



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

SELECT COMMITTEE ON ESTIMATES 2014-2015

(Reference: [Appropriation Bill 2014-2015 and Appropriation \(Office of the Legislative Assembly\) Bill 2014-2015](#))

Members:

MR B SMYTH (Chair)
MS M PORTER (Deputy Chair)
MRS G JONES
MS Y BERRY

TRANSCRIPT OF EVIDENCE

CANBERRA

WEDNESDAY, 18 JUNE 2014

Secretary to the committee:
Dr B Lloyd (Ph: 620 50137)

By authority of the Legislative Assembly for the Australian Capital Territory

Submissions, answers to questions on notice and other documents, including requests for clarification of the transcript of evidence, relevant to this inquiry that have been authorised for publication by the committee may be obtained from the Legislative Assembly website.

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Amended 20 May 2013

The committee met at 9.30 am.

Appearances:

Corbell, Mr Simon, Attorney-General, Minister for Police and Emergency Services, Minister for Workplace Safety and Industrial Relations and Minister for the Environment and Sustainable Development

Chief Minister and Treasury Directorate

Kefford, Mr Andrew, Deputy Director-General, Workforce Capability and Governance Division, and Commissioner for Public Administration

Justice and Community Safety Directorate

McCabe, Mr Mark, Work Safety Commissioner and Senior Director, WorkSafe ACT

ACT Long Service Leave Authority

Barnes, Mr Robert, Chief Executive Officer and Registrar

THE CHAIR: Welcome, ladies and gentlemen, today five of the Select Committee on Estimates inquiry into the 2014-15 budget. Today we will be looking at the Chief Minister and Treasury Directorate, output class 1, government strategy, output 1.3, industrial relations policy, and the ACT Long Service Leave Authority. Later in the morning we will look at the Education and Training Directorate, mainly CIT, and this afternoon we will look at the Community Services Directorate.

Please be aware that today's proceedings are being recorded and transcribed and will be available as a *Hansard* transcript. After hearings proof transcripts will be circulated to witnesses to allow for corrections, which are made at the discretion of the committee. Witnesses are asked to familiarise themselves with the privilege statement provided at the table.

It would be helpful for the committee if witnesses taking a question on notice could say the words, "I will take that question on notice." By resolution of the committee, we would like to have questions answered within five working days. Non-executive members of the Assembly may also lodge questions on notice within three days after receipt of the uncorrected proof.

Minister and Mr Kefford, could you please acknowledge that you have seen the privilege card and understand its implications?

Mr Corbell: Yes, thank you, Mr Chairman.

THE CHAIR: Minister, would you like to make an opening statement?

Mr Corbell: Good morning, Mr Chairman, and members of the committee. Thank you for the opportunity to appear before you this morning. I do not propose to make an opening statement. I am happy to turn to questions.

THE CHAIR: Minister, there is an article in the *Canberra Times* this morning. There

have also been questions on previous days. Can you update the committee on what action the government is taking on residual loose-fill asbestos fibres in homes in the ACT?

Mr Corbell: In general terms the government continues to take a very proactive response and approach to issues surrounding remnant loose-fill asbestos—Mr Fluffy homes, as they are commonly known. The government is developing a range of further measures to both assist with the management of occupational health and safety concerns in these properties and to potentially assist householders with some of the financial implications of the presence of remnant loose-fill asbestos in their properties.

As the Chief Minister outlined yesterday in her appearance before this committee, the government continues also to seek the engagement of the commonwealth. We have sought to engage the commonwealth over an extended period—indeed over a number of years—in terms of correspondence between the Chief Minister and prime ministers and engagement at an officials' level.

Most recently, I have written to the federal minister for workplace relations, Senator Abetz, seeking clarification of the commonwealth government's position in relation to the so-called Mr Fluffy homes, given the comments of the head of the Asbestos Safety and Eradication Agency, Mr Tighe, seeking Senator Abetz's position and the commonwealth government's position on the comments made by Mr Tighe, and whether or not they reflect the position of the commonwealth government as a whole, and again requesting that the commonwealth engage with the ACT on these matters.

I am pleased to say that last week we saw a number of representations made from commonwealth officials to relevant ACT officials at a senior level. This is a welcome development. My directorate and the Chief Minister and Treasury Directorate, on behalf of the government as a whole, will be following up those discussions in the coming weeks to see whether we can reach a joint position or a common position on how these legacy issues, which are a result of decisions taken prior to self-government, are able to be addressed and managed on behalf of the householders affected.

THE CHAIR: There are something like 1,050 homes that we know of. What is the likelihood that there are more homes out there and how would people find out if they actually do have Mr Fluffy insulation in their roofs?

Mr Corbell: There is certainly the possibility that there may be other homes that have not yet been identified. As members of the committee would know, there have been homes identified as missed homes in recent years. The most obvious example of that—indeed the only example of that to date—has been the Downer property which was subject to an extensive remediation task on the part of the government about 12 months ago.

There may be other homes. It is difficult to ascertain how many there may be or, indeed, whether there are any, but there is certainly the risk that there are other homes. The reason for that is that the removal program that occurred in the early 90s was based on a visual inspection to determine whether or not there was loose-fill asbestos present in the property and the visual assessment may not have fully identified all of

the homes.

MS BERRY: What is the advice to people who might be concerned about having a Mr Fluffy home?

Mr Corbell: The government's advice has been that they should seek the services of an accredited asbestos assessor to assess the condition of their property.

THE CHAIR: I put a question on notice that you answered that you had had 123 representations from the public between 18 February and 14 May this year. Since 14 May, how many other representations has the government had?

Mr Corbell: I would not be able to give you an exact number—and I am happy to take that element of the question on notice, since 14 May—but I would say that the volume of representations continues to grow and the number of householders affected, as a result of them having received an asbestos assessment, continues to grow and is of significant concern to me and the government.

MRS JONES: As a supplementary, there have been a couple of things. It has been floated by Mr Wall that perhaps these homes need to be marked in some way in the meter box or something so that people who are coming to the home know. I wonder if you might comment on that. Obviously there is an up and a down side to action like that. Also, if people are renting homes in Canberra, they may be completely unaware that it is a Mr Fluffy home because there is not a purchase taking place. Do you have any ability to notify people when rentals take place? Have you given that any thought? Can you comment on those two areas?

Mr Corbell: Yes, I can. The legal position to date has been that it is the decision of the property owner as to whether or not they disclose any knowledge they have about the presence of loose-fill asbestos—remnant loose-fill asbestos—in their properties.

The government is currently considering its position. I expect to make further announcements shortly, once details are fully settled, as to a range of measures to address these issues, including how tradespeople can be properly aware of the presence of remnant loose-fill asbestos in a property and, indeed, what duties householders should have in relation to disclosure to other people, such as tenants. Those are matters which the government is settling its positioning on within the next week or so.

MR WALL: I have a quick follow-up on that. Minister, will it continue to be reliant upon the home owner to notify tradespeople or other people doing work on the premises of the presence of asbestos or are you looking at a centralised register or a database which a contractor could access independent of the home owner?

Mr Corbell: I do not want to pre-empt an announcement that the government is yet to make, Mr Wall. I would simply make the observation that when it comes to asbestos in commercial properties there is a legal duty on the property owner to disclose the presence of asbestos on the property to anyone who works on the property and to have an asbestos management plan. That is the current legal position for commercial property and that position is helping to inform how we approach this issue in relation

to residential property.

MRS JONES: Is there a specific time period in which the Mr Fluffy homes were built? Is that a defined period of time? Do we know what those years were?

Mr Corbell: It is not so much when they were built; it was when the loose-fill asbestos was installed, which generally occurred throughout the period of the 1960s.

Mr Kefford: A company trading as Mr Fluffy was active towards the end of the 1960s and through the 70s. So there is a window during which it was known that this was happening.

MRS JONES: Are you able to provide the committee on notice with the exact dates of operation of that company in the ACT?

Mr Kefford: My staff who are here could probably give us that while we are at the table, Mrs Jones.

MRS JONES: Thank you.

THE CHAIR: When did the government commence issuing affected home owners with notices regarding the loose-fill asbestos insulation, and why did the government start doing that?

Mr Corbell: I will come to your question. Mr Chairman, can I just follow up on Mrs Jones's question? I am advised that Mr Fluffy, as a business, operated between approximately 1968 and 1978.

In relation to why the government made contact with property owners earlier this year, Mr Smyth, the government determined that it was appropriate to remind householders, again, about the possible presence of remnant loose-fill asbestos in their properties. This was certainly informed by our understanding of the condition of the Downer property. The Downer property, which was fully demolished and the block remediated by the government earlier, within the last 12 months, highlighted a number of issues of concern in relation to how far loose-fill asbestos could infiltrate the building fabric.

To take a step back, the loose-fill asbestos removal program, undertaken first by the commonwealth and finished by the ACT government immediately at the commencement of self-government, was designed to remove all visible and accessible loose-fill asbestos. The program, though, I think, developed the perception that it was a complete remediation of the property. What is very clear throughout the conduct of that program is that it was never understood to be a complete remediation of the property—only the removal of that loose-fill asbestos that was both visible and accessible.

What we have seen dramatically in the instance of the Downer property is how far loose-fill asbestos can infiltrate the whole of the building fabric to areas that were considered inaccessible—that is, the wall cavities, the subfloor and the areas under the top plate of the ceiling but behind cornices and so on in the property.

What that highlighted was that any disturbance of those areas of a property through renovation could result in the disturbance of remnant loose-fill asbestos and the potential for it to enter the living areas of a property. Equally, if the cornices were to come away—as they do with age—from the ceiling, that could also result in the disturbance of remnant loose-fill asbestos fibres and allow them to enter the living rooms of a property. Obviously, airborne fibres are the most serious concern when it comes to loose-fill amosite asbestos.

So, given the conclusions that were drawn from the forensic deconstruction of the Downer property, the government felt it was, again, timely to draw our knowledge as a result of that deconstruction to the attention of all property owners. That is what we did, and that is why we recommended strongly to those property owners that they should undertake a detailed assessment of their property.

I should add that it is not the first time the government has written to property owners. The government has written to property owners on three occasions since the mid-1990s. There has also been a clear disclaimer and written advice on the removal certificates that are attached to the property record that, whilst the home has been subject to removal, there may be remnant loose-fill present on the premises.

I think what has changed is the level of awareness of property owners about these risks, even though this has been available in writing in various forms in various pieces of documentation ever since the removal program was completed.

THE CHAIR: When are the three occasions that the government had written? What were the dates?

Mr Kefford: Mr Smyth, obviously there was the conduct of the program. Then the letters were written in 1999 and again in 2005 as part of the work of the asbestos task force that was set up at the time. Those letters are, as the minister has outlined, attached to the building file, along with the certificates that the minister has described.

THE CHAIR: When is the announcement likely from the government as to the actions the government will take?

Mr Corbell: As I have said, I expect to be in a position to start announcing different elements of the government's response in the coming week. I note that there has been speculation that it is one big announcement. In fact, I anticipate that the government will be making a series of announcements as details are finalised and settled and we can provide that information on an action-by-action basis. That is the government's intention.

Mr Kefford: Sorry, Mr Smyth, before you go, I might just correct what I have just said: 1993 was the first letter.

THE CHAIR: I see. So 1993—and then?

Mr Kefford: Then 2005 and 2014.

THE CHAIR: Thanks for that. Particularly in regard to tradies, what is the advice

currently about approaching homes that might be contaminated?

Mr Corbell: It is very important that tradespeople have a sufficient level of awareness so as to identify any risks associated with their work on the property, and the government is considering steps to ensure that all tradespeople have an appropriate level of training so that they can identify risks associated with working with asbestos if they encounter it as part of their work.

At this point in time, the legal position is that it falls to the home owner to determine whether or not they disclose the presence of and their knowledge of any remnant loose-fill asbestos to any trades that work on their property. That is the legal position at this time. The government is, as I have indicated, giving consideration to steps to strengthen the protection of tradespeople in terms of their awareness before they undertake work on the property.

This is a vexed issue. The reason I say that is that there are concerns, I think, from some property owners that some trades will not work on their property if the property is identified as a Mr Fluffy home or that they will charge some higher rate, and that would be a further victimising of these property owners, so the government is approaching this issue very carefully.

THE CHAIR: Ms Porter, a new question?

MS PORTER: On page 9 of the budget statement, in output 1.3, it states that the industrial relations policy will “advise the government on the national work health and safety agenda and continue to participate in the implementation of harmonised workplace safety laws”. Is this harmonisation proceeding smoothly, minister?

Mr Corbell: Yes, thank you very much, Ms Porter. The government is closely engaged in harmonised work health and safety reforms, most of which occurred under the aegis of the previous federal Labor government. The harmonised work health and safety legislation took effect here in the ACT on 1 January 2012. Most jurisdictions have implemented the model work health and safety legislation—not all, but most. There are some variations across jurisdictions, but most jurisdictions have adopted the harmonised law.

There is still, though, significant work to be undertaken, particularly in respect of finalising codes of practice and guidance material to assist people in understanding their responsibilities under the harmonised law.

More recently, we have seen developments from the new federal government which do not indicate the same level of support for harmonised work health and safety law as shown by the previous government. Nevertheless, we will continue to actively work with the federal government on a range of steps to continue to improve the work health and safety regulatory environment nationally.

MS PORTER: Minister, what led you to believe that there may not be as much support for the harmonisation? What indication is there from the current federal government?

Mr Corbell: The current federal government has indicated that its policy position is that it does not consider harmonised work health and safety arrangements as a priority, and that it accepts that states and territories will take varying views on the content of their own work health and safety laws.

MS PORTER: What effect does the stalling of this harmonisation have for the ACT or for our relationships with other states and territories?

Mr Corbell: We have implemented the nationally agreed harmonised law, and I think that is to the benefit of the territory. Obviously, other jurisdictions are taking varying views on particular elements of their work health and safety law. The commonwealth has said that it is not going to press the issue about maintaining full harmony, if you like, or full harmonisation, of law across Australia.

MS PORTER: But does it have any material effect—that is what I am trying to get to—say, between us and our neighbours across the border?

Mr Corbell: Obviously there are always jurisdictional differences.

MS PORTER: Thank you.

THE CHAIR: A new question, Ms Berry?

MS BERRY: Minister, the national workplace relations system was recently described in the *Guardian* as the scab the federal government could not help picking. Are we expecting changes to the industrial relations system over the coming budget period that you are aware of or that you can foresee?

Mr Corbell: The federal government has commissioned a review of the Fair Work Act, which is being undertaken by the Productivity Commission. This review obviously could have wide-ranging implications for the structure of the Fair Work Act, but we are yet to see the outcome of that work by the Productivity Commission.

The federal government has introduced a range of new regulations in relation to registered organisations and it has also re-established the Australian building and construction commission.

The federal government's policy position is that a range of changes to the Fair Work Act should be pursued, including issues in relation to right of entry on the part of registered organisations, greenfields agreements, enterprise agreements, individual flexibility arrangements, protected industrial action, and workplace bullying.

Those are the matters that the federal government have indicated are a priority for them in terms of their policy position. The ACT will be looking closely at the detail of those provisions, but we obviously consider these issues very carefully, given the impact they may have on the capacity of unions to adequately represent the interests of their members in the workplace.

MS BERRY: Regarding the right of entry provisions in the Fair Work Act currently, the ACT government, construction businesses and the CFMEU worked very closely

together on the *Getting home safely* report. If there were changes in the legislation that would mean that unions like the CFMEU could not enter sites to make investigations or bring things to the attention of the government or construction companies on work safety, would this have an impact, do you think, on the people who work on those sites?

Mr Corbell: I think there is every possibility that it would be to the detriment of workplace safety. I know that there are contested views in relation to the desirability of right of entry provisions when it comes to OHS and whether or not they are exercised for legitimate OHS reasons or whether they are exercised for broader industrial bargaining objectives. However, I think any steps taken that would limit the capacity of a registered organisation like a union to call a halt to work because of unsafe work practice could be very much to the detriment of workplace safety, and there is no doubt that the ability of unions to take action on work health and safety matters is critical to protect the work health and safety of employees.

MS BERRY: I guess I am pointing directly at the construction unions, because that is where the deaths have occurred in our town and our region, but also there are lots of other workplaces—restaurants and catering, contract cleaning or security—where the right for registered organisations like unions to be able to go in and investigate a workplace based on complaints that it might not be safe is just as important. Would you not agree?

Mr Corbell: Yes. There has been a lot of emphasis, obviously, on work health and safety in the construction sector, but it is not only in the construction sector that genuine work health and safety risks exist. Anyone working with electrical equipment, whether it is in the health sector, retail or hospitality, anyone working with machinery of any sort, anyone carrying heavy loads of any sort, and anyone in a whole range of other occupational tasks, faces potential risk in the workplace, and unions have played a critical role in highlighting workplace dangers. Here in the ACT, unions have been at the forefront of arguing for change and reform to protect the health and safety of workers, and they have been critical in ensuring that there is a broader response by government and by industry as a whole. Any diminution of that is not to the benefit of worker safety.

MS BERRY: Then, of course, having a workplace injury affects a person's livelihood. And then we go into problems with workers compensation and people's mental health as well as their physical injuries. In the ACT, we have had to make some pretty significant changes following the federal government service funding. When the New South Wales coalition government was faced with a tough budgetary environment, they decided to make savings by slashing workers comp. Why didn't the ACT take that path?

Mr Corbell: For our own employees?

MS BERRY: Yes.

Mr Corbell: I think for two reasons, Ms Berry. First of all, the ACT recognises the importance of a comprehensive and effective workers compensation scheme that allows people to be compensated for lost capacity to work and also enables their

return to work in a timely manner.

Secondly, the Comcare arrangements here in the ACT are governed by commonwealth legislation, not by New South Wales law. It is not a territory-based scheme; it is a commonwealth-based scheme. Obviously, in New South Wales they have their own scheme in place. Here in the ACT, the government recognises that the existing Comcare scheme is a very expensive scheme for the territory. Whilst it has benefits, it also has significant costs to government and to taxpayers as a whole, and it does not always achieve timely return to work, which is to the benefit of everybody—the worker, the employee, the employer, the government.

As the government has previously indicated, consideration is being given to alternative arrangements to the existing Comcare arrangements to enable a supportive and effective scheme that reduces premium cost to the government but also ensures that there is a real incentive and there are real mechanisms to get people back to work in a timely manner.

MS BERRY: Are those the sorts of changes that the government is considering on page 10? At the second-last point it says,

... continue to make changes to the ACT Workers' Compensation Scheme where agreed by the Government ...

That is just before the table in the middle of the page.

Mr Corbell: Yes. That relates to the private scheme in the private sector, not government employees.

MS BERRY: Thank you.

THE CHAIR: A new question, Mrs Jones. This might have to be the last question on IR as we probably need to move on to the Long Service Leave Authority

MRS JONES: Sorry, what will we be moving on to after that, did you say?

THE CHAIR: The Long Service Leave Authority.

MRS JONES: I would like to go to the matter of additional WorkSafe inspectors which is, I believe, mentioned in the budget. My question is in two parts. It is partly related to brothel inspections and partly related to workers comp inspections. Regarding workers comp, how many ACT employers have been audited for their WorkSafe workers compensation insurance? How many breaches have been identified, and what percentage of ACT employers are estimated to have no or insufficient workers comp?

On the matter of brothel inspections, how many brothels have been inspected? How often has each one been inspected? Since the conclusion of the 2012 Assembly inquiry, what issues were found on each site? Have they been resolved and does WorkSafe give tip-offs to ACT Policing about issues that they find that they have concern about and that are more in the legal space than in the worker space?

Mr Corbell: I will ask Mr McCabe, as the Work Safety Commissioner, to comment on the inspection regime and also the workers compensation matters.

MRS JONES: I am happy to repeat any elements of that.

Mr Corbell: But just before I do, can I clarify and reiterate the regulatory framework in relation to brothels in the ACT? Regulation of brothels is a shared responsibility across a number of agencies. In relation to work safety in brothels, it is obviously the responsibility of WorkSafe ACT to ensure that conditions for employees and patrons meet relevant work safety requirements.

The ACT department of health also has responsibility in relation to issues around protection of public health associated with the activities of a brothel. And finally, in relation to the legality or otherwise of operations of a registered brothel and their employees, those are matters that fall ultimately to ACT Policing as a criminal matter.

It is important to stress it is not WorkSafe's job to look at the legality of operations or the legality of people who are employed in the operations of a brothel. Their job is to focus on work safety. But I will ask Mr McCabe whether he can address that and perhaps go to the workers comp matters.

Mr McCabe: In relation to brothel inspections, I will need to take on notice the detailed question about how many inspections and outcomes et cetera. But I can say that, where WorkSafe become aware of issues that are outside our remit, we do refer matters on those occasions to the AFP, sometimes to the commonwealth department of immigration, wherever else, sometimes to ACT Health. It really depends on the issue but, as the minister said, our remit is really to work safety only on those sites but we do sometimes become aware of other issues or other suspicions which we think we need to pass on to relevant authorities.

Going back to the question on workers comp inspections, I will also need to take on notice the detail of that question but what I could say is that the government allocated 12 additional inspectors to WorkSafe in the past year. They were primarily for work safety matters. Seven of those inspectors were budgeted for from October last year. They have been recruited and are in place and have completed their training. The remaining five were funded from March this year. They have been recruited and are now commencing training.

It would really be in the next financial year, 2014-15, that we will get the full benefit of those inspectors and although they are for work safety matters, when our inspectors go out, they tend to look at all sorts of matters. So it will increase our presence in workers comp as well. But as to the detail of both of those questions, I will need to take those on notice.

MRS JONES: Can I, maybe as a supplementary, go back to the minister. Minister, in a briefing in my office recently an AFP police officer, Mr Wynn, said to me that ACT Policing has nothing to do with brothels in the ACT unless there are tip-offs, because brothels are dealt with by WorkSafe. Can you comment on that view coming out of ACT Policing?

Mr Corbell: That is not inconsistent with what I have just told you, which is that police deal with matters of criminality. Obviously if there is a suspicion that there has been a criminal offence, they investigate.

MRS JONES: And suspicion being no active seeking out of any issues in this area but just if a tip-off comes to them? That is the information that was presented to me only a week or so ago.

Mr Corbell: I do not believe that is an accurate representation of the advice provided to you. The AFP have said very clearly that they undertake ongoing intelligence gathering and intelligence assessments of possible criminality across a whole range of sectors in the ACT, including the adult industry.

