in the discussion document—

**Senator CARR**—I bet that is widely read as well!

**Senator CROSSIN**—And the discussion document will be posted to all those communities?

**Mr Harvey**—Yes. We have already put out advertising and information in Koori newspapers as well as radio advertising. There is a range of advertising arrangements that have been put in place to make sure that we get the information out to Indigenous—

**Senator CARR**—How much have you budgeted for advertising?

**Mr Harvey**—Again, I have not got that breakdown.

**Senator CARR**—Would that be part of the \$50,000?

**Mr Harvey**—Yes.

**Senator CROSSIN**—Mr Harvey, if your department seriously believes that Indigenous people in remote communities will either read a discussion paper or pick up a phone and talk to you about this rather than sit down under a tree or somewhere in the community and spend some time seriously engaging with your officers then you seriously do not understand the client group that is involved in CDEP. I am extremely disappointed but not surprised about that.

**ACTING CHAIR**—Do you have a question for the officers?

**Mr Boxall**—It is simply not the case that we believe that.

**Senator CARR**—Is it true that the only Indigenous paper in Western Australia has just closed? How do you intend to do the distributions in Western Australia?

**Mr Harvey**—Do distributions?

**Senator CARR**—Yes—these advertisements that you are relying heavily upon.

**Mr Harvey**—We are doing it through newspapers and radio.

**Senator CARR**—How are you going to do it in Western Australia?

**Mr Correll**—There are also letters going to every single CDEP organisation that is notifying me.

**Senator CARR**—So the \$50,000 covers airfares for public servants, accommodation for public servants, advertising and now postage?

**Mr Harvey**—As I said, we have an indicative budget and I will have to take on notice the components within that indicative budget.

**Senator CARR**—What is indicative at the moment is that not a lot of thought has been put into this.

**Mr Correll**—Picking up on the earlier comments in relation to the Northern Territory, the coverage in the locations is consistent with the location of Indigenous coordination centres. There are staff in those Indigenous coordination centres who are making regular contact with CDEP organisations in outstations and those distant from the locations. They will be taking the message out.

**Senator CROSSIN**—That is not entirely true, Mr Correll.

**Mr Correll**—The round of briefings and consultations represent the start of the consultation process. It is about taking the discussion paper out widely in an initial process of getting the message across about what it is in the discussion paper—getting initial feedback but then following that up with substantial dialogue with as wide a range of communities as is possible using the ICC network.

**Senator Abetz**—Which is a fantastic explanation. Rather than having speeches, if some probing questions would have been asked, this sort of information could have been elicited and Senator Crossin would not have those embarrassing words on the *Hansard*.

**Senator CROSSIN**—How many people from DEWR are actually sitting in ICCs in the Northern Territory?

**Mr Correll**—We would have to take that on notice. We have staff in every single ICC across the country, but we would have to take on notice the precise number in the Territory.

**Senator CROSSIN**—Can you also take on notice how many times your staff in the ICCs in the Northern Territory or staff in the Indigenous coordination centres—of which there is only one in Darwin, mind you—would communicate with places like Croker Island or Port Keats? There are more than 2,000 people in each of those communities. Again, if you seriously believe that the people at the Indigenous coordination centre in Darwin have regular contact with people across the communities in the Top End, that is not the case. They have regular contact with communities that are covered by the area of the Indigenous coordination centre, but it does not extend across the Top End, by any means.

**Mr Harvey**—There are two approaches to consultation and working with Indigenous communities. One is through the Indigenous coordination centres but the other is through our contract management approach, where each of the CDEP organisations has a contract manager. As a process of running our programs, there would be regular contact and visits to Indigenous communities that are running CDEPs.

**Senator CARR**—What is the closing date for comments on that discussion paper?

**Mr Harvey**—It is 29 March.

**Senator CARR**—29 March?

**Mr Harvey**—It is 24 March.

**Senator CARR**—So we would not exactly call this an extended period of consultation, would we?

**Senator Abetz**—It is one month, and whether you want to say—

**Senator CARR**—So it is a month? We are doing better now.

**Senator Abetz**—it is a long period or a short period is for you to put in your press release. I think we are agreed that it is a number of days.

**Senator CARR**—We have agreed it is a month. We are agreed that there is a \$50,000 indicative budget. Who proposed 24 March as the closing date for comments? Were Indigenous organisations consulted about that?

**Mr Correll**—It is the minister's discussion paper.

**Senator CROSSIN**—Mr Correll—

**Senator CARR**—Let me just finish this.

**Senator CROSSIN**—Let me ask this.

**Senator Abetz**—We do not want factional disputes.

**Senator CROSSIN**—If we have a month here, have you factored in the reality that, in some communities, they get a mail plane once a week? So, if you actually want people to pick

up a discussion paper and read it, some communities will have a week or fewer than two weeks to do that.

**Mr Correll**—Once you see the discussion paper, you will understand that the consultation process that has been planned fits well with the framework of that discussion paper.

**Senator CARR**—So, in other words, it is a fait accompli?

**Mr Correll**—No, not at all.

**Senator Abetz**—Not at all.

**Senator CARR**—It looks that way.

**Senator Abetz**—Dear, oh, dear.

**Senator CARR**—It seems that way.

**Senator CROSSIN**—How embarrassing.

**Senator Abetz**—If it seems that way to you, so be it. But let us ask questions and get on with the process.

**Senator CARR**—I would like to know what representative Indigenous bodies were consulted about the time frame. Let us put aside the policy framework and look at just the time frame for this. Which ones?

**Mr Correll**—It is the minister's discussion paper. CDEP organisations are being consulted with—and very widely. The consultation framework fits very sensibly with the nature and content of the discussion paper and with the nature of the proposals incorporated in that discussion paper.

**Senator Abetz**—We have even had Senator McLucas writing out to all the CDEP projects in Queensland in a letter of 15 February telling them about the impacts of this. Although she has not seen the discussion paper, she is very concerned about the impacts.

**Senator CROSSIN**—That is very diligent of Senator McLucas.

**Senator Abetz**—She has asked for information to be provided to her office. So I daresay it is pretty widely known about already; the information has been pretty widely circulated—even courtesy of one of your colleagues.

**Senator CARR**—The article that appeared on the front page of the *Australian* the other day that highlighted these issues: I understand that you were saying it was not an accurate presentation.

**Dr Boxall**—It was not an extract from the discussion paper, as it was purported to have been.

**Senator CARR**—What was it?

**Dr Boxall**—I do not know. I did not write the article. The minister has already put out a press release clarifying the government's position on that article.

**Senator CARR**—What aspects of the article were wrong?

**Dr Boxall**—The contention that it was an extract from the minister's discussion paper was wrong, and the minister has made that clear.

**Senator Abetz**—Once again, we cannot go through a fishing expedition as to what was wrong and what was right because the discussion paper will be released on Monday.

**Senator CARR**—When was the decision taken to release the discussion paper on Monday?

**Dr Boxall**—The minister has had that date in mind for some time. It makes sense, because he will be able to release it as part of the CDEP awards night, which is in Alice Springs on the 21st.

**Senator CARR**—So he had made the decision prior to his issuing of the press release attacking that front page article in the *Australian*?

**Dr Boxall**—He made the decision prior to issuing a press release correcting that front page article in the *Australian*.

**Senator CARR**—What will the role of the OIPC be in the development of a policy review process?

**Dr Boxall**—Of the CDEP?

**Senator CARR**—The follow-up; the evaluation; the discussion; the management; the implementation of the discussion process that follows these consultations.

**Dr Boxall**—The consultation will be conducted by the department with the Indigenous Coordination Centres. Because the manager of each Indigenous Coordination Centre is actually an officer of OIPC they will be involved to that extent. When the results of the discussions—all the comments—come in, the OIPC will be consulted, just as a number of other key departments will be consulted before the minister finalises his position. We have an Indigenous secretaries task force, which is chaired by the secretary of Prime Minister and Cabinet. Many departments that are represented on that task force will also be consulted. But the minister and this department have the prime carriage.

**Senator CARR**—Will you be engaging any consultants to assist you with this process?

**Mr Harvey**—No.

**Senator CARR**—Was there a surplus in last year's budget for CDEP?

**Mr Harvey**—Roughly \$10 million, which—as I understand has been the practice in the past—was phased across to this year.

**Senator CARR**—So the \$10 million was put back into the budget?

**Mr Harvey**—That is correct.

**Senator CARR**—Thank you. Do you have any idea of what it was in previous years?

**Mr Harvey**—Over the last couple of years it has been around that order of magnitude, I understand.

**Senator CARR**—And it has been added back into the base?

**Mr Harvey**—That is correct.

**Senator CARR**—I have some questions for Indigenous Business Australia, but I hope to be able put them on notice.

**Senator ALLISON**—Perhaps I could clarify what Senator Crossin said: there is no funding for bringing anybody to these consultation processes at all. Is that correct?

**Mr Harvey**—It is not that there is no funding; we wanted to make sure that all stakeholders had equal access to it—for example, that we were not paying for CDEPs to come to those consultations, because they are public consultations.

**Senator ALLISON**—How does that provide access to everyone who might be interested?

**Mr Harvey**—For example, if other organisations or individuals wanted to participate—and I am sure they will—we did not want to be paying for some to come and not paying for others to come.

**Senator ALLISON**—Minister Andrews said apparently in this discussion paper that there would be gradual changes and the CDEP ‘will be more tightly focused on its employment, community and business development objectives’. Income support is not included in those objectives. Can you indicate if that is a reasonable reading of the minister’s statement?

**Senator Abetz**—I would suggest you wait until Monday for that, otherwise we are going to go around in circles as to what interpretations—

**Senator ALLISON**—Are we reconvening on Monday?

**Senator Abetz**—No, but that is when the minister is releasing the discussion paper and that is when you will find out whether income support is part of it or not and what other aspects are included.

**Senator ALLISON**—Yes. But, Minister, as you would be aware, we are not able to ask you questions on Monday, which is why we are doing it now.

**Senator Abetz**—Yes, but you cannot ask and try to pre-empt what is going to be in the minister’s discussion paper on Monday. I know we are very close to Monday, but that does not entitle you to find out, by way of a process of elimination, what may or may not be contained in the discussion paper.

**Senator ALLISON**—Is the launch going to take place at the CDEP awards night?

**Mr Harvey**—That is correct.

**Senator Abetz**—Yes, we have said that.

**Senator ALLISON**—Who will represent the government and the community et cetera at the awards? Who is going to do the speaking there?

**Senator Abetz**—Kevin Andrews.

**Mr Harvey**—The minister.

**Senator ALLISON**—How many Indigenous leaders will be speaking or presenting awards that night?

**Dr Boxall**—The minister is presenting the awards. There will be two MCs. I will be giving a very short welcome in terms of the CDEP program moving to my department. The minister will be the main speaker and will be presenting the awards.

**Senator ALLISON**—Have there been any other award presentations for CDEP in the past?

**Mr Harvey**—I understand there have been in the past, yes.

**Senator ALLISON**—Did they involve Indigenous leaders?

**Mr Harvey**—I do not have here the detail on what was involved in past CDEP awards.

**Senator ALLISON**—Mr Boxall, have you been to them previously?

**Dr Boxall**—No. This has just been transferred across to my department, effective 1 July, so I have not been involved in organising past CDEP awards nights.

**Senator ALLISON**—Perhaps another officer would be able to tell us.

**Dr Boxall**—Nobody else here would have been—

**Senator ALLISON**—Someone seemed to be coming to the table; that is all. I thought they might have had some advice.

**Dr Boxall**—Nobody else here has been involved in organising them, as far as I know.

**Senator ALLISON**—Going back to the consultation sessions, will there be translators present and, if so, will they be funded by the department?

**Mr Harvey**—Again, we have asked across our people on the ground and there will be translators in two locations.

**Senator ALLISON**—In two locations.

**Mr Harvey**—In two locations across Australia. That is the judgment of people both from communities and on the ground. What tends to happen in a location like the AP lands is that the consultation will go for much longer than two hours and you will find that one of the leaders in the community will translate the discussion as we go through it. But we will also find that within community groups there will be individual discussion as well. The presentation may take an hour, but after that there will be an opportunity for discussion about the discussion paper.

**Senator ALLISON**—So these translators will not be funded to do that work; they will just do it.

**Mr Harvey**—If they are being provided, they will be funded, yes.

**Senator ALLISON**—But there will be only two of them; is that what are you saying?

**Mr Harvey**—There are only two locations where it is considered necessary.

**Senator ALLISON**—Out of how many?

**Mr Harvey**—Out of 37.

**Mr Correll**—That is based on on-the-ground advice as to what is the sensible arrangement in those communities.

**Senator ALLISON**—Who gave that advice?

**Mr Correll**—It was feedback from local managers, Indigenous coordination centres and also our state managers who have been directly involved in those types of negotiations.

**Senator ALLISON**—Are those people in the CDEP program?

**Mr Harvey**—No, those are people in the Indigenous coordination centres, which are part of DIMIA, and there are also our own contract management people on the ground who have been involved with communities for a number of years.

**Senator ALLISON**—Going back to the awards night, was it not considered wise to have Indigenous leaders involved in that decision, given the importance of the discussion paper launch?

**Mr Harvey**—Indigenous leaders have been invited to attend. Equally, local people from the community are part of the ceremony, but they are not giving speeches. The main focus of the awards is actually to give awards, but the minister will take the opportunity to launch the discussion paper as well.

**Senator ALLISON**—Did any Indigenous leaders, groups or individuals see the discussion paper? Have they seen it so far?

**Mr Correll**—No.

**Senator ALLISON**—Not at all?

**Mr Correll**—No.

**Senator ALLISON**—That concludes my questions on CDEP. Regarding the discussion paper—we have already canvassed this to some extent—was it considered that it might be more sensible to have more time between the launch of the discussion paper and the consultations, given that happens very quickly? As Senator Crossin has pointed out, this will present difficulties for some people in remote areas.

**Dr Boxall**—Our advice is that the period of consultation is sufficient for people in remote areas to have input. That is the advice we are receiving. Regarding your question about whether there could be more time between the launch of the discussion paper and the commencement of the consultations, this issue was considered and, on balance, it was decided to launch the discussion paper at the CDEP awards night and then commence the consultations immediately. Just one reason is that a large number of Indigenous people involved in CDEP will be at Alice Springs, and many of them will stay overnight and they can then attend the consultations in the morning.

**Senator ALLISON**—What sort of record will be kept of what is said at those consultations? Will the words be transcribed into a public document?

**Mr Correll**—Yes, basically at all of the sessions we will have scribes who will be recording feedback. I emphasise that the sessions are really about two things: they are about briefing the group on what is in the discussion paper—recognising that the group will not have had a long lead time to read it—working through the discussion paper with the group, obtaining initial feedback and then providing the opportunity to give further feedback after some more time to think about what is in the discussion paper, with subsequent follow-up contacts that would be occurring through Indigenous coordination centre staff.

**Senator ALLISON**—Will you invite written submissions?

**Mr Correll**—Yes.



**Senator ALLISON**—Will they be made public?

**Mr Harvey**—If an organisation does not want them to be made public, we suggest that they advise us of that. Generally these sorts of submissions are not made public. We will obviously take all of them into consideration in the preparation of a response.

**Senator ALLISON**—So if people want their submissions to be made public, they should say so on the submission?

**Mr Harvey**—Yes, if they want to, they could do that.

**Senator ALLISON**—So do you advise them?

**Mr Harvey**—No, we actually advise them of the reverse. If they want their submissions to be kept confidential, they should advise us.

**Senator ALLISON**—So if there is no notification about confidentiality or otherwise they are made public. Is that right?

**Mr Correll**—We would assume that they would be. They are basically being presented by the individual or organisation as a public document.

**Senator ALLISON**—And it goes on the web site?

**Mr Harvey**—No, that is not the intention.

**Senator ALLISON**—So in what sense is it public?

**Mr Correll**—It is public only in the sense that the individual who is putting forward the submission is not seeking to ensure confidentiality. We want to make sure that there are opportunities for full and open contribution and that if individuals or organisations wish to make confidential submissions then they have an option to do so.

**Senator ALLISON**—So how do parliamentarians get access to the information that is brought to the discussion paper?

**Mr Correll**—The various input that comes into the discussion paper would be considered by the department then there will be a subsequent round of visits again to the 37 locations in May. There will be summaries of feedback coming in and a report back to the groups at that stage. So again those will be public forums that will be operating at that stage and they will be provided with a summary of feedback coming in.

**Senator ALLISON**—Was that list of locations for the consultation previously passed around?

**Mr Correll**—It is on the press release. Mr Andrews' press release attaches that list.

**Senator ALLISON**—How long is the discussion paper? Is it a big document? Are we talking about three pages or—

**Senator Abetz**—All will be revealed on Monday.

**Senator ALLISON**—I am sure you can tell us how long it is, Minister, without giving too much away.

**Senator Abetz**—I am sorry.

**ACTING CHAIR**—This is an excellent lead-up to the release of this discussion paper.

**Senator Abetz**—Whet their appetites!

**ACTING CHAIR**—There is no doubt that it will be well appreciated by everybody when it is released.

**Senator ALLISON**—The other questions I had have all been answered. I have no wish to ask further questions.

**Proceedings suspended from 3.42 p.m. to 4.12 p.m.**

**CHAIR**—The committee is now considering output 1.1, working age payments.

**Senator WONG**—I know that Senator Marshall did ask about this in cross portfolio, but quite a number of questions I asked which are relevant to this outcome have not been answered. Are you able to give me an update on when we are likely to get a response to those questions on notice?

**Dr Boxall**—These are the questions that were asked as a result of the motion in early December?

**Senator WONG**—That is correct.

**Dr Boxall**—There were 56 questions on notice and 35 were tabled by the deadline of 31 January. Since then four have been tabled, so that is 39. Seventeen remain to be tabled. Four are just being completed in the department and the others are with the minister. We expect that those 17 will be tabled shortly. I do know that some of those questions are from you. One reason that I explained this morning for them not being ready by the deadline was that some of the questions require a lot of detail. It has taken a lot of work to pull all of the material together. I can say that we expect the 17 to be tabled very shortly.

**Senator WONG**—Can I anticipate that, subject to the minister's approval, obviously, we will actually get some of the detail that is requested in the questions given that it took a long time to pull them together?

**Dr Boxall**—Indeed.

**Senator WONG**—You appreciate that I am new to this outcome. Also, there has obviously been a significant number of changes. One of issues I raised with both Centrelink and FaCS was the future of the monthly profile for labour markets and related payments. Ms Golightly is nodding her head, so she may be able to help me. I understand that is now DEWR's responsibility.

**Ms Golightly**—That is correct. It is DEWR's responsibility now.

**Senator WONG**—Have you done one since you obtained responsibility for these areas?

**Ms Golightly**—As I understand it, the document you are referring to continues to be published, as it always has been, on the 4th Friday of every month. That continued both before and after the MOP changes occurred.

**Senator WONG**—Is it published through the DEWR web site? That is where I tried to access it in January.

**Ms Golightly**—That is correct. It is on the Internet site, but I understand that there are a small number of subscribers who pay a small fee to get it in hard copy as well.

**Senator WONG**—Does all the data retain the same format as the FaCS publication, or has it been altered in any way?

**Ms Golightly**—It has not been altered.

**Senator WONG**—I want to clarify question on notice W156\_05, on labour market program management and delivery, which was answered, and question on notice W158\_05.

**Dr Boxall**—Both of those have been tabled.

**Senator WONG**—Yes, I want to clarify some things arising out of them. In relation to W156\_05, how far back can you go to obtain that data?

**Ms Golightly**—I will seek advice on that but, as I understand it, that data goes back to the active participation model, which was 1 July 2003.

**Senator WONG**—So it is not accessible prior to that date?

**Ms Golightly**—Not in exactly that format, because the active participation model was a different model.

**Senator WONG**—If there is any data prior to the date that you have given me, please give it to me. I am happy for you to take that on notice.

**Ms Golightly**—I will take it on notice, but my advice at the table is that it probably would not be available.

**Senator WONG**—To clarify, when you say ‘three episodes of assistance’, is that within that time frame of July 2003 to November 2004, or is some other criteria applied?

**Ms Caldwell**—The data is as per the answer in terms of the number of commencements in Job Network customised assistance. As Ms Golightly indicated, intensive support customised assistance is a service that commenced at the start of the active participation model. Therefore, we do not have data from before that date. We did not have that particular service.

**Senator WONG**—I have moved off that. I understand that issue, and I think it has been taken on notice as to whether it is possible. I accept the explanation. I was actually asking about the criteria that are applied for episodes of assistance. Does that mean simply anyone who has commenced receiving customised assistance within the period July 2003 to November 2004?

**Ms Caldwell**—That is correct.

**Senator WONG**—There is no threshold of having to receive a certain amount of customised assistance?

**Ms Caldwell**—I will confirm that. This is the number of people who commenced in episodes of customised assistance.

**Senator WONG**—Could you let me know whether there are any other criteria which affect what is counted as an episode of assistance.

**Ms Caldwell**—Unique job seekers—a particular individual who had commenced more than once—is the only criteria that is used in this.

**Senator WONG**—Dr Boxall, can you direct me on 158\_05, which is regarding the development of ESC4. In your answer you said, ‘Some other departments will be consulted.’ Are you able to indicate to me which other departments?

**Ms Golightly**—It would be the normal central agencies involved in any government decision—agencies such as the Department of Finance, Treasury, PM&C and that sort of thing.

**Senator WONG**—I see. Presumably not FaCS?

**Ms Golightly**—It will go to issues that pertain to government decisions about what might be in ESC4.

**Senator WONG**—I asked: presumably not FaCS?

**Ms Golightly**—It is likely. It just pertains to what might be purchased in the ESC4.

**Senator WONG**—Given the transfer of various responsibilities—and I am not completely clear on precisely what has come over to you—I understand the administered appropriations, the policy parameters to be applied by Centrelink to the various payments they deliver, are the responsibility of DEWR?

**Dr Boxall**—Yes, if they are one of the payments for which we have responsibility, such as the disability support payment, the parenting payment or any working age payment.

**Senator WONG**—Then you set the policy for that?

**Dr Boxall**—Yes.

**Senator WONG**—Since the transfer, which was October or November 2004—

**Ms Golightly**—I will just look for the exact date; I think it was October.

**Senator WONG**—did the department hold some discussions with Centrelink regarding issues such as what would be said to people in receipt of working age payments, policies to be applied, procedures and so forth?

**Ms Golightly**—Yes.

**Senator WONG**—Who was responsible for that?

**Ms Golightly**—Do you mean in the department?

**Senator WONG**—Yes.

**Ms Golightly**—Various areas in my area of responsibility, the employment side of the department.

**Senator WONG**—Does the department therefore have to sign off on the Centrelink manuals or procedures associated with what messages are to be provided, for example, to DSP recipients?

**Ms Golightly**—We are certainly working with Centrelink, looking at the various procedures, guidelines et cetera that exist for the quite large number of programs that have come over to the department.

**Senator WONG**—Was the department involved in developing the DSP rapid connection and reconnection initiative?

**Ms Golightly**—The department was involved. I understand we were consulted and had a lot of discussion with Centrelink about that.

**Senator WONG**—What about the script associated with that? Did the department okay the script for that?

**Ms Golightly**—I understand that we did.

**Mr Manthorpe**—There is a script that we worked with Centrelink to develop, and we okayed that script. It was a very simple script about Job Network and the voluntary nature of referrals to Job Network for non-activity tested clients.

**Senator WONG**—When you say ‘worked with’, do DEWR have a final say on what is included in the script to the CSOs in relation to recipients of those payments for which you have responsibility?

**Mr Manthorpe**—We signed off on a simple, high-level script for use by Centrelink CSOs, but we do not micromanage everything that every CSO says to every job seeker.

**Senator WONG**—I was not asking about micromanagement; I was asking about the script.

**Mr Manthorpe**—I think I have answered the question about the script. There is a script and we cleared it.

**Senator WONG**—While we are on the script, Centrelink provided to us in estimates two versions of the script. Do you have any knowledge of this, Mr Manthorpe or Ms Golightly?

**Ms Golightly**—We are aware that there was some discussion on this in Senate estimates the other night and that there were two scripts.

**Senator WONG**—I am glad that your lines of communication are open. Did anyone in DEWR receive a copy of the first script, or the script which we understand was produced by the Penrith area Centrelink before it became public?

**Mr Manthorpe**—I think that is actually confusing a couple of different issues. There was an earlier version of a script that DEWR saw—that I saw and that other officers in my area saw—which we edited to arrive at a final script, and that became the script that was then used in Centrelink offices. The Penrith matter is a separate matter. An unauthorised script—or an unauthorised approach, if you like—was produced in Penrith, but that was not seen by us before it became known to the public.