MRS JONES: I would not mind if some more information was brought back to the committee because that is, in fact, what I was told in my office. Whether you believe it to be the case or not, I was told that unless there is a direct tip-off of something going wrong there are not investigations going on into what may or may not be going on in this industry or where it may or may not be going on. That was what I was told. I am happy to provide notes but, given that that perhaps is not the reflection of what your expectation is, you might be happy to come back to us with some more information.

Mr Corbell: No, I disagree with that. Obviously I receive briefings from the AFP in relation to the matters discussed in briefings to non-executive members and obviously the advice to me is that you were advised that the AFP maintains an ongoing, broad-ranging intelligence gathering operation in relation to criminality in the ACT, and that includes brothels, and it would be wrong to suggest the AFP simply do not look at or consider issues in this industry unless they receive a tip-off. That is not correct.

MRS JONES: If I may just go back to that, minister, are you suggesting that your briefing on the briefing that I received had more information in it and was more accurate than the briefing that I received in which they said there was no proactive investigation that went on in this field?

Mr Corbell: What I am saying is that I do not think that is an accurate representation of the advice given to you.

MRS JONES: They said, "No proactive investigations."

THE CHAIR: There will not be a resolution of this. There are two different views here. Perhaps you could take it on notice, minister, and ask the police to put in writing exactly the advice in detail.

MRS JONES: Some more detail to reassure me of that.

Mr Corbell: I am happy to do that. I simply reiterate the advice that I, the Chief Police Officer and former chief police officers have given in evidence before the predecessors of this committee and others that ACT Policing maintains an ongoing intelligence gathering role in relation to criminality right across the ACT in a whole

range of areas, including areas that involve the adult industry.

THE CHAIR: Would you take on notice and provide the committee with details of such activities in the last year?

Mr Corbell: It is not possible for me to outline the details of police intelligence gathering activity in any detail but I can certainly address the suggestion that police do not undertake any proactive intelligence gathering activity, because they do.

MRS JONES: Unfortunately, that was what I was told in this particular field and if I may just say—

THE CHAIR: No, we actually are going to have to move on.

MRS DUNNE: Could I just add to that?

THE CHAIR: No. Just wait.

MRS JONES: I think it is very important.

THE CHAIR: That is okay. You may in a moment, if you will let me finish. Will you take on notice and ask the police to clarify in writing the advice they gave Mrs Jones?

Mr Corbell: I am sorry, I was distracted.

THE CHAIR: Would you please take on notice and ask the AFP to clarify in writing the advice that they gave to Mrs Jones?

Mr Corbell: I am happy to do so.

THE CHAIR: Mrs Dunne, welcome to the committee.

MRS DUNNE: I was motivated to come down because I was present at that briefing, as you would know, Mr Corbell, and members of the AFP specifically told Mrs Jones and I that they, for instance, did not proactively go looking for evidence of crime in the prostitution industry and we were told that they did not regularly check the adult ads in the *Canberra Times* for evidence of people who may be underage or illegally in the industry. Would you like to comment on that?

Mr Corbell: I am not aware of those specifics. I would simply reiterate the advice that I have given previously in my earlier answers and in the advice that has been given previously by me and the current and former chief police officers that ACT Policing does maintain an ongoing intelligence gathering task in relation to criminality across the ACT, including potential criminality in the adult sex industry.

THE CHAIR: A final comment, Mrs Dunne.

MRS DUNNE: The chairman has made a request about follow-up advice on the briefing Mrs Jones and I received, and I would like specific comment on why the AFP does not at least explore the adult ads for evidence of criminality.

Mr Corbell: That is a separate question, and I would have to refer that to ACT Policing.

MRS JONES: Thank you.

THE CHAIR: Mrs Jones, anything else?

MRS JONES: No, only that I just want to clarify that I am not suggesting that they never do any proactive work in the ACT to find criminality across the board but that it was made very clear in the briefing that criminality in this industry is not proactively sought out by the police. That was the statement that was made to me and if that is the case, I am disappointed. If it is not the case, I would be very happy to hear that it is not.

Mr Corbell: On the advice given to me, I think that is not an accurate summation of the advice that ACT Policing provided to you. Nevertheless for the sake of—

MRS JONES: There are two witnesses here.

Mr Corbell: being absolutely clear about that, I will take that question on notice and ask for a written answer from the AFP.

THE CHAIR: That one is taken on notice. A new question, Mr Wall. It is now a quarter past 10. We have got 15 minutes more with the minister. Perhaps we will move to the Long Service Leave Authority, if you have such a question.

MR WALL: I would love to kick off in that area, thank you. Minister, perhaps we could start on the Long Service Leave Authority by giving an explanation as to how the authority and the government itself establish the percentage of employees' wages that is contributing to the scheme, noting that there is a difference in all four sectors as to the rate of contribution.

Mr Barnes: Sorry, could you repeat the question please? I was halfway on my way up here.

MR WALL: The question was how the rates for each industry scheme are set. Primarily I have got an interest around the security industry, the cleaning industry and the community services sector, whilst the entitlement is the same, having differing rates of contribution.

Mr Barnes: The levy rates are set after an actuarial study to ascertain what level of contribution is required to maintain the scheme. That will be dependent upon the demographics peculiar to those individual schemes: length of service, those that serve long enough to attain an entitlement under the scheme rather than moving through the industry in a shorter time period. I would also mention that the entitlements are actually not consistent across the four schemes. There are variations throughout. So that has an impact as well.

MR WALL: The accrual, though, for the cleaning, security and community services

sectors are the same, although the access points are different. Is that correct?

Mr Barnes: That is basically correct, yes.

MR WALL: The construction industry has a larger entitlement over the 10 years?

Mr Barnes: Correct.

MR WALL: In line with the base Long Service Leave Act provision for employers that self-fund—assuming that wage price index accruals are achieved if they are allocating a portion of wages aside independently—it works out that about 1.67 per cent of wages earned would be in line with the eight weeks over 10 years, which is accrued in those schemes. Why is it then that an industry such as the cleaning industry is paying well above that two per cent?

Mr Barnes: That has been the advice from our actuaries as to the amount required to maintain that scheme economically. As I mentioned earlier, the demographics vary across the different industries, and some people stay longer within an industry than in other industries. The cleaning industry is one such case where it would appear they have a tendency to stay longer in the industry, thus a higher rate of claims comes to fruition in that case, whereas in some of the other industries like the security industry it is perceived—at this stage it is early days in that scheme because it is quite new—that they move through rather more quickly, and so fewer employees actually attain a benefit and make a claim.

MR WALL: What data does the authority retain in regard to staff retention rates within each industry and what information on that would you be able to share with the committee?

Mr Barnes: That would require some further research. We do obviously maintain a register which records the—

MR WALL: Would you take on notice, then, for the committee the question: what is the staff retention rate at a five-year and a 10-year interval for each industry?

Mr Barnes: I am happy to take that on notice.

MR WALL: A further question on rates. Again, the statement of intent data tabled with the budget papers has each of the sector funds performing a return on investment of 3.6 per cent above CPI. Given that that is the return for which you are striving, I still cannot understand why an industry such as the cleaning industry is paying in excess of what it would cost to self-fund?

Mr Barnes: Well, there is an administration fee or cost in running the schemes for a start. So there is an overhead, but that is pretty small.

MR WALL: But that is still working on the assumption that 100 per cent of staff within the scheme are accessing it. Assuming that there is a dropout through the sector where some employees will come into the scheme, contribute for two to three maybe up to four years to a point where they cannot actually access their entitlement, it

seems that employers in the cleaning sector are paying well above what it would cost for them to, in fact, self-fund and pay an administration fee, assuming that 100 per cent of their employees access their entitlement.

Mr Barnes: I am afraid I cannot answer that question at this point. I am happy to take it on notice. But I can tell you that the levies are set as a result of actuarial assessment of the requirements for funding of those schemes, and that is done on a triennial basis. In fact, the review will be done later this year of all four schemes.

MR WALL: Are any changes proposed currently to the current rates of the scheme?

Mr Barnes: No, we will wait on the assessment of the actuaries before we make a determination and a recommendation to the minister.

MS BERRY: In relation to the data that you collect, do you collect on how many construction workers enter or leave the ACT in a given year, like movement across states and territories?

Mr Barnes: Yes, we maintain records of the activity of all employees within each scheme. Essentially that data includes their first registration date, and their employment activity within the period of each year.

MS BERRY: What kind of coverage is there across the schemes as far as employers making sure their workers are signed up?

Mr Barnes: What kind of coverage? We seek to have everybody covered.

MS BERRY: That is what I am saying. You were saying from your point of view that the majority of people who work across these sectors are signed up to the scheme?

Mr Barnes: That is our belief, yes.

MS BERRY: And how do the entitlement payouts work when people are moving between states?

Mr Barnes: There is a national reciprocal agreement that is active across all states and territories as regards to the building and construction industry, because each state and territory has such a scheme. In the case of the cleaning industry, only New South Wales and Queensland also have a cleaning industry scheme, and no other regions have a security industry or a community services sector scheme.

MS BERRY: Has there been any move towards a national body for long service leave that would ensure that workers who move between states do not have to re-register with a new authority?

Mr Barnes: No, there has not.

THE CHAIR: Mrs Dunne had a supplementary to Mr Wall's original question.

MRS DUNNE: Mr Barnes, the actuarial study that you do, what are the criteria the

actuaries use, or is that secret actuarial business?

Mr Barnes: I do not know that it is secret, Mrs Dunne, but it is complex. They use all materials such as the average wages and the wage increases through the period. They look at the retention rate of employees within the industry over the period, the frequency of employees reaching an entitlement level and what those entitlements are, and then there are projections they make based on the economic factors influencing that industry.

MRS DUNNE: So you said these reports were triennial?

Mr Barnes: There is a triennial report that—

MRS DUNNE: And is the outcome of the report just the number, or is the report available and could the committee see the last report?

Mr Barnes: I will take that on notice. The reports are for the minister, and they form part of the advice from the board of the authority in regard to the setting of the levies.

MRS DUNNE: So you will take on notice whether or not they are available, and if they are available, the last one would come to the committee?

Mr Barnes: Yes.

THE CHAIR: A new question, Ms Porter, and then we will finish this section.

MS PORTER: Mr Barnes, page 4 says the Long Service Leave Authority will undertake regular reviews of its investment plan to keep pace with changing conditions. When will these reviews take place, and what changing conditions might there be?

Mr Barnes: Thank you, Ms Porter. We look at the appropriateness of the investment plan in terms of the current market situation and so on. We usually seek advice in that regard from investment professionals and make recommendations as appropriate.

The investment plan was amended last year, and it became slightly more growth oriented than it had been. We are proposing to review that investment plan again. That plan is submitted to Treasury and requires the approval of the Treasurer before it becomes operational.

MS PORTER: Are you expecting any changes in relation to the various positions as far as current market conditions are concerned, particularly federally and the ACT?

Mr Barnes: We are proposing a slight increase in the growth orientation of the asset allocation as a consequence of the low value of cash in the marketplace. So a greater orientation towards equities.

THE CHAIR: A supplementary, Ms Berry.

MS BERRY: At the start of a lot of these portable long service leave schemes, some

employers said they would go broke or go out of business as a result of making a contribution to these schemes. Are you aware of any employers who have gone broke or gone out of business as a result of contributions to the portable long service leave scheme?

Mr Barnes: I am not.

MS BERRY: And are you aware of employees benefiting from having a portable long service leave scheme?

Mr Barnes: Yes. I think that the scheme is beneficial to employees, and those that continue long enough in the industry to earn the entitlement benefit from the scheme.

MRS JONES: As a supplementary to the supplementary, do you actually test or check or investigate to find out about any companies that have disappeared as a result of these changes?

Mr Barnes: No, we do not.

MRS JONES: Thank you.

MS BERRY: But you are not aware of any?

Mr Barnes: No, I am not.

MRS JONES: Don't look; don't tell.

THE CHAIR: It being 10.30, minister, thank you and your staff for your appearance this morning. We remind you that any questions taken on notice should have responses within five business days after the hearing.

We will now adjourn and resume at 10.45 with the Minister for Education and Training and her officers.

Sitting suspended from 10.27 to 10.45 am.

Appearances:

Burch, Ms Joy, Minister for Education and Training, Minister for Disability, Children and Young People, Minister for the Arts, Minister for Women, Minister for Multicultural Affairs and Minister for Racing and Gaming

Canberra Institute of Technology

Marron, Mr Adrian, Chief Executive Officer

Dodd, Ms Jenny, Deputy Chief Executive, Brand and Business Development

Kay, Mr Shane, Chief Operating Officer, Corporate Services

Stenlake, Dr Nicole, Executive Director, People and Organisational Governance

Ryan, Mr Paul, General Manager, CIT Solutions

Education and Training Directorate

Joseph, Ms Diane, Director-General

Cover, Ms Leanne, Deputy Director-General

Goleby, Ms Ann, Director, Training and Tertiary Education

Whybrow, Mr Mark, Acting Chief Financial Officer

ACT Building and Construction Industry Training Fund Authority

Service, Mr James, Chair

Carter, Mr Glenn, Chief Executive Officer

Community Services Directorate

Howson, Ms Natalie, Director-General

Chapman, Ms Sue, Deputy Director-General

Hubbard, Mr Ian, Chief Financial Officer

Sheehan, Ms Maureen, Executive Coordinator, ACT NDIS Taskforce, Disability ACT

Whitten, Ms Meredith, Executive Director, Disability ACT

Baumgart, Mr Richard, Director Policy, Planning and Sector Development, Disability ACT

Evans, Ms Jacinta, Senior Manager, Therapy ACT

Starick, Ms Kate, Director, ACT NDIS Taskforce, Disability ACT

Wyles, Mr Paul, Director, Early Intervention and Prevention Services, Office for Children, Youth and Family Support

Collis, Dr Mark, Executive Director, Office for Children, Youth and Family Support

THE CHAIR: Good morning, ladies and gentlemen, and welcome back to the public hearings of the Select Committee on Estimates 2014-15. The committee welcomes the Minister for Education and Training and her officers. We will now examine output class 1, the Canberra Institute of Technology, and output class 3, vocational education and training.

I have some housekeeping matters. Could witnesses acknowledge that they have read the privilege statement on the table in front of them and that they understand the obligations and protections that it affords? We have lots of nods; so people have obviously done that. If you take a question on notice, could you make it clear that it is being taken on notice by using words like, "I will take that question on notice." The committee would love to have written answers to those questions taken on notice

within five business days after the event. With that, minister, would you like to make a brief opening statement?

Ms Burch: I will make a brief one, thank you, Chair. I thank the committee for an opportunity to discuss the budget measures pertaining to the Canberra Institute of Technology. The CIT is the largest RTO and public provider of vocational education and training in the ACT and in the region, offering over 400 courses ranging from certificates, traineeships and apprenticeships through to diplomas and degrees.

In 2013 CIT trained over 25,000 students and delivered just over 6.5 million training hours. This year's budget makes provision for a new CIT campus in Tuggeranong and provides greater educational choice for the people of south Canberra and Tuggeranong. Plans for the campus and a whole CIT campus modernisation strategy will be developed. CIT continues to face a number of challenges as it works through the implications of the Australian government's budget and policy decisions in the VET and higher education sectors.

CIT continues to work closely with the Education and Training Directorate to implement the measures of the national partnership agreement on skills reform, including the unique student identifier expected to commence in January of next year. The new strategic indicator used by CIT to measure its success is the student employment outcome as measured through the annual student outcome survey conducted by NCVR.

In 2013 the performance of CIT graduates exceeded the national performance on all measures, indicating a strong performance across a number of indicators. The provision of VET through CIT is an important element in the government's commitment to assist the people of the ACT to be part of a well-trained and highly skilled workforce to support our economy. It provides CIT with close to \$70 million annually for agreed outputs, as detailed in the statement of intent.

CIT partners with the ACT government to address skill shortages and a range of programs and provides additional support for people with disadvantage in the community through its year 12 programs and support provided to people with a disability. CIT commercial enterprises contribute close to 40 per cent of the total revenue, with this figure likely to grow in an increasingly contestable environment.

In closing, I would like to thank all the officials and the staff from CIT. They do an incredible job. Just to deliver over six million training hours is a great outcome. I also acknowledge Ms Dodd. This will be her last presence at this table because she is moving literally to warmer climes. I wish her well with her future as well.

THE CHAIR: Thank you, minister. As you mentioned in your statement the new campus at Tuggeranong, could you outline where, when, what and how much?

Ms Burch: The how much is an unknown. As I think I have answered before, it is recognised and held within the provisions. It is our view, and I am sure the Treasurer has explained this to you as well, that we do not go out to market with a fixed price because it could influence the market. But certainly I have a very clear commitment to a comprehensive and full CIT campus in the Tuggeranong region offering full courses.

There was an earlier identified parcel of land, which was the car park near the college, as I understand. But as we progress through this and finalise our arrangements that detail will be available. I am quite happy to talk to this. It is part of an overall modernise strategy as well, I think. While CIT in Tuggeranong will certainly be a bit of a flagship as we move through that modernisation, CIT has a range of facilities, some of which are ageing. Some of them are costly to maintain. If we are looking for a very smart, modern, flexible learning environment we need to un-invest ourselves of that ageing facility and reinvest into modern facilities. I might go to Mr Kay or Mr Marron to talk more on that.

Mr Marron: Just to underline what the minister has said, Tuggeranong will, we hope, be the first of a series of shifts that we make over the next few years in terms of modernising our campuses. As you people who have been there know, they are ageing, like the inhabitants. They are ageing buildings and they need to be reinvested in.

Also, many of these learning spaces in our buildings—this is not just for CIT; it is something that is endemic across TAFE—were designed 30, 40 or sometimes 50 years ago. The learning spaces that are contemporary are much different. Our plan is to modernise the campus and in doing that shift our focal points of delivery. Tuggeranong will be the first cab off that rank.

THE CHAIR: If you cannot tell us the cost of the campus, how does the committee make a recommendation as to whether the money should be appropriated?

Ms Burch: I would think that value for money is what drives every one of us sitting on this side and the investment in CIT in Tuggeranong is a valued and worthy project.

THE CHAIR: That is not the question I asked.

Ms Burch: Well, then, I would say you could apply that same question to any of the projects that are held in provisions, Mr Smyth. If you want to be seen to block a development of CIT in Tuggeranong, you feel free to do so.

THE CHAIR: So you think the Assembly should write you a blank cheque?

Ms Burch: No, we are not saying that at all, Mr Smyth.

THE CHAIR: How do I, or how does any member of the committee, comment on something for which we do not have the detail?

Ms Burch: Well, that is for the committee to consider as committee members. We have identified as a government a number of projects held in the capital provision. We have outlined our policy position of investment in CIT in Tuggeranong as part of a modernisation process. It is for the committee. I am not here to tell the committee how to draft or to comment on our elements in the budget.

THE CHAIR: You have asked for funds to be appropriated to start the process to build a Tuggeranong campus but we are not given the details. So how can we make an informed decision or are you simply seeking a blank cheque?

Ms Burch: No, Mr Smyth. As I have said, this is not about a blank cheque.

THE CHAIR: So what will be the capacity of the campus?

Ms Burch: I think it is about full offerings. Again, Mr Kay could go to some of the details of our earlier drawings, our earlier plans, that I think we need to improve on. This is about a serious investment in Tuggeranong. If you look at the numbers, the bulk of the students that are currently studying in Woden come from Belconnen or from Tuggeranong.

As I have said, we are in the middle of the planning stage. Certainly, any commitment and any final product will need to go through the appropriate and respectful processes, internal to CIT, internal to budget cabinet, internal to sound financial commitments. That will be determined when we finalise the project.

THE CHAIR: How many—what are the parameters for the project then?

Ms Burch: Again, I will go to you, Mr Kay. But in broad terms, it is about my commitment—I am on the public record on this; I would hope that other members from Brindabella would be supporting this, not appearing to make merry with it—to have full service offerings.

We have got a fabulous connection also with the trades training centre down there that has got hospitality and construction. It is my understanding that that is the focus of the Tuggeranong trade training centre. So we do not need to replicate many of those facilities because the partnership with the trades training centre at CIT is something that I would very much like to see.

But when we look at community services, childcare, disability care, aged care training, they are the sorts of offerings that I would expect to see delivered through Tuggeranong.

THE CHAIR: Is there a set of specifications that you are working to as to how many students would be accommodated, how many teachers, floor space? I mean—

Ms Burch: Yes, just—

THE CHAIR: It is wonderful to say we will build a CIT campus at Tuggeranong. What are some of the details?

Mr Kay: We are looking at a range of different options in the planning stage for Tuggeranong. As the minister said, we are looking at full course offerings as well as flexible-based options which we deliver there at the moment. We are looking at a few different options in terms of sizes of the facility, but we are looking at somewhere around 2,000 square metres, which will cater for a couple of hundred students at any one time.

It is a range of custom-built flexible areas. You can move equipment and furniture around to have multi-use. It is very contemporary, if you like, in terms of being up

with some of the leading contemporary learning spaces and some of the new buildings in, say, Brisbane or Melbourne.

THE CHAIR: When do you intend to start construction?

Mr Kay: As the minister says, it is part of our modernisation strategy. We are just finalising—we are getting through that process at the moment. We are still doing a lot of the discussions and consultation around the sorts of long-term plans that we want to have. We will have something going to cabinet later this year about that.

Ms Burch: I would certainly like to see construction in the back half of next year.

THE CHAIR: Is the modernisation strategy complete? Can the committee have a copy of that strategy?

Mr Kay: No, it is not complete.

THE CHAIR: When will it be completed?

Mr Kay: We should have that to cabinet later this year. I do not know what the process is after that. How that would get shared, I am not sure.

THE CHAIR: Mr Doszpot had a supplementary and Yvette, did you have a sup?

MS BERRY: Yes, I did.

THE CHAIR: All right; Mr Doszpot, then Ms Berry.

MR DOSZPOT: Thank you, Chair. Minister, further to Mr Smyth's questions, you are obviously looking at putting something in place. What is the business case that all of these proposals have been based on—how many teachers you will need, how many students you expect to be there, how many courses are going to be offered? There must be a business case that predicates such a move, and that is what we are trying to find out.

Ms Burch: I think one of the significant planks is that the students enrolled in CIT—2,975 at the moment—come from Tuggeranong.

Mr Marron: Sorry to interrupt—

Ms Burch: Yes, go ahead.

Mr Marron: That is the second largest source of students after Belconnen. So we have done modelling on the people who come from Tuggeranong and who could then divert to a broader and more extensive campus.

Mr DOSZPOT: Sorry, Mr Marron, just for clarification, I did not quite understand what the minister said; 2,975 is the total number of students at CIT, or the ones who come from—

Mr Marron: No, they are the ones from Tuggeranong.

Ms Burch: From Tuggeranong.

MR DOSZPOT: From Tuggeranong, thank you.

Ms Burch: Yes, the second largest cohort.

Mr Marron: To put that in comparison, there are just under 2,500 that come from northern Canberra. There are about 5,000 that come from Belconnen, and then it spreads out. But the second largest source of students comes from Tuggeranong, and we have got a very small satellite campus there at the moment.

It has been our intent for quite some time to improve the facilities at Tuggeranong, and this is an opportunity to do that, to offer full courses there, because till now we have not offered full courses. We have offered, usually through technology and guided technology, access to a range of courses. That will still happen, but there will be full course offerings. People will not have to travel from Tuggeranong to other campuses to do a full course.

MR DOSZPOT: How many teachers and admin staff do you envisage having to cater for that number?

Mr Marron: There will be some teachers who will be based there, but there will also be teachers who we have at the moment who are peripatetic, who work across a number of campuses.

Mr Kay: As I said, we are still looking at all the different options for the local programs we can move down there. The minister mentioned a few of them that we can. In terms of numbers of staff, we have not got to that stage of the modelling yet. So we are not exactly sure, but I suppose you are going to have to have some staff there fully all the time to make sure the centre is open, running and servicing the students that come in. Then we will have some teachers based there that will, it is envisaged, help out with an arrangement with the college down there, with their trade training centre as well. We will have some arrangements there. There will be other staff that are based in other campuses that go there to deliver the training as well.

Mr Marron: If we have full usage of a campus that has 150 to 200 students at its peak at any one time, then there would be a substantial staff cohort based there. They might not do all their work there, but there would be the opportunity to be peripatetic as well, as there will be for people from Reid or Bruce going there.

MR DOSZPOT: Obviously it is quite a sizeable student population that you can count on. What impact will that have on where students are currently studying?

Mr Marron: It will change the dynamics of where students are currently studying. That might not be such a bad thing because it gives us an opportunity to look at some of the facilities. Some of our facilities are pretty—they are on their last legs; so that might give us an opportunity to redirect a little.

MR DOSZPOT: My questions are partly based on what Mr Smyth has been trying to find out. Also, in the last couple of years there have been discussions about the University of Canberra merger and there were studies done by Professor Bradley. If I recall correctly, she said that if the merger did not succeed then CIT had to look at some fairly strong changes such as autonomy. If that is the direction you are heading in, that is good, but we would like to get some detail as to where the dollars come from. That is what I believe the committee is trying to do.

Ms Burch: Within this structure?

MR DOSZPOT: Yes.

Ms Burch: It is part of a larger modernisation strategy. Some of that will be downsizing for Woden. This is yet to be finalised but I am on the public record as saying that these are some things that we are considering—downsizing, indeed selling off some of that asset, and reinvesting that asset into the Tuggeranong region. So it is a balance. With respect to your question about staff, if we are moving community services that are currently being offered, for example, at Woden, that cohort of teachers are just redeployed to another location.

Mr Marron: As happens at the moment. The overall thrust of the campus modernisation strategy, which we understand is not going to happen tomorrow, is to have a minimum net cost impact. We are looking for this to be largely self-financing.

THE CHAIR: Ms Berry, you had a supplementary?

MS BERRY: I did, but the team has answered the question.

THE CHAIR: Ms Porter, a new question?

MS PORTER: On page 35 of the budget statement, one of the priorities for 2014-15 is to improve online and face-to-face service options for all students, increase flexibility of how and where learning occurs, and increase opportunities for life-long learning and educational pathways. How do you anticipate that you are going to fulfil this strategy through this budget?

Ms Burch: Some of it will be part of the modernisation. Certainly, through annual report processes we have outlined our realignment process. We have redesigned the schools and the functions across CIT more broadly. I am quite happy to defer to Ms Dodd, in one of her last appearances.

Ms Dodd: CIT for a long time has had a very strong e-learning presence. That is critical to being able to service our students in flexible ways, and we will grow that. Some of the modernisation is to improve the digital presence and be able to keep at the forefront with our competitors, and indeed with the whole shifts and changes in the territory education space, in that digital space. That will be part of how we aim to do that. Our students now expect an e-learning presence. They expect that presence to be integrated and that, whether they come on campus or whether they are learning in the workplace, they will have access to e-learning.

Some of the key changes happening that are reported through the OECD have been around the importance of workplace learning. CIT sees itself as a full-suite provider that covers online, campus and workplace. We integrate all of those possibilities in an adult learning environment for our students.

Campus delivery, absolutely, is critical as part of what we do. Equally important is the online presence and the ability of students to access modern and current technology in the digital space. So we are constantly looking at how that reinvestment occurs in our digital presence. Included in that is the back end that we do in terms of our student management support structures and how they are able to link with and support the online learning presence as well.

That move in terms of flexible learning has been a pathway we have been on for a decade. We will continue to drive and be a leader in the technology space in vocational education and training.

MS PORTER: You mentioned those three things—online, on campus and in the workplace. Are you finding you have enough workplaces to actually work with the students to enable them to complete their courses?

Ms Dodd: Most of CIT's students are already employed. Over 80 per cent of CIT students are part time and a great percentage of CIT students are already employed. So it is actually about integrating the learning environment with their existing workplace. It is not a work experience sort of program. It is integrated with the workplace, making real the learning at their workplace level, and digital technology enhances that.

In the time I have been at CIT, which has been 20 years, the way in which students access a campus in terms of learning has shifted in that time. It is very much now the case that they access a lot of the learning through the digital environment. Even though they might come on campus for some of their learning, they will also be able to access it through the digital space or some of the classes within digital environments and so on.

We have put a lot of effort into professional development for our teaching staff in equipping them to be able to deliver in the online space. That is often one of the challenges of a vocational education and training teacher that people do not always appreciate. They have to be current in their industry, they have to be current in adult learning and they have to be current in using technology. And that is a full suite. It is often not well understood about the challenges that our teachers take on, embrace and do extremely well at. CIT has been a leader nationally in this vocational education online environment, and we will continue to be so.

Ms Burch: An opportunity there about how learning occurs is the great partnerships, industry partnerships, that are now part of CIT. There was an award given to a spray painter who got an NRMA award, a local young woman who took out the national award. That is just part of those. It is not just reliant on what CIT can build; the industry will bring in first-rate, world-class modern technology across a whole range of disciplines as well.

MS BERRY: I have a supplementary to that one. How does the budget announcement regarding the CIT campus at Tuggeranong fit into that priority around improving online and face-to-face service options?

Ms Dodd: It is a full suite. It is a modernisation approach to CIT in its space as a vocational education provider for the ACT and beyond the ACT. So modernising our campuses is also part of modernising our digital space, and it is about being able to say now for a student that, whether your learning is on site or off site, they are both at current levels of technology in space and design.

Mr Marron: And one is not secondary to the other. We have learned a lot of lessons. If you have had the opportunity to go to Gungahlin, for example, or Tuggeranong as we had it then, our learning delivery platforms were mostly through technology. We have learned a lot from that. That is allied with the very significant investment we have made in an e-learning platform called eLearn. By putting all of those together in a new building in Tuggeranong we will get full value from the investment we have made and the experiential lessons we have learned.

When you go to Tuggeranong, once it is built, you will be able to walk in and see people who will be in what you might call a traditional class congregation, but they are probably not in a traditional classroom. There will be independent learners. There will be people working in groups using technology. There will be virtual learning. It really has opened up a whole new avenue for us. That is the way things are going across the sector.

MS BERRY: On page 35 the priorities refer to the potential to provide income-contingent loans. How are you planning around that issue and what would they mean for CIT and CIT students?

Ms Burch: That is part of the national partnerships around skills reform as well. I understand that legislation is likely to go through in the latter part of this year and we are looking to implement in 2015. I might ask Ms Dodd to give you some detail about where we are up to with that.

Ms Dodd: An income-contingent loan, which we will tag as VET FEE-HELP as our total offering, is legislation that enables a student at diploma or above—diploma, advanced diploma and any higher level qualifications; not our degree programs but any higher education, vocational education and training programs—to access their loan for the student fee component of their course.

Remembering that for a course currently about 80 to 90 per cent of the cost of the course is government-subsidised, now a student will be able to access a loan for the proportion that they pay, which is 10 to 20 per cent in terms of fees. They will be able to defer payment on that fee component from 1 January 2015 if they are a diploma or an advanced diploma student, and that will be across the board.

The whole concept of income-contingent loans is around providing access for those who might have found the fee a barrier to entry. We believe that will be a good offering for students. They will be able to take that opportunity to defer the payment until they reach the income threshold when they have employment that allows them to

pay that back.

A number of CIT students will already be at that income threshold because so many already work, but they will then make the decision as to whether that is the right decision for them in terms of taking a loan—or they can still pay the fee up-front. That will be their choice.

What we do know from the consultation we have had in the higher education sector is that the majority of people who are offered a student loan do take it. That is from higher education. Our student cohort is a little bit different because many of them are part time, most of them are working and most of them—by far the majority—are not young students; they are more mature, over 25. So they are not at the early stages of tertiary education.

MS BERRY: People in my office keep telling me how much younger than me they are. It is all relative!

Ms Dodd: Income-contingent loans provide opportunities for people to access vocational education which may not have been there before because the fee may have been prohibitive.

Mr Marron: Part of your question related to our preparation for it. The main preparation for us, apart from broadcasting that this is available, is to have systems to be able to cope with it. It is a different way of accounting and enrolling. We have a project that we are very confident will be on time and on outcome to cope with that.

MS BERRY: If you are already working and you are in an income bracket where you could afford to pay up-front you can do so, or you can make the choice to take the loan and defer the payment until after your qualification?

Ms Dodd: No, it will automatically kick in once you have reached that threshold.

Mr Marron: If people are already on the threshold income they are not going to get the loan.

MS BERRY: What is the threshold income? Is that different?

Mr Kay: It is around \$51,000 or \$52,000, I think. From our point of view it is really important for our students to have an alternative form of paying their fees. The way it will work in practice is that a student will enrol in a program. When you enrol in a program you enrol in different subjects, and it is all based on the subjects that you take. When you get to a fifth of the way through the subject, that is when you have to decide whether you are going to pay your bill up-front, whether you are going to defer it for a loan or whether you are going to withdraw from that subject or subjects. When you hit that census date—so it is exactly the same as the universities with their census dates—you have to make a decision. If you elect to take the loan, you get the loan and we send the information to the commonwealth, and they manage it from there.

MR DOSZPOT: I have a supplementary on that. You introduced VET FEE-HELP in 2013. Is this part of the same process we are talking about?

Mr Kay: It is under the same scheme but it is different. The Higher Education Support Act is a commonwealth act. That allows for FEE-HELP for degrees and higher education programs. And there is something called VET FEE-HELP, which was traditionally for commercial programs. So it was for full fee-for-service programs where the student could take out a loan through the commonwealth for the commercial program. From January next year the VET FEE-HELP loan will be available to the subsidised students, which is the vast majority of our students.

Ms Burch: As well as.

Mr Kay: Yes, as well as the commercial ones we run.

MR DOSZPOT: Is that available for all courses?

Mr Kay: Only diplomas and above.

Mr Marron: That is significant for CIT because we are one of the highest providers of diplomas and above in the country in the VET sector.

MRS JONES: Just as a supplementary on fees as well: my understanding is that the cost of some of the courses went up quite a lot, historically, in the last budget paper. It has been brought to my attention that one of the courses—for example, fashion design—has now dropped off the list in the back of the statement of intent. I just wonder if that has been related to the fee changes and whether you can describe why that course has disappeared.

Mr Kay: I do not know the exact cause of that. Jenny might, but—

MRS JONES: You might need to come back to us on that.

Mr Kay: Probably in general terms, though, there are shifts and moves in demand all the time in our statement of intent.

MRS JONES: I think there was an increase of around \$20,000 in the cost. It was a significant increase.

Mr Kay: With some programs we can offer a better product if it is done commercially rather than under a subsidised arrangement. That is a bit of a general statement.

MRS JONES: Yes, maybe you can come back on that.

Ms Burch: I know this has been raised before around the movement of some courses from a subsidised course, which had a cover of, say, an average of \$500, into a fee-paying course. Ms Dodds might be able to go to the rationale about that movement.

MRS JONES: I think there was a graphic design course as well in the same vein.

Mr Marron: It was graphic design, I think, that was in that suite.

Ms Dodd: I think Mr Kay's comment is very important in that demand does shift, especially in some of these creative industry areas. With the fashion course we had a degree, which was a full commercial offering, because as a vocational education and training provider we did not have access to commonwealth supported places for degrees until the recent announcement in the federal budget, which we welcome. The fashion degree that we had was based in a program that was a degree course and it was full fee paying because we had no access to any subsidy and no ACT subsidy.

That was an expensive course and people were not actually accessing that course to the economies of scale that allowed us to operate that course. A number of the creative industry courses come and go with demand and we made the decision some time ago to move graphic design into commercial in terms of where it sat in that suite as well.

The income-contingent loans, which were not available on subsidised places and are still not available till 1 January 2015, allow us now to reconsider and consider where we are moving. Importantly, we will also be making decisions against the ACT skills list. Neither of those programs is on the ACT skills list, so that is important to keep in mind as well.

MRS JONES: The skills list is developed by the department, is it?

Ms Dodd: With consultation with industry, yes.

MS BERRY: Just regarding the fashion degree, when did that course finish up?

Ms Dodd: It has not. Two things have happened. We were in teach out of the fashion degree until the recent commonwealth budget, which will enable a higher education provider such as CIT access to commonwealth supported places. We are now going to reaccredit our fashion degree fully because the game play has changed, and we are a business.

MS BERRY: This is what I was wondering. With the extra funding and also Fashfest, which has happened over the last couple of years, I wondered whether that—

MRS JONES: Would disappear?

MS BERRY: No, I just wondered whether it had brought some interest and influenced what happens in that sector. If the ACT is recognised as the fashion capital for learning around that, would that be something then that the CIT could consider? But if it is already happening then—

Mr Marron: I have to say on Fashfest that a lot of the participants were CIT students or CIT student trained. Steve Wright, who took a very prominent role in organising it, is one of the teachers. The whole employment, particularly in the creative industries, shifts. It is very up and down. It is either all on or it is not. So we have to look at ways of managing our offerings in train with that. People vote with their feet by either coming or not coming.

What the commonwealth budget announcements have the capacity to do is to spread commonwealth support to places. It spreads the commonwealth subsidy to higher degree programs, which the fashion degree is. At the moment it attracts no subsidies so people have to pay a full fee. It is not a VET course; it is a higher education course. So that means that, when the rules change, CIT could apply for commonwealth supported places as a subsidy from the commonwealth on its fashion degree, which then changes the price of that degree, which then has the capacity to push the market on a bit.

Of course, it is a chicken and egg situation. There might not be job outcomes right now, but if you do not have people coming through creating a demand—that is the balancing we have to do about making our offerings for each part of the cycle.

MS BERRY: So something we can all celebrate about the federal budget.

THE CHAIR: Something on the fees: how much do you raise from students currently from fees, and what is your expectation post the federal budget?

Mr Kay: It depends. Are you just talking domestic fees under our profile training?

THE CHAIR: Yes.

Mr Kay: It is about \$5 million a year. It is about 10 per cent of the overall cost for the delivery.

THE CHAIR: And non-domestic?

Mr Kay: International is around \$8 million.

THE CHAIR: And your expectation post the commonwealth budget?

Mr Kay: For international?

THE CHAIR: For both.

Mr Marron: Can I say that we might get to see an increase in international students, but there will not be a huge increase in fee revenue through higher education. I want to reiterate that CIT is essentially a vocational education and training institution that has a very small proportion of its offerings in higher education. The revenue will increase, but it will be at the margins. It will make access easier for students, but it will not have a hugely significant difference to the total revenue of CIT.

THE CHAIR: Ms Porter had a supp, then Mr Doszpot, then Mrs Jones.

MS PORTER: I wanted to clarify the whole issue of establishing your new internet markets and your plans in relation to that. In terms of the discussion that is going on at the moment about attracting international students and bringing in additional revenue from that area, I am hearing you say, Mr Marron, that it is not going to be huge. Could you just clarify your plans in that area?

Mr Marron: When I say that it is not going to be huge, I was more directly referring to domestic students taking higher education programs at CIT. We expect to see an increase, but we do not expect that to be huge. What we do think is that if we are able to get a critical mass there then that is the part of the attraction of coming to CIT that will be sold to international students.

At the moment we have a significant number of international students—pro rata probably one of the highest in our sector across the country. We have consistently worked hard in difficult times because of visa restrictions and whatnot to keep up that level of student engagement for international students. It is a very important revenue source for us.

Paul can correct me, but I think that this year we are up about 10 per cent in our international students, which is good and significant. We are doing some work in analysing where those people come from. We are doing some work in analysing what motivates them to come here. Our international office has been doing some interviews and seeking information on people who do not come here but who showed an interest. We want to know why they do not come here. We are passing some of this on to study Canberra to make better use of getting Canberra on the map.

THE CHAIR: And the total number of international students is?

Mr Marron: It is about 1,350.

THE CHAIR: Mr Doszpot, a supplementary, and then Mrs Jones.

MR DOSZPOT: My supplementary related back to the training profile in your attachment and further to the questions asked on graphic design and fashion. I refer to page 32, certificate III in automotive mechanical technology, where 2013 had 52,700 nominal hours and that has gone to zero for 2014. It is page 32, certificate III in automotive mechanical technology, C32198.

Mr Kay: We will take the question on notice for the exact details, but the hours there are not our apprentice numbers. They are not ACT-based apprentices; they are regional-based apprentices. What I suspect there is that in the training profile somewhere else there is—

MR DOSZPOT: So there would be no ACT-based apprentices in there at all?

Mr Kay: No. ACT apprentices are not shown in the training profile. They are a competitive source of revenue for us because we compete with the private training sector to get those.

MR DOSZPOT: It just seems a very big—

Mr Kay: Yes. This will be regional-based apprentices. I suspect there is another program in here somewhere with a new code and the training program has been updated. That is what I suspect.

Ms Dodd: Mr Doszpot, when you look at that, there is a replaced program where

those students will appear. We can get you the exact details. Sometimes when you see a code that had students in it in this year and they are not there next year—

MRS JONES: The code changed.

Ms Dodd: We deliver against the national training packages. One of our big concerns—and we are getting some traction—is the constancy of change of the national training packages, which means that the code might change but the students have to be moved to the new national training package. So you are not necessarily comparing apples to apples. We have not changed our mainstay delivery of automotive in any way.

MR DOSZPOT: Are you saying that is indicated here already under a different code?

Ms Dodd: It would have a replacement code.

MS PORTER: There is a certificate in automotive servicing technology which is zero and then it goes up to 1,700 or so.

Ms Dodd: That could be it.

Mr Kay: Yes, and there are more at the bottom of page 33 as well.

THE CHAIR: We have taken the question on notice.

Mr Marron: We will take the question on notice, chair.

THE CHAIR: We can all troll through the papers as much as we like but Mrs Jones has a new question.

MRS JONES: Yes. I think I learnt the complexity of these issues when I was doing a cert IV in training and assessment. Things change a lot. I just have a question to ask. I do not want to incite any panic; I have asked it of every group that has appeared, because I want to be able to compare and have a bit of a think about this area. I am interested in bullying complaints and issues. The question that I have asked, and which I will put to you as well, which understandably you may want to take away, relates to reports in the last five years that have been made officially or unofficially. Can you report to us the number of reports there have been in the last five years? How many have been substantiated? How many of them are currently accessing workers compensation as a result of the outcomes? How many have been resolved and how many have not? Also, over the same time period, have there been any reports, either official or unofficial, of sexual harassment or pregnancy harassment? What is the process for dealing with reports of that nature? As I say, I understand if you do not have it here. I am very happy to have it come back later.

Dr Stenlake: I have some of that information. I will take your answer in three parts. First of all, I will talk about complaints of bullying and harassment that have gone through a formal process. I will then talk about other complaints that were raised through the commissioner's process in 2012 and that were addressed in 2013. And then I will talk about how staff members at CIT can raise issues of bullying and

harassment and how we handle them.

Since 2010 there have been 10 processes initiated through the enterprise agreement in terms of staff complaints in relation to bullying and harassment. Out of those 10, five proceeded no further, so there was no evidence to support those allegations, and a further five have resulted in an investigation managed external to the organisation and those are currently in progress. Well, four of them are in progress and one I am not sure, so we can provide that information.

In relation to the complaints that were raised through the commissioner's process in 2012 and 2013, out of those complaints raised, there were a small number—less than 10; I think six, seven or eight—that related to bullying and harassment and out of those processes none of those allegations were borne out.

In relation to the processes that CIT has in place, I am actually very confident that we have very robust measures for handling these issues. The people space is complex and, as I am sure you are aware, the word “bullying” is used quite frequently. What we have in our policy is that any potential serious concern, of which of course bullying and harassment is one, does get escalated up to my level. That means I get to see any allegations that were made.

There are not a large number of these, but in some of these cases the first thing that you need to do is not consider the label but actually look at the behaviour and focus on what has happened. The other thing that we need to do is look at the impact on the individual. Something that we learnt through the process is that just because a situation has had a big impact on an individual it does not necessarily mean to say that something proportionally serious has occurred in the workplace.

What we have found through looking at these issues—and there have probably been two or three where the label “bullying” has been used—is that what actually occurred was not bullying behaviour. Quite often there can be another issue that needs to be resolved. Sometimes it can be that there needs to be an improvement in working relationships in the area. There might be not a behavioural issue but another issue that needs to be resolved in the workplace. It might be that an individual is having to manage some health issues or some other issues outside the workplace and there might be a need for flexibility in the working arrangement or there might be a need to engage the health services.

What we have found by having a holistic approach to managing these issues is that, just because there is no substance to the initial complaint, it does not mean to say that we as an organisation do not need to take action to support that individual within the workplace. We have found that to be quite effective.

MRS JONES: Can you provide, year by year, those statistics that you gave as a conglomerate so that we can see them year by year as they perhaps improve?

Dr Stenlake: Yes.

Mr Marron: We will check on the whole aspect of your question and answer it on notice.

MRS JONES: I would like to know whether it gets escalated immediately to your level. Is there a delegate involved as per the EBA processes, as there is in other areas?

Dr Stenlake: That is right. I will make that decision as to who is best equipped to handle that particular issue.