**Senator WONG**—Are you telling me, Mr Manthorpe, that no-one in DEWR was aware of the Penrith script before it became public?

**Mr Manthorpe**—Correct.

**Senator WONG**—You never saw it? There were no discussions with anyone from that area regarding this particular message?

**Mr Manthorpe**—There were not.

**Senator WONG**—It seems very confusing to me, given your responsibilities, that a Centrelink area could have gotten their message so wrong and that you did not know about it.

**Dr Boxall**—It is a question for Centrelink about how they manage the distribution of information.

**Senator WONG**—It is also a question for the department. The department is responsible for the policy parameters, and your own officers have indicated that they did sign off on the script.

**Dr Boxall**—If the DEWR officers approved a script which was then to be used by Centrelink and some group within Centrelink used an alternative script, obviously that is a matter of concern to us, but it is Centrelink's responsibility to manage themselves and to make sure that the message is distributed according to the way the Centrelink management wants it distributed.

**Senator WONG**—When did DEWR first become aware of the Penrith script?

**Mr Manthorpe**—I think DEWR became aware of it at the same time as it was released into the public domain.

**Senator WONG**—How many people work in your area, Mr Manthorpe?

**Mr Manthorpe**—Who are working on Centrelink related issues?

**Senator WONG**—Yes.

**Mr Manthorpe**—Probably about a dozen.

**Senator WONG**—Do you know if any of them had any knowledge of the script or any communication with the people who produced it?

**Mr Manthorpe**—I believe that they did not.

**Senator WONG**—You believe that they did not. Have you inquired?

**Mr Manthorpe**—They did not.

**Senator WONG**—Have you inquired?

**Mr Manthorpe**—I am quite sure that no-one in my area knew about the Penrith script before it entered the public domain.

**Senator WONG**—I do not think that was my question. I asked if you had inquired of your staff whether they had any prior knowledge of the Penrith script.

**Mr Manthorpe**—I cannot recall whether I asked my staff that question. I can say to you that DEWR did not know about the Penrith script before it came into the public domain.

**Dr Boxall**—The question, though, is whether, if any of Mr Manthorpe's staff had known there was an unauthorised script being circulated by the Penrith office, they would have brought it to his attention.

**Senator WONG**—I am just a little confused, Mr Manthorpe, about how you can give us a categorical answer that no-one knew about it when you have not actually asked your staff about it. That is how I understand your evidence.

**Mr Manthorpe**—I am in constant contact with my staff about our liaison with Centrelink. What I cannot recall is whether I went and inquired of them about whether they knew about the script. What I believe, though, is that they did not know about the script, because it certainly became a conversation that we had once the script became public.

**Senator WONG**—No doubt. As I understood the evidence of either Centrelink or Human Services to the committee—I have to say I cannot recall which—this script appears to have been generated after an information session or something for Centrelink officers. Were DEWR officials present at that session or meeting?

**Mr Manthorpe**—I am not sure what meeting you are referring to.

**Senator WONG**—Nor am I. Have DEWR officials, prior to the introduction of the Centrelink scripts, attended meetings with Centrelink staff in which they, the DEWR officials, articulated the government's policies?

**Mr Manthorpe**—Yes, certainly.

**Senator WONG**—Does that happen often?

**Mr Manthorpe**—There is regular contact with Centrelink about issues of this kind. There was then and there continues to be.

**Senator WONG**—I appreciate that, but have DEWR staff been present at a meeting where Ms Scott addressed a number of Centrelink officers?

**Mr Manthorpe**—We were not present at any meeting where Ms Scott addressed a number of officers.

**Senator WONG**—Have DEWR officers addressed meetings with a number of Centrelink officers since October 2004 regarding DSP policy?

**Mr Manthorpe**—We have certainly had discussions with Centrelink officers. I have had discussions with Centrelink officers about DSP referrals to Job Network. If that is what you mean by DSP policy, yes, certainly there has been discussion about that.

**Senator WONG**—What I am trying to work out is the process of developing the script and communicating the parameters of the government's new approach to Centrelink officers. As I understand it, you are responsible for policy parameters. Presumably there is some process by which you tell Centrelink staff about it. Can you tell me about that?

**Dr Boxall**—Centrelink tell their own staff.

**Senator WONG**—That is what I am trying to clarify. Do you just tell two or three people at Centrelink and then they disseminate it? How does that work?

**Dr Boxall**—Mr Manthorpe and his colleagues consult with Centrelink management very broadly defined and agree on a script and then it is Centrelink's job to communicate that to the various officers in the field. It is not DEWR's job to communicate scripts or policy parameters around the Centrelink network.

**Senator WONG**—So to whom does DEWR communicate the policy parameters?

**Mr Manthorpe**—To counterparts in Centrelink's national office primarily.

**Senator WONG**—So can you just explain to me how that relationship works?

**Mr Manthorpe**—I and a number of my colleagues from the various line areas in the department have regular discussions with Centrelink national office representatives at a senior level about all of the issues that are running at any given time. We work to implement the government's policy objectives through those sorts of processes and we then expect that

Centrelink, when we have reached an agreed position on how to take something forward, will take that forward in the field. For completeness, we do have contact with Centrelink at a state office level and an area level to some degree through the state offices, but the primary way of driving Centrelink activity from our perspective is appropriately through the national office channels.

**Senator WONG**—So do you meet with them weekly or monthly?

**Mr Manthorpe**—At the moment we are meeting with them every one to two weeks at my level, and my staff are in daily contact with Centrelink.

**Senator WONG**—So that I can understand the relationship, if there is a change in government policy, that is communicated presumably to Centrelink, but do I understand that it is up to Centrelink to prepare the mechanisms for that to be disseminated through Centrelink offices?

**Mr Manthorpe**—That is right.

**Ms Golightly**—That is correct.

**Senator WONG**—You would sign off on things like a script or procedures.

**Mr Manthorpe**—We do not seek to micromanage Centrelink but on something as important as a change in direction of referrals of particular types of jobseekers to Job Network it was entirely appropriate for us to sign off on a high-level script that gave some direction to that work.

**Senator WONG**—I do not suggest it was not.

**Mr Manthorpe**—Sure, but I am just putting to you that that is what we did.

**Senator WONG**—You are putting it?

**Mr Manthorpe**—I am telling you that that is what we did.

**Senator WONG**—We have had a couple of versions floating around but do you have a copy of the script you actually signed off on?

**Mr Manthorpe**—Yes, I do.

**Senator WONG**—Could I have that?

**Mr Manthorpe**—I have only got—

**Senator WONG**—You only have one copy. Does someone else have another copy?

**Mr Manthorpe**—I beg your pardon. I am sorry, I missed that.

**Senator WONG**—I think Ms Golightly might want you to read that note before you answer the question.

**Mr Manthorpe**—Sure, and I have, as politely as I could, read it. I do not have a copy I can give you, no. I have only one copy in front of me and it is my own.

**Senator WONG**—Could the secretariat have a copy so that I can look at it?

**Dr Boxall**—This is a copy that Mr Manthorpe signed off on, which he said is the same as the copy that was distributed by Centrelink.



**Senator WONG**—I do not know whether it is the same as the copy I was given, so I would like to look at it. I think it is perfectly appropriate; it was raised. It is a document provided to public servants for their communication with the public. It is a document that your departmental officials have signed off on. I see absolutely no reason why that ought not to be provided to the committee.

**Dr Boxall**—We understand that you have a copy which was tabled by the Department of Human Services.

**Senator WONG**—All I want to do—it is quite clear—is to confirm that what was signed off by DEWR is the same as what I have been given. I am happy to give it back to Mr Manthorpe afterwards.

**Dr Boxall**—Mr Chairman, we are happy to give Senator Wong a look at the copy that Mr Manthorpe has, if we can get it back, please.

**Senator WONG**—If you can get it back? Interesting.

**Senator Abetz**—Within a reasonable period.

**Senator WONG**—Can I ask what the concern is with releasing this, Minister?

**Senator Abetz**—It is their copy.

**Senator WONG**—On what basis is it not being provided to an estimates committee? No answer, Minister?

**Senator Abetz**—It is not the department's document, as I understand it. Aren't we dealing with a Centrelink document? So it is not for this department to hand out. We are being as cooperative as we can.

**Senator WONG**—This does differ from the script which was given to me so I would ask that you table that.

**Dr Boxall**—Possibly you have been given the wrong script.

**Senator WONG**—Well then I think I am entitled to go back to Centrelink and ask them. But I ask that this be tabled.

**Dr Boxall**—Senator Wong, that is a document that we have signed off with Centrelink. It is Centrelink's document. I don't think it is appropriate that we table a document that is—

**Senator WONG**—Would you like me to go to the Clerk and get a ruling on this? This is extraordinary.

**Senator Abetz**—It is not for the Clerk to rule on some of these things.

**Senator WONG**—Then perhaps, Minister, you can explain when he gives advice as to why this is not to be provided. It is not cabinet-in-confidence and it is not advice to a minister; it is an interdepartmental thing. There is a difference between the script that Mr Manthorpe says he approved and the script that was provided to me in the estimates for Centrelink, and you are refusing to allow the document to be tabled.

**Ms Golightly**—I think our concern here is that it is a Centrelink script and we have not conferred with Centrelink about tabling it. Our understanding is that that is a copy of what we approved with Centrelink but we would need to check with Centrelink about the tabling of it.

**Senator WONG**—If you could then take that on notice to discuss with Centrelink, we can follow it up next time. Does 1.1 deal with compliance too?

**Ms Golightly**—That is correct.

**Senator WONG**—I notice in the FaCS PBS from before the AAOs that there was a Breaching Review Taskforce.

**Dr Boxall**—That is correct.

**Senator WONG**—I understand that one of the reasons for the beginning of the task force was the agreement with the Australian Democrats in the passage of the AWT legislation.

**Dr Boxall**—That is our understanding also.

**Senator WONG**—Is DEWR responsible now?

**Dr Boxall**—Yes, it is.

**Senator WONG**—Is the membership of the task force different from that which was reported in the 2004-05 FaCS PBS? I think it was there.

**Dr Boxall**—If we can get a look at the membership in the FaCS PBS then we can tell you whether the membership has changed or not.

**Senator WONG**—I am afraid I have only my copy, Dr Boxall.

**Dr Boxall**—Senator, if you would like to read out the membership in the FaCS PBS then Mr Carters can advise whether the membership changed or not.

**Senator WONG**—You do not know? I can give you the page number—page 212.

**Mr Carters**—Yes, that is correct.

**Senator WONG**—As well as taking on notice the tabling of the script I wonder if you could take on notice, Ms Golightly or Dr Boxall, to provide, if there is a minor difference in the script, an explanation for that.

**Dr Boxall**—Yes, we will take it on notice.

**Senator WONG**—Thank you. Who does the task force now report to, Mr Carters?

**Mr Carters**—The task force has been completed. It produced its final report towards the end of December and sent that report to the minister, as was required in the terms of reference, and the task force no longer exists.

**Senator WONG**—Which minister was it—Minister Andrews?

**Mr Carters**—Yes, it was Minister Andrews.

**Senator WONG**—So the report is currently with Minister Andrews?

**Mr Carters**—Yes.

**Senator WONG**—Has the report been publicly released?

**Mr Carters**—No, it has not. That is still a decision for the government.

**Senator WONG**—Do we know when it is to be released publicly?

**Mr Carters**—No. That is a decision for the government.

**Senator WONG**—Are you aware of ABC reports that they have received a copy of the report?

**Mr Carters**—Yes, I am aware of that.

**Senator WONG**—Are you aware that it is asserted that it is stated in the report that the current penalties are generally unfair in that they are harsher than is reasonably required?

**Mr Carters**—I am aware that that was in the radio transcript.

**Senator WONG**—Was any response made to that particular media report by the department or by the minister that you are aware of?

**Mr Carters**—No, there has been no response to that.

**Senator WONG**—Is that because it is correct in terms of the terms of the report?

**Dr Boxall**—No, it is because the department decided not to respond to it.

**Senator WONG**—Was it the case that the agreement with the Australian Democrats envisaged the report being made public?

**Mr Carters**—That was never specified in the terms of reference. The only requirement was that the report be made to relevant ministers.

**Senator WONG**—Does DEWR intend to respond to any of the criticisms of the government's programs that have been asserted publicly as a result of this report?

**Dr Boxall**—DEWR has not made a response to that ABC report, which I understand is based on a leaked document, and we do not intend to.

**Senator WONG**—On breached data, as I understand it, the agreement between the government and the Democrats provided a commitment to provide breached data to community organisations on a quarterly basis to enable them to monitor trends. Is that occurring?

**Mr Carters**—Yes, that was the agreement made and that is occurring.

**Senator WONG**—It has been put to me by some community representatives that there are significant delays in obtaining quarterly data to enable trend analysis. What is your response to that criticism?

**Mr Parsons**—The computer system has really only been capturing that sort of data reliably since about September last year, so the data is only just starting to give a substantial base for that sort of longitudinal information.

**Senator WONG**—What was the problem prior to September 2004?

**Mr Parsons**—I am not certain, other than that the data has only been captured in the computer system from that time.

**Senator WONG**—Has this function always been with DEWR, or was it previously with FaCS?

**Mr Carters**—The data comes from Centrelink and there is also some DEWR data as well, so it has been a combination. I suspect that the issue is that the detail that was agreed to for those quarterly releases was quite complex and was something that was not readily available,

and there was a degree of development of computer systems to be able to generate that information.

**Senator WONG**—There are also a number of ‘administrative measures to ensure consistent breach decision-making’—I think that was the title given to it in the agreement. Are you able to provide me with an update on the progress of those measures?

**Mr Parsons**—Can I correct an answer I gave a moment ago? The suspension data is the data that has only been available since September. Breach data has always been available.

**Senator WONG**—I am not making a judgment about whether they are right or wrong, but what has been asserted to me is that there is a delay in the data. Is there any response to that?

**Mr Parsons**—That is something I would have to look into.

**Senator WONG**—If you could. Can we go back to the ‘administrative measures to ensure consistent breach decision-making’. I am reading from the letter from Senator Vanstone to Senator Cherry, which I think has annexures to it outlining the agreement.

**Mr Carters**—There are responses to that which are covered in the report and which, again, I am unable to comment on.

**Senator WONG**—I am not asking you what is in the report: there are a number of things in this which it was agreed were to be done, and I am asking for an update on them.

**Mr Carters**—There has been quite a bit of work between DEWR and Centrelink to improve the capacity of both the Job Network and Centrelink to develop their processes so that there is more consistency in terms of the treatment of participation reporting. For example, we funded Centrelink to provide training courses to Job Network members to take them through the processes that they go through in assessing a breach so that there was more clarity and transparency, with Job Network understanding how they should respond in terms of their participation reporting. There were other processes which are continuing to attempt to reduce the administrative burden placed on both those organisation and in order to have a more consistent approach.

**Senator WONG**—Shall we do it this way? Perhaps I will go through it and you can indicate to me what you say is being done. The first one is: stricter requirements for the documentation of decisions, including the introduction of a system based tool utilising mandatory fields, and a review of system based support tools for breach decision making and a review of all guidelines and training material relating to breach processing.

**Mr Carters**—I cannot comment on that. I am not aware of what work may or may not have been done in that area.

**Senator WONG**—Surely someone must be aware of it.

**Mr Correll**—I think some of the activity here occurred prior to the transfer of the function across from Family and Community services to the DEWR portfolio. I understand there has been substantive dialogue leading up to that point that involved Centrelink as well in discussions concerning the nature of letters and the consideration of consistency of approach at Social Security Appeal Tribunal type hearings. There were a range of areas covered. But I

think that to give a full response to your question we should take it on notice, because we will need to check back on some activities that occurred prior to the function transferring across.

**Senator WONG**—You do that, Mr Correll. I am sure that if I went and asked them they would say it is now your responsibility and that I should talk to you.

**Mr Correll**—We are happy to take responsibility for the question.

**Senator WONG**—I presume it is better if you talk to them. The next point was about the breaching review taskforce: I think we have discussed that. Was there any reason why it reported in December as opposed to April, which was what was originally agreed?

**Mr Carters**—Yes. It was the slow start-up of the taskforce. The taskforce was due to convene from April '03, which gave them a 12-month period in which to report. I do not think the taskforce got up and running until November '03, so we needed 12 months to be able to do justice to the task at hand.

**Senator WONG**—The letter states, 'A rolling quality assurance audit of breaching decisions will be commenced on a sample basis across all breaching categories to ensure consistency of decisions in full compliance with law and policy. This information will be fed into the Ombudsman's annual report on breaching as required by Senate resolution.' Is this rolling quality assurance audit of breaching decisions occurring?

**Ms Golightly**—Again, we would need to take that on notice.

**Senator WONG**—Presumably this is now DEWR's responsibility, is it not?

**Ms Golightly**—It certainly is. I just want to make sure I have the information for you.

**Senator WONG**—'The government agrees to introduce ongoing senior officer reviews for a percentage of breaching cases, determined on the advice of the ABS as being statistically valid.' Is that happening?

**Mr Carters**—Again, we need to take that on notice. We are not aware of these elements. This was when it was with family and community services, so we need to check all that.

**Mr Correll**—We will take on board that list you have in front of you, and we will then be able to answer the current status of those matters.

**Senator WONG**—Let us see how far we get. I understand you will probably take all of them on notice. I think you have actually done the personal adviser network—that is through Centrelink. Is that right?

**Mr Carters**—Done what to it, Senator?

**Senator WONG**—The expansion of the personal adviser network?

**Mr Carters**—Yes, that has been expanded.

**Senator WONG**—'Job Network members will be contractually obliged to make at least two attempts to contact and encourage job seekers to attend interviews before they submit participation reports.'

**Mr Carters**—That is now a contractual requirement for Job Network members.

**Senator WONG**—The two contacts?

**Mr Carters**—Yes, at least two.

**Senator WONG**—‘Procedures and guidelines developed between FaCS, DEWR, Centrelink and Job Network to ensure job seekers are not subject to multiple breaches for the same act of non-compliance. These guidelines to include the instructions to authorise review officers’, et cetera.

**Mr Parsons**—That has been done.

**Senator WONG**—Can you give me details on that? I am happy for you to take it on notice.

**Mr Parsons**—I am happy to do that.

**Senator WONG**—What about the issue of guidelines regarding ‘declaration of earning’ breaches? Essentially, as I understand the agreement, the first time there is an undeclared earning breach, the person should be given the benefit of the doubt. No breach should be imposed, unless there is a clear fraudulent intent.

**Mr Parsons**—I will have to look into that matter for you as well.

**Senator WONG**—Is the Colmar Brunton report, which I understand was finalised in 2002, on attitudinal segmentation new, Mr Correll?

**Mr Correll**—That really is an outcome 3 related issue.

**Senator WONG**—I am happy to ask it at that time. Dr Boxall, can you direct me—I hope you have some patience—

**Dr Boxall**—You can ask Colmar Brunton now if you want to. I thought you were going to do that.

**Senator WONG**—Sure. I am happy to do that. I just wanted a bit of an update on what was happening with it. I understand the report was finalised in 2002. Has there been any government response to that report?

**Mr Foster**—The Colmar Brunton survey was completed. That has been reported and is on the web site. Since then the department has commissioned some further longitudinal analysis to try to understand the extent to which job seeker attitudes impact on finding employment, job search methods, the extent to which those attitudes might change over time, what drives that change and what impact employment services have on those attitudes.

**Senator WONG**—Is that the job seeker attitudinal segmentation analysis?

**Mr Foster**—Yes.

**Senator WONG**—Just so you know, I had trouble accessing that on your web site. The link kept saying it was not available, but that might have been the parliamentary network. Was that completed in May 2002 or later than that?

**Mr Foster**—That consists of three waves of surveys. It is a longitudinal survey. The waves have been completed; the analysis has not.

**Senator WONG**—When was the last wave?

**Mr Foster**—I understand that it was completed in 2003.

**Senator WONG**—Has an analysis been done yet?

**Mr Foster**—It is not completed yet. There has been an initial analysis of the first wave, and a conference paper was given on that in Sydney in 2003. As for the analysis of the full three waves, this is longitudinal data, and you have to—

**Senator WONG**—I understand the phrase ‘longitudinal data’.

**Mr Foster**—It has not been finalised yet.

**Senator WONG**—Do we have an anticipated time frame for that?

**Mr Foster**—No. I do not know when that will be completed. It is done partly in-house and partly outside.

**Senator WONG**—I am happy for you to take this on notice, but was Colmar Brunton the only consultant?

**Mr Foster**—No. The original research was done by Colmar Brunton. The subsequent research has been done by Donovan’s and DMS.

**Senator WONG**—Is this on attitudinal segmentation?

**Mr Foster**—It took the original point-in-time research and has now been looking at how these attitudes and so on change over time and what the basic reason for change is.

**Senator WONG**—What is the total cost of any consultancies associated with the Colmar Brunton research and the longitudinal study?

**Mr Foster**—I will have to take that on notice.

**Senator WONG**—Do I understand from your answers, Mr Foster, that no work is currently being done within the department on analysing the longitudinal study?

**Mr Foster**—It is still being analysed.

**Senator WONG**—So someone is actually working on it?

**Mr Foster**—Yes.

**Senator WONG**—In your area?

**Mr Foster**—Yes, but it has not been completed yet. When it is completed we will be reporting to the minister.

**Senator WONG**—But you have no time frame on that.

**Mr Foster**—No, I do not have a time frame on that.

**Senator WONG**—Will it be this financial year or next financial year?

**Mr Foster**—I expect it to be this financial year.

**Mr Correll**—The pace of that will depend on priorities for the other research projects going on.

**Senator WONG**—Is this the outcome where I can ask about the DSP pilot?

**Dr Boxall**—Yes. We are combining outcomes 1 and 3.

**Senator WONG**—I am very confused about precisely what is in 1 and what is in 3. Of course, it does not help me to look at the PBS, because there was not an outcome 3.

**Dr Boxall**—I think the PBS is quite clear.

**Senator WONG**—I am glad you think so, but I am not clear about whether all of my questions around policy should be in outcome 3 or outcome 1. Would the DSP pilot be outcome 1 or outcome 3?

**Ms Caldwell**—The DSP pilot was implemented in outcome 1.

**Senator WONG**—So we are still on the right outcome.

**Dr Boxall**—Yes.

**Senator WONG**—What was the original budget for the pilot program?

**Ms Caldwell**—The pilot program which ran between December 2003 and June 2004 had a budget of \$1.3 million in total.

**Senator WONG**—Was that always the budget or was that revised over the course of the program?

**Ms Caldwell**—I understand that the pilot was developed in response to an application under our Employment Innovation Fund, so there would have been a settling of details before the pilot was commenced in the normal course of events. The budget was not varied additionally in the course of that pilot. That was always the budget.

**Senator WONG**—You started off by saying the pilot resulted from an application. I did not hear the rest of that. Could you repeat that part?

**Dr Boxall**—The pilot grew out of a project which was undertaken under the Employment Innovation Fund.

**Senator WONG**—Who applied?

**Ms Caldwell**—The National Employment Services Association raised the proposal with us.

**Senator WONG**—So they presumably prepared an application in accordance with funding guidelines under the Employment Innovation Fund. Is that correct?

**Dr Boxall**—That is correct.

**Senator WONG**—What was the budget in the original application?

**Dr Boxall**—We should have that information. It will be an amount of money which was granted from the Employment Innovation Fund for this particular project.

**Mr Manthorpe**—That money was \$303,000.

**Senator WONG**—So NESA's original proposal was for \$303,000. Are we able to obtain a copy of the original application for funding?

**Mr Manthorpe**—I would have to take that on notice.

**Senator WONG**—Are you going to say yes, Minister?



**Dr Boxall**—We do not normally give out applications for the Employment Innovation Fund.

**Senator WONG**—So this was the original application and the pilot program ‘grew out of that’. I think that was the phrase Dr Boxall used.

**Dr Boxall**—Yes. The pilot program was in a sense a follow-on. The function of the Employment Innovation Fund is to fund projects that want to explore a proposal and this was a successful application. As a result of this, a decision was made to do the DSP pilot.

**Senator WONG**—NESA was not the only provider involved in the pilot.

**Mr Manthorpe**—NESA was not the provider that carried out the pilot.

**Senator WONG**—That is the industry body, isn’t it?

**Mr Manthorpe**—Yes. NESA is the industry body. It applied for money under the Employment Innovation Fund on behalf of the 12 disability specialist Job Network providers that took part in the pilot.

**Senator WONG**—In the original application, was there an indication as to the number of DSP recipients that were proposed to be dealt with under the funding proposal?