MRS JONES: So when someone has a complaint, do they have to come to you or do they not?

Dr Stenlake: No, they do not have to come to me.

MRS JONES: Can they go to anyone or do they have to go to a delegate?

Dr Stenlake: We respond to complaints that are raised through a number of mechanisms, and that was one of the key changes to the policy that we put in place. For example, of those five investigations that are currently ongoing, one of those was raised through the lodging of an accident and incident report form.

Another one of those issues did not proceed to the investigation stage because there was no evidence to support the allegation of bullying but was raised through a workers compensation claim. If a workers compensation claim is lodged, we do look at the reasons for that and we do identify whether there is a need to manage that as a workplace issue as well in a separate process from managing the workers compensation claim.

THE CHAIR: Mr Doszpot, a new question. We also need to do CIT Solutions probably before about 12. Perhaps a couple of questions from Mr Doszpot and then we might move on to CIT Solutions.

MR DOSZPOT: I have a question from the budget statement at page 39, accountability indicators. I guess my question is: why do the budget papers suggest the delivery hours would be 3,648,000 while the CIT statement of intent on page 5 suggests CIT will deliver 3,691,000, a difference of 43,000 hours? Is there any particular reason for that?

Mr Kay: Sorry, in the training portfolio, you are talking about?

MR DOSZPOT: Yes.

Mr Kay: What is in the statement of intent is the calendar year. It is the 2014 calendar year. What is in the budget papers is the financial year, 2014-15. It is the different periods of time.

MR DOSZPOT: So the figures of 484 vocational and educational packages and 419 training packages are still accurate?

Mr Kay: Yes.

MR DOSZPOT: CIT was reaccredited for three degrees in 2013: a bachelor of games

and virtual worlds, a bachelor of forensic science and a bachelor of design. How well supported are these degrees?

Ms Dodd: As Mr Marron said earlier, the higher education component of CIT's offering is very small. In fact we run a higher education subcommittee which manages and looks after our degrees specifically, and only looks after our degrees. In terms of the governance structure around the degrees, we put probably a disproportionate amount of energy and effort into managing those degrees. The important thing—and we are no different than any other business in the higher education space—is that we have to look at whether we are achieving student numbers in those degrees, and they are the decisions we make. So we have a clear support structure.

We also have a higher education network where the teachers themselves participate in professional development and scholarship. We report against that scholarship in the higher education subcommittee. As a proportion of our business, that is extremely well supported. The library and the learning services that sit around it are very strong and the fact that we got a seven-year reaccreditation as a higher education provider—not many higher education providers got that long; we were delighted with that outcome—I think is testament to the fact that from TEQSA's point of view we do it well.

Mr Marron: And I think that we also have streamlined visas for our international students. We are one of the few non-universities that have that for higher degree programs. Bear in mind that higher degrees at the moment are full fees. There is no government subsidy from any government on the degrees. As I mentioned earlier, if the commonwealth government's policy shifts go through, that can change that landscape.

MR DOSZPOT: So based on that, do you intend to expand degree level courses in 2014-15?

Mr Marron: We have not made that decision yet, partly because the devil with all of this is in the detail, and a key thing would be what the price is that is going to be paid by the commonwealth. We know that it is not going to be the price that is paid to the universities, and there is some work—and we have been involved on behalf of TAFE Directors Australia on this—ongoing to advise the commonwealth minister on this matter.

That price will then determine the price signals in the market and who enters the market, because it is not just going to be non-university higher education providers or NUHEPs, which is an acronym that we will all have to get familiar with. TAFE colleges have an increasing number of private providers who are going to be entering this market. So we would need to have a visibility of that to see whether it is worth while or not.

What I do want to say—and I am happy to go on the record—is that we are a VET provider and we will remain a VET provider and that we intend to collaborate with our higher education colleagues post this, as we do now, but it does offer some interesting options at the margin.

Ms Dodd: And the best thing about the whole thing is that our students who are in those degrees will be able to access everything. If it goes through, they will be able to access a loan to support their fees. That is a good thing. We have only ever been in the degree market in niches and we would not be changing our strategy around that. It is only about a niche.

Mr Marron: It is about two per cent or 2½ per cent of our effort.

MR DOSZPOT: Thank you. I think you have answered the question.

THE CHAIR: There was a supplementary from Ms Porter on this area.

MS PORTER: On the same page, minister, it mentions learner satisfaction rate. Eighty-five per cent was the target. Ninety-two per cent was actually achieved, which is very good. But I note that the target for the upcoming year remains at 85 per cent. I am wondering why, given that you did achieve a higher rate of satisfaction, it remains at that lower rate as a target. How does this rate compare with Australia-wide results in the other TAFE institutions? I will not go on because we have not got much time.

Ms Burch: It is always a question: if you are consistently above your average, do you stretch your own target? I think that is a valid question to ask. My understanding, before I go to Ms Dodd, is that we perform well on satisfaction and outcomes nationally and that is reflected in any of the NCVR reports that you would see. Do you want to go into detail?

Ms Dodd: We actually should celebrate how high our student satisfaction is, and to get much higher than 92 per cent is probably something that is going to take an inordinate amount of resourcing and effort to do.

MS PORTER: I was saying that 85 per cent is the target.

Ms Dodd: Why the target has not changed? In our strategic plan we are actually aiming for 90 per cent, to retain that 90 per cent and above. That is our goal. The figure is there. We probably may need to adjust those but we are aiming to sustain student satisfaction at 90 per cent and above. We believe that any business would be delighted if your customer base was saying 90 per cent that you have got good delivery.

In terms of how that compares nationally, that is a good outcome. It is a strong outcome. Having had a look at some of the states, we are right up there. We are probably higher than many at student satisfaction levels. So we are pleased with that and will aim to continue to be at 90 per cent and above.

Ms Burch: That is a good dilemma to be in where you stretch your target because you are so successful.

THE CHAIR: We might move to CIT Solutions and then at about midday we will go to output class 3.1 in the department. So a change of staff?

Ms Burch: A minor change.

THE CHAIR: I think Mr Ryan was here for the pleasantries at the beginning. He knows the rules of the game. I will simply defer my questions to Mr Doszpot because of the short amount of time we have.

MR DOSZPOT: In the business paper, page 47, you talk about CIT Solutions' priorities. What new strategies are being utilised to attract new clients?

Mr Marron: I will hand over to Paul.

Mr Ryan: As the committee well understands the nature of CIT Solutions, it is a fully commercial business. If the question is around how do we grow the business and attract new clients, one of the most significant things is that we have now put in place a senior manager of strategic growth and at this month's board meeting we are putting forward a strategy about how we are going to increase revenue and client base in the commercial market. So that is internally how we have approached it.

Externally, in the last six months we have been successful on the Australian Public Service Commission's learning and development panel where we tendered for 30 subpanels and we were successful on all 30. Only last month we were advised that we were successful on the ACT government's learning and development panel where we were successful on all eight of the subpanels. And although I have not dug down into the detail of that because it is still commercial-in-confidence, I would think we are the only training provider who is on all eight of those subpanels.

How we are building our core business is through getting on those training and development panels, then client relationship management through our new strategic manager and delivering very good outcomes and getting repeat business. Only last month we were successful in gaining a significant commonwealth contract for next year, which is three years in a row we will have that same contract. They have gone to us early on repeat business and quality of the outcomes.

MRS JONES: Just to clarify the panel, am I understanding correctly that when you are on the panel you are a preferred provider that gets the opportunity to tender for programs? Is that correct?

Mr Ryan: Correct; just one little clarification. You do not tender for the work then. You just quote for it. It is effectively a preapproval process. It costs us a substantial amount of resources to tender for the panel. The ACT government one with possible extensions is up to seven years. I guess you could appreciate that a private company having secured a client base for seven years gives us significant confidence going forward.

MR DOSZPOT: And what percentage of revenue is currently delivered through training of commonwealth public servants?

Mr Ryan: I will take that on notice to give you the precise amount down to the dollar. Anecdotally it would be in the vicinity of 65 per cent to 70 per cent of our business. It is the vast majority of our business that we have domestically. A management arrangement we have with CIT for the recruitment of international students is a large

slice of our income. That is not generated domestically but once you exclude that, approximately \$1 million of our turnover is from citizens through our recreational programs. Outside of that, a small slice is from the ACT government which we are hoping, with the new panel, will increase and then the entirety of what is left is through our commonwealth government clients.

MR DOSZPOT: How many other competitors do you have on these panels?

Mr Ryan: The ACT government, interestingly—and it is the first time I have seen it on a learning and development panel—have capped the members of each panel not only in the initial offering but in the life of the panel. It varies across the subpanels from six members to 10. Take the 10 one, on one of the subpanels that they have announced, they have announced that there are nine members of the panel to start with but the members of that panel are to be limited to 10 over the seven years of its lifespan.

It actually has made that quite exclusive which, for us, we see as difficult to get on but once you are a member it is more valuable, whereas the previous APSC panel had 203 providers on the panel, many of whom—you can do the math—are from interstate.

MR DOSZPOT: My next question was: how many on the current panel are from interstate?

Mr Ryan: On the commonwealth one—they would have the figures; I do not—maybe 10 per cent would be from Canberra and the rest would be from interstate. On the ACT government panel, the contracts have not been finalised for that. So it is still commercial-in-confidence.

MR DOSZPOT: Just from history on that, would the ACT ones have a lot of non-Canberra-based organisations that you are competing with?

Mr Ryan: Possibly. There are organisations like AIM, which is actually a conglomerate across the country of about six different RTOs, and one is ACT-New South Wales. Sydney dominates their business, but they have a substantial training delivery here in Canberra. They are typical of one of our competitors. Then there are smaller private RTOs who are generally our competitors. But as you heard in the CIT part, as a contestable market comes into the VET sector, all providers, even the large TAFEs, need to become more commercial. So almost every one of the large TAFEs nationally would have a presence on the APSC panel. Whether or not they are on the ACT government panel we will not know for a couple of weeks.

MR DOSZPOT: As a former member of the CIT Solutions board I am interested to ask the following question—that is, the organisations you are competing with that are Canberra based and CIT Solutions itself—is any preference given by the ACT government for local suppliers of these services?

Mr Ryan: You would possibly have to ask them because we are not involved in their procurement processes. There is a preference to support small and medium enterprises, and when you tender for these large panels you have to indicate whether you are a small or medium enterprise. There is not a question about where you are based, but

you put your postal address on it. We are not privy to the procurement decisions made by the panels.

Ms Burch: But it would be nice for the federal government to support Canberra-based business as well.

Mr DOSZPOT: Exactly, yes.

THE CHAIR: Who determines the panel? Is that through procurement or is that by the department?

Mr Ryan: The commonwealth one is run by the Australian Public Service Commission and it then has client departments. So if you are a commonwealth department, you can pay to be a member of the APSC's panel and you pay a yearly fee plus a percentage of each job.

I do not know how the ACT government has organised its internal panel, but it is run through Shared Services and the procurement is run through them. All the directorates are able to access the panel by their individual staff members going on the calendar programs or the directorate purchasing a customised corporate program for their directorate.

THE CHAIR: A final question from Mr Doszpot.

MR DOSZPOT: My final question is: you are introducing a new performance management structure. Why has this been necessary?

Mr Ryan: Continuous improvement. There were no negative aspects with the previous system. The previous system was based heavily on staff managing their performance against expected standards. With the new system, which we have called Compass, a staff member fills out a road map that sets their own direction for how they will develop. The new system is just continuous improvement taking a more contemporary approach to management of staff where staff take greater control of setting their own professional and personal development. It is nothing other than good practice.

THE CHAIR: Ms Porter.

MS PORTER: Before I go to my substantive question I want to go back to what you said about the commonwealth being one of your largest customers. Are you expecting some kind of a downturn in that market in relation to the mooted reduction in public service numbers?

Mr Ryan: Possibly in the market; however, our business development strategies are looking to increase our market share. Our forecast is that we will grow by about \$1 million across this estimates period. As at the most recent reporting period at the end of May we are on track for that. We expect there to be a contraction in some of the departments, but we expect our market share to grow to more than compensate for that.

MS PORTER: My substantive question is on the same page as Mr Doszpot was on. It talks about social media. Given the importance of social media in our society, how will CIT Solutions incorporate this into your business and corporate strategies?

Mr Ryan: We have an approved social media strategy which we are implementing. One of the major pillars of that was a new website. Our previous website, whilst we thought it was good at the time, has no interactivity and is definitely focused on the company and not our client base. We have spent significant resources over the last four months developing a brand new site and that will be launched in mid-July. It is a far more client-centric website.

In addition to that we have Facebook accounts for both the international market and a separate account for our recreational market. We are getting good feedback and repeat business through those channels. We are using all-of-government email distribution lists to promote calendar courses. We are seeing all of those as a business development function.

To govern that, the company has an approved social media policy which aligns with best practice around the appropriate use of social media, both on the official company platforms and for staff using their own accounts in their own time. We think we have a good strategy in place and we think we have good policies to govern what can be an area of risk if it is not well governed.

MS PORTER: With regard to the interactive aspect of the new website, have you market tested that?

Mr Ryan: Yes. We use an external company to validate our model and to give feedback on the structure of the website and the look and the feel. The back end of the system we are using is built on a WordPress basis, which is the most well-used authoring tool for websites. Traditionally it was seen as being for personal blogging sites and not a robust system for corporate websites, but it has moved on a lot.

The importance of that is that the authoring can be done by many people and not just your webmaster. So we can have course dates current, we can have testimonials from students and videos. The interactivity and the intuitiveness of the website are the big improvements. Outside this I welcome giving members access to the design site so you can look at that for yourself. It is a big improvement; it looks very good.

THE CHAIR: Ms Berry.

MS BERRY: Page 47 says you are going to be introducing a new performance management system to better manage the individual management of people. Can you tell us what this is going to look like?

Mr Ryan: Yes. It picks up on Mr Doszpot's question because it is the same area. It is called Compass, which is a name we just made up. Each individual staff member completes a road map where they set their own direction for how their professional personal development will link with the company's objectives. They need to put in a series of key performance areas and that plan is in place for 12 months. It has three mandated revisions with their supervisor throughout the 12 months.

We started that in January this year. We have done an internal audit on it and all 90 key or core staff members have completed one. The anecdotal feedback is that the new format gave far richer conversations and people are taking more control over their development and their career path within the company than before.

MS BERRY: Did you introduce this as a result of complaints or was there another reason?

Mr Ryan: No. Continuous improvement in better HR practices. The company appointed a new HR manager, a manager of organisational development, maybe 12 or 18 months ago. As people tend to do, they put in new systems and new improvements. Our staff survey results are excellent and indicate that people are very happy to work for the company, would recommend it to others and are confident with the way performance management is done in a positive way in the company. It is not as a response to any negative problems.

MS BERRY: That is good. What is the staffing breakdown between full time, part time and casual staff at CIT Solutions?

Mr Ryan: Because it is a mixed number I will take that on notice so I can give you the exact figure. The company uses core staff, both on a full-time and permanent part-time basis for its management and administration. It uses a lot of sessional staff in some of its teaching areas. The company has a very large international language contract with the commonwealth and at any one time we can be delivering 80 to 85 different languages with up to 140 tutors on our records. We also have a large pool of tutors in our recreational adult community education programs. They are all employed as sessional employees, so that number can be quite fluid from time to time.

MS BERRY: I note in that table on page 48 a reduced number of casual staff. Is there a reason for the temporary move away from that?

Mr Ryan: No, that was the demand for language training. It dipped a little in that 12 months, and the FTE is probably around half a dozen to 10 tutors who work miscellaneous hours in those languages. As is shown, that number has rebounded because the demand is back for those, and one person out of 90 is there. That is what it is—it is a couple of language tutors.

MRS JONES: I have a supplementary in the area of language. Is it CIT or CIT Solutions that delivers the federal government's English language course for new arrivals?

Mr Ryan: That is the institute.

MRS JONES: I will come back to that then. Is it all right, chair, if I go on to my question?

THE CHAIR: Yes, a new question, Mrs Jones, and you will close the session.

MRS JONES: With respect to page 49 of the financial statement in the small

portfolio statement booklet, I want to delve into a couple of numbers there. A 17 per cent increase in interest is expected over the next year and other revenue is projected to reduce by 28 per cent with a total revenue increase of six per cent. Also, supplies and services are going up by nine per cent. Can you talk us through the expectations behind this and what assumptions have been used to come up with these projections for next year?

Mr Ryan: Yes. As Mr Kay mentioned, CIT's financial statements and those of the company are done on an annual basis, as allowed under the accounting standards, because our—

MRS JONES: Calendar year or—

Mr Ryan: Calendar year, yes. Our trading environment is generally a calendar year, and, therefore, accounting standards permit that. However, you are looking at the financial year statements, so sometimes there is a timing issue. The headline figure is that we are expecting revenue to grow by \$1 million from last year, and we expect to see a very solid impact on the bottom line.

Last year our profitability was the lowest it has been for some time, and that was due to the lowering in demand of some of the training which resulted in the lowering of the FTE numbers. We have budgeted for that to reverse in the next financial year. Even though it is not quite the next financial year yet, for our calendar year to the end of May, we are 10 per cent up on our budget projections.

MRS JONES: Why is that? If 60 or 70 per cent of your business is commonwealth, why are you expecting an increase? You could obviously get one.

Mr Ryan: Yes. Through growth in our business.

MRS JONES: In other areas?

Mr Ryan: No, growth in our core business.

MRS JONES: The commonwealth?

Mr Ryan: Yes. Repeat clients, new clients, new business lines.

MRS JONES: By being a bigger provider for the pool of money or by seeing the money increase?

Mr Ryan: It is two. It is new clients with the same products. We offer a very successful graduate program. We offered that to one client and now we have got three. And it is offering new programs to existing clients where we meet with them. We have now got a very strong consultancy arm. In previous years, that was of the ilk of 600,000 a year; this year that will be 950,000. And that is simply from repeat business with clients and growing the business. As a result, the costs you mentioned there—they go up, hopefully, but in lesser portion, and therefore the bottom line is an increase in profitability. As I said, at the end of May, our trading results indicated that is achievable and we are on track for it.

MRS JONES: Finally, the profit that you do make—is that a dividend paid back to government?

Mr Ryan: No; we—

MRS JONES: Is it reinvested in the business?

Mr Ryan: No; we make a return to our owner.

MRS JONES: Who is the owner?

Mr Ryan: CIT, on behalf of the ACT government.

MRS JONES: So it does come back.

Mr Ryan: Each year our board looks at our financial position, which is a result of our trading position, and makes an appropriate donation. The amount that is in the figures—it is obvious that that has gone down to \$150,000 this year because of our poorer trading. We just do not have the cash reserves. In the outyears, we are hoping that will return to somewhere around the \$500,000 a year return to the owners.

MRS JONES: Thank you.

Mr Marron: It is probably worth mentioning that there is an independent board, with the owners and the shareholder. We do have the CIT Solutions board, which is independent.

MRS JONES: Yes, and hopefully you were not relying too much on that funding in the last financial year.

Mr Marron: No.

THE CHAIR: We might finish there. Minister, we thank CIT and CIT Solutions for their appearance this morning. There were a couple of questions taken on notice. The committee would appreciate a written response within five business days from today. We will move to the department.

Ms Burch: Thank you, and thank you to the officials for coming this morning.

THE CHAIR: We will go to output class 3.1, planning and coordination of vocational education and training services.

Ms Burch: There is a significant change in personnel, so give us a minute to shuffle through.

THE CHAIR: We move to vocational education, output class 3. We are looking at output class 3.1. We welcome Ms Joseph and her staff. In front of you on the table is the privilege statement. It affords protections and obligations. Can you all please acknowledge that you have read and understand the privilege statement? They all do.

Fantastic. If you take any questions on notice, could you make the statement, "I will take that on notice," because it helps us track which questions are taken on notice and which are not. And if they could be responded to in five working days the committee would be most appreciative.

Minister, do you want to make a short statement on the coordination of vocational education and training?

Ms Burch: Thank you, and I will be brief. I want to just highlight a couple of things. Last year the directorate implemented a couple of initiatives. One was expanding the directorate's industry liaison function. Through that, it certainly was expanded to include some field officers. In 2014, the directorate field officers made contact with every employment service provider and every high school and college, both government and non-government, in Canberra. The focus of the field officers' visits has been to increase awareness and access to information about the range of opportunities available through the ACT vocational education and training system.

Very recently, the field officers promoted the highly innovative VET course in Tuggeranong. That targets students interested in a career in the automotive industry—a cert II, with automotive vocational preparation courses provided by Lake Tuggeranong College—and provides early access to nationally recognised competencies for year 10 students. One of the benefits of this course is that it also then provides both a pathway and a fast track to a cert III for students in years 11 and 12. That automotive vocational preparation course is set to gain a boost with the opening of the new workshop as part of the Tuggeranong sustainable living trade training centre that has been opened just recently. I mention that because I think it shows collaboration across schools, VET and industry.

Just broadly in VET, I recognise VET as a beginning point, an end point and also, for many, an entry and exit point across a lifelong learning experience.

For the panel and the committee members in front of us today, we will concentrate on VET in school. And because we always run out of time at the end, I thank the officials for their efforts over the years in supporting VET in schools.

THE CHAIR: Thank you, minister. I will defer to Mr Doszpot.

MR DOSZPOT: Thank you, chair. Minister, on page 33 of the budget statement, the total government payments for outputs are indicated. There has been a variance of 18 per cent. Then there is a fluctuation for the ongoing years. Can you give us some indication why?

Ms Burch: Mr Whybrow.

Mr Whybrow: Thank you for the question. That is correct. With the government payment for outputs, there is an increase of 18 per cent, as you mentioned, from the 2013-14 estimated outcome to the 2014-15 budget. If I also refer you to the 2013-14 budget, there is effectively an equivalent decrease in that. In previous estimates committees, we have mentioned, particularly, national partnerships. If you look through the expense side, you will also see that the expense side shows a similar

increase of 18 per cent.

What has actually happened here is that with those national partnerships we have—the productivity placement program and also the VET skills reform—we are seeing significant rollovers between the 2012-13 year and into the 2013-14 year. I refer you to page 16 of the budget papers. If you go down there, the majority of those, under the heading “FMA Section 16B Rollovers from 2012-13”, relate to those national partnerships rolling from 2012-13 to 2013-14.

Then let me look in relation to the impact in 2013-14, the productivity placement program. Let me just go back to the context of that; I can hand over to Ann Goleby to talk to you a little bit more about how it has worked. The nature of that program, and how we receive the funding from the commonwealth, was that large amounts of funding were received up front. It was a program over four years. The nature of how the program works is that people were enrolled in courses that take over four years. So we have seen those in these estimates committees for the last three years, explaining the rolling over of that productivity placement funding received from the commonwealth, rolled forward year on year.

I will also point out, though, that significant other national reforms are taking place. Let me go to 2012-13 and take you to page 17 of the budget papers. It is about halfway down. It is the revised funding profile for the “VET Training (Building Australia’s Future Workforce—Skills Reform)”. This is effectively a replacement program. I will hand across to the expert, Ann Goleby, in a second, after I take you through the numbers.

It is around the future of vocational education and training workforce skills reform. Let me go to total funding, just so that you see the total picture. If we look at budget paper 3, page 273, that shows commonwealth funding on the bottom of that page in relation to vocational education and training. The second bottom line is effectively what I would call base funding from the commonwealth. We receive approximately, you will see from there, \$24 million a year in base funding. And then we have the building Australia’s future workforce skills reform funding that shows those estimates over a four-year period. That was an original program that, as I said, started in 2012-13, of \$28 million. This is identifying the amounts that are projected to be received in 2013-14 and over the next four years.

Wrapping that up, what we are talking about is that the nature of that movement is around the receipt of commonwealth funding and its movements between the years. I guess the important bit that you are interested in—and this time I will hand over to Ann—is around the nature of the reform and what that is actually doing, particularly in the sense that we do not come back in future and talk about commonwealth funding being rolled again and again. It is about that reform process.

Ms Cover: I will just talk about the reform and then Ann can talk a bit about the specific programs. You will be aware from previous hearings that we have been talking about our ongoing reform in the training and skills sector. That is really to increase the ACT participation productivity in the workforce.

Our focus is in two main areas. One is on what we call structural adjustment and the

other is on increasing the number of actual training places that we are going to be offering in the ACT, particularly in the post-school space in vocational education and training. Our focus really is on quality, the quality of the actual RTOs that are delivering the actual services, and targeting our funding to make sure that funding is going to areas where we know there are skill gaps and areas where we know there are pathways through to jobs. It is focusing on access, so making sure that there are a variety of programs available both at CIT, which you just heard about at the previous hearing, and also through our 150 RTOs that are private providers operating in the ACT. There are 104 of those providers which are currently receiving ACT funding. So there are a variety of programs that we are looking at in terms of access for students.

The other area is focusing on the important role the industry plays and linking with industry both in developing the products, so in the training packages themselves, and in assessment and linking up services for RTOs, students, employers and other referral agencies, to assist students and create the best possible pathways for success and training outcomes. I will pass to Ms Goleby to talk about the specific programs.

Ms Goleby: If I can just follow on, I will go to some of the structural reforms that will underpin the move to quality. I think I have addressed this committee before and explained that the contract between the territory and those providers has been very much strengthened. And we are strengthening again to ensure that only quality providers are operating in this space.

The way we are doing that is through some very structured work around what makes a quality RTO, looking at quality indicators and making sure we collect the data at the front end. We also recently published, at the beginning of this year, a new set of standards for those RTOs in receipt of public funds and are holding those providers to account against those standards, making it very clear what those standards are, with a very consistent message and a very timely message, all on the web so that it is easy to access.

Then also we have set in place a very structured program of audit to ensure adherence to those standards. The first tranche of that is to provide support for all of our RTOs to do their own self-audit. We required that for the first time at the end of 2013. That has led to opportunities for self-improvement and for support for that improvement. It has also led to a number of RTOs deciding that this was not the space for them to operate in.

This whole approach is a risk-based approach. Again, that is very public information, so that the RTOs are very clear about that. As Ms Cover said, there are all sorts of other angles in that. It is making sure that we have systems to support our RTOs, support our employees and support our students that are very simplified and streamlined. We are on track for releasing that new system at the beginning of next year.

The funding model that we are looking to is also one that is much more transparent and much more based on a very strong process of evidence. The release of that new funding model will be based on that research, which again I think we talked about before, which is the ACT skills needs list, developed through our model, which we

call FINE, for forecasting industry needs. We have had very deep consultation on that across all sectors within the industry areas within the ACT, to be very confident that we have the qualifications that are the most needed qualifications in the ACT, which we will then target with government funds, which will mean that there is a much more enhanced opportunity for graduates to get a job, which will lead to economic growth.

THE CHAIR: Ms Porter, do you have a question?

MS PORTER: Yes. It may be related; I am not entirely sure. It is on page 12 of the budget statement. It talks about consultation with industry and community groups. How was this consultation carried out, and what were the trends which were revealed in this consultation? Possibly it relates to some of what has been discussed before, about how we target to meet industry needs and skills that are needed.

Ms Burch: Absolutely, and it is one of the critical points for VET training across the ACT. Whether it is supporting VET in schools, whether it is through the private RTOs or whether it is through CIT, the FINE list, the industry forecasting list, is the result of that very strong connection across industry, to determine what the industry needs are. I am quite happy for Ann Goleby to talk about that process, given that they were the brains trust and the legs behind it.

Ms Goleby: Thank you, minister. In the development of the skills need list, we actually consulted with a wide range of industry groups. We conducted a number of individual forums. We focused, for example, on IT, we focused on construction, and then we focused on subsets of construction. We covered all of those. I am more than happy to provide full details of that consultation process.

I should add that that was based on the research that we had already done. We took information that we had, on our interpretation, using our modelling of what the skills needs were within the ACT. But then we went and got the boots on the ground. That is the way the staff talk about it—what the real experience was in the ACT so that we could really match some of that material to the on-the-ground experiences.

We then published a draft skills needs list and we again went out and talked to all of the industry areas. We used the Business Council and the chamber of commerce to support us in that process, to make sure that we touched as many areas within business in the ACT as we possibly could. That led to refinements of that skill needs list. That is probably in the development of the skills needs list specifically.

Separately, though, we have a quarterly forum with our stakeholders—RTOs, Australian apprenticeship centres, group training organisations. In those forums, we have the opportunity to provide an update on national and local issues, but it is also an opportunity for engagement with our stakeholders.

We also looked at the detail on our planned initiatives, getting feedback from our stakeholders and making sure that they are prepared to engage. We have recently introduced what we are calling our think tank, where we have had people express interest in coming and joining us and really working and teasing out some of the nitty-gritty issues, trying to make sure that we tease them out prior to us going out with an initiative.

One of the goals is to introduce a new funded training initiative next year to address these skills needs. We have worked very closely with industry, with our stakeholders, in those various forums to make sure that we are on track and that we can take our stakeholders with us. It is no use us having a fabulous funding model based on an amazing amount of research with the skills needs list if our stakeholders are not ready to engage in that and to actually support the delivery of that initiative and achieve the outcomes we need to achieve for the community.

MR DOSZPOT: Can I ask a supplementary question on that?

THE CHAIR: We might let Ms Porter finish her supplementary and then Ms Berry.

MS PORTER: Thank you. I was just wondering about the lag between identifying a skill as needed, offering the wherewithal for the person or persons to be able to undertake the training, and then them going out into the employment market by which time, possibly, the market has changed. How do you manage that dilemma?

Ms Goleby: The model that we have got to produce the skills needs list is a dynamic one. It is one that we can plug new data in continuously, and which we are plugging in continuously. I should also remember to give credit to our colleagues in other directorates, the Chief Minister and Treasury Directorate, as well as the Economic Development Directorate, who are working closely with colleagues to make sure that all of the data that is available to government is plugged into that tool. They are making it clear to our stakeholders that that list will be adjusted as needed, including the adjustment of subsidy, and attempting to incentivise people to participate in the qualifications most in need, incentivising them with a higher subsidy so that RTOs will go out and encourage people into those particular qualifications rather than perhaps the qualification that they may have been attracted to. It is in the RTO's interests because it is receiving a higher subsidy.

We are also providing wraparound services for the participants. One of the programs that we have piloted this year is to provide support for the RTOs to support work experience opportunities for their students and what we are calling wraparound services for the students—so trying to get students into the most needed qualification, increasing the subsidy and increasing the wraparound support.

If I could give an example of success in one of the areas where we have done that this year, we had a group of Sudanese women access funding under our priority support program. Of that group, over half have received permanent employment in childcare. The wraparound was vital. The participants needed the vulnerable people check and when they went to achieve that, their previous address was a refugee camp, which did not compute; it did not work for the bureaucracy. So the RTO was able to go with those students and support them through that. It was a vital part of their learning in being a participant in our community. They then got the piece of paper that was vital to their ongoing success not only in the program but also in employment. Over half of those women are now employed in that industry.

MS PORTER: That is fantastic.

THE CHAIR: A quick supplementary and then Ms Berry.

MR DOSZPOT: Ms Goleby, thank you for your feedback on all these issues. You mentioned the interaction you had with the RTOs that you are checking with and you mentioned IT and construction. I just have a question on how many RTOs there are in those two areas—IT and construction—and what sort of feedback you get on their future expectations.

Ms Goleby: I just need to clarify that when we met with the industry areas we excluded RTOs at that point. We met separately with RTOs. When we met with actual industry members, businesses on the ground, we had workshops with those groups. I would have to look up the full detail of the numbers that we had, but I can certainly provide that for you. That was to look at it from a business perspective. We are separately talking to our RTOs to make sure that they are ready to meet the challenges that the businesses are saying they need to meet. So that flexibility—

MR DOSZPOT: Have you met with the RTOs yet?

Ms Goleby: Yes. We meet with RTOs in two ways. One is through our quarterly forums. It is not compulsory for RTOs to attend, but they are very heavily attended. And then, as I say, we have got other opportunities as well. We meet quite often with members. We meet with the TFA and other significant players in our region. For example, we are members now of the electrical association advisory board, which only met last week. We meet regularly with Craig Simmons, the regulator in the ACT government. It is about trying to make up all of those joins, because sometimes those pieces of information conflict. An RTO is running the training business and running it to the best of its ability, but it may not have the full link-up that we are attempting to provide.

MR DOSZPOT: My question stands: how many RTOs are there—

THE CHAIR: We might take that on notice and try to squeeze in a last question.

Ms Goleby: So a specific number for the industry area?

MR DOSZPOT: Yes, for all of the ones. At the moment I just want to know about IT and construction, but I certainly would be interested to see what the breakdown is.

Ms Burch: We have about 150 private RTOs and—

MR DOSZPOT: Sure, but some of them would be across the same areas.

Ms Burch: Yes. We will bring back what we can, Mr Doszpot.

MR DOSZPOT: Thank you.

THE CHAIR: Ms Berry, a quick question to finish.

MS BERRY: Sure. I always do a quick question; it all depends on the answer, chair. I have a question around retraining for unemployed people. Because Canberra will be

facing some difficult times and perhaps some increased unemployment in the government sector, how is the CIT positioning itself in terms of training to support those people?

Ms Burch: The CIT is not here, but we can talk about—

MS BERRY: Sorry; I meant vocational education and training.

Ms Burch: Yes, vocational education and training. How do we take our kids through? We have got a very high success rate in vocational education and training within schools; we have successful outcomes with that. But you are right, Ms Berry, we possibly are facing challenging times if you look at this space in regard to unemployment and opportunities for youth. One of the things I was disappointed to see was the cancellation of one of the programs that supported teenagers—single and teenage parents. Unfortunately, we will not be receiving close on a quarter of a million dollars that was allocated to us this year. It will not be forthcoming, and it will have a direct impact on a very vulnerable set of young folk in Canberra.

MS BERRY: Sorry; how much was that?

Ms Burch: \$248,000.

MS PORTER: Will the reduction in the tools for apprentices have any effect?

Ms Burch: Anecdotally, certainly the comments I have heard back from members in the community is that it is a disadvantage to young folk. I think the federal minister is making reference to the loan capacity that will come into the VET sector, but certainly anecdotally many parents have said to me that was a real hand-up, a real leg-up, for their young one in a trade and that will be lost by some. I might go to Ms Cover on this.

Ms Cover: Thanks, minister. We are gearing up in anticipation both for those students who are transitioning out of the secondary sector who will be looking for employment and training options and those who may be retrenched or losing their positions, such as from the Australian public service, and preparing programs. We have particularly targeted those two cohorts.

We have got very strong programs, and on Monday, when we can talk about output class 1, we can talk at great length around the transitions and pathways for students, retaining them from year 12 into our programs. Specifically, in terms of the post-school options, obviously CIT is a major provider. We are constantly working with CIT. There is the tool that Ms Goleby was talking about: how do you actually project where the actual job demands will be? What are those services that we need to be providing, which are changing? There are emerging industries. For many of those people it will be about adding to a qualification that they already have, so up-skilling to get other jobs. For some it will be about diversification. They may have had traditional training in one area and they need to add a skill set to that to diversify into a new emerging area as well.

I think we are well positioned, with the CIT offerings and the competitive offerings

that we have predominantly in the Australian apprenticeship sector, to cater for the various needs of both youth and those of a mature age, as well as those that have learning difficulties and, of course, cohorts—students with disabilities, Aboriginal and Torres Strait Islanders and mature age as well. So there are a range of programs both at the CIT and through the funding that we administer to those 100 or 150 RTOs at any one time that are receiving government funding for programs.

THE CHAIR: All right. With that, we will leave it there. Minister, thank you and all the staff of the various organisations that have attended this morning. We simply remind you that a transcript will be provided. If you have any changes or additions you would like to make, we will receive those at the discretion of the committee. Any questions taken on notice are to be delivered within five working days.

I might add one. Could Mr Whybrow give us a written reconciliation of his extensive answer?

Mr Whybrow: Sorry?

THE CHAIR: Can you give us a written reconciliation of the numbers that you applied to Mr Doszpot's first question?

Mr Whybrow: Yes.

THE CHAIR: Thank you very much.

MR DOSZPOT: Can I put another question on notice to Mr Whybrow on that?

THE CHAIR: Indeed; quickly.

MR DOSZPOT: My second question on that was: what were the other income areas, the other revenue sources? There is an item for other revenues. If you could just include what the other revenue is?

Mr Whybrow: I understand what you are saying. So what is the other revenue made up of?

MR DOSZPOT: Yes.

THE CHAIR: Thank you, Mr Whybrow.

Sitting suspended from 12.31 to 1.30 pm.

THE CHAIR: Welcome back, members, to the start of the afternoon session for the estimates committee for 2014-15. We will start by going to the ACT Building and Construction Industry Training Fund Authority, and later in the afternoon we will look at Disability, Children and Young People and their services. I would like to welcome Mr Service and the CEO to this afternoon's hearing. Are you aware of the pink privilege card on the table and its contents and implications?

Mr Service: Yes, I am.

THE CHAIR: If you take any questions on notice during the course of the afternoon, could you respond in writing within five business days? That would be most appreciated. Do you wish to make an opening statement?

Mr Service: No, thank you. I am happy to take questions from the committee.

THE CHAIR: I will defer to Mr Doszpot, who I know has a string of questions about this subject.

MR DOSZPOT: Mr Service, for many years the number of audits conducted—I am looking at the key performance indicators, KPIs, on page 5—has been 18. This year, or for future years, the number has risen to 25. What has driven this increase?

Mr Service: Mr Carter can answer in terms of detail, but the short answer is that it is as a result of the number of places we are funding and the number of providers. The board has had an active policy of looking on a regular basis at the breadth of those audits and the number we can conduct. Through our service provider, the CIT CEO, we decided last year that we would conduct some additional audits, simply to ensure that the level of service and the quality of the training outcomes were being maintained. Mr Carter can talk about the outputs but it is an active policy, and where we can do it, we will continue to do more.

Mr Carter: As our chairman has outlined, it is for exactly that reason. Again, with the deregulated market there are and have been a number of providers that are now entering the ACT training market. Part of that assurance is that they are certainly ASQA-compliant, and in fact are resident in and occupying an office here in the ACT.

MR DOSZPOT: How many new providers are coming into the ACT?

Mr Carter: In the building and construction area, in the last 12 months maybe up to five or six. These are national providers that have not yet used the fund. They may have trained here in the ACT before but they have not made application for training or individuals to use those as trainers in the ACT through the fund.

Mr Service: Remember that we only fund RTOs that are in fact doing business in Canberra.

MR DOSZPOT: Sure. Is there any movement in the number of local RTOs that are operating, and have we had an increase or decrease in those?

Mr Carter: No, there has not been a decrease. I would not say there has been an increase in the last 12 months either.

MR DOSZPOT: I presume they have adequate business to continue, but where is the business coming from to entice the other people to come to Canberra?

Mr Carter: I think they have entered the market because they have a national product. With some of the qualifications being national training package qualifications, they see this as an area that can complement their business.

MR DOSZPOT: From your point of view, are you able to give any preference to Canberra-based organisations?

Mr Carter: In our position we try not to preference anybody over anybody else. What we can do, though, is indicate to potential applicants that there are a number of providers, and we refer them to our training plan where, on a regular basis over the last few years, we have identified who those providers are. They are not on a preferential provider basis but they are certainly identified in the training.

MR DOSZPOT: Is that something that could be looked at?

Mr Carter: We would take advice from industry in terms of both sections of industry, where they are a registered training organisation. We would take our advice from industry on that, and if that was their advice, we would reflect that in our annual training plan.

Mr Service: I think Mr Carter is right. It is difficult to preference, but we do tend to see that because a number of those who apply for training come through their employers; those employers will often have a preference for groups they have dealt with before. Other than that, the authority does not pick and choose, because some do provide national programs, and some local providers only deal with programs which are specifically applicable to the territory.

MR DOSZPOT: This is a question we are putting to a number of people who are appearing before us. Obviously, we understand that business has been tight for some organisations. We are asking the question, and hopefully in a productive way, of organisations such as yours as to whether you may be able to help local industry a little bit more. That is the motivating question.

Mr Service: Sure.

MS PORTER: With regard to possible slowing demand in the property sector, with downturns in commonwealth employment, would you be expecting this to have an effect on the number of apprentices that will need to be placed with RTOs and the general training environment? What would you, as an organisation, be wanting to do?

Mr Service: I will ask Glenn to give you the figures we saw at the board meeting last week in terms of apprentice staff.

Mr Carter: I think the latest statistics show a reduction in the ACT of 27 per cent. That said, though, only four per cent of that 27 per cent are actually apprentices and not trainees. So that figure related to the ACT. Most of the apprenticeships in the building and construction sector will be trade apprenticeships, not traineeships, so there is a slight reduction. It could be said that it is coming off a fairly high employment base that has been sustained for the last four years, so it may just be a correction as opposed to a reduction.

Mr Service: That reduction is primarily driven by those businesses being willing to take on for the term of indenture a new employee. Even though we subsidise the cost

of apprentices through the training process, it is still an employer cost. When the volume of work is not there, I think in some cases it is advantageous not to take on apprentices that cannot finish. There always has to be a balance regarding capacity. The last thing we want is too many young men and women who are a year and a half or two years through, and there is simply no work and they cannot finish. So choosing the right employer and then having employers who go right through the process is a very important part of the process.

THE CHAIR: But the slowdown did not occur as a consequence of last month's federal budget. It has been slowing for some time now.

Mr Service: It has. This is my 14th appearance at this committee. Certainly, for the last two or three years I have been expressing a view to the committee that we are seeing a slowdown in construction. Certainly, for a number of years now we have seen a quite large reduction in commonwealth sector demand for office accommodation. That naturally then means a reduction in new commercial projects. For a number of years that slack has been picked up by the demand for apartments particularly, because the trades are fairly much interchangeable. But we are now seeing a run-down in the number of new apartment buildings that will be built.

MS PORTER: Since when has that been the case?

Mr Service: I think that has been a trend really since the last federal government introduced the efficiency dividend. That has driven an actual need for departments to cut back. There is nothing necessarily—

MS PORTER: No, I mean the apartments.

Mr Service: I think in the last 12 to 18 months the developers have started to become a little more cautious. Eventually, growth must taper. We have had an opportunity where apartment projects have grown because the land supply model has not necessarily met the pent-up demand, so we have seen apartments fill that gap. As the LDA has not quite completed yet but has got closer to meeting that demand, we will see a rebalancing in the market between apartments and house and land packages.

THE CHAIR: Just on the apartments, and therefore the long-term effect that it might have on apprenticeships, will the government's proposed changes to the land tax see a slowing down of people investing in apartments?

Mr Service: I cannot see that there will be any discernible direct impact, but individual developers and buyers will make that judgement themselves. I am not sure that we have seen enough new apartments released into the market to see whether that has pricing changes. There were some views that everyone would absorb those changes in land tax; other people said it would be passed on 100 per cent. I do not have a particular view about how people will treat that. In some sense it will be driven by demand. People make pricing decisions on demand. Where demand is high and people can achieve a slightly higher price, they will absorb more of that cost. Where demand is low, they might look for ways to—

Ms Burch: I do apologise for being late. I had a diary malfunction. I did not think you

would start without the minister.

THE CHAIR: The committee was here at 1.30 and ready to go, minister.

MS PORTER: Good afternoon, minister. I am not sure whether this will have any effect at all, but before lunch I asked the witnesses from the VET area about the change from giving a grant of \$5,000 to the apprentices for their tools to a loan system. Some young people I believe are reluctant to take out loans because of that uncertainty about whether or not they would complete their courses and having a debt.

Mr Service: I do not have a view one way or the other, simply because there has not been the next intake of apprentices to know whether it is going to make a difference or not. Do I think it will make a fundamental or material difference? No, I do not. I think most individuals who decide they want an apprenticeship in construction decide that as an educational outcome in their finishing years, and generally they take that on. I am sure it will affect some people, but I struggle to see how it will be material.

The political decision about how you fund that is really a matter for others to comment on, but my view—unless Mr Carter is of a different view—is that it will be difficult to see a material effect. Will we be able to track it? I suspect probably not, certainly in the first year. Perhaps down the track we might be able to.

MS PORTER: In the outyears.

Mr Service: Perhaps that is right, yes.

Ms Burch: It was raised this morning, Mr Service, and I made the comment that a number of parents were anxious about how having support up to around \$800 as opposed to a loan that attracts interest rates and everything else—

Mr Service: Minister, I am sure that there will be some. That might well be balanced out in the first couple of intakes over this year by demand for apprentices themselves, and that might make it slightly more difficult if their demand is not maintained as it has been.

THE CHAIR: Ms Berry, a new question.

MS BERRY: My question is a combination of housing and apprentices; it is about the new apprentice house that was built through CHC housing. From your experience with apprentices and affordability of housing, do you think that if we could provide more of these housing opportunities for apprentices that would help them learning their trade?