**Mr Manthorpe**—I do not know.

**Mr Correll**—I may be able to help.

**Senator WONG**—On NESA’s original proposal, I am asking how many DSP recipients they said they wanted.

**Mr Correll**—Can I take one step back? The total value of this project, as Ms Caldwell has outlined, was in the order of \$1.3 million. The Employment Innovation Fund did not fund the totality of the project. It provided funding against certain components of the project. Those components of the project are identified on the web site for the Employment Innovation Fund initiative. Another source of funds was through Job Network support funding, which covers communication costs—there were significant communication elements associated with this project in connecting with the target group.

**Senator WONG**—Are you able to provide me with a breakdown of the \$1.3 million?

**Mr Correll**—I think we would have to take that on notice. I do not have it instantly in front of me. But we can provide that on notice.

**Senator WONG**—Is that likely to take a long time? I am happy to come back to it tonight. It is obviously something I would like to look at.

**Mr Correll**—We will do our best to try and get that information together this evening.

**Senator WONG**—I appreciate that. I am happy to come back to that. I was not aware of the component from the innovation fund. Who makes the decision to grant an application under that fund—the department, presumably?

**Mr Manthorpe**—Yes.

**Senator WONG**—That is not a ministerial decision?

**Mr Manthorpe**—No.

**Senator WONG**—When was that decision made?

**Mr Manthorpe**—My records suggest 18 November 2003.

**Senator WONG**—As to the application by NESAs to the fund, was NESAs the proponent applicant?

**Mr Manthorpe**—Yes, on behalf of the providers.

**Senator WONG**—Twelve providers, I think you said?

**Mr Manthorpe**—That is right.

**Senator WONG**—How did what was proposed differ from the DSP pilot?

**Ms Caldwell**—The EIF proposal put forward by NESAs was on behalf of specialist providers to enter into a pilot arrangement. In discussing and clarifying the scope of that proposal it became apparent that a broader pilot would be useful and beneficial to examining the issue around support for disability support services. The final pilot between late December 2003 and June 2004 had a combined funding, part of which came from the Employment Innovation Fund and part of which came from our normal Job Network support services which we use for advertising and the like.

**Senator WONG**—I am sorry, I am not any clearer after that answer, but that might be me.

**Mr Correll**—I was involved in some of the working group meetings that were formed. There was a working group of representatives of the specialist providers formed and those working groups led to the development of the project proposal, and that working group was effectively represented by NESAs.

**Senator WONG**—I am really very unclear as to this growth from the NESAs application to the DSP pilot. The original application to the Employment Innovation Fund was for a 12-month period?

**Mr Manthorpe**—I cannot recall the length of the proposed project. I think perhaps the best way to describe it is that the innovation fund made a contribution towards the operation of the overall pilot.

**Senator WONG**—Did NESAs's application to the fund indicate how many people were proposed to be assisted through the pilot?

**Mr Correll**—There is always a very uncertain factor as to how many people would be voluntarily participating in the pilot.

**Senator WONG**—Surely there was an estimate.

**Mr Correll**—Yes, there was.

**Senator WONG**—Can you give me that?

**Mr Correll**—Up to around 1,000 participants in the pilot were anticipated but that was at best an educated estimate of likely participant numbers.

**Senator WONG**—A thousand?

**Mr Correll**—Bear in mind that it could have been higher and it could have been lower, depending on the extent of voluntary take-up.

**Senator WONG**—I appreciate that. The decision was made to grant the funding under the EIF?

**Mr Manthorpe**—That is right.

**Senator WONG**—That was in September?

**Mr Manthorpe**—No, November 2003.

**Senator WONG**—Presumably the department assessed the proposal. It seems odd, given what it finally cost, that \$303,000 could ever have been thought to be enough.

**Mr Correll**—No, I do not think that \$303,000 was ever contemplated to be the total value of the project. But for many projects that we undertake, like industry strategy projects, the Employment Innovation Fund may not be the sole source of funding. This was exactly the same case. In this case you have multiple sources of funding for a pilot project.

**Senator WONG**—Can someone explain to me how we get from \$303,000 to over a million dollars? At the time of the granting of funding in November 2003, was there any decision by the department to allow additional funding from other sources for the project?

**Ms Golightly**—As Ms Caldwell mentioned and Mr Correll explained, once we received the original proposal it became apparent that there would be benefit in that project being much wider than just the proposal received from NESAs, so we got funds from other areas and added to the original proposal.

**Senator WONG**—I would like to know the time line of that.

**Ms Golightly**—I think we have said we would take that on notice.

**Senator WONG**—No, that was the breakdown of costs. Do we have a time line of decisions? How do we get from \$303,000 to \$1.3 million? Surely there are a number of decisions on the way, such as: this area is going to provide this, and this area is going to provide that. Can you give me a time line of those decisions?

**Ms Golightly**—We can look into that. I do not have it here, but we can certainly get that for you.

**Dr Boxall**—When the department made the decision to accept the application from NESAs for the disability support proposal in the EIF, it made that decision knowing that it would be able to contribute money from other sources to make the project a \$1.3 million pilot. It may be that some of our answers have confused you, in that it might look as though this thing was done in sequence, where it was first the EIF project and then later on somebody decided to expand it to a DSP. That is not the case, so if that came across we collectively apologise. On 18 November, when the decision was made to accept the project and award the \$303,000, at the same time part of that decision was to make it a \$1.3 million DSP pilot.

**Senator WONG**—Is your evidence therefore that, as at November 2003, there was a decision to commit \$1.3 million, of which \$303,000 was EIF funding?

**Mr Correll**—Yes, that was the picture. The project went forward for approval and consideration through our employment management committee as a total project. There were multiple sources of funding for the project. The \$303,000 was the Employment Innovation Fund component of the project. We have taken on notice the issue of trying to get a full break-

up of the \$1.3 million. Certainly a second component related to Job Network support funding, which covers communication, for related costs with client groups.

**Senator WONG**—Is the \$1.3 million allocation for this project identified in the 2003-04 PBS, or the additional statements for that financial year?

**Mr Correll**—It would not be discretely identified to that sort of fine-grain level.

**Senator WONG**—I suppose, depending on how much you are administering \$1.3 million, it might be fine-grain. Was there an indication in the previous budget of that decision to allocate?

**Dr Boxall**—I am advised that it was part of the departmental expenses for what was then outcome 1.

**Senator WONG**—So was it identified in the 2003-04 PBS?

**Dr Boxall**—It would not have been identified as a separate item; it would have been under one of the outputs.

**Ms Golightly**—I am advised that the remaining EIF part of the moneys administered came out of our departmental funds, which would be included in output 1.2.1 for that year.

**Senator WONG**—So Dr Boxall's evidence, as I understand it—or it might have been Mr Correll's evidence—was that the decision to allocate \$1.3 million was made by DEWR at the commencement of the process.

**Dr Boxall**—That is the department's evidence.

**Senator WONG**—As at November 2003?

**Mr Correll**—Yes.

**Senator WONG**—Was that made on the basis of a thousand participants?

**Mr Correll**—In that estimate, yes. That was the broad estimated number. Again, I would emphasise that there was a high level of uncertainty, because one of the key features of that pilot was to establish the extent to which a communication strategy would be successful in seeing people on disability support pensions voluntarily participate in Job Network services.

**Senator WONG**—I am sorry. I was distracted by an urgent email. Could you repeat that?

**Mr Correll**—One of the key features of the pilot was to establish the extent to which there would be voluntary participation in Job Network services by disability support pensioners. A key element of the pilot was a communication strategy by Job Network members. In terms of the number participating, we had always had the view that in the order of a thousand would be a good result. But the scale of actual participation was going to be a key finding coming out of the pilot and was a measure of our success in connecting with that client group.

**Senator WONG**—You are going to try and give me some indication of expenditure associated with various areas which could put some bones on your assertion that a key component of the spending was communication?

**Mr Correll**—Correct.

**Senator WONG**—When you say the sign-off of \$1.3 million expenditure for this program was predicated on a thousand participants, what did you define as participants? Were you thinking of participants as people who were asked or people who actually said, ‘Yes, I’ll participate’?

**Mr Correll**—People who would voluntarily come in and participate in Job Network services. There were multiple potential sources for that. One would be referrals coming through from Centrelink sources. The other would be direct engagement with disability support pensioner groups for Job Network members—bearing in mind that these are specialist Job Network members—to engage with a local contact within their community and to spread the message about the opportunity for voluntary participation. The participants came in from both of those sources.

**Senator WONG**—The participants came in from both of those sources?

**Mr Correll**—Both of those sources—Centrelink referrals and also a direct walk-in-the-door of the Job Network member.

**Senator WONG**—Is the \$1.3 million the total cost?

**Mr Correll**—Subject to the work that is now going on to answer that earlier question on notice, I believe so.

**Senator WONG**—We can come back to where the money came from—the other million. How many people ended up participating? It was about 670—is that right?

**Ms Caldwell**—There were 671 commencements in intensive support customised assistance.

**Senator WONG**—So the funding of \$1.3 million was predicated on having around a thousand participants, but that was expended in any event, despite the fact that about 671—

**Ms Caldwell**—The funding model had regard to the scope of the pilot that was being run. Over 1,100 inquiries were made of providers participating in the pilot. The funding was not conditional on a target number of commencements.

**Senator WONG**—No, but there was some estimate of about 1,000, as I understand Mr Correll’s evidence.

**Ms Caldwell**—That is correct. In looking at what is the scale, what could we expect—were we looking at 20, 100 or 1,000. It was in the order of 1,000, as Mr Correll indicated. In the event, we had 1,100 inquiries with pilot providers which translated to 671 persons proceeding to intensive support customised assistance.

**Senator WONG**—The funding model was not predicated on the number of commencements—is that what you said, Ms Caldwell?

**Ms Caldwell**—Yes.

**Senator WONG**—Do I understand that to mean that the providers were not paid per commencement?

**Ms Caldwell**—That is correct, the pilot did not pay per commencement.

**Senator WONG**—So you just gave funding without having actual numbers of commencements as performance criteria?

**Mr Correll**—The same situation applied in terms of outcome fees for successful placements and outcomes for participants in the pilot as apply under the normal Job Network regime. The actual costing of the pilot involved substantial fixed components in terms of communication costs and strategies. Indeed, the very reason that the pilot was undertaken was to help determine the extent to which there would be voluntary participation. One of the major findings from the pilot was that there was substantive voluntary participation and interest in the group in accessing those services—interest from that disability support pension group.

**Senator WONG**—Yes, I understand that, Mr Correll. I understand that Ms Caldwell's evidence is that actual commencements was not a performance criterion for payment; is that correct? So you had an estimate of 1,000 commencements and 671 actually commenced but the amount of money expended remained the same?

**Ms Golightly**—I think that we are getting a couple of things mixed up here. There is the cost of running a pilot versus the outcome fees that might be payable under normal circumstances to Job Network—

**Senator WONG**—Yes, I understand that. I am talking about the pilot and I want to clarify my understanding of Ms Caldwell's evidence. The payment to the providers was not dependent in any way on the number of commencements; is that right?

**Ms Golightly**—We are seeking the information on the break-up of the costings for the pilot. My understanding, pending that break-up, is that a lot of different costs went into the costing of the pilot. Some of that is definitely focused on looking at innovative ways that Job Network members may have been able to help these people. It might have been focused on education services as an example.

**Senator WONG**—I understand all that. I have got that answer from Mr Correll a few times. I understand that there were a range of expenditures which were not associated with the performance outcome. I appreciate that. I am asking if any aspect of the payment to the providers in this pilot was subject to the number of commencements.

**Ms Caldwell**—Not to the number of commencements. I understand payment was made in two instalments. The second instalment was certainly conditional on the pilot participant actively participating. Being able to indicate to us that they had used best endeavours, the number of commencements and the number of discussions they have had and their reports to us of the number of networks that they had worked actively with in the local community to raise awareness were brought into account in terms of reporting and in terms of the final instalments. So we made sure that these payments were being made for participation in the pilot, and that was all satisfied. It was not discounted or added to by the number of commencements. The nature of the pilot was to test the level of interest among disability support pensioners in voluntary participation in services. The type of feedback, reports and learnings we were interested in were: does it take one conversation for somebody to volunteer for services or is it a matter of speaking to many intermediaries and potential interested people before they will commit to participating in services? That was what the pilot was testing.

**Mr Correll**—This data might be helpful: by 30 June 2004, 1,100 job seekers had met with a disability specialist provider about participating in the pilot.

**Senator WONG**—Mr Correll, I have that document in front of me. You are reading out of the report of the interim pilot. I have that.

**Mr Correll**—The point is that, whilst there were 671 commencements in intensive support, the interest that it attracted was 1,100 disability support pensioners, which is in fact very close to the original expectations of this pilot project. In fact, it slightly exceeds them.

**Senator WONG**—There is obviously a difference in commencements and the people who had originally been counted. But I am just wanting to clarify that the \$1.3 million was not subject to any performance criteria associated with commencements, and I think Ms Caldwell has clarified that. I do have more questions on this, but I am happy to wait for the provision of the data, if that is likely to be later. But I think Senator Webber has some questions.

**Senator WEBBER**—Yes, but not on that matter. I have some concerns about another Job Network provider. Forgive me if I have come in at the wrong point in the program.

**Dr Boxall**—It is fine.

**Senator WEBBER**—Before I start, congratulations, Mr Correll, on your Australia Day honour.

**Mr Correll**—Thank you very much.

**Senator WEBBER**—Recently a business in Perth, PVS Workfind, distributed envelopes that had cheques for \$9,150 enclosed and a series of vouchers, all made payable to the PVS work saver employer or the PVS casuals employer. The cheques—these are all dummy cheques obviously—ranged from \$150 up to \$4,000. These cheques all say, ‘See terms and conditions on back.’ Explaining how to get the \$4,000 subsidy it says: ‘How to cash in this cheque: if you employ a PVS Workfind candidate and pay them \$350 or more per week for 13 consecutive weeks, we will pay you \$4,000.’ It does not in any way express the fact that, in order to qualify for the graduated Job Network subsidies or job placement subsidies, it comes with conditions and terms in relation to special circumstances like employing people with disabilities, people who have recently come out of prison, people with criminal records or the long-term unemployed. Is this a standard practice that you know of? It concerns me that employers are being misled by this. They think they can just take anyone and employ them for \$350 a week for 13 weeks, and they will get \$4,000.

**Ms Caldwell**—It is certainly not a standard arrangement.

**Senator WEBBER**—Were you aware that this is the way that it is being marketed in Perth?

**Ms Caldwell**—No, the department was not aware of that.

**Senator WEBBER**—I can see why it would be attractive, unless it was explained to employers, because you would think that you could take someone and employ them for \$350 a week—obviously there would be some on costs as well—for 13 weeks, and it would cost less than \$1,000. You would feel pretty confident. You would feel that that was a good thing,

and it would probably help create some employment, until you were perhaps alerted to the fact that to get that degree of subsidy—

**Ms Caldwell**—We are not familiar with that particular issue.

**Senator WEBBER**—Are you concerned about that?

**Ms Golightly**—Certainly we will take any information you have on that and look into it.

**Senator WEBBER**—I am more than happy to give you a copy of it; it is very groovy. The same goes for the \$150 cheque. Under the terms and conditions, it says: ‘How to cash in this cheque: if you find 15 hours or more of casual work over a period of five consecutive days, PVS casuals will find the right candidate to do it for you.’ Obviously all they have to do is give you someone that you feel you only need to pay \$10 an hour for and you have basically got a fully subsidised person, but they do not in anyway indicate—

**Dr Boxall**—We will check it out.

**Senator WEBBER**—Apart from that, I do not have much more to raise, seeing as we have in the Senate now the new shadow minister who has the responsibility for this portfolio.

**Senator WONG**—How many people who started in employment through the DSP pilot are currently employed, or has that not been tracked?

**Mr Correll**—There is an phase 1 evaluation report that the Minister for Workforce Participation has released on the pilot. There is a second phase evaluation that is now looking at the sustainability of outcomes under the pilot. That evaluation report is being finalised over the next approximately two months, once there is sufficient data through to be able to see the sustainability of the outcomes. We would have to say that in the phase 2 evaluation report we will see the complete picture of that cohort group that has gone through the pilot.

**Senator WONG**—Do I understand that to mean, yes, you are tracking the ongoing employment of the pilot participants?

**Mr Correll**—Definitely. We are doing it through a comprehensive evaluation process.

**Senator WONG**—I got that. Are you indicating to me that you do not wish to release the current results of that tracking part of the second stage evaluation?

**Mr Correll**—It is just that there is not a documented finding yet. We are in the process of doing the work.

**Senator WONG**—I understand that, but are you able to tell me as at your last check how many of them are still employed?

**Mr Correll**—There had been 73 outcomes—that is, 13 weeks retention in employment or education had been achieved—as a result of the pilot by the end of September 2004. By 14 January 2005 this had increased to 150 outcomes, of which 93 per cent are based on employment and the remainder on education.

**Senator WONG**—What is the cost per person commencing the pilot?

**Mr Correll**—I would have to take that on notice. The cost of the pilot per person commencing?



**Senator WONG**—I suppose we could just divide \$1.3 million by 671. Is it not the case that 62 per cent of the participants had previously indicated a willingness to work by registering with Centrelink as looking for work?

**Mr Correll**—Yes, that may be so. If that was the finding in the first phase evaluation report then that would be so.

**Senator WONG**—The participants volunteered, obviously.

**Mr Correll**—Yes, it was purely voluntary.

**Senator WONG**—Would be correct to say that those participants would have lesser levels of disability and work restriction than the broader DSP recipient population?

**Mr Correll**—No. I think if you go to the first phase evaluation report you will find a very interesting profile of the participants that compares with the profile of the total disability support pensioner population. There are close similarities in the two profiles. Also within the report is a profile of the duration of unemployment of the participants. From memory, the average duration of unemployment of the participants was five to six years. That was in the initial evaluation. A number of participants who had been unemployed for 10 years or longer had gained job outcomes.

**Senator WONG**—Isn't it the case that the DSP recipients in the pilot did not have any ongoing support requirements?

**Mr Correll**—That is correct.

**Senator WONG**—Ms Caldwell is nodding her head. Doesn't that mean they have a lesser level of disability or work restriction?

**Mr Correll**—Generally yes—it goes to the nature of the disability of the individual. And generally it is true that the Job Network service is targeted at individuals who do not have ongoing support needs in the workplace. The service that is tailored to individuals with ongoing support needs is Disability Open Employment Services.

**Senator WONG**—So it was not intended to target—

**Mr Correll**—Absolutely not. That group is very much voluntary; they are people who want to gain work. Of those in the disability support pensioner group, very few have any work at all or any form of earned income. It was attempting to target volunteers who would be able to benefit from Job Network services.

**Senator WONG**—A number of comments were made in the report about the delays in participants receiving services. Has there been any response to some of the problems identified in the pilot?

**Mr Correll**—As a result of the pilot, a quite comprehensive action plan was formulated that picked up on many of those findings. My recollection is that there were six key areas of recommendation included in the disability pilot first phase evaluation, all of which are being pursued.

**Ms Golightly**—That is correct.

**Senator WONG**—Was that a departmental action plan?

**Ms Caldwell**—The evaluation report indicated the areas for action and, as Mr Correll has indicated, we are moving ahead on all of those.

**Senator WONG**—I am sorry to interrupt, but I understood that Mr Correll was talking about another document.

**Mr Correll**—No.

**Senator WONG**—Are you saying that the interim evaluation report had the action plan in it?

**Mr Correll**—The interim evaluation report pointed to, again from memory, six key areas for follow-up. Those recommendations and areas were then targeted for follow-up action, some of which has already happened and some of which is happening in the future.

**Senator WONG**—What is happening in terms of ‘(1) Remove disincentives to participation for DSP recipients’? What action is being taken on that front?

**Mr Correll**—That is a very interesting finding that is feeding policy consideration in the area of working age reform.

**Senator WONG**—That is a very general answer to my question—probably a very good bureaucratic answer—but I do not really understand what that means.

**Mr Correll**—It goes to the whole issue of incentives and disincentives to participation in the work force. What this pilot identified for this target group was substantial perceived disincentive to participation.

**Senator WONG**—And actual disincentive. I think it identified both.

**Mr Correll**—Yes, that is a fair comment.

**Senator WONG**—Are you able to point me to the action plan for item 1? What is actually happening in relation to that recommendation?

**Mr Correll**—That particular issue goes to the examination of what are the appropriate policy settings in the area of incentives for people in receipt of the disability support pension. That is certainly a key policy area of consideration when looking at issues about increased work force participation, and it is an issue that is currently under consideration by government.

**Senator WONG**—Have any drafting instructions been issued in relation to government initiatives resulting from that conclusion—remove disincentives to participation for DSP recipients?

**Mr Correll**—To my knowledge, no. Are you suggesting drafting instructions—advice to service providers in the field?

**Senator WONG**—No, legislation drafting instructions. I not asking what is in it; I am asking if it has been an issue.

**Dr Boxall**—No. Action point (1) will inform our advice to government on the general Welfare to Work reform agenda. That is still under consideration by government.

**Senator WONG**—So presumably there are proposals for consideration which are currently with ministers.

**Dr Boxall**—The government is considering this issue. It made that quite clear with the machinery of government changes and the appointment of the Minister for Workforce Participation. The government is considering general issues in this regard and we will advise the government based on action point (1). That will be one part of our advice.

**Senator WONG**—What about ‘increasing the DSP recipients’ awareness of available employment services and promoting best practice in engaging with interested job seekers at a local level’?

**Ms Caldwell**—We are certainly doing that.

**Senator WONG**—Can you tell me what you are doing?

**Ms Caldwell**—There has been considerable attention paid to this, especially in light of the machinery of government changes. There is quite a level of high awareness now among disability support pension recipients of the availability. Mr Manthorpe would be able to detail the work we are doing at the point of contact with Centrelink about presenting to disability support pension recipients their existing eligibility to access these services if they are interested.

**Senator WONG**—Ms Caldwell, on what basis do you say there is a high level of awareness among DSP recipients of employment services? Has there been a survey subsequent to this being done, or it is your opinion?

**Ms Golightly**—Senator, I think that—

**Senator WONG**—I am sorry. I am trying to clarify Ms Caldwell’s answer.

**Dr Boxall**—Ms Golightly can answer.

**Ms Golightly**—I think the point here is that we are actioning the recommendation, which is that we increase the awareness out there in a number of a different ways. One of those ways is at the point of contact, and another one is that we are working with Job Network providers to increase their understanding and their capacity and ability to assist people who volunteer to use their services.

**Senator WONG**—What I am interested in is what is being done as a result of the conclusion which was drawn in the report. If it is too detailed, I am quite happy for you to indicate that you want to take it on notice, but that is what I am interested in. What actual changes to government programs or initiatives have occurred in response to the conclusions in the interim evaluation?

**Mr Correll**—There has certainly been action taken by a number of Job Network members in this area to increase their profile with this group and improve that connection. There has also been an increase in the number of disability support pensioners who are connecting with employment services since the pilot was undertaken, simply flowing from the communications associated with the pilot, but it would also be fair to say that considerably more could potentially be required in that area to raise the level of awareness of services across that group.

**Senator WONG**—What about items 3, 4 and 5? Are the government doing anything in relation to those?

**Mr Correll**—Certainly on item 3, there has been considerable promotion and building of awareness of the pilot amongst Job Network members to improve the flexible use of servicing arrangements, particularly through the use of the job seeker account, to work flexibly with service fees with Job Network members in servicing this particular target group. It is a very important area.

In terms of item 4, promoting best practice training and support tools for servicing disability job seekers, there has been dialogue with the National Employment Services Association—a special interest group that deals with disabilities—to advance a better practice agenda with Job Network members in this area. But we are also conscious of the fact that there are a number of Job Network members who, as individual organisations, have been taking substantive action in this field. In terms of streamlining Job Network administrative systems and processes for disability support pensioner job seekers, there have been measures taken in this area to ensure that disability support pensioners immediately access the highest forms of assistance when they commence with Job Network services. That is intensive support customised assistance, which was the model that operated under the pilot.

In relation to item 6, improving the awareness in the labour market of the benefits of employing people with a disability, there are projects that we are running through our industry strategies task force which are geared to targeting industry sectors that open opportunities for people with a disability. In addition, we have a disability advisory group that has connections with the employers and employer peak bodies and we are working with that group on strategies in this area as well.

**Senator WONG**—Have we dealt with the issue of the labour market benefits of employing people with a disability? Employer attitude was identified in the pilot as a problem.