Mr Service: The short answer is yes. I think there is a limit because apprentices need continuity of employment. So direction by their employer and training in their employer's main business are a key component, but opportunities such as that—another one was done out at Gungahlin the year before last, I think, which the MBA was the proponent of—are good tools for training. They are also good tools because they introduce apprentices to a range of trades, and those trades tend to be very busy because there is a concentration of getting finished early, so they get a little bit more

involvement with some of those trades early on.

I think there is a place for those projects. Certainly in the most recent one the opportunity to promote more women in construction was a very useful outcome and something the authority has been an advocate and a great promoter of for the last four or five years. We have seen a young woman a few years ago being named as apprentice of the year, and regularly over the last couple of years we have seen women winning particular awards for the quality of their work. So the more the better I think is the short answer.

MS BERRY: I was going to ask you about women in the construction sector. I think you are right; we are seeing more and more women choosing to take it up as a trade. I wondered about housing for those people? There is the building of the house, but then there is the longer term project. So housing for apprentices who are employed on those longer term building projects, like some of the ones that have been announced in the ACT budget—city to the lake and all those sorts of things—would perfectly fit the sort of work you are talking about. There would be less chance of turnover, less change of employer and more certainty of ongoing employment and finishing the trade. Because it takes a number of years, do you see that as an opportunity where they will be able to continue through the sector because of all those sorts of projects?

Mr Service: Yes, I do. I think that the caveat on that, of course, is that very few of the housing contractors end up doing commercial work. If an apprentice chooses to start in the residential sector, they need to make a conscious decision to move to the commercial sector. That is not true for all trades, but it tends to be true for most of the residential trades. They need to make a conscious decision to be in the commercial sector and pick an employer they want to work with that is in the commercial sector.

There are ways for proponents to improve that. They can look for voluntary opportunities to include a certain proportion of apprentices in new projects. We see that on quite a regular basis. But, certainly, they need to be in the commercial sector to stay in the commercial sector, if that makes sense.

MS BERRY: So not many people move back from the commercial sector to the residential? It is a little bit uncertain?

Mr Service: They do, but not generally until they finish their trade. So if you start in the commercial, you tend to finish your trade in the commercial. If you start in residential the same applies. Once you finish, you can then, of course, move around, but if you start with Joe the plumber who only does houses, he is probably not going to change his business to go and do commercial work. If you start with Murray Brothers—just to pick a name—who do both, for instance, then you are likely to get opportunities in commercial as well. So it is about picking the employer and making a conscious decision about which part of the sector you want to be in.

Ms Burch: That is the attraction sometimes with the industry place where they deliberately mix them up.

Mr Service: Very true. That is exactly right, minister.

Ms Burch: If I may add something on women in construction, which is something very dear to me, it was just last week that we completed two properties down in Richardson that were built under the banner of women in construction. We had, I think, 14-plus women trades. The only one we need to find, apparently, is a woman roofer. I think that might be the only trade within the time frame, but it was fantastic to see a number of those women in trades and the women themselves, to hand over that property. They got a lot of encouragement by being able to work with women on that. It is something where I certainly have an interest in seeing how we can continue to provide that opportunity.

MS BERRY: I think there was a story about an electrical service called Girl Power.

Ms Burch: There is Girl Power, and the plumber onsite was the Pink Plumber.

Mr Service: That is right, yes. It was in the *Canberra Times* last week I think. It was very good. The other thing that has happened, just to add to that, is that we have also seen the industry organisations driving the women-in-construction process. So we have NAWIC and other things, which are doing really good work not only in the trades but with people in the professions. There is more encouragement and perhaps a few more role models for people to follow, which is a really good thing. It has been very successful.

THE CHAIR: Mr Doszpot.

MR DOSZPOT: Minister, what role does the authority believe it has in respect of meeting skills shortages, such as lack of training for scaffolders?

Ms Burch: Scaffolders? It is my understanding they respond to industry demand. As I understand it, there has not been a course that it will not seriously consider offering. Over time, whether it is scaffolding, tiling or carpet laying, at different points there are probably gaps in different industries because a cohort of skill moves out of town, retires or is occupied in other major construction. So one of the benefits with groups such as this is that flexibility to move in quite quickly and respond to training demands and training needs.

MR DOSZPOT: Well, that is my understanding as well. But I guess the reality is that there is a shortage of scaffolders for starters, and I am just wondering whether that has been brought to your attention and whether it is on the radar to attend to.

Mr Carter: No, I would not say it has been brought immediately to our attention. But what I understand with scaffolding qualifications is that they fit the high risk licensing category. It is an area of priority under our current training plan and has been for a number of years. There are multiple levels of qualification. There is the basic, intermediate and advanced, and I am not sure exactly which of those particular qualifications levels might fit your concern in terms of shortages. But there are certainly a number of local providers in the ACT that provide that training very, very well. Off the top of my head I do not know the number of people we have subsidised, but we approved subsidies for those training.

MR DOSZPOT: Could you take it on notice and look into that to see what the

situation is at the moment? In the same mode, has there been an increase in training and demand for asbestos awareness training?

Mr Service: The short answer to that one is yes, there has.

Ms Burch: Yes.

Mr Service: And every place we have been asked to fund has been funded. If I could add to the issue of how we identify and meet demand, there are two ways. Firstly, people make applications through the process for training places. Secondly, we conduct an annual industry consultation process where the issues such as scaffolding or tiling, in fact, form part of the process of assessing what the next year's training plan should be. But certainly to date scaffolding has not been a trade shortage that has been identified by the industry. At the end of the day, they are the people that tell us what they want.

Ms Burch: And then the students have to step up and actually take advantage of the offerings.

MR DOSZPOT: Well, certainly information we have indicates that there is a shortage. I have asked Mr Carter to take it on notice.

Mr Service: Happy to take it on board.

MR DOSZPOT: And with the asbestos awareness training, can you give us an update on that as to numbers?

Mr Carter: I can go back to 2012. Under the current strategy for support for training in that area we have completed about 3,500 people who will be grandfather-claused under that existing qualification to the new qualification that takes effect on 1 July . We have approved for the calendar year this year, under our training plan, another 3,500 positions. To date we have trained 1,000. That is flexible. If in two months time we have reached 3,500 and applications are provided to the board for further approval, we will approve them.

MR DOSZPOT: Given your very good financial result I have a question which might seem a little left field, but I would like you to take this on board: how does an improved financial result fit with the authority's stated objectives on encouraging employment, skills development, promoting increased career opportunities and an improved OH&S culture within the building and construction industry?

Mr Service: I will answer that in a couple of ways. Every time I represent the authority at a function I upset the chief executive of the day because I say, "Look, I have one simple message: we have got all these millions; tell us how to spend it." At the end of the day we can only spend what we are asked to spend. We are not a profit-based organisation. So an improved financial result for us is not a surplus but improving and funding more training places. We are constrained to the extent of the number of places we are asked to fund. The language could describe it one way, but the outcome from our point of view is how many people physically apply and then complete the training courses.

If I take asbestos awareness, we have had applications, I think, for 5,000 or 6,000 places, but so far we have only funded 1,000. Having provided the funding, it is then up to the RTOs to go out and gather the sheep to come and do the course.

MR DOSZPOT: That is what my question relates to, obviously—that is, the money is there to be spent. Should there be more marketing to make sure that everyone is aware of what you have to offer?

Mr Service: Look, we could always spend more money on marketing. The response to that is: by spending \$500,000 more on marketing would we spend another million on training? The answer to that is absolutely not. There is a finite volume of students. I am very, very comfortable in saying we are well and truly meeting the demand. There is not 20 per cent demand unmet out there, if I could describe it that way.

Ms Burch: And the way that you facilitate the training, it comes from the industry bodies, and those close connections between the authority and the industry bodies are already there. I do not think those major players would not know of your existence.

Mr Service: I think that is exactly right, minister. We find a couple of other ways to improve the outflows. Most departments say they want to keep it, but our job is to send money out the door. We modify the subsidies we provide in entry level training on a regular basis. We review the proportion of the course we fund. We balance that with a policy that the authority has had since inception, which is to always have sufficient funds to fund at least six months of our training. So if the industry came to a halt for a year, we could fund at least six months, if not longer, because we make very long forward commitments. I think the balance between our reserves and our cash flow is about the right balance.

MR DOSZPOT: I will finish on a positive note: I think the very good newsletter that you put out addresses a lot of these issues. How many of these newsletters do you distribute?

Mr Carter: It is between 650 and 700 currently, and increasing.

MR DOSZPOT: It is excellent for the information provided, so thank you.

Mr Carter: Thank you. I will pass that on to Mr Stowers who looks after that.

THE CHAIR: Are there any further questions to the authority? There being no further questions, we thank you for your attendance today. You took a couple of questions on notice.

Ms Burch: Sorry for the delay, but obviously the two gentlemen did well in my absence.

THE CHAIR: Can we have the written responses to those questions on notice within five business days? We will get you a copy of the transcript when it is available in case you want to make any corrections or additions. With that, we thank you for your attendance today. We will move on to the Community Services Directorate and output

class 1, disability and therapy services.

We welcome the Minister for Disability, Children and Young People and the officers from her directorate. In the course of the afternoon we will examine expenditure proposal and revenue estimates for the Community Services Directorate, including output class 1, disability and therapy services. Later in the afternoon we will go to output class 2, children and young people.

Welcome to the hearings. As you would be aware, this is being recorded for *Hansard* as well as for broadcast. If you take any questions, to assist the secretariat, could you say, "I will take that on notice," so that we know that you know you have taken it on notice. We would like answers within five working days after having taken questions on notice. At the end of the hearings, a transcript will be provided for your perusal and for corrections or clarifications, which we would be delighted to receive.

Good afternoon, minister. Would you like to make a brief opening statement?

Ms Burch: I have noticed that is your operative word: "brief" opening statement.

THE CHAIR: Brief.

Ms Burch: I will be quick and brief for you, Mr Chairman.

I want to thank the committee for an opportunity to discuss disability and therapy services. This is an exciting time for people with a disability in the ACT. The NDIS trial commences here in less than two weeks. All eligible residents are about to transition to the new scheme, putting control and choice of their lives back in their hands. Our whole jurisdiction will move to the NDIS over this trial period, the first whole jurisdiction to move in Australia.

We have certainly looked to the experiences of other trial sites and we have developed our phasing process. The total funding associated with the NDIS will rise from the existing ACT investment of approximately \$120 million per annum in 2013-14 to \$342 million per annum in 2019-20. This is effectively a doubling of the investment in disability services.

The budget sees a significant increase in support for people with a disability. The 2014-15 budget has provided an additional \$5.3 million over three years of the NDIS trial. In line with an integrated whole-of-government approach, Therapy continues to partner with the Education and Training Directorate to implement our services through the therapy assistance program.

The budget honours our election commitment to convert this to an ongoing program. Our community is certainly as prepared as we can be for the NDIS following the preparation that we have put in place and the conversations that we have had with families.

One piece of preparation that stands out is the Connect and Participate Expo held in March with community partners. Over 6,000 people attended the expo. July will see the government launch the ACT trauma recovery centre. I do not want to move into

child and family services; so I will just leave it there for you, chair.

THE CHAIR: If you want to do a general introduction now, we can then flow into the afternoon.

Ms Burch: The trauma recovery centre is opening shortly. The centre will provide a high-quality trauma-informed therapeutic service program for children aged zero to 12 who have experienced trauma and neglect and who are clients of statutory services. Importantly, the centre will work closely with children and their caregivers—families, parents and teachers.

The human services blueprint is certainly a significant transformational program that is rolled into this budget. It is a whole-of-system reform agenda to better utilise government investment in social outcomes. It will enable the community across a number of systems—health, education and justice—to join up to support people.

There are three initiatives in the blueprint: ensuring the right time, the right service, and for the right duration. I am confident that the better services initiative, the local services network launch at west Belconnen, the upscaling of the successful strengthening-of-families approach and the establishment of the human services gateway will make a real difference to how we support individuals and families across Canberra. I will leave it there.

THE CHAIR: Thanks for that. Just for a change, we might start at the far end of the table. I throw to Mr Wall and we will work our way back this way.

MR WALL: Minister, in the media releases that were distributed with the budget paper, one of them points to \$2.2 million that has been allocated to fully funded indexation for community sector disability service organisations so that they can continue to provide support. Can you provide any details at this stage as to how that fund is going to be distributed, who the recipients might be and what kind of funding they are going to be receiving?

Ms Burch: I might go to Meredith Whitten for the details. My understanding is that the agencies are currently under contract and will revise the indexation that they have been receiving to date.

Ms Whitten: Thank you, minister. It is usual practice for the ACT government to fund the Community Services Directorate for indexation of the service funding agreements. On this occasion the government is actually providing funding for Disability ACT separately from the base funding that other parts of the directorate receive in terms of indexation. That is what that is about.

Ms Howson: Mr Wall, if I might add to that, to be clear, this is indexation that applies to any community service provider that is currently funded to provide services for Disability ACT.

MR WALL: Okay; so the recipients of funded services?

Ms Howson: That is correct.

Ms Whitten: Yes.

MR WALL: Are you able to take away on notice and provide to the committee a list of the organisations and groups that are currently receiving funding from Disability?

Ms Howson: We can, and if we can get hold of that information—

Ms Whitten: I have got it here.

Ms Howson: Yes, we could give that to you now.

Ms Burch: A list of existing funded services.

MR WALL: In a written form might be—

Ms Burch: We can provide it to the secretariat.

MR WALL: Yes; I think a written list would be easier to digest than verbally.

Ms Whitten: Yes.

MR WALL: While we are talking about indexation, I recently wrote to you, minister, about L'Arche supported accommodation. It is a supported accommodation provider in the ACT. They raised concerns about some of their existing funding arrangements heading into the transition. Does the additional funding that they have now received come out of this fund or are they receiving funding out of a different pool.

Ms Burch: Certainly I followed up with this organisation. I know that Ms Sheehan and Ms Whitten have a significant conversation going on with organisations as they transition from block funding into new funding arrangements. My understanding, Meredith, is that you met with them recently?

Ms Whitten: Yes, minister, we have met with L'Arche a couple of times in the last six months or so. We have been having ongoing conversations with them. The indexation, though, is just the standard indexation that they would receive as part of their service funding agreement. So we are just working through some funding arrangements.

MR WALL: So they are not receiving any additional funding to what was described in their block funding over and above—

Ms Burch: They have got their block funding plus their indexation, yes.

MR WALL: Plus indexation, yes.

Ms Burch: Yes.

MR WALL: But beyond that, there is no additional funding at this stage.

Ms Burch: I would just ask Richard if he could explain where we are up to.

Mr Baumgart: I met with the L'Arche executive officer, along with members of the L'Arche board. We have proposed back to them an arrangement where we would be able to provide additional funding for the next 12 months. They have had in the past, I will call it, non-recurrent funding. Often organisations come to us when individuals that they support need extra support. Sometimes it is as a result of an injury, or an illness or otherwise, but in this case they put forward the case that their entire model requires additional funding, for numerous reasons. If you have met them, you would understand some of those. We have been able to offer them an additional level of support—I will not go into that today here—for the next 12 months. That is with them now for consideration for their board. Back to that question, though: it is not specifically out of that appropriation.

Ms Burch: You have mentioned one organisation. There are a number of organisations that the directorate is having conversations with around this transition and some of the thinking behind the \$20,000 and \$50,000 grant support to help these organisations do their internal review around what is their model of service, what are their operations. I might ask either Ms Sheehan or Ms Whitten to talk.

Ms Whitten: Yes.

Ms Burch: Do you want to talk on the grants?

Ms Whitten: Yes. Richard is actually—

Ms Burch: Richard?

Mr Baumgart: No, sorry, not the 20 or 50. That is—

Ms Sheehan: Maureen Sheehan—

Mr Baumgart: Sorry.

THE CHAIR: Does somebody want to speak to the committee?

Ms Burch: It is an important bit of preparation and support for these organisations.

MR WALL: Again, while we are talking about support, another organisation which I made representations to your office about, minister, is the ACT Down Syndrome Association. Again, I was wondering what follow-up has been done with them. Will that organisation be receiving any of these grants?

Ms Whitten: In relation to the Down Syndrome Association, my understanding is that officers of Disability ACT have met with them. In terms of their funding arrangements, we do not currently fund them as an organisation.

Mr Baumgart: I am not sure if you heard that. No, we do not currently fund the ACT Down Syndrome Association. We have met with them. There is some information, I understand. I will need to double-check that, but I understand that there is information

we have asked them to talk to us about or to provide us with. Also, we have tried to facilitate some arrangements to talk with them. But I do not believe that they are actually an incorporated association. So we need to go through a number of things with them. I will double-check that.

Ms Howson: I think at that point it is probably, Mr Wall, a good point to make that we in fact are channelling as many interested organisations as possible towards their business development process so that if they are interested in being providers in the future under an NDIS environment, they are receiving the type of business and governance support that they need to be able to operate in that environment effectively and to work within the parameters of the funding arrangements that exist around the national disability insurance scheme.

Ms Sheehan: The ACT will be the recipient of \$12.5 million that was sent as development funds from the commonwealth government as part of us getting ready, and the providers and people with disability getting ready, for the NDIS. The \$12.5 million is being paid progressively across the three years of getting ready and then the trial itself. To date, we have had \$4.5 million of funding from the commonwealth, and we directed the first \$500,000 to people with a disability to assist them to get ready.

In the next tranche of money, which was \$4 million, we focused heavily on preparing organisations who were providers to get ready, the idea being that if an organisation is to move into the NDIS environment where the recipients themselves will control the money and will be able to choose their provider, the provider needs to know the cost of their own services, set a price on their services, be a business, have their board understand what it is to be a business and do a due diligence test on whether they are structured to be able to provide services in that way. In order to do that, we have been able to use that money from the commonwealth to provide business support packages.

The first thing is that National Disability Services, which is the peak organisation for disability providers, has an NDIS readiness toolkit, and we have funded providers to undertake a quick check of their business to see whether they are ready to go and then what extra support they would need. Then having done the toolkit or something like the toolkit if it is equivalent to the toolkit, we have funded \$20,000 packages for business to look at their readiness. That would include their governance, their financial position and what additional steps they need to take.

Earlier you mentioned the L'Arche organisation. They were an earlier recipient of the \$20,000 grant process, which is terrific. We actually have 60 packages valued at \$20,000, which is really terrific, and then we have 10 packages at \$50,000. The \$50,000 packages will build on the work undertaken in the first analysis so that if there is much more detailed work that certain organisations need to do then they will possibly be awarded one of those grants.

As we have said to providers, although at this stage we only have 10 of the \$50,000 packages, there is still \$8 million to come from the commonwealth, and we are looking for the providers to tell us what is working. If they tell us that these grants are exactly what they need—the panel of providers that we have really understand our business and they have been coming up with really good recommendations for us and

we are keen to move onto the recommendations—then we will go back to the commonwealth with that firm evidence base from organisations and we will be able to negotiate additional funding for those packages.

At this stage we are very pleased that we have been able to offer that range of support for organisations. As I say, we will be having further discussions with the commonwealth about the allocation of the next \$8 million. Some of that will be for businesses or for provider organisations but some of the money will also be, of course, for people with a disability to assist them to get ready and to start that work on what they would like to see in their plan.

We have had feedback from the National Disability Insurance Agency that one of the reasons for the slowness to conclude plans in the other trial sites in the first few quarters was that potential participants had never actually had the opportunity to think about how their life might be different and if they had control of their funds what they would want to see as their life's objectives and then what services would support them to do that. That is excellent feedback for us to then look at how can we help people to start thinking about what their plans might look like so that when it actually comes time to go into the agency, a lot of that thinking has been done and people have had the chance to really inform themselves about what is available to support their life's goals and then to work with the agency to conclude a plan, identify service providers and then they are off and running within the NDIS.

MRS JONES: Just as a supplementary to that, obviously some organisations that are businesses or potential businesses have had this grant. Has there been an assessment across the board of the services that will cease and how many of them are potentially being taken up? Are you going to monitor where the gaps are? Even though the market will ultimately drive service provision, the concern about gaps in services in the beginning is very real. So what study have you undertaken, and can that be tabled for the committee?

Ms Sheehan: Thank you for the question. The task force undertook an extensive evaluation of the services that are currently funded in the ACT. We looked at: what was the service type that they provided? Then we looked at: what does the data show us about the allocation of services to different types of clients across the ACT, which organisations are providing those services and then what services would you expect would be in demand in an NDIS environment? So the first thing is: what have we got now? Can we tell, from the way people like to have services now, what they might like to have in a new environment? And then: what is the financial position of the organisations and the capacity of the organisations that are currently providing services?

In looking at the capacity of organisations, particularly their financial capacity which is so important, we have looked at not just the income that those organisations received from Disability ACT but of course the whole capacity of the organisations. So we then looked into a liquidity analysis of organisations to give us a sense of how they might be able to adapt to an environment where we progressively move from block funding for special disability services into the money sitting in the hands of a person with a disability and their making a choice.

We have done an extensive analysis. We have provided that to the commonwealth in order to assist us to jointly determine what is the best placement of the funds that are available and—

MRS JONES: And can that be provided to the committee? If it has gone to the commonwealth, is there any particular reason that it cannot be?

Ms Burch: My instinct says that it is commercial-in-confidence because it does go to some very internal commercial operations of businesses. You can appreciate that the other work that we did in building on from that and that did—

THE CHAIR: Sorry, was that a yes or a no?

MRS JONES: Hang on, I was going to ask whether maybe we could have a summary of the findings of that document.

Ms Burch: We will bring back what we can. I am quite happy to bring back what we can. It sounds a bit—

MRS JONES: Understanding what the sector is, what is currently provided by government and what the expectations are of private delivery should not be too hard to provide?

Ms Sheehan: In our research we went to all of the available data sets and we were able to compile—and these are all in the public domain, as are the funding arrangements at the moment—where the funding is allocated, as demonstrated in the national data sets. All of that information is in the public domain. So we would be able to give you—

MRS JONES: So it would not be too difficult to provide?

Ms Burch: We would be able to give you that. In addition, there are two things: one, that detailed analysis, almost organisation by organisation or client by client, did inform how we structured our phase-in process and the work continues through the market soundings through KPMG as well. That is a very—

MRS JONES: That was going to be my next question. Maybe I should move on to my next question.

THE CHAIR: I might ask a supplementary first. So how many organisations are currently funded?

Ms Burch: That goes to the question Mr Wall was asking.

THE CHAIR: No, I heard that. But do we not have a number, a broad number?

Ms Burch: Yes.