**Mr Correll**—Yes.

**Senator WONG**—That is, from what I understand, a reasonably uncontroversial assertion.

**Mr Correll**—Yes.

**Senator WONG**—That attitudinal change will take some time. But what measures has the government undertaken to try to shift employer attitudes in relation to the employment of people with a disability?

**Mr Correll**—From the point of view of the specific issues emerging out of the pilot, we do have industry strategy projects—and I might ask one of my colleagues, Ms Taylor, to comment on the nature of those industry strategy projects—that are basically targeting employment opportunities for people with a disability. On the broader front, the issues that came out of the pilot in this area also feed current government consideration of broader policy directions.

**Senator WONG**—Ms Taylor can perhaps enlighten me on what measures are being undertaken to change some employers' attitudes.

**Ms Taylor**—Certainly. There are a number of initiatives that I can give you some level of detail on that we are working on with individual employers or individual employer groups—

**Senator WONG**—Can I just interpose something there? I would appreciate it if you could make reference to what, if any, funding has been allocated to any measures.

**Ms Taylor**—With that level of detail, I will take that on notice and give you a complete list of the projects that deal with people with a disability and the level of funding for some of those projects.

**Senator WONG**—We are talking about employer focussed projects.

**Ms Taylor**—Yes, employer focussed projects. Part of what do is about demand led strategies, so we deal with five major industry sectors. We are targeting opportunities in those particular industry sectors that show employment growth or that have the sort of jobs that we can see are opportunities for these particular client groups. In addition to that, through a series of Better Connections workshops—we are holding 15 workshops this financial year throughout the country—we bring together providers, state governments, local governments and some interested community groups and provide them with information about the local labour market and also the supply of labour in the area, including the proportions who are on disability support and who are lone parents. We do this so that we can look at what the job opportunities are in the area and then make the links with where the demand for labour is. So we will get a profile of the labour market by industry and occupation, we will look at skill shortages, we will look at opportunities for part-time work and then match that with supply of labour so we can point the providers—the mediators in the middle—to where those opportunities are.

**Senator WONG**—On notice, could you expand on that answer and identify the funding measures associated with each of those?

**Ms Taylor**—Certainly, for that level of detail I will take that on notice.

**Senator WONG**—I would appreciate that.

**Senator WEBBER**—Can I just interrupt and go back a step. Ms Taylor, from what I can gather in your answer you talked about skills shortages and what have you. When we are talking about DSP recipients, isn't that a very long-term strategy, trying to match them with re-entry into the work force and assisting in filling skills shortages vacancies?

**Mr Correll**—Certainly not. Some people with disabilities have high skill levels and can go into employment positions. Indeed, last year the employer of the year for people with disabilities was Telstra, employing significant numbers of people in the ICT industry, which is in fact a significant industry target for people with disabilities.

**Senator WEBBER**—In that case—and you can take this on notice—I would appreciate any additional data you have on just how that works, where people with disabilities are actually being matched to skills shortages and how many people from DSP are filling the skills shortages, as opposed to the wider unemployed community.

**Ms Taylor**—I am happy to provide what information we have in that area. In the Better Connections workshops one of the things that we will do is to look at the projections for change by industry and occupation as well and also highlight future skill needs.

**Senator WONG**—Have there been many measures to deal with some of the criticisms of the Job Network in the DSP pilot, including the fact that 40 per cent of those registered with Job Network were registered as job search only, so were not exposed to intensive assistance referrals despite their high level of disadvantage?

**Ms Golightly**—I will get my colleagues to add any detail I do not have but, as I understand it, we are working much more closely now with Centrelink to make sure that such people who are volunteering to be referred are referred under the right category.

**Senator WONG**—What does that mean in practice?

**Mr Manthorpe**—It means that, if a job seeker is classified as job search support only, JSSO, at Centrelink and they are referred to Job Network, they are only entitled to, if you like, the entry level service that a job seeker receives at Job Network. If they are classified as fully Job Network eligible and, indeed, if they are on DSP, they go into the intensive support customised assistance service straightaway, so it means that they get access to a higher level of service from the Job Network.

**Senator WONG**—I understand that.

**Mr Manthorpe**—So what we are doing in practice is working with Centrelink to ensure that their network understands the need to absolutely get right the classification for referral that the job seeker has.

**Senator WONG**—Is the job seeker classification index used for DSP recipients? Is that what it is for?

**Mr Correll**—It has been used in the past. I think one of the key developments really flowing on from the pilot is that, if you are in receipt of a disability support pension, it is probably fair to expect that you are in fact highly disadvantaged in the labour market, and therefore there is probably not the need to go through the hurdle of doing the JSCI. So, under the rules that now apply—and this is following on from the pilot, and these rules applied during the pilot—anyone who commences with the Job Network who is on a disability support pension immediately goes into the highest form of assistance. I should also point out that the performance in terms of job placements by Job Network has been growing quite solidly for disability support pensioners since the conclusion of the pilot. There was a progressive improvement in job placements from July to December, and that performance is building solidly. Also, in the past 12 months, there have been almost 36,000 job placements for people with disabilities, and that is an increase of 58 per cent on the previous year.

**Senator WONG**—Thank you. I am not sure I asked any questions about that but thank you for contributing. I am sure Senator Abetz is very happy that you made that contribution. I am not sure if it was Mr Correll or someone else who mentioned the Disability Advisory Group in one of the answers. Was that you Mr Correll?

**Mr Correll**—Yes.

**Senator Wong**—Who are they?

**Mr Correll**—The Disability Advisory Group is a group of representatives from the provider sector, from employers and from the end group receiving the services—people with a disability. They are group that meets periodically, roughly each quarter. They provide advice to the department and through to the government on issues associated with employment services for people with a disability and how they can be improved.

**Senator WONG**—Can you provide me with the membership of that group.

**Mr Correll**—Yes. We can take that on notice.

**Senator WONG**—Is it a ministerial appointment or is it a departmental process?

**Mr Correll**—I believe it is a departmental process.

**Senator WONG**—Does someone know? It is obviously a very well known group.

**Mr Correll**—Let me correct myself: the minister approves membership of the Disability Advisory Group. Its composition is approved by the minister.

**Senator WONG**—I presume this is different from the National Disability Advisory Council that FaCS used to service. This is another body, correct?

**Mr Correll**—Yes. It is a body that was originally established at the time of the development of the active participation model to advise the department and the minister of the day on the optimal structuring of services for people with a disability.

**Senator WONG**—How long has this group been in existence?

**Mr Correll**—That makes it approximately two years.

**Dr Boxall**—Nearly two years.

**Mr Correll**—I would have to check the precise date.

**Senator WONG**—Is the current membership in the annual report? That would be a bit out of date, I presume. It is just talked about generally at page 30. It appears to suggest that the department established the group, not the minister. It seems not to be a ministerial appointment. This is on page 30.

**Mr Correll**—I have a listing of the membership.

**Senator WONG**—Thank you. Is this appointed by the minister or by the department? Your answer seems to not really be consistent with what is the annual report but it might just be my interpretation of it.

**Mr Correll**—The Disability Advisory Group's membership is approved by the minister. But it is effectively administered and run by the department. I am the chair of that group. It has two other representatives from the department, Mr Carters and Ms Caldwell. It has Ian Spicer, Chair of the National Disability Advisory Council, as a member. David Thompson, the Deputy Chair of the National Employment Services Association and also the CEO of Jobs Australia is a member. Steve Balzary—

**Senator WONG**—Are you able to table that? I do not mind if you want to sit here and read through everyone.

**Dr Boxall**—There is other stuff in the document.

**Mr Correll**—Yes, I am not reading from a simple document relating to this; it is a broader document. Would you like me to go on?

**Senator WONG**—Please.

**Mr Correll**—Mr Steve Balzary, who is director of employment and training with the Australian Chamber of Commerce and Industry, is a member. Ms Karen Rainbow, who is the CEO of the Job Network disability specialist support works, is also a member. She also

convenes the NESAs disability specialist interest group. Ms Margaret Carmody, who is the deputy general manager for the CRS in Australia, is a member. The Australian Federation of Disability Organisations is represented by Ms Maryanne Diamond. Ms Lucy Macali represents the ACE National Network of open employment service providers, and Mr John Mendoza, the Chief Executive Officer of the Mental Health Council of Australia, is also a member of the group.

**Senator WONG**—Are there any end users such as DSP recipients on that group, or any people with experience of working for people with disabilities, as opposed to a service provider? I suppose Ms Diamond is obviously an advocate.

**Mr Correll**—Yes, Ms Diamond, through the Australian Federation of Disability Organisations, represents a large range of interest groups.

**Senator WONG**—How many times since its inception has the group met?

**Mr Correll**—I would have to check that.

**Senator WONG**—You chair it, Mr Correll. When was the last time you chaired a meeting?

**Mr Correll**—It would have been about three months ago, I think. We just need to check the precise dates, but it has met regularly at about quarterly intervals. I should add, to be complete, that the last three members of the committee who I mentioned—that is, Ms Maryanne Diamond, Ms Lucy Macali and Mr John Mendoza—have recently been added to the committee and they have not yet participated in their first meeting.

**Senator WONG**—So the committee has been operating for just over a couple of years—or not quite a couple of years?

**Dr Boxall**—Just under a couple of years.

**Mr Correll**—It is only recently that the department has taken on responsibility for disability open employment services.

**Senator WONG**—That is a good answer as to why there was nobody from the sector on before Mr Correll. When is the next meeting of the group scheduled for?

**Mr Correll**—At this stage it is not completely settled, but it is proposed for 2 March.

**Senator WONG**—Is it proposed that this group will form the basis for consultation on the government's proposed Welfare to Work reforms, insofar as they affect DSP recipients, or is there another proposed mechanism for consultation?

**Mr Correll**—Those are matters under consideration by government at the present stage which I could not comment on.

**Senator WONG**—The minister has made an announcement as to consultation. I am sure you are aware of his speech.

**Mr Correll**—Yes.

**Senator WONG**—So what other mechanisms have been put in place to ensure that consultation occurs?

**Mr Correll**—Again, those mechanisms are matters that are under consideration by government at the present stage.



**Senator WONG**—Whether or not consultation will occur, or how it will occur?

**Mr Correll**—How it would occur.

**Senator WONG**—So, as you understand the government's position, it is the case that consultation will occur on reforms which would affect DSP recipients in this area?

**Mr Correll**—The position is consistent with any announcements that have been made by ministers in that area.

**Senator WONG**—I am a little confused, because Minister Andrews, who is the responsible minister, gave an indication that there would be consultation, but we have also had an indication from the Prime Minister that the old bill for the reform of DSP will be introduced. I am a little confused as to whether or not the consultation and introduction of the bill are part of the same process.

**Dr Boxall**—It is not inconsistent.

**Senator WONG**—It is not inconsistent?

**Dr Boxall**—No.

**Senator WONG**—How do you explain that, Minister?

**Senator Abetz**—Before you can reintroduce, you consult. As you know, I am not the portfolio minister, but from what you have said it does not seem inconsistent to me that you can intend to reintroduce an existing bill but also engage in consultation. I do not know what is planned.

**Senator WONG**—What would be the point of consulting on a bill that was already introduced? The government has already made its position clear once the bill has been introduced.

**Senator Abetz**—I do not want to have anything read into this, but every now and then legislation does in fact have government amendments made to it. I do not know whether that is a proposal or a possibility. All I am saying is that what you asserted is not necessarily inconsistent.

**Senator WONG**—What is the government's position? Is the government's position as asserted by Mr Andrews—that more consultation will occur within the sector before there are changes proposed to the DSP—or is the government's position the Prime Minister's position, which is that the 2002 bill will be reintroduced?

**Senator Abetz**—I do not think there is any inconsistency in the two positions. As I understand it, the Prime Minister's statement was the later statement, and the chances are that it is the most up-to-date statement.

**Senator WONG**—Why were commitments given by Minister Andrews to consult in relation to DSP reform if the government's intention is to simply reintroduce the failed bill?

**Senator Abetz**—As I said before, I do not think there is necessarily any inconsistency in the matter.

**Senator WONG**—I do not understand that. Perhaps you could explain what you mean by that.

**Senator Abetz**—Unless you can point to an inconsistency, I do not think I have to show how it is consistent. As I have said before, it is quite possible to say that you will consult on a matter and, nevertheless, reintroduce legislation that had been previously blocked.

**Senator Wong**—So the government's position is that they can both consult and reintroduce legislation which was previously rejected by the parliament?

**Senator Abetz**—What I am saying is that it is logically not inconsistent, and you are trying to suggest that somehow it is inconsistent.

**Senator Wong**—Maybe I have a different understanding of what 'consultation' means, but I do not understand how it is consistent to introduce a bill and also consult. Are you suggesting that the government will introduce it but consult on the final form of the bill that has progressed? Is that what is being suggested?

**Senator Abetz**—Without going through the exact words spoken by Minister Andrews, I understand that his was a general comment about consultation. One of the hallmarks of this government is that we have been very consultative, so it should not surprise you if a minister says that he is going to consult.

**Senator Wong**—So they were general remarks about consultation in relation to DSP reform?

**Senator Abetz**—I do not have the exact statement of Minister Andrews. If you have it, that may be of some assistance. I do not see any inconsistency. I have just been reminded, and I assume this is correct, that Minister Andrews was talking in general terms about Disability Open Employment Services, whereas the Prime Minister was talking about a specific piece of legislation that had been blocked in the Senate.

**Senator Wong**—So, as I understand government's position, you are consulting in relation to Disability Open Employment Services but not on the legislation affecting the entitlement to access to the DSP?

**Senator Abetz**—No. Once again that is not a conclusion that you can come to. You seem to be married to the proposition that the two statements by Minister Andrews and the Prime Minister are somehow inconsistent. I think that they can dovetail quite well.

**Senator Wong**—I would be very happy if you could explain to me how they dovetail.

**Senator Abetz**—I have made a few attempts. I could make another attempt. There is nothing inconsistent with somebody saying that they will be engaging in consultation, and the reintroduction of a piece of legislation. I cannot see why, as a matter of logic, that would somehow be inconsistent. I just do not see it. I do not know if I am missing something here.

**Senator Wong**—We obviously come at it from different perspectives.

**Senator Abetz**—It would not surprise me if we do come at it from different perspectives. You are trying to make a political point about this via wedging—

**Senator Wong**—As are you.

**Senator Abetz**—but I cannot see that there is any gap for you to put the wedge into.

**Senator WONG**—I do not want to take up the department's time any further on this, Minister, but I am not sure that your assertion that there is no inconsistency is an explanation as to how there is no inconsistency. Anyway, we will leave it. Did the Prime Minister correctly articulate the government's position that the proposal is to reintroduce—

**Senator Abetz**—Do you expect me to say no?

**Senator WONG**—I suppose you want to keep your job.

**Senator Abetz**—I would be a very brave minister to say, 'Look, the Prime Minister's got this wrong. Allow me to explain on his behalf.' With great respect, I think you can rely on what the Prime Minister said.

**Senator WONG**—So the government will be reintroducing the old bill.

**Senator Abetz**—If that is what the Prime Minister said, I have a fair idea that that might be the government's intention.

**Senator WONG**—Is there any proposal to amend it at all?

**Senator Abetz**—That has not been discussed, as far as I am aware. Of course, in my role I would not necessarily be aware of that.

**Senator WONG**—Is that reintroduction likely to be this financial year?

**Senator Abetz**—I am not sure that a timetable has been set for that at this stage.

**Senator WONG**—There is no timetable?

**Senator Abetz**—Not that I am aware of.

**Senator WONG**—Minister Andrews also indicated:

... my Department will be undertaking an early intervention pilot in the next few months. The pilot will assess job seekers with participation barriers and refer them quickly to the most appropriate form of assistance.

Are you aware of that statement, Mr Correll?

**Mr Correll**—Could you highlight where it is from?

**Senator WONG**—I downloaded it from the ministerial web site that DEWR has the link to. It is from 3 February 2005. What is the early intervention pilot?

**Mr Correll**—Mr Sandison will be able to give you a run-down on that pilot.

**Senator WONG**—Mr Sandison is on outcome 3. I apologise if I am jumping around.

**Mr Sandison**—It covers both. It is leading onto some of the policy issues but is obviously a program operational issue as well. The pilot has been set up to look at assessment models and early intervention. It draws on the early intervention and assessment pilots that were done in 2002-03. We are looking to test three areas. We are looking to improve the standard of, and information provided through, work capacity assessments; we are looking at direct referral to providers so that, once an assessment is made by one of the assessing organisations, an individual does not have to go back to Centrelink but will go direct to an end service; and we are looking at early interventions in terms of trying to make people eligible for Job Network

faster rather than leaving them in some of the longer-term programs, like a personal support program.

**Senator WONG**—What is the target group?

**Mr Sandison**—The target group is people who have applied for an incapacity exemption—so they would be under Newstart—and people who have applied for the DSP.

**Senator WONG**—What is the funding allocation for the pilot?

**Mr Sandison**—We are still in the process of working that out. It will cost in the order of several hundred thousand dollars. A large part of that would be taken up by existing cost structures in the assessment process, which is the contract with assessment providers such as Health Services Australia.

**Senator WONG**—What is the projected time line for commencement?

**Mr Sandison**—We hope to have a commencement before the end of March.

**Senator WONG**—But you have not finalised the costings?

**Mr Sandison**—Part of it will depend on proposals from the providers that do the current assessments under contract with Centrelink, and we are establishing where the locations will be for about eight to nine sites. Once they have been set we will have a better idea of the number flow. Obviously with anything like this, the final numbers that go through will have implications for the cost.

**Senator WONG**—Apparently not on the DSP pilot, where the commencements did not affect cost. Is a different funding structure anticipated in relation to this pilot?

**Mr Sandison**—We have two components. One of them is on the assessment side, and we already fund providers for those assessments. We are looking to try and improve the standard of the assessments and consolidate the work that is done so each of the providers currently contracted will come back—or have already come back—with a proposed change to the assessment model, and that will give us a target price per assessment. We would aim for 900 to 1,000 people to go through the process and, based on the individual price from the four agencies—and I do not have that information on me, and obviously we would keep that confidential, we would be looking to get the final price. However, we know the rough price of what the assessments cost now.

**Senator WONG**—Which is?

**Mr Sandison**—It is about \$170 or \$180 for an existing work capacity assessment. If you go and get additional assessments—Health Services Australia provide the medical assessments, if additional information is needed—then the price goes up.

**Senator WONG**—I am sorry, but I am new to this area. Currently, are all the assessments done by Health Services Australia, or is there a—

**Mr Sandison**—No, they are done by Health Services Australia, Active Personnel Management Australia—

**Senator WONG**—So there are a number of providers.

**Mr Sandison**—A small number.

**Senator WONG**—So this pilot is proposing a different assessment process?

**Mr Sandison**—It is primarily building on existing assessment processes, because they came out of the assessment and contestability trial several years ago, but with the change in dynamics after the machinery of government there are opportunities to get improvements.

**Senator WONG**—Which are?

**Mr Sandison**—If we can bring together some of the medical assessment with work capacity, that will give a consolidated report—if we can improve the technology flow to allow the actual write-ups to the reports to be used and transferred to Centrelink rather than FaCS. So there is an IT component—the quality of the assessment itself and the direct referral that I mentioned—to make sure that the person does not get moved through Centrelink but can go direct to the service provider.

**Senator WONG**—Presumably people who go through that process do not need to go through a JSCI process to assess their particular needs. This is a much more detailed process of assessment.

**Mr Sandison**—Many of them already would have. If you are on Newstart and you are seeking an incapacity exemption, you probably would have had your JSCI some time ago and would be engaged with a Job Network but would be seeking an exemption from the activity requirements of mutual obligation. This is a more consolidated assessment that goes beyond that. It might replace some elements of the supplementary assessments that are currently done.

**Senator WONG**—Going back to the DSC pilot, the comment was made that usage of the workplace modification scheme was also low.

**Mr Correll**—Yes.

**Senator WONG**—Why is that?

**Mr Correll**—The workplace modification scheme acts, in the context of the active participation model, as a complementary program that can be accessed by Job Network members to assist in moving someone into a job in a workplace. We found through the pilot that the use of that scheme has been very limited, and there is an opportunity to improve the linkages with that complementary program area.

**Senator WONG**—Is it correct to say that a lot of the providers were not aware of that particular funding source?

**Mr Correll**—I think it is a true comment that the general awareness levels are low, particularly amongst general Job Network members, of that workplace modification scheme and how to access it.

**Senator WONG**—I understand from FaCS that you handle workplace modification applications.

**Ms Wilson**—Yes. The applications are made to the state and territory offices of the Department of Employment and Workplace Relations. The workplace modification scheme, as Mr Correll identified, has only recently moved into the DEWR portfolio, but a number of staff who managed it in the FaCS portfolio have moved with the scheme.

**Senator WONG**—Yes, FaCS explained that to me when I asked them whether they would have the expertise. They said they got the staff, therefore they must have the expertise. I presume that is you, Ms Wilson—and others.

**Ms Wilson**—And others.

**Senator WONG**—I asked them about historical data, which they told me you would now have as the people dealing with it. Do you have access to the historical statistics on applications for workplace modification?

**Ms Wilson**—Yes, I do. I am afraid I do not have the historical data with me today.

**Senator WONG**—Providing it on notice is fine. How long has this program been in place? It has not been in place for only two years or something?

**Ms Wilson**—No. It has been in place for a number of years under an umbrella program called the employment incentive. It started around 1997.

**Senator WONG**—Are you able to provide the numbers of applications for workplace modifications lodged on a financial yearly basis for the past two financial years by Job Network providers, by Job Network specialist providers and by disability open employment services?

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

**Senator WONG**—I am putting it on notice. That is what I am saying.

**Ms Wilson**—I am not sure about the extent to which we can do that breakdown across those three sectors.

**Senator WONG**—You do not trap that data?

**Ms Golightly**—We would have to look into whether we do. If we do, we will provide it.

**Senator WONG**—Obviously one of the things in the pilot was that the Job Network providers were not making applications under that component, so we would like to know about that.

**Ms Golightly**—Certainly.

**Senator WONG**—I would also like the same data on the financial year to date.

**Ms Golightly**—Yes.

**Senator WONG**—I have just been advised—and I am sure you will check this for me, Ms Wilson—that the FaCS data on workplace modifications was broken down by—

**Ms Wilson**—Okay.

**Senator WONG**—Obviously that is something you will look into for me. I have a broader question about consultation. With DSP, workplace modifications and all of those sorts of programs which affect people with a disability coming over to FaCS, I thought there would be a need to ensure there was appropriate consultation with the sector—people with a disability who want to work or are working. Under FaCS I think there was a ministerial council which was appointed to advise on a number of matters relating to the experience of people with a disability. Is it envisaged that this department will do something similar to ensure that

consultation about reforms, feedback about government measures et cetera is fed into the process?

**Mr Correll**—We were discussing the Disability Advisory Group earlier. We also discussed that there are matters associated with consultation and communications that are under consideration by government.

**Senator WONG**—I thought that was in relation to the specific reforms on welfare to work. I am talking as a general proposition. As a result of the AAOs, you now have responsibility as a department for a whole range of things which affect people with a disability. What mechanisms or structures is the department going to put in place to ensure that that client group has the ability to feed into the process?

**Mr Correll**—In the short and immediate term, those mechanisms have been extensive dialogue with organisations like ACE and ACROD and the addition of new members to the Disability Advisory Group from those sectors, including AFDO and ACE. Those are basically short-term measures that have been taken to expand the stakeholder communications.

**Senator WONG**—I know that the mature age allowance is administered under outcome 1. Would the mature age employment policy come under outcome 3 or 1?

**Mr Correll**—It is outcome 3.

**Senator WONG**—Dr Boxall, do you want me to wait, or are you happy to deal with it now?

**Dr Boxall**—You can ask about it now.

**Senator WONG**—Thank you. Has the report of the Community Business Partnership committee on mature age workers been finalised?

**Mr Carters**—I understand the report was for government, and we have no information on where that is at.

**Senator WONG**—Are you not the department that is supposed to deal with mature age workers?

**Mr Carters**—The Community Business Partnership is handled by Family and Community Services.

**Senator WONG**—Yes, but the report was in relation to mature age workers. Are you not the department that now has responsibility for the government's mature age employment strategies?

**Mr Carters**—Yes, we are.

**Senator WONG**—But you say you have no knowledge of the report.

**Mr Carters**—The government has not responded to the report.

**Senator WONG**—When did the report go to the government for consideration?

**Mr Correll**—It certainly did not go to the government for consideration under the auspices of this portfolio.

**Senator WONG**—Please take that on notice, because obviously you now have responsibility for this area.

**Mr Carters**—We do not have responsibility for the Community Business Partnership.

**Senator WONG**—So do you not consider the report relevant to policy work associated with mature age employment?

**Mr Carters**—Only in so much as, if the government chooses to respond to that report, then we may have a policy role there. But, as I said, there is no government response to that report.

**Senator WONG**—Have you been asked for any advice in relation to that report?

**Mr Carters**—No.

**Senator WONG**—It disappeared into the ether, Minister?

**Senator Abetz**—I assume that was a statement rather than a question.

**Senator WONG**—It was a question. This was trumpeted by the Prime Minister as being one of the responses to mature age unemployment. The department with responsibility for mature age employment strategies has not been asked for any advice on it.

**Senator Abetz**—I think it was a FaCS report.

**Senator WONG**—This is a FaCS function which is now the responsibility of DEWR.

**Mr Correll**—No. The Community Business Partnership program initiative has not transferred from the Department of Family and Community Services and, whilst this report may have bearing on mature age policy, which would be of great interest to the portfolio, the Department of Family and Community Services continues to have responsibility for the Community Business Partnership program.

**Senator WONG**—We have a structural/policy distinction. I understand your answer that the partnership is still administered by FaCS. This report is about mature age workers. It was trumpeted prior to the election as one of the ways in which the government was going to get policy in this area moving, and I am just trying to work out why the department, which now has responsibility for mature age employment strategies, has not been asked for advice on it.

**Dr Boxall**—The department has always had responsibility for mature age employment strategies.

**Senator WONG**—That is a good point, Dr Boxall; thank you for correcting me. However, you have not been asked for advice on it.

**Dr Boxall**—No. The department's evidence is that we have not been asked for advice on it.

**Proceedings suspended from 6.29 p.m. to 7.34 p.m.**

**CHAIR**—We recommence on outcome 1.

**Senator WONG**—I was talking about mature age workers. In the PBS—not the additional estimates statements but the original PBS—at page 46 is a reference to the AWT evaluation. What is happening with that evaluation?



**Mr Foster**—The evaluation is still in progress. It is due to report to parliament by June 2006. That is what is required under the AWT legislation.

**Senator WONG**—On page 46 it says:

Planned evaluation activities in 2004–05 focus on the analysis of benchmarking data to identify broad patterns of income support receipt and employment assistance activities prior to the implementation of the package.

So, presumably, as I understand the PBS, that was for activities in the current financial year.

**Mr Foster**—There is analysis under way. The benchmark report is nearing completion. All this analysis, including analysis of longitudinal data sets, for which we do not yet have the final data for the evaluation, will be completed this year for reporting.

**Senator WONG**—This year?

**Mr Foster**—All this analysis is due to be completed this calendar year so we can report by June next year.

**Senator WONG**—The outputs that are mentioned there include:

... specific papers on the economic and programme participation of job seekers generally ...

**Mr Foster**—They are all part of the evaluation.

**Senator WONG**—So those papers have not been produced yet?

**Mr Foster**—I do not have the document that you have.

**Senator WONG**—It is on page 46 of the portfolio budget statement, not the additional estimates.

**Mr Foster**—We expect to have completed the benchmark report by June this year, as mentioned there. I am not aware of papers being completed on those yet for the evaluation.

**Senator WONG**—I understood that paragraph to mean that the papers would be prepared first and then you would have the interim benchmarking report. I refer you to the last sentence:

These papers will form the basis of an interim benchmarking report.

**Mr Foster**—That is probably true.

**Senator WONG**—But you are not aware yet of any—

**Mr Foster**—I know the benchmarking report is nearing completion, so I would imagine that would be the case.

**Senator WONG**—Are you aware of any papers which have been produced in terms of the outputs described there?

**Mr Foster**—Only in terms of nearing completion for the benchmark report. I am not aware of all the work that might compose that.

**Senator WONG**—There is specific reference to a specific paper on mature aged job seekers. It reads:

Outputs include specific papers ... and for groups targeted for special assistance such as mature aged job seekers.

Has such a paper been produced?

**Mr Foster**—Not to my knowledge.

**Senator WONG**—I assume this is output 3. Is Mr Foster's area responsible for what you might term 'mature age employment policy'?

**Mr Correll**—Mr Carter's area is responsible for mature age employment policy. Mr Foster's area is responsible for the evaluation program.

**Senator WONG**—Mr Carters, have you produced a paper on mature aged job seekers? It is your area.

**Mr Carters**—Not as such. We do analysis of the participation of mature aged job seekers in Job Network, outcomes, and things like that, but we have not specifically produced a paper for the AWT evaluation.

**Senator WONG**—Can someone explain to me the performance targets for mature age allowance clients? On page 27 of the additional estimates statements there are some revisions to the performance information as a result of, I presume, DEWR obtaining responsibility for working age payments. Is that right?

**Ms Golightly**—We tried to pick up the same targets that had been previously included in the FaCS PBS.

**Senator WONG**—Yes, I have worked out that they are the same. However, I am a bit unclear: do I understand from this that the performance target for mature age allowance recipients is only seven per cent?

**Ms Wilson**—It is an estimate rather than a performance target. That is quite a difference in nature. It is an estimate of the likely proportion of those clients with earnings, noting that it is a closed payment and that older job seekers are now in a more active payment.

**Senator WONG**—What are older job seekers in now?

**Ms Wilson**—People who would previously have been eligible for the mature age allowance are now much more likely to be on the Newstart allowance.

**Senator WONG**—Mr Carters, what can you tell us about what is actually being done to address mature age unemployment or mature age labour force participation?

**Mr Carters**—A number of things are being done. Firstly, in last year's budget there was \$12.1 million allocated over a four-year period for the Mature Age Employment and Workplace Strategy.

**Senator WONG**—I was going to ask about that. How much of that has been spent?

**Mr Carters**—That was over four years. Basically, we are on track in terms of spending for this year, though I am not sure exactly how much has been spent. In terms of the outputs, which are basically labour market update seminars followed by workshops, we have selected 10 regions to conduct these in for this first year. We have completed six of those regions for those components, so there are four more to do before the end of the financial year. We also have self-help groups, which are basically getting together groups of mature age people, usually not on income support, to work together with a facilitator to enhance their job search

skills, identify opportunities in the local labour market and move forward together. The idea is to establish three of those in each of the 10 regions. Eighteen have already been set up in those six regions that I mentioned before.

To complement that, there are also business learning networks, which are doing a similar thing except with employers. They are constructing employer groups. We have signed 10 funding agreements there. There are a couple more to go for the remainder of 2005. Those agreements are usually with chambers of commerce and industry and organisations like that which can bring together employers who are interested in employing mature age people. There are two other things. Employer guidelines are being developed. We have had a few meetings there to work with groups—both the community generally and employers—to look at developing some voluntary guidelines for how best to work with mature age people in the workplace. Lastly, there is the Jobwise Portal, which is our web site. We have been doing significant improvements to that so that that can be of good service to both unemployed mature age people and employers.

**Senator WONG**—Are these all measures which are being funded from the \$3.1 million, which was the allocation for the current financial year from the \$12.1 million?

**Mr Carters**—That is correct. Two million dollars of that is allocated for those elements that I have talked to you about. The other \$1 million is for mature age industry strategies. It is the demand led approach.

**Senator WONG**—Could you provide me on notice with details of the expenditure to date of the \$12.1 million or the \$3.1 million for this financial year for each of the measures that you have outlined?

**Mr Carters**—For each of the different components, yes.

**Senator WONG**—Thank you. There was a reference in the PBS—and I could not quite work out to what it referred—that the cost of this measure, the \$12.1 million, was fully absorbed from within the existing resourcing of DEWR. Are you able to indicate to me where the money came from?

**Mr Correll**—Yes. The funding was obtained through the overall rationalisation of services from Centrelink.

**Senator WONG**—What services were rationalised?

**Ms Golightly**—As I understand it, it was mainly the data type services that we used to purchase from Centrelink. We streamlined that process to provide the savings for this measure.

**Senator WONG**—Can you identify what other savings measures there were over and above the data purchase?

**Ms Golightly**—As far as I am aware, that was the source.

**Senator WONG**—Was that the only source?

**Ms Golightly**—Yes.

**Senator WONG**—What did that mean in terms of what changed?

**Ms Golightly**—I do not have any specific detail with me here, but we purchase a lot of things from Centrelink, including a whole lot of data type services. It was probably something about eliminating duplication around that.

**Senator WONG**—Eliminating duplication and waste; I have heard that phrase before. It is a very popular one. If you are able to tell me where it came from, I would appreciate it.

**Ms Golightly**—Certainly. I will see whether we have any more detail than that.

**Senator WONG**—Is the mature age help line you, Mr Carters, or someone else? It was announced by the minister on 4 February.

**Mr Carters**—Yes. That was an Employment Innovation Fund project.

**Senator WONG**—Is that the same thing that the DSP pilot came out of?

**Mr Carters**—It is.

**Senator WONG**—This is a very unusual fund. How much is in it?

**Mr Carters**—\$1 million a year.

**Senator WONG**—Is it part of the \$12.1 million you were talking about before?

**Mr Carters**—No. This is a separate project, which was an application through the Employment Innovation Fund from COTA—that is, the Council on the Ageing—in New South Wales. They put forward a proposal to set up a mature age help line to help mature age people identify services and opportunities for them to link into employment. That was the one that was announced by Minister Andrews in February.

**Senator WONG**—I have some questions about an issue that has been raised by a constituent of one of my colleagues. It is asserted that an application for a specialist recruitment agency was knocked back by the department. To whom should I address these questions?

**Dr Boxall**—Just address them and we will work out as best we can who can answer them.

**Senator WONG**—I think it is called TECG Association.

**Ms Golightly**—Was the question that somebody had applied for—

**Senator WONG**—For funding for a specialist recruitment agency for mature age people.

**Mr Manthorpe**—I may be able to help you. My group oversees the operation of the Employment Innovation Fund, so if this were an application under the Employment Innovation Fund my group would have overseen the looking at that. I do not recall—and I do not have details on the specific application—whether we did knock it back, but the reasons for that would have been communicated to the proponent. I can tell you about the process that we go through, if that would be helpful.

**Senator WONG**—I assume you have guidelines.

**Mr Manthorpe**—There are guidelines on the internet and published criteria and so forth.

**Senator WONG**—I am trying to work out what the name of the organisation is. I seem to have two names on this email.

**Mr Carters**—There have been organisations that have put forward Employment Innovation Fund proposals to do something similar to what you are suggesting. I am not talking about this specific case, but in the past some have been rejected on the basis that they are either duplicating or significantly overlapping the services that are provided by Job Network. The Employment Innovation Fund is aimed at innovative opportunities which could then be taken on board through Job Network and other employment services, so if it is not seen to be an innovative approach it is less likely to be funded.

**Senator WONG**—If it were for Job Network, obviously they would have to have gone through the tender process. Is that correct?

**Mr Manthorpe**—If it were for Job Network, yes.

**Senator WONG**—Mr Carters, I think you mentioned that DEWR runs conferences or meetings for mature age job seekers. Is that right?

**Mr Carters**—Yes, we do.

**Senator WONG**—Did you hold one in Melbourne last November?

**Mr Carters**—Yes, we did.

**Senator WONG**—And a number of organisations attended?

**Mr Carters**—Yes.

**Senator WONG**—Do you do an evaluation and get feedback from participants thereafter?

**Mr Carters**—Yes, we do.

**Senator WONG**—What was the feedback like for that conference?

**Mr Carters**—I do not have the feedback just for that. I have overall feedback. I can give you that, or I can see whether we can isolate it to that particular seminar.

**Senator WONG**—It has been put to me by a person who asserts he was there that it was a very unhelpful conference. Does that accord with the sort of feedback you got?

**Mr Carters**—No.

**Senator WONG**—Is that very unusual?

**Mr Carters**—That is very unusual. In fact, the feedback we are getting from the seminars is that 81 per cent of attendees agreed or strongly agreed that the seminars provided relevant information for their work with mature age people, and 88 per cent indicated they were going to take specific actions for mature age people as a result of attending the seminar. So there is very strong positive feedback.

**Senator WONG**—I understand the person who headed up the application was a Mr Moir. Does this ring any bells?

**Mr Carters**—No, sorry.

**Mr Manthorpe**—It does not for me either. That is not to say there has not been an application though.

**Senator WONG**—I appreciate that. You do not necessarily know everybody who has applied for money. I presume it could have been a different area in any event. Going back to the estimates for parenting payments single, clients with earnings is 31 per cent. Is that right?

**Ms Wilson**—That is right.

**Senator WONG**—Is that tracking at that amount at the current rate?

**Ms Wilson**—The last annual report—and perhaps a colleague can pass me a copy—reported that, for June 2004, the proportion of parenting payment single customers who had earnings was 30 per cent.

**Senator WONG**—This is FaCS?

**Ms Wilson**—Yes, the last FaCS annual report. There has been a steady rise every year in the proportion of customers with earnings. That is why we are estimating that it would be 31 per cent in the current financial year.

**Senator WONG**—I have mentioned TECG Association Incorporated. That is the application I am interested in. Perhaps someone could take on notice my request for details about that, subject to commercial in confidence—I suppose there is no commercial in confidence because they were not given any money. Going back to what you have indicated, Ms Wilson, why the differentiation between the estimate of percentage earnings of the PSS and the PPP?

**Ms Wilson**—They reflect a different incidence of earnings for each customer group. Each group has a very different income test. Parenting payment single is a pension and has a more generous free area and a more gentle taper rate on the income test and, therefore, it cuts out at a much higher rate of earnings, whereas parenting payment partnered has a tighter income test because it is an allowance payment.

**Senator WONG**—I have some questions regarding statistics associated with recipients of parenting payment. Can you tell me what proportion of parents attending a participation interview were assisted with a referral to a return to work program, a JET program, child care, rehabilitation, Job Network or education and training or other? This can be taken on notice.

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

**Senator WONG**—Could you provide information regarding employment outcomes for parents in the period since the introduction of Australians Working Together, and are you able to compare that data with the period prior to the introduction of AWT? In particular, could you tell me what were the number of sustained exits of parenting payments due to earnings in each of the years 2001 to 2004 inclusive; and what were the number of parenting payment clients with earnings and average earnings by age of youngest child for both sole and partnered parenting payment recipients for the years 2002 to 2004 inclusive.

**Ms Wilson**—We will take that on notice.

**Senator WONG**—Could you tell me how many parenting payment clients in the target group have had at least one follow-up interview with a personal adviser or JET adviser to assess compliance with their participation agreement; how many were found to have made satisfactory efforts to meet their requirements, and how many were found not to have made

satisfactory efforts to meet their requirements? Could you also provide me with data regarding breach penalties applied to parenting payment clients for each of the first, second and third or subsequent breaches. Could you also tell me in respect of this client group how many breach penalties have subsequently been waived with all penalty amounts fully refunded or waived without penalty amounts being refunded. I understand that it is a requirement in legislation that the government look specifically at the impact of children of parents affected by the new requirements; is that correct?

**Ms Wilson**—That is part of the evaluation, yes.

**Senator WONG**—That was being discussed before.

**Ms Wilson**—That is right.

**Senator WONG**—Can you describe for me the nature of the evaluation activity in relation to children that has been conducted to date?

**Ms Wilson**—I would have to ask my colleague Mr Foster to answer that.

**Mr Foster**—We have a consultancy with the Australian Institute of Family Studies which is doing a survey; we have also funded a parenting payment new claim survey. They are the two main areas that will be used to input into that part of the evaluation.

**Senator WONG**—Can you tell me the time frame for the activities that you have just described: since when have they been in place and over what time?

**Mr Foster**—We have had the first wave of the AIFS survey and the second one I think is nearing completion. My understanding is that the expected completion for that part of the research is June 2005.

**Senator WONG**—Are there any other activities in relation to the impact on children?

**Mr Foster**—We are also looking at those issues as part of the parenting payment new claim survey.

**Senator WONG**—When will that be?

**Mr Foster**—Again, that is with an expected completion of June 2005.

**Senator WONG**—Have any evaluation projects been completed already in this area or not? Or are they all ongoing?

**Mr Foster**—No. A big part of the research will also be trying to compare before and after longitudinal data sets which are still being completed.

**Senator WONG**—Centrelink provided us with a graph which tracked Centrelink referrals to Job Network over the second half of 2004. There is a very marked difference between the number of referrals for parenting payments single and those for PPP and DSP. Can somebody explain to me why that is the case? Is there an explanation for that?

**Ms Golightly**—In global terms, it reflects both the different capacity of the parenting payment group to undertake work and certainly the different opportunities as well.

**Senator WONG**—What do you mean by ‘different opportunities’?

**Ms Golightly**—Perhaps they might be more able take up various work opportunities that are available.

**Ms Wilson**—In a supplementary comment, on average, parenting payment partnered recipients have younger children than parenting payment single recipients, and therefore their preferences and availability for work might vary somewhat.

**Senator WONG**—Do we have the figures on that?

**Ms Wilson**—I do. Senator Wong, 47.9 per cent of parenting payment single recipients have children under the age of six compared with 59.8 per cent of parenting payment partnered recipients; 39 per cent of parenting payment single recipients have children aged six to 12 compared with 31.6 per cent of parenting payment partnered recipients.

**Senator WONG**—So it is nearly a 12 per cent difference in terms of kids under six.

**Ms Wilson**—That is right.

**Senator WONG**—There is no difference in the Centrelink spiel that you are aware of?

**Ms Wilson**—No.

**Mr Correll**—The other key factor is just the numbers on the two payments. Roughly, the parenting payment single numbers are 450,000 compared with 174,000 for parenting payment partnered. That was at around December, at the end of the year. That, in its own right, would see a significant—

**Senator WONG**—I was not talking about raw data; I was talking about trend data, as to a proportion. Yes, I understand that, because they are much lower in terms of the total numbers, but the increase is quite markedly different. How many people on both parenting payments have been referred to the Job Network in the current financial year?

**Mr Correll**—Centrelink tabled information on referral numbers to the Job Network for parenting payment partnered and parenting payment single for the period of July 2004 to December 2004 at their hearing. I have a copy of the document that they tabled.

**Senator WONG**—So that is not information from you?

**Mr Correll**—It is basically the same information. We are using the same data sources for the information.

**Senator WONG**—Is that the graph I have a copy of?

**Mr Correll**—I think so. My version is a little smaller, but it is coloured.

**Senator WONG**—You do not track that or you are not provided with that?

**Mr Correll**—Yes, we do track it, but the data we track and the data that Centrelink has is the same data source.

**Senator WONG**—It is not clear to me what the number is. It is an approximate. Can you see what I am saying? The graphical—

**Mr Correll**—Yes.

**Senator WONG**—I just have a little line.



**Mr Correll**—We can provide the specific Centrelink referral numbers. For parenting payment partnered—do you want this data read out? We can put it in a table and provide it later.

**Senator WONG**—Yes, that is fine. On pensioner education supplement, literacy and numeracy supplement: how many grants of the supplement have been made since it was introduced?

**Ms Wilson**—I am sorry, I do not have the number of grants since the supplement was introduced. From the FaCS annual report I have—

**Senator WONG**—Is this not administered by DEWR now?

**Ms Wilson**—Yes, it is, but I do not have with me the number of grants since it was introduced. I could take that on notice.

**Senator WONG**—I do not have the FaCS annual report with me. What does that say for the previous—

**Ms Wilson**—I will just find it for you.

**Senator WONG**—Then if you can get for me what has happened in this financial year. Presumably, you have that historical data, at least until—

**Ms Golightly**—Certainly.

**Senator WONG**—I am happy for you to take that on notice, or just let my office know what page it is on. How many customers are on the waiting list for the program in both regional and metropolitan areas?

**Ms Golightly**—The same program that we have just referred to?

**Senator WONG**—Yes, pensioner education supplement.

**Ms Wilson**—There is not a waiting list for the program. There are entitlement rules and, if the customer qualifies, it is paid as a supplement to them. So there is not a waiting process.

**Senator WONG**—It is an open-ended funding commitment?

**Ms Wilson**—It is a special appropriation.

**Senator WONG**—Does that mean you ever rule it off? Anybody who meets the guidelines therefore gets the funding; is that right?

**Dr Boxall**—Yes, it means it is demand driven.

**Senator WONG**—Personal support payment—is there a similar situation there?

**Ms Wilson**—I think you must have a typographical error. There is no such thing as the personal support payment. There is a Personal Support Program.

**Senator WONG**—Thank you.

**Ms Wilson**—And you want wait list numbers?

**Senator WONG**—Yes, please.

**Ms Wilson**—As at 31 January this year, there were 8,517 people on the waiting list for the Personal Support Program.

**Senator WONG**—It is called ‘payment’ on the administered items in the agenda, or is that something different?

**Ms Wilson**—I am not aware of any such thing called the ‘personal support payment’.

**Senator Abetz**—I think you had better check with the secretariat.

**Senator WONG**—I think the secretariat get it from the department. That is what I understood.

**Mr Correll**—It should be ‘program’.

**Dr Boxall**—It is ‘program’ in the additional estimates.

**Senator WONG**—Did you say 8½ thousand?

**Ms Wilson**—Yes, 8,517 as at 31 January 2005.

**Senator WONG**—What was it for the previous financial year?

**Ms Wilson**—I cannot quite see that in my briefing. We will take that on notice.

**Ms Golightly**—We will find it and bring it back to you. We will take it on notice.

**Senator WONG**—I understand the government has announced that Work for the Dole will be open to people on PSP. Is that correct?

**Ms Wilson**—Yes, that is correct.

**Senator WONG**—Will any legislation be required to implement that?

**Ms Wilson**—No. It is open to participants as a voluntary option. It is one of the things they will be able to do concurrently with the Personal Support Program, which hitherto has not been open to them.

**Senator WONG**—So your understanding of the government’s decision is that it will be voluntary?

**Ms Wilson**—Yes.

**Senator WONG**—The minister indicated: ‘We are looking at all options at the moment, but we are not concentrating on coercion.’ I am trying to be fair, Minister Abetz. There just seemed to me to be a much more open position than that. But you understand government policy to be that it will remain voluntary?

**Ms Wilson**—That is my understanding of the current position.

**Senator WONG**—The department has not been asked to look at any coercive approaches in relation to PSP recipients?

**Ms Golightly**—No.

**Senator WONG**—I will move on to Job Network.

**Ms Wilson**—I will just interject. I now have the figure for the Personal Support Program waiting list 12 months ago. It was around 5,000 people.

**Senator WONG**—Is that program currently capped? Is that what the problem is?

**Ms Wilson**—It is a capped program.

**Senator WONG**—What are the current numbers?

**Ms Wilson**—I can give you both funding and places. Funding is \$66 million in 2005-06, up from \$53.4 million in 2004-05. The target for 2005-06 is for 45,000 participants in 32,400-odd places.

**Senator WONG**—I think you said that you will need to take on notice the historical data for that.

**Ms Wilson**—In 2002-03, there were 25,000 participants and funding for the program was \$31 million.

**Senator WONG**—You do not happen to have waiting lists as well, do you?

**Ms Wilson**—No, not going back that far. In 2003-04, there were 35,000 participants and the funding was \$39 million; and in 2004-05, as I mentioned, there were 45,000 participants and funding of \$53.4 million.

**Senator WONG**—You have given me the current waiting list, which you said was 8½ thousand. Is that correct?

**Ms Wilson**—That is right.

**Senator WONG**—And 2003-04 was around 5,000?

**Ms Wilson**—Twelve months prior was around 5,000.

**Senator WONG**—We have to pick a date to get a waiting list figure?

**Ms Wilson**—Yes.

**Senator WONG**—So January 2004 was 5,000?

**Ms Wilson**—Yes, it was 5,000.

**Senator WONG**—Are you able to give me January 2003?

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

**Dr Boxall**—Ms Golightly can answer one of Senator Wong's earlier questions now, if you like.

**Ms Golightly**—You asked for clarification on question on notice 15605. This was the one where you were asking for us to confirm how we headcounted a job seeker as having commenced. We can confirm that a job seeker is counted as having commenced in customised assistance when he or she has commenced with a Job Network member and agreed a job search plan and it is recorded in our system. In relation to question on notice 15705, we were going to confirm whether there was equivalent information available prior to 1 July 2003. We can confirm that there is not, because the model was so different.

**Senator WONG**—And I think I had the same question for 15605. Would that be the same answer?

**Ms Golightly**—Yes.

**Senator WONG**—But you do not have that information for prior to 2003?

**Ms Golightly**—That is correct. I also have the information you asked for on the costs relating to the disability support pilot. The funding model and the funding provided to particular Job Network providers participating in the model depended on the size and the number of sites that each of those Job Network members was operating in. The funding per organisation ranged between \$70,000 and \$300,000. So that is a bit of background information.