Mr Baumgart: Disability ACT currently has 50 organisations under funding arrangements. And that can range from an organisation that, for example, provides a

small amount of information and referral services, which is measured in the thousands of dollars a year, through to organisations that support hundreds of people and is in the millions of dollars per year.

THE CHAIR: Have any of those existing organisations indicated they will close, with the move to the NDIS?

Mr Baumgart: I have not had one of them say to me that they are going to close, but of course that would be a decision for their boards. In the last month and a bit, I have met with 28. They are primarily the organisations whose funding is directly affected by the trial, and I have not had one of them say they are going to fold or anything like that. Some are obviously cautious and wanting to understand how the NDIA pricing will work, the way in which they will invoice and the mechanics. But obviously at this point, they have funding agreements with us and they will have funding agreements with us for the next two years. Sorry, I should have just said no.

Ms Sheehan: If I could add that—

THE CHAIR: Sorry, if I may; is L'Arche included in the 50?

Mr Baumgart: Yes.

THE CHAIR: Are there any others who find themselves in the position of L'Arche who do not have money to cover the gap or may not get money in the new system?

Mr Baumgart: That is not actually quite the case for L'Arche. I think that it would be difficult for me to go into that.

THE CHAIR: Are there any other organisations who find themselves in the same position as L'Arche?

Ms Howson: There is nobody that has indicated to us concerns about their capacity to enter into the NDIS. I think it would be fair to say at this stage that most organisations are exploring their capacity and their capability. Now that the information about phasing is available, these organisations are in a better position to understand how the particular flow of clients might impact on their cash flow. I think that is a question at this stage that we could not answer.

Ms Burch: But what we have seen, I think, more so is alignment of organisations and various mergers and duos that have merged.

MRS JONES: Because of insurance needs and that type of thing?

Ms Burch: There is certainly movement as they look to now understand the phasing in and look at their own business structures and what partners would serve them well to link up with to sustain their own business but also to support mutual, like-minded organisations that are out to support people with a disability.

MR WALL: Just to draw an example, an organisation such as the Deafness Resource Centre, where they are not necessarily a service provider but more an information

referral centre or a gateway, their existing funding, last time I spoke to them, was expiring at the end of the current financial year. Will they be receiving additional block funding into the future to provide that service or do they need to reinvent their business model?

Ms Burch: No. We are working with organisations around extending contracts and we are working with them organisation by organisation. The Deafness Resource Centre is referred to as a service provider but also as a tier 2 entity as well.

Ms Whitten: In terms of the Deafness Resource Centre, we have written to them.

MR WALL: It was not necessarily them specifically but a service provider like them that was not necessarily directly providing a service.

Ms Whitten: Yes, there are some service providers.

Ms Burch: It is tier 2. Can someone talk about tier 2?

Ms Whitten: Sure. We will start with Richard talking about those that he has talked with and that are going to 12 months extension.

Ms Howson: If I may, I will come in here actually. I think the sort of headline response is that we are very concerned to ensure that our local service providers get the best start into this new arrangement. It is a launch. We see ourselves as walking side by side with these organisations to assist them to examine where their business model might land in the future and how they are going to be able to be supported into the future.

There are a number of things throughout the launch period that will be worked through for tier 2 organisations, and we have given our tier 2 organisations some certainty for the short term—and Maureen will talk to that in a moment—so that we can generalise our responses to the more specific example of the Deafness Resource Centre. We will work with the commonwealth, through the experiences of our local sector, to advocate for the right policy outcomes, which again is the hot point of this launch. The launch is there to actually inform how the scheme should work in the broad term.

While that is happening, there are some safeguards and assurances that are in place for our local service providers and, more than anything, we want to see our local service providers grow and strengthen through these opportunities with the national disability insurance scheme. And if I can just ask Meredith—sorry, Maureen—

THE CHAIR: Just before you go to Meredith or Maureen, are there any other organisations like the Deafness Resource Centre who find themselves with funding ceasing but looking for a path forward? Does SPELD come into this area?

Ms Burch: We do not fund SPELD.

THE CHAIR: SPELD is education?

Ms Burch: Yes.

Ms Howson: Maureen can certainly answer that question, Mr Smyth.

Ms Sheehan: Thank you, Mr Smyth, for the question. The answer to the question is that organisations have contracts depending upon procurement plans that have been approved by the Procurement Board and then contracts that have been entered into by Disability ACT or the Health department with respect to the home and community care contracts, or Mental Health ACT with respect to the mental health contracts.

The issue about the transition of those block funding arrangements through to the NDIS breaks into two sections. With respect to the first section—and this is the vast majority of the funding in the ACT; all but \$4.6 million of the funding in the ACT—for any service which would eventually be inside a package that a person with a disability would get under the NDIS, those contracts over time need to be converted into cash so that the individual has the choice and control over the services that they have. So that is what we call the tier 3 services. Really, the key thing there is: would you expect to see it in someone's package? If it is capable of being in a package then it is a tier 3 service.

Tier 2 services are different. The first thing is that a tier 2 service will not sit inside someone's package. So it is something that naturally tends towards a block funding arrangement. We would expect to see a tier 2 service generally available in the community, and people who are not necessarily eligible to get a package might still use a tier 2 service.

If we go to some of the examples that the committee has raised, such as the Deafness Resource Centre, that is a good example because you might need information generally about when your hearing starts to go. What you will not do is dash down to the national disability agency and try and get a package, just so that you can go and talk to an information and referral centre. Those sorts of services naturally are inclined towards that block funding arrangement. They are available generally in the community. People get information and then they will start to think about how serious their disability might be and whether they would go to the agency or whether they would get a referral. Some people who use tier 2 services would have a disability but they would not be eligible for that higher level package because their disability is not a permanent impairment such that it impacts on their ability to do everyday activities.

Tier 2 services, on the whole, would continue to be block funded by the ACT for the two years of our trial. As I said, it is a relatively small amount of money compared to the overall figures that the minister was talking about. At the moment we are sitting at about \$122 million a year, with only \$4.6 million sitting in tier 2 services. But we do need to have a good look at those services, because as the scheme ramps up nationally, we will suddenly have access to information and referral and support services on a national basis which we would not necessarily have access to in the ACT at the moment. So you would expect to really see the benefits of a national scheme coming into the ACT.

As members of the committee understand, we are the first to go—all of us—into the scheme, and the rest of Australia will take a few years. So over the next few years we

will expect to see more and more access for people in the ACT to those national information and referral services that we call tier 2. The other role that tier 2 has is in sector development. That is about actually supporting organisations that provide disability services to do a better job. So tier 2 is very important.

MRS JONES: So given that there may be some who have no certainty about what happens at the end of July, when will those decisions be made about—

Ms Burch: They are being made now. For example, the Deafness Resource Centre has signed an agreement for their 12-month—

MRS JONES: In the last few days, okay.

Ms Burch: extension over the last couple of days.

MRS JONES: When do you intend to wrap up the tier 2 programs for post-July?

Ms Burch: They will continue to be funded over the life of the trial, over the two years.

MRS JONES: And they will be informed of that in the next short while?

Ms Sheehan: They have already been informed that their funding is continued for another year, for 12 months. We will have a contribution from the commonwealth towards our tier 2 services. That is contained in our bilateral agreement, which is very welcome, and we will start to have a look at tier 2 services now to get a sense of where a tier 2 service is heading nationally. There is national work going on.

MRS JONES: I understand that. Thank you very much. Perhaps I should move on to the next question. KPMG have been engaged by CSD to do a body of work in relation to the transition to the NDIS, as we understand it. How much is being spent on the contract and what was the scope of it? When will their involvement end? What is the outcome that is trying to be achieved by that?

Ms Howson: I will refer this to Ms Sheehan as well. We have a number of different scopes of work that we have asked KPMG to progress for us.

Ms Sheehan: Are you referring to the work around the early intervention services in the Education and Training Directorate?

MRS JONES: Is that all that they have been engaged by you to do?

Ms Sheehan: KPMG, as have other consultants across the two years, getting ready for the trial, have been engaged to undertake various pieces of work. Those contracts will, of course, be reported in our annual report. I cannot tell you the exact figure for the work that KPMG are doing with us now around the Education and Training Directorate but it will be reported in our annual report.

MRS JONES: There is the one that you have just referred to that is happening now. If you are able to do so, could you provide us on notice with a list of the others. You

have probably got them, anyway, as you are preparing for the annual report. With regard to early intervention, I presume that is what the education one is dealing with?

Ms Sheehan: Yes, it is.

MRS JONES: Are they looking at the funding model, the decision making or who is going to control it if it is in a school environment? Is this the sort of thing that they are looking at? What are they looking at exactly?

Ms Sheehan: Thank you for the question. The very important thing that we always have to remember when it comes to the NDIS is that it is about control and choice for people with a disability and families and carers. When it comes to early intervention services for children under school age the important thing is: what will benefit those children and what would families choose to have as services?

In the move that is occurring from the only services being available being school-based services on school sites and in quite a structured playgroup environment to the national disability insurance scheme, the goal would be to have a range of services available that parents could choose from which would best meet the needs of their child. We know that there are other such services because we see them in other jurisdictions.

MRS JONES: That is right.

Ms Sheehan: As the minister has informed the Assembly, we already have five providers who are providing those services in other jurisdictions who are very keen to come to the ACT and offer those services to parents. So the role of KPMG is to talk to parents about what they would like to see. In bureaucratic jargon these days we talk about co-design—that is, designing services with the people who will use the services. KPMG are doing focus groups with parents so that they can talk about what they value, what their children need and what they would like to see. KPMG are also meeting with providers and doing market soundings. The idea there is: what services do different providers provide? Are they interested in coming to the ACT and, if they are interested in coming, what would it take to get them here?

The first thing that we inform the providers about is the value of the services. That is \$2 million worth of services. It is a very attractive proposition for providers. That money, of course, is not available as a block because it will sit in the packages of children, but they know that we have historically spent that money on early intervention services for small children, so it will be sitting in the packages of those families, and they can make themselves attractive providers to families. That is why it is important that KPMG talks to the families so that we can know what it is that they want and what it is that they value.

MRS JONES: Absolutely. So how much is being spent on the contract and when will you hear back in order to have enough time to make decisions for the next school year?

Ms Burch: On the education and training early intervention programs, I have given a commitment that we will have organisations and a plan for term 4. So when parents

go back in term 4, they will certainly—

MR WALL: When will KPMG be reporting back?

Ms Burch: To us? I think it is in early July. We are all moving at a rapid pace because we are working back from that date of commitment of first term back.

MRS JONES: By term 4, do you mean the information about what services will be available will come out by term 4?

Ms Burch: Yes.

MRS JONES: Will there also be sites operational for children? If someone is suffering from or dealing with an Aspergers condition, for example, they need access to the premises before the beginning of the school term so that those kids can acclimatise; otherwise the results are not the same if they do not have that visitation ability. That is just one example. Will there be some sort of ability to have at least some weeks leading up to the beginning of the first term where those parents will have access to those sites, wherever they happen to be?

Ms Howson: I am expecting that the service providers that parents would choose would expect that type of orientation to be part of the package. That is why they will choose them.

MRS JONES: If they are available.

Ms Howson: They will be available.

THE CHAIR: We might wrap up.

MRS JONES: Sure.

THE CHAIR: Ms Berry.

MS BERRY: I am interested in the clients and how they access packages—but not in a broad sense; I want a bit more detail on how a person accesses NDIS. What is the first stage for them phasing in?

Ms Burch: So sort of create a client and take them on their journey?

MS BERRY: Yes. Describe for me a situation of how this will play out.

Ms Sheehan: Thank you for that question. I think an appropriate client to start with would be a child that is born after 1 July. In that instance, if there was a diagnosis initially of a disability, what would happen is that there first would be a medical assessment. Of course, a medical assessment is the responsibility, always, of the health system, but it is important to have that medical assessment. And then the needs that a child has would start to be identified, initially within the health system. Then there would be a referral to the National Disability Insurance Agency. The agency will reach out to clients as well.

At the moment, the agency has already asked all service providers for a list of their current clients. They have the power, under section 55 of the national disability insurance legislation, to require providers to give them a list of people who are receiving services; then that enables the agency to essentially make up a list of everyone that currently has a service. They will then go into the phasing agreement about the time over the next two years when the client would be getting their package and then really make up a schedule for themselves so that they can plan the workload, allocate their staff and actually write to clients and say: “You will be eligible at a certain time. We would like to begin the planning discussion.”

For a child born on 1 July, I doubt very much that the parents would be looking for a disability support service, but it would be flagged within the health system, and there will be memoranda of understanding between mainstream services and the agency so that anyone who is really eligible for the NDIS can move between the systems.

The other side of that might be when the child that is born on 1 July would benefit from some early intervention but the sort of early intervention does not become apparent until certain developmental milestones perhaps are not met. Then those parents might think, “What am I going to do?” They might have heard about the NDIS. They might present to the agency. But perhaps that child has not been seen by a paediatrician, a GP or an allied health professional since they were born. Those memoranda of understanding will enable the agency to quickly get the child the medical assessment that they need and then start to look at planning for the disability services.

What happens if it comes to a person that has never had a service? I worked in the homelessness system for 10 years. I saw clients there all the time who were in repeat patterns of homelessness because, although they would successfully engage with the service at a crisis in their life, and then they would have a period of stability, the homelessness system simply was not funded to provide that ongoing support to people. So when the support disappeared, as inevitably it must in a system where resources are so limited, people fell back into homelessness. What I would expect to see now, and we have been working with homelessness providers, is that when someone comes into a homelessness service or makes contact with a homelessness service, and they identify that this person actually has an intellectual disability, an acquired brain injury or a mental health issue—

MS BERRY: So we are describing people like people with psychosocial disability?

Ms Sheehan: That is right. They can actually take them to the NDIA, get a plan and then have ongoing services. I am very hopeful that over time the NDIS can start to address these repeat crises that people have in their lives by providing a more solid base with plans.

The other thing is that these providers in the homelessness system or supporting children and families in the community, say from a parenting support perspective, have not traditionally seen themselves as providing disability services. But we need to think about the world differently now that we have the NDIS. We have been actively encouraging those providers who see people with a disability, a psychosocial

disability, a brain injury and so on, wherever they see them in the community—given that they are already providing services, we want those providers to see themselves as coming within the NDIS and broadening out the type of services that they provide.

Again, that is why we are quite hopeful that many providers in the ACT who have not traditionally seen themselves as disability providers can expand their services. Quite a number of those providers have come to our information sessions around the business support that we can give organisations and have actually received the first \$20,000 grants to have a look at their businesses with a view to understanding their costing and being able to move into that environment. So it is very exciting for services generally.

Ms Burch: I want to mention a very short journey of an individual. If you are 36, you live at home with family, and you are fairly independent but you have a support provider or you have an ISP to help you, until you transition into the NDIA that will not change come 1 July. As we move through, now the phasing is public, there will be exchange of information from existing providers into the NDIA. There will be an introduction into the NDIA. Once they pass through the door, so to speak—only then, when the planning starts and when their planning is concluded and money starts to flow—will their existing arrangements change.

MS BERRY: How will the phase-in of the NDIS work with respite?

Ms Burch: With respite?

MS BERRY: Respite care?

Ms Howson: I know Maureen would love to talk about this as well, but—

MS BERRY: You are going to give her a break.

Ms Howson: I am. Again it will depend on what the individual or their guardian chooses and has negotiated with the National Disability Insurance Agency as a reasonable and necessary support. It is at a very individual level; it depends on the circumstances. One would assume that if respite has already been recognised by that individual or their family as a reasonable and necessary support, that would be incorporated into the plan and funded through the package, and they will choose the provider that they would like to take that service from.

MS BERRY: Just very quickly, before I go to you, Mary, can I ask about the human services blueprint. With the Housing identification of a person who really does need some more support through the NDIS, do you see the human services blueprint as something that would be able to work with a person like that?

Ms Burch: I think so. We talk about 5,000-plus clients going through into the NDIA. They are not on our books now. This is the other key point: the phasing arrangements only refer to those that are currently receiving disability or community-based mental health services. For those that have unidentified mental health or psychosocial concerns that are identified through Housing or a blueprint approach, they will be new clients. As they and their needs are identified, they will be introduced. Once we are very clear that they are eligible for support through the NDIA, they will be introduced

directly once that has been confirmed.

MRS JONES: So it will be a matter of a diagnosis and then an approach to the NDIA? Is that the general expectation?

Ms Sheehan: Yes. Diagnosis is important, but it is also important for us to understand it. This is crucial for people with a disability. Diagnosis does not generate a plan in services; it is functional impairment and all of the circumstances that you find yourself in in your life.

MRS JONES: Who will determine functional impairment? Who will make that determination as to whether that is a reasonable enough impairment to go into the NDIS?

Ms Sheehan: The legislation sets out the level of impairment that you need to experience in order to be eligible for a package.

MRS JONES: Do you demonstrate that to the NDIA?

Ms Sheehan: The National Disability Insurance Agency makes that decision. It is an administrative decision, so of course it is appellable; the commonwealth has established a special area of the Administrative Appeals Tribunal which will deal with the area of the national disability insurance scheme.

MRS JONES: For disputes?

Ms Sheehan: They are reviewable decisions, and that is a very important safeguard for people with a disability.

THE CHAIR: A new question from Ms Porter.

MS PORTER: I do have a new question, but can you just bear with me for two seconds while I ask a question on this area. I want to understand a bit more along the lines of Ms Berry's question. You were saying that some parents may not have had the other suite of services for their very small children before—

Ms Sheehan: Yes.

MS PORTER: However, there may be some parents who want to continue with the situation which they are happy with because their child is receiving a service that is in a preschool or associated with a preschool or a playgroup which is attached to a school where other children are going.

Ms Sheehan: Yes.

MS PORTER: So today they are getting that. In the foreseeable future, that service may no longer be available. Say three children are there receiving that service at the moment and two of them opt out because their parents opt out to go over to this other service. But suppose this parent can no longer opt for it because it is not going to be available because there are no economies of scale for that service to be provided by

the other provider who was previously there, if that makes sense, because it is a market-driven thing.

If you are Woolies selling apples and half the customers or three-quarters of the customers who were purchasing green apples suddenly want to purchase red ones, the customers who wanted to purchase the green apples may no longer find them on the shelf and may find themselves very disadvantaged by that situation because they cannot eat red apples. Do you understand what I am saying? This parent, who cannot actually go to this service over here because they are dropping their child to this school along with the other child, is going to find that life very difficult, as of that day. I am just trying to understand. I am not asking you to tell us right now how that all works, because I know we have spent a long time on this. But I would like to get some answers in relation to that. You do not have to answer now necessarily.

Ms Burch: In broad terms, if I can, if we are looking at it again, and I am sure this will come up through Education and Training and the early intervention program as well. Currently I think there are about nine programs which are offered out of a school precinct, out of a school facility. I have, on record, made a commitment that, if a new provider would like to take advantage of that existing facility, particularly in the transition and particularly in the first 12 months, we as good citizens will make that available for the new provider. That goes to some of the concerns of families and children getting used to being very familiar with the surrounds and going to the same place.

So we can accommodate that, particularly in the first 12 months. But to assume that everything will be the same post NDIS—in many ways I hope it is not, because of the opportunities that the NDIS can bring. In many ways I do not want to see exactly the same; I want to be able to see a deeper, more connected range of offerings. That does not mean to say that families who are used to something at the moment do not appreciate that.

I think that when KPMG do the co-design—a snazzy bureaucratic term—with the families, some of this will be pulled out. KPMG's advice to the providers will be: "This is what a good, strong service needs to look like as we move forward." Again, it will come up. Just to close this point on ETD, there are currently 300 children, and all but 50 of those children currently in those programs are going through and naturally transitioning into the next stage of life, either into school or into formal preschool. Those support services will remain.

Over time, probably only one or two years, we will see a whole different set of services. But there is change for some families, Ms Porter. It is hard, and that is why we are doing all we can.

MRS JONES: Some of them are quite on the edge already because of the lives that they have to handle.

Ms Burch: We are not unaware of that.

MS PORTER: Thank you very much for that. My first question is about the enhanced service offer which is listed on page—

Ms Burch: The ESO?

MS PORTER: Yes. Can we have a bit more information about ESO going into the future and what, if any, impact the NDIS is having, and if there is a relationship there?

Ms Burch: The relationship between the ESO—

MS PORTER: Yes.

Ms Burch: There absolutely is a connection. In preparation for the move to the NDIS we secured funding from the commonwealth government to put this enhanced service offer over two rounds. There was \$7 million-odd contributed to start to lay the groundwork for people to think outside the square and to think about, “This is what I get from my current provider under a block funding arrangement, but if I had something else what would it look like?” That was certainly the connection with the ESO. It is about unshackling people’s thinking about what they can get and their quality of life. I might go to Kate Starick.

Ms Starick: Thank you for the question. The enhanced service offer was funded jointly through the ACT government and the sector development fund. There was \$7.7 million allocated to go out in grant rounds, and there were two grant rounds that we held. One was held in July 2013 and the other one was held throughout November. We had about 2,800 people apply for grants, which was over half of the potential eligible population.

When we designed the grant rounds we tried to match as closely as possible the eligibility that we expected under the NDIS so that we could target people who would be potential participants, as well as the providers who potentially would be working with people under the NDIS, without actually targeting their base funding but seeing how they could respond to flexes and changes in demand and provide some assistance through that.

I was just listening to the conversation about what a participant journey might look like. When we designed the application process for the enhanced service offer we designed it with a view to what people might need when they have had their planning conversation with the agency. Through the application somebody can actually take that information, which includes everything that they are currently receiving, and give some thought to what would make a difference in their life. So I guess it has already started to progress their thinking when they have that conversation with the agency.

About 1,300 people received a grant. What we found was that, of those 1,300 people, nearly 97 per cent chose to manage the funding themselves, which we did not expect. Only a small number of individuals asked for the funding to be paid directly to a provider. People wanted to have that funding themselves, they wanted that control, and they wanted to find alternative ways to have their needs met.

We have had a lot of applications for equipment to promote independence and to assist people to live independently in the home, or to access the community more independently or assist with activities of daily living. A lot of flexible support funding

was requested, not necessarily targeting the traditional ways that people meet their community support and community access needs but some other alternatives such as dancing lessons, swimming lessons, support to progress artistic interests and vocational training. Again, people really were choosing services that were not just allocated through the existing specialist disability services, which they will continue to access. In order for the ACT to respond to the increase in need that will occur through the NDIS, the whole of the sector and the whole of our community need to see people with disabilities as customers. I think the enhanced service offer helped to prepare some of the community for that as well.