There were two components to that funding. The larger component was for services to be provided under the pilot, which included additional work to register the pilot participants with DEWR; developing, identifying and documenting innovation in the provision of the services to the DSP recipients; seeking additional information from the job seeker and others, such as treating doctors; and identifying work capacity and restricted work capacity. That was by far the majority of the funding and that totalled approximately \$1 million. The other component, which was the smaller amount, was for marketing and communication strategies to increase the DSP recipients' awareness and understanding of Job Network services and also liaising, networking and engaging with those job seekers and employers.

**Senator WONG**—Are you tabling anything?

**Ms Golightly**—No, I have just answered the question. I think you had a final question about cost per participant for the pilot. The cost per participant of conducting the pilot was \$1,179, excluding any of the outcome fees, placement fees et cetera that would normally be paid.

**Senator WONG**—What have you excluded from that?

**Ms Golightly**—Just the normal performance based fees that we would pay to Job Network for placing people. That was purely the cost of conducting that pilot.

**Senator WONG**—The total cost per participant does not make sense to me because, when I did my calculation, it was about \$1,900. I do not understand what has been taken out.

**Ms Golightly**—Okay. What we have done is simply take the \$1.3 million and divided it by the number of participants in the pilot, which was 1,130.

**Senator WONG**—But there were only 671.

**Ms Golightly**—No. That was the number of people commenced. The 1,130 were the people who were engaged in the pilot in some way. They may have, after discussions with their Job Network member or having had some sort of assessment done, decided not to commence or may have actually been referred to a more suitable complementary program, but they still participated in the pilot.

**Senator WONG**—How much would they have participated? Can you point me to the part of the evaluation that talks about the people who left and what they actually did. I had the impression that they had very marginal involvement before discontinuing their engagement in the pilot.

**Mr Correll**—Some participants in the pilot would have been attracted to the Job Network member, made contact with the Job Network member—

**Senator WONG**—I would really prefer not to deal with this hypothetically. Did you track this? Do you know what the 1,100 minus the 671—that is, 400-and-something—did, when they exited and all of that?

**Mr Correll**—Yes. In fact, the interim evaluation report tracks the whole group in a high level of detail.

**Senator WONG**—Are you talking about the one that is publicly available?

**Mr Correll**—Yes.

**Senator WONG**—It gives some general comments about why people did not go on, but I did not get from that precisely why. Perhaps I am just misreading it.

**Mr Correll**—Again I am speaking from memory and from the evaluation report but, as I recall, there were comments in there about some job seekers who simply were not able to be assisted by the service. In some cases they would be connected to other services, like disability open employment services, when they made contact and, as such, would not have been eligible to participate in the pilot.

**Senator WONG**—I am saying is that you are right: there are general statements made. That is a little bit different from what I am asking. If you are going to say that the cost per participant is \$1,100-odd, I am querying why \$1,100 is used when I understood from reading the evaluation report that quite a number of these people had very minimal involvement in the pilot.

**Dr Boxall**—You can work out the cost per commencement, which is \$1,179.

**Senator WONG**—No, it is more than that.

**Dr Boxall**—I am sorry, \$1,179 is the cost per participant. If you divide the \$1.3 million by 671, which is commencements, you get another figure. But the problem is that part of the \$1.3 million was expended on the 1,130, including the 400 or so that did not go ahead. After all, it was a pilot. The whole idea was to pilot this. So 1,130 were engaged and some did not go ahead. There is a table here that says 1,130 ‘met with a provider’.

**Senator WONG**—What page are you on?

**Dr Boxall**—Page 5 of 19.

**Senator Abetz**—Looks a bit like Knowledge Nation!

**Senator WONG**—Some things hang around in politics a long time, don’t they, Minister?

**Dr Boxall**—It is a print-out of the interim evaluation report.

**Senator WONG**—I have got it. So all the 342 would have done was meet with a provider?

**Ms Golightly**—Not necessarily. As I mentioned, a number of things had to happen. They did of course meet with a provider, but they may have also had some form of education, awareness raising. They would have been assessed possibly in some way.

**Senator WONG**—I am reading from the graph: ‘met with a provider’, ‘didn’t engage’—342, or 30 per cent—because they were ‘ineligible: in a program’, ‘other’, ‘found unsuitable’ or ‘client declined’.

**Ms Golightly**—Yes.

**Senator WONG**—Does that not mean that they met with a provider but they did not necessarily do very much else?

**Ms Caldwell**—Part of the pilot was to test what effective engagement strategies there were. It was obviously very important for us to include them in the evaluation work and in the survey to say we have those that proceeded into Job Network services, many of whom ended in jobs. We have also in the evaluation looked at the reasons why somebody would not participate, and that was a very important part of what the pilot was designed to inform us about.

**Senator WONG**—Thank you. Do you have anything more on that, Ms Golightly?

**Ms Golightly**—No. That is the answer to the question.

**Senator WONG**—On the Job Network figures for commencement, I assume you track the cost per Job Network—

**Dr Boxall**—Is this for the pilot or Job Network in general?

**Senator WONG**—Job Network in general. Cost per job seeker is what I am looking for.

**Ms Golightly**—I do have one other thing to add. I am not sure before, when you asked about which output, whether I said 1.2.1 or 1.2.2, but it is definitely 1.2.2 for the DSP pilot departmental costs.

**Senator WONG**—I was asking that because I thought we might have a problem in terms of asking questions, but Dr Boxall has been very reasonable in allowing me to jump around.

**Ms Golightly**—We have also just been given the January 2003 figures for the PSP waitlist, if you would like those: 3,800.

**Senator WONG**—Can you explain to me why there has been such an increase? Has the government changed—and I am sorry this is a new area for me—the criteria for eligibility, or is it just that demand is increasing? Was that 3,000-odd?

**Ms Wilson**—One of the contributors to the reason why the wait times have increased and the waitlist has increased is that we have been engaged in a process of having customers who had previously been assessed as not suitable for referral reassessed and found more whose circumstances have stabilised just that little bit who are now able to participate in the program. I guess the demand is being responded to by the release of additional places. As you would have noted, the places have been going up every year, but that is one of the contributing factors for the waitlist at present.

**Senator WONG**—I will move to Job Network. There is an additional appropriation for the Job Network, obviously. Can I get a breakdown of what the \$365.1 million deals with?

**Ms Golightly**—Certainly. I will work through this in logical order. The PBS for 2003-04 detailed the Job Network budget as around \$1.006 million. The portfolio additional estimates statement on page 22, as you noted, has an increase of \$365.1 million. The \$365 million includes an amount of \$250 million, which was previously advised in a pre-election fiscal output statement.

**Senator WONG**—And the 100-and-something for the MYEFO?

**Ms Golightly**—Yes, that is correct.

**Senator WONG**—I am asking for the breakdown of the \$365 million.

**Ms Golightly**—Are you asking what has led to the \$365 million?

**Senator WONG**—Yes.

**Ms Golightly**—That is directly related to the much higher levels of Job Network outcomes and record performance that we are experiencing.

**Senator WONG**—Yes, I understand that is what is being said. In relation to the \$365 million, I would like to see something that tells me that so much goes here, so much goes here and these are the items of expenditure.

**Ms Golightly**—It is a one-line appropriation, but I can tell you that the vast majority of that is in outcome fees for Job Network members.

**Senator WONG**—What proportion is on outcome fees? Can you give me that figure?

**Ms Golightly**—It is certainly more than 50 per cent and it is increasing.

**Senator WONG**—Do we have those figures? These are additional moneys that are now before the estimates committee, so I would like to know in reasonable detail what this money is being spent on.

**Ms Golightly**—As you know, the program is demand driven.

**Senator WONG**—I understand that. I do not argue with that. I want to know what exactly has been paid out for the \$365 million.

**Dr Boxall**—It has not been paid out yet.

**Senator WONG**—All right; what it is intended to be spent on.

**Ms Golightly**—It is based on estimates of the outcomes we now expect to achieve this year and is derived from the actual expenditure to date and the level of outcomes that we are currently incurring.

**Senator WONG**—Can you give me the estimate as to the calculation of the \$365 million? I think you said that 50 per cent is based on outcome payments?

**Ms Golightly**—More than 50 per cent.

**Senator WONG**—Can you give me that percentage?

**Ms Golightly**—I will double-check. I am sorry; I will have to take that on notice. I do not have it here with me.

**Senator WONG**—This is the first time it has come before Senate estimates, it is in the additional estimates statements and you are not able to tell the Senate how the \$365.1 million is calculated.

**Dr Boxall**—The \$365 million is a result of the original estimate turning out to be an underestimate because we did not anticipate the degree of success that Job Network has had.

**Senator WONG**—I understand that is the position. I am asking for calculations that establish the \$365 million. You obviously have done them, as Ms Golightly says that over 50 per cent are outcome payments. I do not have an issue with it. I just want to know what proportion is estimated to go to what aspects of the administration of the Job Network.

**Mr Correll**—Those estimates are driven by a detailed funding model. The funding model calculates the component that is service fees and the component that is outcome fees. Basically, as you map through a year, you see a movement based on the increasing performance from service fees to outcome fees. For the department to respond to your question with precision, we have to look at the full annual picture. As Ms Golightly has quite accurately indicated, the current picture is around the 50 to 50 mark, between service fees and outcome fees, and perhaps it is a shade more into the outcome fees than that figure shows. We will now need to look at the projection for the full year and then do the calculation. To answer your question in precision, it is not as simple as just throwing a number on the table.

**Senator WONG**—That is fine, but if it can be provided because Appropriation Bill (No. 5) seeks these additional moneys. I think parliament is entitled to know what is underlying the additional appropriations sought.

**Senator Abetz**—And they are willing to provide that, but on notice.

**Senator WONG**—Can somebody explain to me the equity injection?

**Ms Golightly**—Certainly. The equity injection related to the end of the last financial year, when we were already seeing a marked increase in the outcomes from Job Network than what we had experienced. Under the appropriation rules, in order for us to cover those increased claims on Job Network towards the end of the year, when the appropriation bills were running out, we needed an equity injection. It is, more or less, a timing issue surrounding the end of the financial year.

**Senator WONG**—I am a bit confused. Is the expenditure projected or past that this is associated with Job Network expenditure?

**Ms Golightly**—It certainly is.

**Senator WONG**—So the \$365 million is what you are going to spend, and you are saying that \$25 million is what you spent over what was appropriated?

**Ms Golightly**—Yes, towards the end of the last financial year; that is correct.

**Senator WONG**—And that is called an equity injection?

**Ms Golightly**—It is.

**Senator WONG**—I wondered if we were investing in something.

**Ms Golightly**—No.

**Senator WONG**—Mr Correll, I think you indicated—and I understand that you can provide this on notice—that, in relation to service and outcome fees, the outcome fee was around 50 per cent. What is the service fee? As I said, I am new to this area and I just want to make sure that I understand it. Outcome is the performance payment paid to the Job Network provider upon achievement of certain criteria?



**Mr Correll**—That is correct.

**Senator WONG**—So what is the service fee?

**Mr Correll**—The fee structure for Job Network has three components: a service fee, an outcome fee and a job seeker account, which is a notional bank account sitting there and drawn down as the claims are made against it. The service fee covers costs of services specifically being incurred by the Job Network member as part of their contract. Effectively, they are pitched at a calculation of the hours involved in delivering the services. They are outlined, in fact, fairly clearly in the tender documents. Under ESC3 there is quite a detailed section on those service fees. It details the hours involved in the delivery of these services on an average basis and then that is applied in a service fee component. That service fee is not a full cost service fee; it is effectively a marginal cost service fee. So a combination of the service fee and the outcome fee basically drives the bottom line results.

**Senator WONG**—Is the service fee per job seeker as well?

**Mr Correll**—Service fees are payable when job seekers effectively either commence or are scheduled to commence in the servicing regime.

**Senator WONG**—But is it calculated by job seeker, as opposed to a block?

**Mr Correll**—Yes.

**Ms Caldwell**—Essentially, it is a function of job seekers and which gates they go to—if they are highly disadvantaged, they progress immediately to intensive support customised assistance. So it is variable but is a function of job seekers and their characteristics.

**Senator WONG**—In estimates previously, you told Senator Campbell that the average was \$258 per job seeker under the Job Network. Do you track that? I presume that is an average expenditure cost.

**Senator Abetz**—What page of the *Hansard* are you referring to?

**Senator WONG**—I think it was various, but there were discussions in the estimates on 19 February 2004.

**Ms Caldwell**—We will need to take that on notice.

**Senator WONG**—Take that on notice, if you want, but what I am asking is: do you track roughly the cost per job seeker in the Job Network?

**Ms Golightly**—We certainly track the unit cost per outcome for the job seekers.

**Senator WONG**—Where is that detailed?

**Ms Golightly**—I will just check if we have that as public information.

**Senator WONG**—If it is not, can you tell me what it is?

**Ms Golightly**—My advice is that it actually gets picked up in evaluations. We might just have to check. I can take that on notice and let you know.

**Senator WONG**—If you have got someone looking it up I am happy to wait.

**Mr Correll**—We will take that on notice. That data is potentially available: we will take it on notice.

**Senator WONG**—Thank you. Are you able to tell me how you track that or how you capture that data? So that you know, I want to know if I have to ask different questions for you to take on notice as well.

**Mr Correll**—It is done using the post program monitoring data from the system, as I understand it, and the overall costs are then applied to that. So it is data that we can calculate and it is monitored on a rolling basis. It lags by some months because by definition post program monitoring occurs a few months down the track.

**Senator WONG**—So you can give me some breakdown of costs per job seeker of people accessing the Job Network?

**Mr Correll**—That data basically provides the unit cost of outcomes being achieved.

**Senator WONG**—What does ‘unit cost’ mean?

**Mr Correll**—Dollars.

**Senator WONG**—Outcomes per job seeker, though?

**Mr Correll**—The cost of achieving an outcome per job seeker.

**Dr Boxall**—The average cost of placing a job seeker.

**Senator WONG**—‘Outcome’ means more than that; there are a number of outcomes that you track, presumably.

**Mr Correll**—This uses the post program monitoring outcome.

**Senator WONG**—So it is one outcome? What I do not want to have is something that comes back to me that is incomprehensible in terms of working out what the cost per job seeker is, Mr Correll. If there are three outcomes—do you see what I am saying?

**Mr Correll**—Yes. The post program monitoring outcome uses the data that is published by the department on a regular basis. The post program monitoring results are effectively taken three months after the individual has left the service, and they check whether that person continues to be in employment.

**Senator WONG**—Can I just go back to the equity injection, which is a very unfortunate term. These are payments accrued as at the end of the last financial year?

**Ms Golightly**—That is correct.

**Senator WONG**—Is this the first occasion on which that is indicated, is it?

**Ms Golightly**—It is certainly the first occasion on which we have had to go to this sort of thing for Job Network.

**Senator WONG**—No, I mean that I guess the \$25.7 million is essentially an overspend. I understand the government’s position and that it is demand driven, but this is money over and above the 2003-04 appropriation, which was spent for the Job Network?

**Ms Golightly**—That is correct.

**Senator WONG**—So what would that have made the 2003-04 budget figure?

**Ms Golightly**—The actual expenses for 2003-04 are reported in the annual report on page 20. The figure was \$999,133,000. That includes the equity injection.

**Senator WONG**—My question was: what was the budgeted 2003-04 figure? The \$25 million is not in that amount, I suppose.

**Ms Golightly**—It was \$927,190,000.

**Senator WONG**—But the difference between those two figures is not the \$25 million?

**Ms Golightly**—No, there were supplementary additional estimates for that year as well. It is actually in the table in the annual report on page 20. That might be easier for you.

**Senator WONG**—What I am confused about then is where the \$25 million comes in. That comes in over the \$1.005 billion?

**Ms Golightly**—No, the \$1.005 billion in the last column is this year's budget, not last year's budget.

**Ms Graham**—The 2003-04 budget as revised at the estimated actuals—that is, in the 2004-05 PBS—was \$961,007,000.

**Senator WONG**—I see. So the \$25 million represents a difference between what and what?

**Ms Graham**—The \$25 million is not exactly the difference between those two, but—

**Senator WONG**—Is it between the actual and the projected?

**Ms Graham**—No, it is not the difference between the actual and the projected. It is the difference between the expenses that were booked—\$999,133,000—and the actual cash paid out in 2003-04. So the equity injection simply is the cash component that had not gone out the door on 30 June.

**Senator WONG**—Can someone tell me where the South Australian structural adjustment package is at?

**Ms Graham**—Do you mean where in the book or progress with it?

**Senator WONG**—I mean progress with it.

**Ms Taylor**—I will split these into two groups—Tonsley and Lonsdale. As at 11 February 2005 there were approximately 593 redundancies from Tonsley. Of those people, 291 have registered with the Job Network and have left Mitsubishi. They have had 793 referrals and there are 297 placements. The number of placements might be higher than the number of individuals because they may have had more than one placement. In relation to Lonsdale, there are 667 redundancies at this stage, we think. There are 578 registered with Job Network and 330 have actually left Mitsubishi. Some have registered prior to leaving—not all of the Lonsdale people have left as yet. Of that 330, there are 511 referrals and 172 placements. Lonsdale had a staggered—

**Senator WONG**—Yes, I am aware of that. I will move away from South Australia. Do you track job seekers after the 13-week performance outcome?

**Ms Golightly**—Yes, we do. We track them to 26-week outcomes.

**Senator WONG**—Do you collect data as to how many would return to the Job Network after 13 weeks?

**Ms Caldwell**—Yes, Senator.

**Senator WONG**—Can it be provided?

**Ms Caldwell**—Yes, I would like to take that on notice.

**Mr Correll**—I think we can probably respond to the conversion from 13- to 26-week outcomes. Were you asking about the number of—

**Senator Abetz**—No, she was asking about those returning after 13 weeks.

**Mr Correll**—Returning after 13 weeks?

**Senator WONG**—Yes.

**Mr Correll**—That would need to come on notice.

**Senator WONG**—How many staff in DEWR work in the administration of the Job Network?

**Ms Golightly**—We have Jo Caldwell's group, which is mainly engaged with the Job Network, and I can give you the figures in a minute. I have got them here. But I must say that there are also people—for example, in Michael Manthorpe's group—who look after purchasing arrangements generally and contract management arrangements. So, while I can give you a specific number, there would be others that are more generally attached to administering the Job Network as well, plus contract managers out in our state offices.

**Senator WONG**—How many of those are there?

**Ms Golightly**—I could not tell you exactly how many contract managers there are off the top of my head. Approximately 300 in the state offices—that is my advice.

**Senator WONG**—In state offices?

**Ms Golightly**—Yes.

**Senator WONG**—But that 300 does not include your group, Ms Caldwell?

**Ms Golightly**—No. In the Intensive Support Group, which is the group that mainly looks after the Job Network, there are approximately 140 staff. But, as I say, there would be other people involved in administering the Job Network as well, in a more general capacity.

**Ms Caldwell**—Of that 140, I have three branches. Two of them are Job Network specific. The other branch, of approximately 40 people, is for the Indigenous employment programs as well. Our Job Search Support Group similarly has staff involved with the Job Network as well.

**Senator WONG**—Sorry, did you say 40 or 14?

**Ms Caldwell**—Approximately 40 in the Indigenous Employment Program branch.

**Senator WONG**—But they have some involvement with the Job Network as well?

**Ms Caldwell**—They have some, but it is a relatively limited involvement. They are principally involved with the Indigenous Employment Program, STEP and the like.

**Senator WONG**—One of the things that have been raised with a number of parliamentarians is the issue of inappropriate referrals—job seekers with high disabilities

and/or care needs being referred to providers who then spend considerable time, money and effort assessing them to discover that they have an illness or high disability needs and cannot be assisted. The referral is sent back to Centrelink, but the provider receives no compensation or cost recovery for the time so engaged. Can you tell me what DEWR is doing to ensure that referrals are appropriate?

**Ms Caldwell**—I can help you with that. No person is referred to the Job Network unless they express to Centrelink a desire to do so or, indeed, unless they directly approach the Job Network. The Job Network is also in receipt of service fees—

**Senator WONG**—Is that in respect of all job seekers who are referred to the Job Network?

**Ms Caldwell**—Yes.

**Ms Golightly**—No. I think Ms Caldwell is referring to those who do not have a mandatory mutual obligation.

**Senator WONG**—I presumed that.

**Ms Caldwell**—So Job Network members get service fees for taking on and working with persons referred through the Centrelink system to them. These job seekers are Job Network eligible and it is part of the contracted service with providers to deal with them. If a job seeker's circumstances change or if they disclose additional difficulties that were not apparent or not detected at the initial assessment, it is part of the service we purchase from Job Network members to refer them onwards.

**Senator WONG**—In other words, if there is a referral that they work on, but the person has a disability, illness or some other issue that means the provider is not able to use them, there is no cost recovery there for the Job Network provider.

**Ms Caldwell**—I should point out that approximately 11 per cent of the Job Network's active case load at any time are people with disabilities, so the presence of a disability does not exclude somebody.

**Senator WONG**—That is a tangential issue. I understand the issue there.

**Ms Golightly**—They do get a service fee for that assessment.

**Senator WONG**—Under the contract, are underperforming providers subject to their business being reallocated?

**Mr Manthorpe**—Yes. There is a capacity under the contract to move business from poor-performing providers to high-performing providers. That is a contractual provision which we use.

**Senator WONG**—Do you utilise the star-rating system to assess that?

**Mr Manthorpe**—Yes, we use that system but not just that system. We also use performance information and information about the local labour market within which the Job Network members are operating. It is something that we need to look at carefully on a case-by-case basis.

**Senator WONG**—On how many occasions has it occurred?

**Mr Manthorpe**—During the current contract we reallocated business following milestone 2. Milestones are six-month chunks of the contract and, following milestone 2, we felt we had sufficient data and intelligence to move business. That was the first occasion. We are considering the second occasion now.

**Senator WONG**—When you say that, following milestone 2, you had sufficient data to do it, did you do it in relation to one provider only?

**Mr Manthorpe**—No, we did it in relation to a number of providers.

**Senator WONG**—Can you tell me how many?

**Mr Manthorpe**—I will just have to look for that.

**Senator WONG**—Remind me: what date was milestone 2?

**Mr Manthorpe**—Milestone 2 concluded on 30 June last year, so it was some time after that, during milestone 3.

**Senator WONG**—Did you say they are six-monthly milestones?

**Mr Manthorpe**—Yes.

**Senator WONG**—How many people work in your area that are associated with managing the Job Network?

**Mr Manthorpe**—Not quite enough—sorry, Senator.

**Senator WONG**—Dr Boxall will listen to that no doubt.

**Mr Manthorpe**—I will withdraw that statement. In my group in the contract management branch there are between 40 and 50 people, but they are responsible for not just Job Network contracts but also management of CWC contracts, TTW contracts and recently the FaCS program contracts that have come in. That is also true of the other parts of the group that have some responsibilities across the whole show.

**Senator WONG**—You were telling me how many people you took business away from.

**Mr Manthorpe**—We moved business from 24 providers to 27 providers.

**Senator WONG**—What does that mean?

**Mr Manthorpe**—It means there were 24 Job Network members whose business was reduced and 27 providers who received a portion of their business.

**Senator WONG**—Of the 24, it was only a portion of their business that was moved?

**Mr Manthorpe**—Yes.

**Senator WONG**—I presume that there is some other mechanism to try and improve the performance of those who have business reallocated?

**Mr Manthorpe**—There is a range of methods by which we look to see Job Network continuously improving its performance. The star ratings are certainly a major driver of performance.

**Senator WONG**—Apart from that. You had 24 providers from whom you took business. Apart from taking business from them, was anything done to try and improve the performance of those providers?

**Ms Golightly**—Leading up to a star-rating period or, indeed, business reallocation, contract managers in the state offices that we just mentioned work closely and very regularly with our Job Network members, using performance information that is provided on a daily or weekly basis, and they often have discussions with Job Network members about their performance and progress against targets et cetera.

**Senator WONG**—You are telling me that this general approach would have been applied in relation to the 24 underperformers; is that right?

**Ms Golightly**—No. The performance discussions that I am referring to happen as a normal part of our contract management regime.

**Senator WONG**—That is what I am saying.

**Ms Golightly**—Yes.

**Senator WONG**—You say that, because we have that, the 24 would have been dealt with.

**Ms Golightly**—The 24 would have had discussions along those lines leading up to any business reallocation.

**Mr Manthorpe**—There are performance discussions with all providers.

**Senator WONG**—That is why I am asking: whether, in respect of the ones who were bad enough to have business taken away, something extra was done.

**Mr Manthorpe**—The extra was the taking away of the business.

**Senator WONG**—But, other than that, the same criteria for performance management applied.

**Mr Manthorpe**—Yes.

**Ms Golightly**—Yes. During the performance discussions that happen as a normal part of contract management, contract managers would be speaking with various people, including senior managers, about what they could do to improve their performance. It is only after getting to a point where that performance has not improved, despite those efforts, that we look at business reallocation.

**Senator WONG**—I have been advised of a number of errors in the JobSearch system. For example, searches for particular professions turn up quite different professions. Examples include ‘warehouse supervisor’ and ‘helpdesk assistant’ listed under ‘journalist’—and I can give you the job ID numbers—‘hostess in a fast food outlet’ listed under ‘the arts’, ‘cheese maker’ under ‘winemaker’ and ‘pizza takeaway assistant’ under ‘lottery agent’.

**Senator Abetz**—There is some closeness with the cheese and wine.

**Senator WONG**—That is about the only one.

**Mr Parsons**—If you could provide the details, I would be happy to look into them. As a general statement, the jobs that are displayed on JobSearch come from varying locations. In most instances, those misclassifications occur where jobs come to us from newspapers. We do

our best to try to align our job categories with the categories they provide but, on the fringes, there are sometimes miscategorisations.

**Senator WONG**—I would accept that if you had something that was close, but I fail to see how ‘warehouse supervisor’ could possibly be on the fringes of ‘journalist’.

**Senator Abetz**—Some journalists probably should be.

**Senator WONG**—Don’t go there, Minister.

**Dr Boxall**—It is clear that there are a few misclassifications and you have just listed two or three. But the number misclassifications, such as the two or three you have mentioned, as a percentage of the number of jobs posted is absolutely minuscule.

**Senator WONG**—Do you track that?

**Mr Parsons**—On any given day there are almost 100,000 jobs on the database, and there is a healthy flow coming through each week. We do not actually track that number.

**Senator WONG**—You would not be able to, would you?

**Mr Parsons**—No.

**Senator WONG**—Anyway, how would you track it? If you have entered it already, you would not know it was wrong to track it.

**Mr Parsons**—Correct.

**Senator WONG**—So what quality control do you have to ensure that you do not get ‘warehouse supervisor’ under ‘journalist’, ‘hostess’ under ‘the arts’ and ‘pizza takeaway assistants’ as ‘lottery agents’—even if I accept the cheese maker and winemaker analogy?

**Mr Parsons**—The department does vacancy sampling as a control measure. Clearly we cannot look at every one of the 100,000 jobs that are on display at any point in time. Of the samples we do, we believe that 94 per cent are spot on or totally compliant and the other six per cent are compliant in varying degrees. The other six per cent, for instance, could include classifying a boilermaker as a metalworker and those sorts of related general trades.

**Senator WONG**—I would not say that to a boilermaker, if I were you. So there is a six per cent error rate or thereabouts. I accept that includes what you might call fringe errors or marginal errors; is that right?

**Mr Parsons**—Yes. There is a hard error rate; we believe that no more than about two per cent are in that totally misclassified area.

**Senator WONG**—Hard error?

**Dr Boxall**—There is a two per cent hard error rate.

**Senator WONG**—I am just asking about the terminology ‘hard error’.

**Mr Parsons**—Totally in the wrong category.

**Senator WONG**—What is that out of \$100,000?

**Mr Parsons**—\$2,000.

**Senator WONG**—It is reducing, is it?



**Mr Parsons**—There is a continual program of refining our dictionaries and our thesaurus to look at things like boilermaker and metalworker to identify the correct linkages.

**Senator WONG**—Can I move on to IT issues in relation to the Job Network. Are you able to tell me IT expenditure for the last financial year and the current financial year to date?

**Mr Moore**—In the last financial year, 2003-04, the department spent \$12.3 million in capital expenditure and \$15.7 million in expenses. That includes IT systems development as well as maintenance and production support for the ongoing systems. This financial year we have forecast expenditure of \$9.6 million in capital and \$23 million in expenses.

**Senator WONG**—What is the expenditure to date? Do you have that or not?

**Mr Moore**—No, I do not have those numbers with me.

**Senator WONG**—For 2003-04 you gave me the actual expenditure; what was the forecast expenditure?

**Ms Golightly**—I think the information I have here on the table was done at a higher level than what you are asking; we might need to take that on notice.

**Senator WONG**—It is at a higher level?

**Ms Golightly**—Yes.

**Dr Boxall**—It is done at a higher level of aggregation than what you are asking, so we will need to take your question on notice.

**Proceedings suspended from 9.03 p.m. to 9.15 p.m.**

**Senator WONG**—Before I go back to the Job Network I would like to ask something that I neglected to ask earlier. You could take this question on notice. What proportion of DSP recipients for the last financial year and the current financial year to date were assessed as being capable for work for the following number of hours: nil to 15, 15 to 30, and 30-plus? Could you also provide a breakdown by medical condition, age and sex for these clients.

**Dr Boxall**—Mr Manthorpe has an answer to an earlier question.

**Mr Manthorpe**—Earlier, you asked about the number of DSP referrals, partnered and parenting payments, and single referrals from Centrelink to the Job Network during the financial year. I have a breakdown of that, which I would like to table.

**Senator WONG**—Thank you. While we are on IT, can someone tell me how much of the \$365 million is projected to be expended on IT costs?

**Ms Golightly**—None of that \$365 million relates to IT costs. The \$365 million is an administered item. It is simply payments to Job Network. IT costs are part of our departmental budget.

**Senator WONG**—Regarding the evaluation strategy for ESC3—this says ESC4 but I am sure it means ESC3—is there any stakeholder consultation in that process?

**Mr Correll**—Could you just clarify that question?

**Senator WONG**—If I could, I would. We are currently in contract No. 3—is that right?

**Mr Correll**—Yes.

**Senator WONG**—What work is being done on ESC4?

**Dr Boxall**—The government is about to consider the purchasing program for ESC4. That is to be considered in the budget context and will be announced most likely around the time of the budget, if not with the budget. That means that we will have about 13 months before the commencement of ESC4 so that the government can get ready with the purchasing process and complete the process well in time before ESC4 commences.

**Senator WONG**—Will there be any consultation with relevant stakeholders in the development of the parameters for ESC4?

**Ms Golightly**—The parameters for ESC4 are really a matter for government consideration, including any consultation mechanisms that the government may want to put in place.

**Senator WONG**—Yes, I appreciate it is a decision for government, but what I am asking is: will there be consultation on that before the budget announcement or does that occur afterwards?

**Ms Golightly**—In the past I think it has occurred afterwards. I could be corrected, though.

**Senator WONG**—What about the job seeker account? I presume you keep track of the use of the job seeker account.

**Ms Golightly**—Yes.

**Senator WONG**—Can you give me, for the last financial year and the current year to date, a breakdown of the use of the Job Seeker account, the amounts used and the purpose that the funds were used for?

**Ms Caldwell**—I am seeing if we have the breakdown that you have asked for. I have total expenditure since the start of the contract in various categories under the Job Seeker account. I will check to see if I have it for the financial year.

**Senator WONG**—I am happy to have it on a contract basis as long as you can give me some indication of the period.

**Ms Caldwell**—This is on the basis of data until 6 January 2005. As to expenditure on the Job Seeker account, 24 per cent has been expended on training items, 18 per cent on employer incentives, 12 per cent each on clothing, equipment and professional services, and 11 per cent on small value bulk items such as bus tickets and the like. The remainder is split between matters such as fares, petrol assistance, interpreters and transport costs and the like.

**Senator WONG**—That is over the life of the current contract?

**Ms Caldwell**—Yes.

**Senator WONG**—Do you do it monthly or quarterly?

**Ms Caldwell**—I am able to give you the total amounts not broken down by category over months—that is, the usage and trends in usage at the global level for Job Seeker.

**Senator WONG**—Presumably you must track it by some time frame?

**Ms Caldwell**—Yes, but I do not have it with me at the moment.

**Senator WONG**—Can you just give me some trend data on that?

**Ms Golightly**—Yes.

**Senator WONG**—What is the total expenditure to date?

**Ms Caldwell**—The total expenditure to date is \$261 million since the start of the contract.

**Senator WONG**—Is there a mandatory training component in Work for the Dole?

**Mr Parsons**—No, I do not believe so.

**Senator WONG**—I understand that people may receive a training credit?

**Mr Parsons**—The only training that is mandatory is OH&S training at the start of a project, just to ensure the safety of the participants.

**Senator WONG**—What are the criteria for the training credit which is available to participants—is it number of hours?

**Mr Parsons**—It is reaching a milestone in terms of hours on the project.

**Senator WONG**—How much has been paid out in training credit in the current financial year to date?

**Mr Parsons**—We will find that information.

**Senator WONG**—While you are finding that, can you explain to me the four per cent estimate at the top of page 28 of the PAES for Work for the Dole?

**Mr Parsons**—I have an answer for the expenditure on training credits so far this financial year. It is \$8.45 million.

**Senator WONG**—Do you have it for the previous financial year?

**Mr Parsons**—Not in front of me. But I could get it. What was your next question?

**Senator WONG**—What about the four per cent estimate at the top of page 28 of the PAES?

**Mr Parsons**—That is actually in connection with working age payments.

**Senator WONG**—It says, 'Estimate for Work for the Dole.'

**Ms Golightly**—This is one of the bits of information that used to be in the FACS portfolio PBS. Ms Wilson will answer that for you.

**Ms Wilson**—It is an estimate of the proportion of customers on Newstart allowance or Youth Allowance other who are likely to be undertaking Work for the Dole in the 2004-05 financial year.

**Senator WONG**—Are you able to indicate what current trends are?

**Ms Wilson**—I have not got that with me. I could take that on notice.

**Senator WONG**—Is that easily obtainable?

**Ms Wilson**—We would have previously had that within the FaCS portfolio and I believe I should be able to get you some historical data on last financial year as opposed to the estimate for this financial year.

**Senator WONG**—If you look at the bottom of page 29, the target for the Transition to Work program is identified as 50 per cent as the proportion of job seekers in employment following participation in employment services. Do we have how that is currently trending?

**Mr Parsons**—Yes. I can give you some data on that. It is currently tracking at 54 per cent, so it is slightly ahead in terms of the year to date.

**Senator WONG**—There is also the utilisation target, which I think is 10,000. Is that right?

**Mr Parsons**—Yes. That is running slightly ahead of schedule as well. TTW is a popular and very effective program.

**Senator WONG**—I will turn now to JPET. I am sorry, Ms Wilson; I do not know which is yours. I keep on making you come back.

**Ms Wilson**—That is okay. I am still coming to grips with it.

**Senator WONG**—In the PBS for FaCS they indicated that in the 2002-03 financial year 14,000 clients were assisted through JPET.

**Ms Wilson**—Yes.

**Senator WONG**—Can you tell me how many were assisted in 2003-04?

**Ms Wilson**—Yes. It was just under 14,000.

**Senator WONG**—I am not very familiar with how this program works. Is this capped?

**Ms Wilson**—Yes, it is.

**Senator WONG**—What is the cap?

**Ms Wilson**—It is around \$20 million a year.

**Senator WONG**—What was it previously—\$20 million?

**Ms Wilson**—Yes.

**Senator WONG**—That was in 2004-05. So there was a marginal increase from 2003-04. Is that right? I am looking at page 119 of the FaCS figures.

**Ms Wilson**—It was \$20.1 million for 2004-05.

**Senator WONG**—Can you give me some indication of the unmet demand? Do you have waiting lists on this program?

**Ms Wilson**—It does not work in that way. It does not have a centralised waiting list.

**Senator WONG**—So how do we identify the unmet demand?

**Ms Wilson**—There is no systematic way of doing that. It is block grant funding, which provides for a certain number of clients to be assisted in each service or outlet. So there is not really a systematic way of assessing that. They will fill above their capacity if there are needy clients who require assistance of the individual services.

**Senator WONG**—So we do not know how many people want it but cannot access it?

**Ms Wilson**—No we do not; there is no systematic way of finding that because it is not an outcome funded program and it does not have a centralised waiting list, or the IT that would support that, and an automated referral process.

**Senator WONG**—Ms Wilson, how does it work in practice? Do you just spend through the financial year until you get to the \$20 million and then tell people that you are not spending any more?

**Ms Wilson**—No, there are a number of places that each service is funded to provide—is allocated—and services juggle those places in the course of the year so that, if someone presents with an urgent need, they fill above their capacity for the period that they can, to assist that urgent need.

**Senator WONG**—How is that allocation determined? Who are the services? Are they Job Network providers?

**Ms Wilson**—They are a range of community based organisations for the most part. There are 96 organisations, which are funded to provide 134 services.

**Ms Golightly**—So an organisation might provide the service in two locations.

**Ms Wilson**—That is right.

**Senator WONG**—So the only people who would have some knowledge of the unmet demand would be the services themselves?

**Ms Wilson**—The individual services would have that knowledge; that is right. There is no way of capturing that at a high level.

**Senator WONG**—Do they provide feedback to you?

**Ms Wilson**—There are several mechanisms through which the services provide feedback. There is a website on which services log their performance reporting. There are periodic workshops and meetings with key service providers. Some of the service providers are also members of the Australian Federation of Homelessness Organisations, because this has a particular focus on homeless young people and some connection with the supported accommodation assistance program at some sites. As well as that, some of them would also be Job Network providers and members of NESA or other peak bodies like Jobs Australia.

**Senator WONG**—What has been the increase over the last few years? Has there been a marginal increase from 2003-04 to 2004-05? Has it stayed at a similar level?

**Ms Wilson**—It has remained fairly stable, from my understanding.

**Senator WONG**—I would like to move on to disability open employment services. I understand from FaCS that this has been a capped program?

**Ms Wilson**—That is right.

**Senator WONG**—I presume the cap is still in operation?

**Ms Wilson**—Yes, it is.

**Senator WONG**—What is the current cap?

**Ms Wilson**—For the full year 2004-05, the funding for the program is around \$165 million.

**Senator WONG**—Is that only for open employment?

**Ms Wilson**—That is right.

**Senator WONG**—I asked FaCS for this data and they said I should ask you.

**Ms Golightly**—We now own that program.

**Senator WONG**—Yes, I know. I wanted some historical data on the amount spent on disability open employment over the last few financial years—perhaps, from 2001 onwards. I think the difficulty was that the FaCS line item was combined business services and open employment services. Are you able to extract that information?

**Ms Wilson**—I will have to take that on notice, because it will require some disaggregation, but that is possible.

**Ms Golightly**—We will do that to the extent we can.

**Senator WONG**—Is there a number of places that underpins the \$165 million?

**Ms Wilson**—It is not a place-limited appropriation. Because it has been historically block-grant funded, and in recent years we have been moving towards a case based approach, it has been only a cash-limited program. So, as a consequence, the number of places is not easily identified.

**Senator WONG**—Can you give me waiting list numbers?

**Ms Wilson**—No, I cannot, because, similarly for this program, there is not a centralised waiting list. Some individual services do retain waiting lists of their own, but it is not possible to be sure, with any degree of confidence, that the same individual would not be on several services' waiting lists. On average we know that utilisation, to the extent that we can pin it down, is around 90 per cent of all available places, but it is not possible to really systematically assess the extent of unmet demand. We are aware that in some employment services areas there has been more demand than in the others, and therefore the program has been managed to try and respond to that.

**Senator WONG**—I would have thought, particularly given the emphasis on trying to encourage people with disabilities back into the work force, that it would be useful to have some sense of the unmet demand for these services.

**Ms Wilson**—Indeed, it will be. That is one of the features that will be a key component of the new IT system that will be developed in DEWR to manage this program and the more outcome, individually focused approach that the program is moving towards.

**Senator WONG**—When will that be up and running?

**Ms Wilson**—We will have an IT system in place from July this year. The full detail of what components will be in place is currently being worked through.

**Senator WONG**—I noticed in the discussion paper that was put out that there was a reference to 1,500 new places, so I was a bit confused when you said it is not a place based program. I assume the reason is that one of the propositions in the discussion paper is to move to a more case based funding model. Is that right?

**Ms Wilson**—That is correct.

**Senator WONG**—When you say '1,500 new places', that is, new on top of what?

**Ms Wilson**—These are case based funded places. Over recent years, as part of the move towards a new funding system, the new places that have been released in growth places over the period have all been case based. The minister recently announced that up to 1,500 new places will be released to 30 areas experiencing high demand, to support the work force participation agenda.

**Senator WONG**—Regarding the 1,500 new places, was there no assessment of the unmet demand in order to calculate how many places should be released?

**Ms Wilson**—Not entirely. As I mentioned, it is difficult to pin down the extent of unmet demand.

**Senator WONG**—But surely you would not release places if you did not think they would be filled.

**Ms Wilson**—That is absolutely correct. What I can say about that is that we have identified a number of employment service areas where there is a lower provision of this form of assistance against a benchmark of disability support pension recipients, and therefore these places will go to those employment service areas.

**Senator WONG**—We may have dealt with this. You said you may not be able to track the expenditure in this area to date from financial year 2001-02, but are you able to provide me on notice with the number of people assisted through the Disability Open Employment Service from financial year 2001-02 onwards, and inclusive?

**Ms Wilson**—Certainly.

**Senator WONG**—When Centrelink provided us with their procedures and guidelines et cetera for the DSP rapid connection and reconnection initiative, the focus was very much on Job Network members and not the Disability Open Employment Service. I was just wondering why that is the case, given that DEWR is responsible for the parameters of this.

**Ms Wilson**—Historically, Centrelink is not the main gateway for the Disability Open Employment Service. At least half, and in many cases a much greater proportion, of the clients for the Disability Open Employment Service are referred through other places, like schools, for example, or they self-refer to the Disability Open Employment Service, whereas Centrelink is currently a significant gateway for the Job Network, clearly.

**Senator WONG**—But surely the levels of assistance under open employment services specifically address the needs of people with disabilities. There is more financial assistance, as I understand it.

**Ms Wilson**—The services are specifically for people who have an ongoing support need, whereas the intention, as I understand it, of the disability support pension rapid connection pilot was in respect of those who do not have those higher levels of support requirements.

**Mr Manthorpe**—I am not sure what Centrelink tabled in that regard the other day—

**Senator WONG**—I am happy to give you a copy.

**Mr Manthorpe**—Sure. But we have certainly been communicating with Centrelink the importance of ensuring that any DSP recipients who they are referring anywhere are being referred to the right place, and that could be to the Job Network but it could also be to

Disability Open Employment Services. I think that is a message that Centrelink has sent loud and clear to its network as well. Whether that comes through in those papers I am not sure, but I would just make that point.

**Senator WONG**—At the top it says: ‘Ensure initial and ongoing meetings are set up with Job Network members. It is critical that we work together on this initiative.’ This is the document at the back of which is the script for CSOs that we discussed earlier. The focus is very much on the Job Network. I am confused as to why the Job Network is being preferred as the assistance provider that DSP recipients would go to, as opposed to Disability Open Employment Services.

**Mr Manthorpe**—They are not the preferred provider. There is no preferred provider. We say—and Centrelink would agree with us, I think—that job seekers are referred to the appropriate place. There has been an emphasis on Job Network referrals—that is true—but not at the expense of sending people to the right place.

**Senator WONG**—One of the issues identified in the pilot as an issue of concern was whether people were getting sent to the right place, wasn't it? I appreciate that that was in relation to the Job Network.

**Mr Correll**—There is certainly no difference in the priority. I think the key difference here is that, pending the open employment service providers going onto the system from 1 July, there are actually two discrete business processes involved at the present stage in the referral of a job seeker to either a Job Network member or to a Disability Open Employment Service provider. For the Job Network member it is done through a diary facility that is not available to a Disability Open Employment Service provider. For that reason, Centrelink's instructions would need to relate to a Job Network circumstance and would have a different set of processes to Disability Open Employment Services, simply because there are not the same computer system connections there at the present stage.

**Senator WONG**—Has that been put in place? I understood Ms Wilson to say that Centrelink is not the preferred gateway or the primary gateway for Disability Open Employment Services referrals.

**Mr Correll**—No. I support wholeheartedly Ms Wilson's comments there, but for those that do get referred from Centrelink, which is not a dominant proportion, there is a different business process in Centrelink to the Job Network referral process because they do not have the same computer system connections at the present stage.

**Senator WONG**—This is all a process issue. What about a DSP recipient who may more appropriately, if they are going to Centrelink, be referred to a Disability Open Employment Service provider—if that is the right phrase—why is it that there appears to be, from both the script and procedures here, an emphasis on Job Network members? In fact, I think there is only one indication at the back of the document of the possibility of referral to disability employment services.

**Dr Boxall**—The department's testimony, as Mr Manthorpe outlined, is that people are referred to the appropriate provider. If it is appropriate to refer them to the Job Network, Centrelink will do that. If it is appropriate to refer them to Disability Open Employment Services, they will do that.



**Senator WONG**—What is DEWR doing to ensure that, if the appropriate referral would be to a Disability Open Employment Service provider, Centrelink does so? What are the mechanisms and procedures in place to ensure that occurs?

**Dr Boxall**—Centrelink carries out the policy, as explained to them by us, and that is what they do.

**Senator WONG**—Yes, but you have the policy.

**Ms Wilson**—There is a mandated assessment process for people with disabilities—a streaming process—which uses a set of what are called disability employment indicators and which works out where the appropriate service is for a person with a disability. That has been in place since March 2003. Based on the information gathered in that assessment process, it identifies whether someone would be best referred to the Commonwealth Rehabilitation Service, if they have the need for vocational rehabilitation, to a disability open employment service, to the Job Network or, alternatively, to something else like the Personal Support Program.

**Senator WONG**—Is there a policy decision to try and first get DSP recipients into the Job Network?

**Dr Boxall**—No. The department's position was outlined by Mr Manthorpe. As Ms Wilson said, Centrelink makes an assessment and then refers them to the appropriate provider. That is what it is contracted to do.

**Senator WONG**—Can you explain then why it is that the DSP pilot found that around, I think, 62 per cent of participants had indicated a willingness to work by registering with Centrelink as looking for work but had not been referred to either DOES or Job Network?

**Mr Manthorpe**—That points to why there is an increased emphasis, in the documents that you have been referring to, to referring appropriate people to the Job Network. We think that there is a group of disabled people on DSP who can fit the category or set of disabilities that are appropriately referred to Job Network, so that is one of the issues we are working on with Centrelink.

**Senator WONG**—Given that the Job Network is a demand driven program and the parliament is being asked to approve an additional \$365 million on top of the \$25 million, what is the justification for a funding cap on Disability Open Employment Services, particularly given the government's emphasis on the participation rates of people on DSP?

**Mr Correll**—That goes to questions of future policy in this area.

**Senator WONG**—No, it is current policy.

**Dr Boxall**—Current policy is that parliament has been funding the open employment services as a block grant and it has been funding the Job Network on a demand driven basis.

**Senator WONG**—You know as well as I do—you have been around a long time—what the Senate can or cannot do in relation to appropriation bills. This is a decision by government. What is the rationale, given the emphasis on DSP recipients participating in the labour market, for capping that program, in contradistinction with the Job Network, which is demand driven?

**Dr Boxall**—At some time in the past the government made a decision and it stands as it is. If the government is going to change it, it will change it.

**Senator WONG**—Can anyone tell me the rationale for it? It just seems bizarre that you have one employment assistance program which is demand driven and another which is capped, and the one that is capped is the one that is specifically for people with ongoing needs and people with a disability.

**Dr Boxall**—We note your comments, Senator Wong.

**Senator WONG**—I presume that some discussions have been held with the providers of open employment services as a result of the discussion paper which was put out.

**Mr Correll**—Yes, there has been a series of discussions across the country in relation to the discussion paper.

**Senator WONG**—Is it the case that a number of providers are concerned with a number of aspects of what is proposed or flagged in the discussion paper?

**Mr Correll**—I probably would not have characterised the feedback quite in that way. There are one or two areas where clearly there has been feedback on the discussion paper where providers have expressed concern in a number of areas. There has been a good reaction to the discussion paper.

**Senator WONG**—Is one of the areas of concern the introduction of the job seeker account?

**Mr Correll**—Yes.

**Senator WONG**—What do you understand the providers' concerns to be?

**Mr Correll**—My understanding is that the providers would prefer not to introduce a job seeker account under the model as described in the discussion paper.

**Senator WONG**—And the reason for that is the effect on their cash flow, or are there other reasons?

**Mr Correll**—The reasons go to the fact that there is a change. Supporting the introduction of a job seeker account involves a change to the overall fee structure to underpin that, and there is opposition to the change to the overall fee structure.

**Senator WONG**—Has it been put to you that the introduction of JSAs will lead to a decline in service levels and flexibility?

**Mr Correll**—I have not seen the full summary of all the comments coming back but certainly in feedback from the industry there has been a general sense of a negative reaction to that proposal.

**Senator WONG**—Has it been put to you that job seeker accounts have also been inappropriately used by Job Network members to pay for disability adjustments such as the provision of sign interpreters—such costs which should be met from the organisation's central budget like any other disability adjustment?

**Mr Correll**—That has not been put to me. Based on those comments you have given me, I would have no basis for seeing any difficulty with the use of the job seeker account for legitimate expenses relating to job seekers with a disability.

**Senator WONG**—But there is a distinction, isn't there? If you use the job seeker account to do things which are associated with the person's disability—a disability adjustment cost—you necessarily have less money to spend on other costs which might be associated with job seeking which one would think intuitively for a person with a disability might be significantly more than for a person without one.

**Mr Correll**—The key principles with the job seeker account are, within broad principles, to have quite wide flexibility in the use of the account, and for people with a disability it has been used widely to cover those aspects. Provided it does not in any way represent something that is covered by a service fee, something that would bring the overall Job Network service into disrepute or be pitched on other things like overheads in the organisation but is clearly being attached to the job seeker, there is a high degree of flexibility in its use.

**Senator WONG**—So DEWR has no problem in principle with the job seeker account being used for something such as an Auslan interpreter?

**Mr Correll**—There is, as I understand it, a separate interpreter service under Auslan. Provided there is no double dipping against the Auslan service. I just need to take advice in relation to Auslan, as to whether there is any separate contract set up. No—there was at one stage; there is no longer. Therefore it is quite a legitimate purchase out of the job seeker account—a very legitimate and very—

**Senator WONG**—What about workplace modifications? Would you have any objection to the job seeker account being used for workplace modifications?

**Mr Correll**—No, and it has been.

**Senator WONG**—Isn't that the point? There is a very low take-up rate, as I understand it, of workplace modification applications which can be funded separately other than by the job seeker account. Because of the introduction of this, plus people's ignorance, as has been demonstrated in the pilot, people use the account as opposed to another funding stream.

**Mr Correll**—Yes, although I think the nature of the workplace modifications might be smaller in characteristic under the job seeker account. Also it probably reflects on issues of awareness and accessibility that need to be looked at.

**Senator WONG**—Is the government intending to proceed, given the concern that has been raised by the sector with the proposal to introduce the job seeker account in the open employment sector?

**Mr Correll**—The government has not made a decision on that as yet. Following the completion of consultations, the government will be advised on the outcome of the consultations and then will make decisions.

**Senator WONG**—I understand that one of the proposals flagged in the discussion paper is the ability of Job Network providers to directly register recipients for employment support. I want to talk about workplace assessments. Is the government considering any safeguards to

ensure that Job Network members access specialist workplace assessments and use quality assessors?

**Mr Correll**—I am advised that there is in fact dialogue going on with the industry body at the present stage on that very issue of assessment standards.

**Senator WONG**—What about increasing the understanding of Job Network providers who may not have particular specialist expertise in this area in their understanding of disability and its impact on work, particularly episodic disabilities such as mental illness?

**Mr Correll**—Last year, at the National Employment Services Association annual conference, a new web site facility called JobAble was introduced which is a key resource for use particularly by employment consultants in the employment services industry. It provides a wide range of information and is a key tool to help in that area. We did cover this, I think, in some earlier questions. There is substantive dialogue going on with the industry at the present stage about overall developments and better practice in servicing people with a disability. In addition to that, a number of individual Job Network organisations have been taking measures themselves to develop their capabilities in this field.

**Senator WONG**—Are there plans to revise the disability classification tools?

**Mr Correll**—The pilot project that Mr Sandison talked about earlier has the potential to provide an improved, more effective streaming process for people with disabilities into the appropriate level of service and more quickly. As Ms Wilson indicated earlier, currently there are a set of disability indicators used for that purpose. The pilot will give some pointer as to whether there are potentially better ways.

**Senator WONG**—Is consultation occurring with DSP recipients, disability advocacy groups or open employment providers regarding any changes to the classification tool?

**Mr Correll**—As Mr Sandison indicated, we are still in the mode of scoping out that pilot and developing it. There are a number of stakeholders involved in that process at the present stage. We would expect the full range of stakeholders to be involved in that pilot.

**Senator WONG**—But the full range of stakeholders will not be involved until after the pilot has commenced? I did not understand what that answer meant.

**Mr Sandison**—The assessment model that we were talking about has as its primary focus the work capacity assessment. That is done by a range of assessments in the organisations I talked about. The actual classification assessments are done by open employment services. That is the assessment about job placement and the assessment about their ongoing support needs, which is the maintenance instrument. Those elements are actually going to come afterwards. The pilot is looking at the work capacity assessment that streams in the first place. The actual disability instruments you were talking about are probably those later two that in the discussion paper are talked about as assessing the actual level of support needed by individuals. The discussion paper and the proposals leave those instruments as they are. They have been built over the last three or four years with lots of consultation with industry, as I am sure they have probably attested to, and they have taken us to this stage. Therefore, some of the support for the case based funding model has stayed.

**Senator WONG**—What is the correct term for these classification tools?

**Mr Sandison**—The two acronyms are the DPI and the DMI.

**Senator WONG**—These are different to the Centrelink classifications. What do DPI and DMI stand for?

**Mr Sandison**—The first one is the disability placement instrument.

**Ms Wilson**—If I may assist my colleague, it is the disability pre-employment instrument, which is used to work out what a person's employment assistance plan should be for the period that they are with the service. Following that, the disability maintenance instrument is used to assess what their need for ongoing support is after being placed in employment. They are the two key instruments that are proposed to be used as part of the case based funding model for people under assessment.

**Senator WONG**—And those instruments are currently utilised by open employment providers?

**Ms Wilson**—That is correct.

**Senator WONG**—And the assessment process by Centrelink that you referred to before is completely different?

**Ms Wilson**—Yes. There are a number of different tools and processes and one of the things that we will need to look at coming out of this trial and our ongoing work is the extent to which we can try and integrate those or at least use information that has already been collected for multiple purposes to reduce the burden on providers and customers about the collection of that information.

**Senator WONG**—Do I understand Mr Sandison's evidence to be that there are no plans to alter those instruments for the purpose of the pilot?

**Mr Sandison**—No. The pilot is at first stage only.

**Senator WONG**—Is that first—

**Mr Sandison**—The first stage: looking at work capacity assessments and that first assessment level. That, from Centrelink through to the work capacity assessment, gets them to an open employment service provider. That is what the pilot is about. It was those three stages I talked about earlier.

**Senator WONG**—So there is no proposal to change those two classification tools. Are there any plans to allow open employment providers to claim education or voluntary work placements as outcomes?

**Mr Correll**—That is not included in the scope of the discussion paper, although we welcome feedback if it comes from the industry.

**Senator WONG**—But it is not currently an option the government has on the table?

**Mr Correll**—It is not proposed in the discussion paper.

**Senator WONG**—In relation to the integrated IT system which is referred to in the discussion paper, which links the disability employment service and Job Network members, I am not clear how the assessment tools we have just described will be utilised. There is a reference in the discussion paper to the minister's announcement that from July of this year

both disability open employment services and Job Network members will be able to directly register job seekers in receipt of DSP on a common integrated IT system.

**Ms Wilson**—That is the IT system that is being developed to support case based funding and the open employment services in the DEWR environment.

**Senator WONG**—So the classification tools we were talking about come into play after they are registered and referred.

**Ms Wilson**—That is right.

**Senator WONG**—I can put the rest of my questions on notice.

[10.07 p.m.]

### **Australian Industrial Registry**

**Senator MARSHALL**—I want to go to some questions, firstly, about government appointments to the Australian Industrial Relations Commission. How many appointments have been made to the commission during the term of the coalition government?

**Mr Wilson**—I am afraid I do not have that information with me directly, but we can obviously provide it to you.

**Senator MARSHALL**—Can you tell me what the background is to each of those appointments when you provide that.

**Mr Wilson**—Certainly.

**Senator MARSHALL**—Will you include what previous position each appointment held prior to their appointment? How many appointments were made in 2004, prior to the federal election?

**Mr Wilson**—During 2004, if my memory serves me correct, there were two appointments: namely, those of Senior Deputy President, John Lloyd and Senior Deputy President, Jonathon Hamberger.

**Senator MARSHALL**—What was the background of each of those appointments?

**Mr Wilson**—The background of Senior Deputy President Lloyd is as Deputy Secretary of DEWR. The background of Senior Deputy President Hamberger is as the Employment Advocate.

**Senator MARSHALL**—How many staff are employed by the commission at the moment?

**Mr Wilson**—Approximately 200. In addition to that, there are approximately 50 members. Our staffing, for the purposes of the PBS figures, indicates a rounded figure of 250, but I will get you the precise figures.

**Senator MARSHALL**—Can you give me a costing on the staff?

**Mr Wilson**—I would have to also get that for you, similarly. Do you wish me to break that down between the costs for members and the costs for the staff?

**Senator MARSHALL**—Yes. I was going to ask you the same sorts of questions for the members, but we are dealing with that. Also, what has been the change over the last financial year in the numbers and the costs of the staff?

**Mr Wilson**—Again, I will take that on notice. I think the change has been relatively minor, but we will certainly find that for you.

**Senator MARSHALL**—Do staff attend conferences or seminars?

**Mr Wilson**—Staff periodically attend seminars and conferences. For example, on Monday this week everyone from associates to commission members attended a conference which is based alternately in Melbourne and Sydney. In the wider concept of staff, the members of the commission also attend an annual conference and, similarly, other groups within the registry attend conferences.

**Senator MARSHALL**—Will you be able to provide me with the details of those conferences, over the period from the beginning of 2004?

**Mr Wilson**—Could I ask you for some particulars as to the aspects that you are looking at and whether you are looking for information broken into staff or members or both?

**Senator MARSHALL**—Staff in particular at this point.

**Mr Wilson**—Okay.

**Senator MARSHALL**—You have told me how many commissioners there are. What are the commissioners' salary packages?

**Mr Wilson**—The salaries are established by the Remuneration Tribunal, and some are established by the Workplace Relations Act. In the case of a person who is a presidential member or a senior deputy president, the remuneration is 100 per cent of the rate established by the Remuneration Tribunal, and the president is paid a percentage more than that. Similarly, a deputy president is paid slightly less than 100 per cent and a commissioner is paid a percentage of the deputy president rate. Certainly, the origin is the Remuneration Tribunal. We can get that for you.

**Senator MARSHALL**—Thank you. Will that include the terms and conditions as well as the salary?

**Mr Wilson**—We can provide you with a general description of the terms and conditions of appointment.

**Senator MARSHALL**—All right. Are you able to tell me what the total cost for commissioners was in the 2003-04 year and what it has been to date in 2004-05?

**Mr Wilson**—We would have to take that on notice as well.

**Senator MARSHALL**—Thank you. I am also interested in the cost of private telephones, private internet services and mobile phones for private use in 2003-04 and what it has been to date in 2004-05 per commissioner.

**Mr Wilson**—When you say 'per commissioner', do you mean on an average basis?

**Senator MARSHALL**—Would you have it per commissioner?

**Mr Wilson**—We do have information per commissioner, and this was recently released to a journalist under a freedom of information request.

**Senator MARSHALL**—Then I should certainly have it.

**Mr Wilson**—Certainly.

**Senator MARSHALL**—Thank you. Can you tell me what the total travel expenditure of the commissioners was in 2003-04 and what it has been to date in 2004-05?

**Mr Wilson**—Again, we will take that on notice.

**Senator MARSHALL**—Are you able to provide a breakdown by commissioner?

**Mr Wilson**—I could. I am hesitating just in terms of the extent of the information that has been developed so far, but in principle we could do that.

**Senator MARSHALL**—Thank you. The *Australian* reported on 31 January this year that the AIRC had racked up almost \$2 million in travel related expenses in the past two years. It also noted that a funding crisis had emerged in the commission and that services would be cut. What services have been cut, or what are you planning to cut?

**Mr Wilson**—So far the services that have been cut are I think either nonexistent or very minor.

**Senator MARSHALL**—I am not sure you can cut a nonexistent service.

**Mr Wilson**—Let me rephrase that. I do not think we have initiated wholesale reductions in service. We are still processing applications in accordance with the sorts of time frames that we have used previously. We do not foreshadow any immediate change to that. I do not think the workloads indicate that we are expecting an incapacity to deal with those applications in the near future. You need to understand that the work of the agency divides between that which is dealt with by the registry—the clerical processing functions—and that which is dealt with by the commission members. My recollection is that there has been no material change over the 2004-05 period to that which was recorded in 2003-04.

**Senator MARSHALL**—Where are you going to make the savings then?

**Mr Wilson**—It is intended to consider savings just in the general staff and in the commission functions which accrue from time to time. We have been looking closely at the processing functions, particularly in Sydney in Melbourne. We have not yet determined precisely where savings will be made but, based upon the information we have looked at so far, it appears that we can reduce some staff by a combination of attrition and selected redundancies.

**Senator MARSHALL**—Are you confident of acquiring more funds into the future?

**Mr Wilson**—At the moment we are not seeking more funds into the future in terms of the general appropriation. There are obviously specific programs for which funding is granted—for example, the unfair termination package—but, beyond that, we are not seeking additional appropriation in the 2005-06 financial year.

**Senator MARSHALL**—What have you done about the excess travel costs referred to in the *Australian* article that I mentioned earlier?

**Mr Wilson**—I do not think the characterisation of them as excess travel costs comes from me or any of my staff. I suggest it is something which comes from the newspaper. I could, if you wished, point you to the changes in travel costs which have occurred within the registry and the commission over the past five or 10 years. I do not have the figures with me, but my



recollection certainly is that the travel costs in recent times are a fraction of what they once were, and I would not have a view that the travel as it currently exists is unreasonable in terms of the work of the commission. As I mentioned before, there are approximately 50 members. Over the past 12 months, in the order of 500 journeys have been made by those members, which is an average of one or so a month.

**Senator MARSHALL**—You are going to provide some of that detail to me anyway.

**Mr Wilson**—Sure.

**Senator MARSHALL**—Did you have a committee formed to steer the centenary dinner celebrations?

**Mr Wilson**—We did indeed. The president of the commission was, for a period of 18 or 24 months, chairing a committee which involved a number of members of the commission and people such as me and other registry officials.

**Senator MARSHALL**—Who was on the committee?

**Mr Wilson**—I would have to take that on notice. I do not have the exact details with me.

**Senator Abetz**—The party committee.

**Mr Wilson**—I am not sure it was the party committee, but we will get you those details.

**Senator MARSHALL**—Which former ACTU presidents were invited?

**Mr Wilson**—I would have to take that on notice. I am not sure if there were any.

**Senator MARSHALL**—You were on the committee, weren't you?

**Mr Wilson**—Yes, but from recollection about 300 people attended and a much wider list of people were invited. I am not absolutely confident I can answer that.

**Senator MARSHALL**—Was former ACTU President and Prime Minister Bob Hawke invited?

**Mr Wilson**—Not that I am aware of.

**Senator MARSHALL**—Why not?

**Mr Wilson**—The policy that was taken was to invite all of the current and past members of the commission, one representative from each of the registered organisations and additional people from organisations such as the ACTU or the Australian Chamber of Commerce and Industry which are not registered in their own right. There was a group of maybe five or 10 of those sorts of associations we approached. In addition, we gave each person who was invited the opportunity to purchase an additional ticket. It simply was not an event which took us to former ACTU presidents or, for that matter, former ACCI presidents.

**Senator MARSHALL**—So was the committee you referred to earlier responsible for the guest list?

**Mr Wilson**—I am sorry; I missed your question.

**Senator MARSHALL**—Who made the decisions on the guest list?

**Mr Wilson**—It was a combination of me and the president of the commission. I think I had responsibility for drawing up an initial list and, in a number of conversations with the

president and other members of the commission, we ultimately made some decisions about who was and was not invited.

**Senator MARSHALL**—Was anyone else consulted?

**Mr Wilson**—I can only speak about who I consulted with. Certainly I spoke with a number of registry managers. I can only presume that others within the commission were approached as well.

**Senator MARSHALL**—Was the list provided to anyone else outside of the committee for approval?

**Mr Wilson**—I am not aware.

**Senator MARSHALL**—Can you tell me what the total cost of the dinner was and what funds were allocated to the celebrations?

**Mr Wilson**—I would have to take that on notice.

**Senator Abetz**—Who was aggrieved that they did not get invited?

**Senator MARSHALL**—I will ask the questions, thank you, Minister.

**Senator Abetz**—That was a bit of a slow response, but I will accept it!

**Senator MARSHALL**—I do not want you keeping us here any longer than need be.

**Senator Abetz**—I think Martin Ferguson must have missed out on a nosh! The minister and shadow minister were invited, though.

**Senator MARSHALL**—How do you know? Were you consulted about this guest list?

**Senator Abetz**—No, that is what I was asking earlier when Mr Wilson did not hear your question. I was asking whether the current minister and shadow minister were invited, and they had been.

**Senator MARSHALL**—Thank you.

[10.21 p.m.]

#### **Comcare**

**Senator MARSHALL**—Can you advise me of the number of incidents reported to Comcare for the National Gallery of Australia in 2002-03 and 2003-04?

**Mr Leahy**—I think I have probably got that information here.

**Senator MARSHALL**—I thought you might.

**Mr Leahy**—For 2002-03 and 2003-04 it is probably a fair few. We have undertaken 12 formal investigations since 2000. However, there have been a number of other issues about which we have had informal discussions with the National Gallery and decided not to pursue formal investigations. So, to extend the period out a bit, I think there have been about dozen investigations in the last five years. I am informed that there were 15 inquiries. So, all up, over the last five years about 27 issues have been raised with us.

**Senator MARSHALL**—Can you take that on notice and break it down year by year?

**Mr Leahy**—Yes.

**Senator MARSHALL**—So there were 17 incidents reported to Comcare—

**Mr Leahy**—No, there were 27 all up.

**Senator MARSHALL**—And 12 resulted in investigations?

**Mr Leahy**—In formal investigations. This is quite a common practice for us. Before we do a formal investigation we undertake informal inquiries to test whether or not a formal investigation is required.

**Senator MARSHALL**—What are the outcomes so far?

**Mr Leahy**—There has been a range of outcomes. I think we presented virtually every report of our investigation over the years to the committee. Certainly in the last few years we have done so. They have ranged from findings that suggest that there was no problem through to findings where issues have been discovered. We have made recommendations to the Gallery and they have been required to undertake activities to respond to those recommendations we have made.

**Senator MARSHALL**—Have you then followed them up and ensured that the recommendations have been implemented?

**Mr Leahy**—Because there has been a bit of a history, we have actually put in place an arrangement following a comprehensive investigation undertaken at my initiative by an independent investigator, Robert Wray. That investigation reported in 2003. I put in place a committee with the agreement of the then Director of the National Gallery, Brian Kennedy. Two union representatives—Graham Rodda from the CPSU and, in the later part of the committee's existence, David Campbell from the CFMEU—oversaw the implementation of recommendations that emerged from the Wray inquiry. That inquiry looked at a range of previous inquiries that had been undertaken by us and the Gallery itself. That process, which has been a fairly comprehensive one, is just about finalised. We will probably have one more meeting with the new director of the Gallery to assure ourselves that the process is well on the way to being finalised if not completely finalised.

**Senator MARSHALL**—So that will be in the form of a report?

**Mr Leahy**—The committee is overseeing the actions that the gallery is taking, so we have their minuted meetings with actions linked to each of the recommendations that have emerged from the various inquiries that have occurred, linked in particular to the airconditioning system.

**Senator MARSHALL**—I am just wondering what there might be that I could look at.

**Mr Leahy**—Sure. We will have to talk to the Gallery, but we can probably provide you with progress reports on the implementation of the recommendations from the various reports.

**Senator MARSHALL**—Do you know how many calls you had to your 1300 hotline in the last financial year—generally, not just from the National Gallery?

**Mr Leahy**—I do not think we have that information here, but we will take it on notice and provide it to you.

**Senator MARSHALL**—Could you also tell me how many of those calls related specifically to the National Gallery?

**Mr Leahy**—Sure.

**Senator MARSHALL**—Can you also tell me what the statistical breakdown might be for those calls by, say, government department? I am not sure what information you would record.

**Mr Leahy**—We will have a look at it and we will provide you with as detailed a breakdown as we can give you, including the extent to which we had any separate calls from the National Gallery. I imagine that we have probably reacted to most of those calls. Anyway, we will look at that and we will provide you with the information.

**Senator MARSHALL**—That is all I have for Comcare. Thank you.

[10.27 p.m.]

#### **National Occupational Health and Safety Commission**

**Senator MARSHALL**—Can you tell me how many officers are involved in the safe design and skills team at the NOHSC?

**Mr Fisher**—In that team we have nine officers.

**Senator MARSHALL**—At what APS levels are they?

**Mr Fisher**—There is a range. An EL2 is the team leader. There are three at EL1, four at APS6 and one at APS5.

**Senator MARSHALL**—What funding has been allocated to that project?

**Mr Fisher**—I would have to take that on notice to get the exact figures, but my understanding is that it is about \$700,000 for salaries and approximately \$300,000 to \$350,000 for other non-salary items.

**Senator MARSHALL**—What is the expected life of the safe design and skills team?

**Mr Fisher**—I cannot really answer that. It is one of eight team in the office. It will continue indefinitely until we have a restructure. We retain the flexibility so that, as priorities change, we do change the number of teams or the make-up of those teams, but it is there for the foreseeable future.

**Senator MARSHALL**—Who does the head of the team report to?

**Mr Fisher**—He reports to one of the SES band 1 officers in the office, Mr Wayne Artuso.

**Senator MARSHALL**—What legislation will the safe design and skills team be involved with?

**Mr Fisher**—It does not get involved directly in any legislation. It is more to provide information and awareness or education. But part of its role is to ensure that the safe design principles are put into codes of practice standards et cetera at the stage of their drafting. Then it is up to the states and territories to implement those standards or codes. They would do that by way of legislation, so it is an indirect way, if you like.

**Senator MARSHALL**—Does the commission continue to undertake research into the role of design issues in work related issues in Australia, despite the safe design and skills team's current brief?

**Mr Fisher**—Yes, it does. Part of their brief is to undertake research relating to design issues.

**Senator MARSHALL**—What role will prevention activities mentioned in the draft likely form?

**Mr Fisher**—I am not sure which draft—

**Senator MARSHALL**—In terms of the report issues, conducting training seminars and workplace visits—

**Mr Fisher**—There is a draft safe design guideline that is being prepared for industry, and it is out for public comment at the moment. There are no specific prevention activities that we would be promoting; rather, we would be raising awareness for the whole range of different prevention activities and leaving it to individual sectors of industry to work out which is the best prevention activity to suit that particular area. As I said, it is out for public comment at the moment, and we are liaising with industry to make sure we get that focus right.

**Senator MARSHALL**—Turning to the new hazardous substances database, are stats available on the number of hits the site has received since it was implemented?

**Mr Fisher**—Yes, they are. I do not have them with me but we can certainly provide them.

**Senator MARSHALL**—What costs were involved in setting up the database?

**Mr Fisher**—Before I answer that, I should say in terms of the previous question that that web site is in a testing phase from now until June or for a six-month period until June, so we have to bear in mind that it is in a testing phase. In respect of the cost, we can provide that information. I will have to take it on notice, bearing in mind that that database was a paper list before and it has gone from a paper list to a database. But we can provide the information on the move.

**Senator MARSHALL**—How many people hours were involved?

**Mr Fisher**—Again, I will have to take that on notice. We would certainly be able to give you the hours involved by the consultants that we used, but it would have to be an estimate in terms of the staff, because there were a number of staff involved in different aspects.

**Senator MARSHALL**—Will you be able to tell me how many staff were involved as well?

**Mr Fisher**—Yes. I think that essentially it was the equivalent of one full-time person plus the time of the supervisor, but I will confirm that and take it on notice.

**Senator MARSHALL**—There is a feedback function on the web site. Can you tell me how many times that has been utilised since the site commenced?

**Mr Fisher**—I can take that on notice and provide that information.

**Senator MARSHALL**—Have you collated stats on the feedback off it?

**Mr Fisher**—We will be as part of the testing period, and we can provide some information on that.

**Senator MARSHALL**—Could you break that down by industries, issues, trends et cetera?

**Mr Fisher**—Absolutely.

**Senator MARSHALL**—Those are all the questions I have for you. Thank you.

**Committee adjourned at 10.33 p.m.**