We have been talking with the agency regarding the outcomes of the enhanced service offer. They have been very interested to see, given the opportunity, what people have chosen to do. We had about a fifty-fifty split between men and women who applied and were successful for a grant.

Some of the other interesting outcomes of the grant were the number of families from the Aboriginal and Torres Strait Islander community who applied for and received a grant. That also created some other links and community connections where people perhaps had not been accessing services but may have benefited from services and made those approaches.

In terms of a strategy to prepare the sector and to prepare people in the ACT—I do not want to overstate it because I think it is going to take a long time, almost a generation, for us to truly appreciate what this change will mean—I think this has presented a significant benefit to the people who will be participants under the NDIS.

MRS JONES: How much was the value of the grants?

Ms Starick: Each grant?

MRS JONES: Yes.

Ms Starick: There were three groups of grants. There was a \$12,000 flexible support grant, a \$5,000 quality-of-life grant and a \$10,000 equipment and home modifications grant. The grants round also included funding for the school leaver, people receiving school leaver options as well.

MS PORTER: Do they wrap up now? That all ceases and goes over to the NDIS; is that correct?

Ms Starick: The grants rounds were one-off grants rounds and that funding will be allocated. It will not form part of our contribution to the NDIS.

THE CHAIR: You are the Director of the ACT NDIS Taskforce.

Ms Starick: Yes, I am.

THE CHAIR: What happens to the task force on 1 July?

Ms Howson: The task force will continue. Our concern is that we have the task force

in place and focus on working through the inevitable issues that will arise through implementation. Our intention is to keep the task force operational for the foreseeable future, but we will be advising the minister in the next few months about our views on its wind-down.

THE CHAIR: Are there ongoing moneys to cover that?

Ms Howson: Yes. A lot of the cost of the task force is actually incorporated into funding we have received from the commonwealth government to support our readiness for the national disability insurance scheme.

THE CHAIR: How many staff are currently on the task force?

Ms Sheehan: I am only hesitating, Mr Smyth, because we have arrangements where we have some outposted officers from directly concerned directorates where we reimburse the salaries. They are technically employees of directorates but they are members of the task force. With the minister's agreement we could give you a breakdown of the people who are members of the task force.

Ms Burch: It is on the website, isn't it, the task force membership?

Ms Howson: I am not sure if it is on the website, but we can certainly provide it. The team is made up of about eight people at the moment. Is that right?

Ms Sheehan: Yes, eight or nine, and we have specialist representatives from all the areas where clients will be transitioning. So we have disability representation, health representation, as well as mental health, education and Therapy ACT representation.

THE CHAIR: Does Ms Starick not know how many staff she has?

Ms Starick: There are 11 FTE. The task force numbers have flexed up and down depending on what the issue at hand has been.

THE CHAIR: The 11 will stay on the team, on the task force?

Ms Starick: As Ms Howson mentioned before, I think the make-up of the task force will depend on the focus and the issues that we are responding to and working through.

Ms Howson: There is an expectation that it will step down. It is a task force for our readiness to NDIS and, as soon as we have concluded all of the arrangements that we need to with the National Disability Insurance Agency and the commonwealth government in terms of the conditions that sit around our bilateral agreement, my expectation will be that we will be stepping things down.

We have certainly had different officers seconded to focus on particular aspects of readiness—for example, readiness for the psychosocial sector, readiness for the sector more broadly, general communications and engagement with the community. We will be starting to step down as the National Disability Insurance Agency's presence in the ACT ramps up and they start to step into the role of guiding the community into the national disability insurance scheme.

We have established an expert panel that advises the minister and the program more broadly on the issues that are pertinent to the community. They have been giving us some excellent insights into our work on our sector development strategy, for example, and the issues that have come through our safeguarding work that have led to the disability amendment act and so on.

That expert panel, we feel, have developed such a good depth of understanding around, if you like, the new world order in the national disability insurance scheme that the minister has asked us to work with them on broadening their terms of reference to continue in their role as guiding both the minister in her role and the directorate in our role in the capacity of what is important to people with a disability and to start to bring more to the front our commitment to the national disability strategy, which goes beyond the national disability insurance scheme itself.

THE CHAIR: Do you currently have delegations and authorities on expenditure, approvals and so on? What happens to those? Do they remain with the task force? Do they go over to the NDIS?

Ms Howson: Any of the delegations around expenditure through ACT government appropriation will stay within the directorate. So if it is not with the task force it will be with other officers. Those delegations will be redirected to other officers. As I said, my expectation is that officers like Kate will continue to carry the responsibility for the work and those delegations for some time yet.

Short suspension.

THE CHAIR: We will resume now and move on to therapy services, which is output 1.2. But I do appreciate the cross-over between 1.1 and 1.2 with NDIS, so if we perhaps stray, people may have to come back. I might start, because I know Mr Hubbard always likes questions. Can someone explain to me why the total cost for therapy services declines from 2013-14 to 2014-15?

Ms Burch: We will invite Mr Hubbard to the table.

THE CHAIR: It is on page 8 of the portfolio budget statement—output class 1.2, therapy services, total cost—

Ms Howson: Mr Smyth, while Mr Hubbard is getting ready, the general answer is that you will see some fluctuations as a result of the step-down towards the NDIS.

THE CHAIR: Sure.

Mr Hubbard: So this is page 8, output 1.2, therapy services?

THE CHAIR: Correct. The total cost has gone from \$12.7 million to \$12.6 million. So it is not even CPI—

Mr Hubbard: It has gone down by \$90,000.

THE CHAIR: In real terms it has gone back three or four per cent.

Mr Hubbard: I will have to take that one on notice and see why it has gone down by \$90,000. I appreciate that you were saying it should actually go up due to CPI, and I agree. It is probably a ceasing grant from the commonwealth or something like that, which might be \$300,000 or something.

THE CHAIR: Appreciating the difficulties that NDIS may present in terms of the financials, is it possible to have a reconciliation of the increase in output classes 1, 1.1 and 1.2?

Mr Hubbard: Yes, those two are the ones affected by it.

THE CHAIR: Overall it goes up by about \$1.7 million. Can we have a reconciliation of the ins and outs and who wins and who loses?

Mr Hubbard: Yes. There are quite a few ins and outs, as you would appreciate.

THE CHAIR: While you are there, the same goes for output class 2, the intervention services. It goes from \$25.5 million down to \$24 million. So there is a loss of a million and a half, by the look of it, and in real terms potentially more. Can we have a reconciliation of that? I understand where it is coming from.

Mr Hubbard: Yes, there will be nine or 10 ins and outs that account for that. I will take that on notice.

THE CHAIR: I looked at the footnotes. I thought there would be a swag of footnotes that would explain this, but there did not seem to be.

Ms Burch: On the early intervention one—and we will come back with the detail—some of that could have been for west Belconnen.

Mr Hubbard: Yes, the drop in grants.

MS PORTER: West Belconnen?

Ms Burch: The West Belconnen Child and Family Centre; there is a support grant there, and it is being ceased by the commonwealth. So that is \$1 million out of our early intervention program to focus on Aboriginal families.

MS PORTER: Is there anywhere else that the ACT can source that money from?

Ms Burch: We are happy to talk about that, but we are certainly taking a million-dollar hit. We are certainly working through how we support people in the community there. It was some of the thinking behind the west Belconnen network that was launched recently.

THE CHAIR: We will get to that in early intervention services. Minister, can you explain the relationship between therapy services and the NDIS, and what is the long-term future of therapy services?

Ms Burch: Someone will add to my comments. Certainly, we have made a commitment on the record to withdraw as a provider of services and to withdraw the provision of therapy specialist services in December 2016. We will continue the arrangements. Therapy ACT will continue as it is until 2016, and that is taken as an in-kind contribution. Certainly, early intervention assessment and mainstream services through Therapy ACT will continue beyond that, beyond what the NDIS is, but it will not be in the form that is known now. I will go to Jacinta Evans to make some more comment on that.

Ms Chapman: Excuse me, minister, I will take this. We understand there has been some confusion about early intervention in school and in Therapy ACT. We have done a drawing, which I am happy to table—

MS BERRY: Very good.

Ms Chapman: I have not done the drawing; somebody very talented has done the drawing. As the minister says, early intervention and assessment and therapy services under Therapy ACT, the specialist services, which are things like occupational therapy and physiotherapy, will cease—

THE CHAIR: Ms Chapman, is it possible to have a copy of the chart so that we might view it as you speak to it? It may make it easier for us.

Ms Chapman: Yes, I have a big bundle here. They will cease. As the minister says, there are mainstream therapy services that are also currently provided by Therapy ACT that will keep being provided by government after December 2016.

Ms Howson: When we use the word “cease”, we mean we cease to be a provider.

Ms Chapman: We cease to be a provider, yes.

Ms Howson: The services do not cease.

Ms Chapman: That is right, yes.

MR WALL: That is dependent on another provider picking up that role.

Ms Chapman: Exactly so. In terms of mainstream services, if you look at the yellow box you will see that this is assessment at the front end. Using the example of a young child who has been born, the parents may seek assessment because they are concerned about behavioural delay. When they go for that assessment service, which currently is provided by Therapy ACT and will be provided in the future by the ACT government, maybe in the same form or differently—somewhere in Health or wherever—they will determine what the issue is, and will probably refer that child and that parent to the NDIA for the services.

So the assessment system will continue as a mainstream service. There will be a drop-in. People can drop in now and they will continue to be able to drop in for that assessment and to ask questions. “Is my child really developmentally delayed?” The

therapist at the time will have a look at the child and think, “No, they’re fine, that’s about in the range,” or whatever.

When you look at this, the circle at the top, the kind of pink colour, is the Education and Training Directorate, behind the school gate type of thing, and the purple-blue is what Therapy ACT is currently doing. When the NDIS comes into play, there will be NDIS-funded early intervention services, the big green box, provided by whomever in the system, and there will continue to be mainstream early intervention or child development services being funded by the ACT government, provided by a therapist, but not necessarily called Therapy ACT. It will be provided by the government. If they see that the child needs help, they will refer them, as that little dotted line says, to the NDIS providers.

MRS JONES: So the point is that the yellow box is for the perhaps less severe cases; that is the way it falls out in the end? Is that a layman’s way of describing it?

Ms Evans: That is probably a good layman’s way of looking at it, but it is also slightly more complicated than that. We talked about a newborn coming into the system. For many families, in the early days, it is too early for them to know whether there is a particular need for their child, or maybe their family are not really ready to come to terms with what is happening for their little one, and they are quite vulnerable at that stage.

The ACT government will have a commitment to be involved with families at the early stage of children’s development in terms of that screening assessment, looking at what their needs are, some sort of support around maybe family programs—that sort of support—that will then allow families to have that soft entry into the system before they may be referred to the NDIA, if that is necessary for their family.

MS BERRY: That is the assessment that happens when they are about five years old in primary school?

Ms Evans: No.

Ms Burch: This can happen at two. This can happen at birth or 12 months.

Ms Evans: Just to clarify, this is a different thing. The ones that happen at five will still continue to happen at five, as a screening assessment, but Therapy ACT is more of an allied health related assessment, not your maternal and child health related assessment, which is what the one at school would be.

THE CHAIR: Therapy ACT currently has how many staff?

Ms Evans: About 100 FTE. It is more than 100 by head count, because there are a lot of part-time staff—120.

THE CHAIR: And what is the split between actual delivery of services and administration?

Ms Evans: I think at this stage our administrative and corporate staff is around

10 FTE. Then there are around 80 allied health staff, and a range of technical and applied health assistants make up the quantum.

THE CHAIR: And post-December 2016, what will remain with the government?

Ms Evans: We have made available in some of our documents recently the breakdown of how we see that working. Based on the amount of money we kept aside for our mainstream services, it is the equivalent of about 36 full-time equivalent staff staying within the yellow box.

MS PORTER: Where will the other people go?

Ms Evans: The others? We will continue to look at our redeployment options that we have been discussing with staff to date. That is obviously a process over the next two years.

Ms Howson: Our hope and our objective is that these allied health professionals will choose to stay in the sector. As Jacinta said, the work that we are doing in the transition towards withdrawing from service provision is to actually invest in our staff so that they are well placed to secure employment or, for that matter, choose to establish their own businesses.

THE CHAIR: To follow on directly from that, the CSD website says:

We are committed to ensuring that staff are provided with the information and support needed during the transition. Staff will be given the opportunities to develop their skills and gain experience they need to be highly-employable in an NDIS system.

What does that actually mean? What is happening with those staff and what assistance are they genuinely getting?

Ms Howson: I am going to ask either Ms Chapman or Ms Whitten to kick that off, because there is a good story to be telling here in terms of how we are supporting our staff towards that new world order.

Ms Chapman: I will talk in the general terms and there may well be some specific individual cases or examples that Jacinta or Meredith can provide. For both Therapy services and for the Disability staff, we have committed to providing a great deal of support and the opportunity for education. For example, in Therapy, as Ms Howson said, we want them to stay in the sector; we want them to stay in the ACT. For some of them, they have already put their hands up and said, "We're really interested in how you can support us setting up our own business so we can provide the same services but through our own devices." We have had a series of whole-of-staff speakers, including how to set up a cooperative and how to establish a mutual kind of arrangement. We have more of that happening.

We have encouraged them—and we are providing dollars to do this through the business development money—to learn how to put a BAS statement together or whatever, if that is what they want to do. This is done one on one. The staff member

will come, talk to one of our HR people, say, “This is what I’m interested in,” and we will wrap something around them.

For therapists, there is a lot of individual career counselling happening. If they need financial advice, we can get a financial adviser to help them with that. We have got an organisational psychologist working with them so that they can understand that if they do not want to stay in clinical work but they want to stay with the sector as a whole but maybe in policy or that kind of thing, we are giving people placements. We have currently got, I think, four therapists working in policy roles so they get the experience that they might not have had before so that they are competitive and can slot in to those kinds of jobs.

Wherever we can we say to them, “Talk to us about what you think you would like to do in your future and we’ll try to make that happen.” Some of them have already got jobs lined up in other parts of the ACT government, like in Health. For therapists, that is the kind of approach we are taking, and there is a great deal of work going on with them individually and as groups.

The other thing I should say is that some of you will know we have been negotiating with the unions—a number of unions are involved in this—in terms of what supports we will provide all of the staff who will be impacted in some form or other by the NDIS. It has gone on for about six or eight weeks. I think we are close to getting agreement, and within that we have made it very clear in writing the kinds of supports we will provide for people over this period of time so that we do not lose their skills and they get to do the work that they want to do in a way that suits them. If they, for example, want to see what the NGO sector is like, we can help them by giving them some secondments into the NGO sector so they will understand how that part of the service sector works.

THE CHAIR: How many have left already, and have those jobs been backfilled?

Ms Evans: At the moment we are probably around seven staff members down, but that would be our usual rotation of staff. For instance, at any given time we will have staff whose partners are posted somewhere else, that sort of changeover. Where we have had staff leave, it has not been in response to the NDIS at this stage; it has been perhaps because people are seeking other jobs or family circumstances or maternity leave or whatever. So our regular change of staff is occurring at this stage.

We are really encouraging staff to see this two-year period as an opportunity for some of the younger and less experienced staff to build up their skills to continue to advance in their profession. For some of the more experienced staff, they are taking it as an opportunity to look at being promoted into positions that they would not have otherwise had the opportunity to pursue because someone may have taken a job somewhere else. So we are still looking at this as business as usual. We are still recruiting. We are still getting applications and filling positions. I would not say at this stage we have vacancies that are unfilled because of this process.

THE CHAIR: A final question from me: Ms Chapman, you mentioned an offer has been made of assistance. Is that a standard offer to everyone?

Ms Chapman: It is what we have called a framework agreement that we have, as I said, worked through with the unions. The Chief Minister needs to sign it off and then that will be the standard approach, so that it does not matter who you are in the disability or therapy sector, there are things that we, the government, have agreed that we will do to assist you in the transition to the NDIS.

THE CHAIR: Is it possible for the committee to have a copy of that agreement?

Ms Chapman: When it is signed I am sure that it will be made available. But it is with the Chief Minister at the moment.

MRS JONES: My supplementary is: if you find during the two-year period that there are some services that are either so small or so specialised that there is not a private provider—I know you have got a desire to withdraw—will there be some sort of safety net provided by the government? For example, a particular type of limb replacement or something that is very, very specialised, what assessment will be made of how the market is travelling?

Ms Sheehan: That sector development and development of the market are the responsibility of the task force, and we will be working with National Disability Insurance Agency. The agency nationally has \$120 million to spend on national sector development, and that is where the \$12.5 million comes from for the ACT.

As I mentioned in an earlier answer, we have already got \$4.5 million but we are looking to place the next \$8 million, and we will be looking at areas where the market has a gap in services or is very specialised and needs some extra support. For example, if there is an allied health specialty that it is hard to get providers in, that is where we would go to providers who have that specialty elsewhere in the country. We would encourage them to come to the ACT. We would look at what it takes to get them here and what business incentives are necessary. That is what the sector development funding is for.

The sorts of support that Ms Chapman was talking about for individuals who have those skills to establish themselves as separate or sole operators or partnerships of professionals, we can fund that as well through the sector development funding. In the same way we have made the \$20,000 grants available to businesses, we can make them available to individuals who are seeking to become a business.

We have done a lot of analysis. We will be using this trial period as people phase across to look at where skills and services need to come in the market—because the clients are now in the market environment rather than sitting locked up in what we now call the residual services, which will be those residual block-funded or government services—and where do we need to grow the market and grow providers.

MR WALL: If I could just go back to the framework agreement Ms Chapman was talking about, I am guessing the idea is that staff will see the opportunity outside of the current Therapy or Disability service they are working in and voluntarily leave to seek new endeavors. Should an individual choose not to independently resign, will they be made redundant? Will you be seeking people to take voluntary redundancies or will they be forced redundancies? What happens to those positions should the

individual choose not to leave voluntarily?

Ms Chapman: We have got a fairly long lead time, and if people have indicated that they would prefer to stay working for the government in some capacity or other, we have redeployment options available for staff. The enterprise agreements provide for that. They can indicate they would like to be redeployed. If they need to be retrained or get additional training to allow them to be redeployed, that is part of the arrangement, if we can provide that for them. If they want to do a \$100,000 PhD, it might be a slightly different thing. But the enterprise agreement is the foundation of the framework and people are entitled to be redeployed if we can possibly redeploy them with additional support and training if we need to do that.

Over that period of time, there will be some redeployments, I have no doubt. People will move about within the ACT government. At the end of the day in three years, voluntary redundancy is an option. The enterprise agreement also provides for retrenchment as well, but our aim is to retrain them, redeploy them, keep them in the service or get them jobs in the sector that they are able and qualified to do and are interested in doing, and that will be exactly our approach. That is the aim.

I hope—I do not know for a fact—that by the end of this whole process we are undergoing we will not have people who do not have a job to go to either in the ACT or in the non-gov sector or in a totally different role somewhere.

MR WALL: So you are saying there will be no forced redundancies in this—

Ms Chapman: I am not saying that at all. I am saying the enterprise agreement provides for that, but given the way we are working one on one with individuals over a three-year journey, I am anticipating there will be very, very, very few—a very small number, if any—left at the end of the day.

MR WALL: Across the directorate how many individuals are we talking about? With Therapy there were the 100 FTE.

Ms Chapman: Yes.

MR WALL: But then there are supported accommodation carers—

Ms Chapman: There are about 300.

MR WALL: So about 300 in total?

Ms Chapman: No, no, there are about 430 in total.

MR WALL: 430.

Ms Chapman: Including Therapy.

MR WALL: Okay, and that is a headcount or are they FTE?

Ms Chapman: That is FTE.

Ms Burch: That is linked to the basic decision around government not being a provider of specialist services. I remind you, Andrew, that you also agreed with the decision that government should be out of this area. I think you have said you should not be a provider and a regulator and a funder in the same space.

MR WALL: Yes.

THE CHAIR: Ms Porter wants some clarification and has a new question.

MS PORTER: I think it is a new question. It all seems to be tied up in one. My clarification is around what you said in answer to Mrs Jones's question around very specialised services that might not be available. You were saying that you were trying to attract, from interstate perhaps, with some incentives, if that is what you said; these people or these organisations who are currently providing the service elsewhere to come here to provide the service.

Given we have very limited economies of scale, if that is the right terminology, in the ACT—we know that there are many specialists in the health area, for instance, who do not come here because we do not have enough patients—people have to go to Sydney, for instance, to have certain procedures. I am just wondering how a person coming from interstate to here could run a business providing these very specialised services to a small number of people. That is all. I am just wondering whether you could clarify how you see them being able to afford to do that.

Ms Sheehan: Thank you for the question. I guess the first point that I would like to make is that going back to the issue of responsibility for mainstream service provision—Ms Chapman has provided the diagram—it is important for us all to remember that, in looking at what services are the responsibility of the specialist disability system now under the national disability insurance scheme, the Council of Australian Governments had to come to some decisions about what would be the responsibilities of the traditional mainstream health, education, housing systems and so on and that that assessment and clinical treatment are very much the responsibility of the mainstream health system.

When Ms Chapman and Ms Evans talk about mainstream responsibilities, the Council of Australian Governments has decided that that will always be the responsibility of the health system. It was just for historical reasons that that clinical treatment sat in Therapy ACT, but those specialist responsibilities are not going out the door because of the NDIS. I think it is important to remember that, because I would imagine that a lot of the specialist treatment that you are talking about, Mrs Jones, is actually on that clinical health side.

What we are talking about under the national disability insurance scheme is the supports that go beyond a reasonable adjustment in the mainstream service system. I would not want to overemphasise that if there are some clinical specialties that a handful of children need and that have previously been provided by Therapy ACT, there is a very good chance that that is actually a mainstream health responsibility that we will continue to provide. If it comes to, "It is not a health responsibility, but it is actually an NDIS therapy service," then we will be doing the sorts of things that we

have talked about.

The minister was saying earlier, “What is the accommodation that makes it easier for people to come?” If it is accommodation in a school setting where parents are bringing their children that go to school and then their children need a therapy service, that is an incentive for a provider to come and just know that they do not have to worry about the infrastructure costs. They might be able to attract additional business just because people are going there with their school-age children. So they are the sorts of things that we explore with providers, look at what is going to assist them, look then at what we can offer them and then package things up for them.

Ms Burch: And one of them could be about facilitating a partnership with a local organisation where they do, like other specialist services do, drive in or fly in, provide a service on a monthly, fortnightly or quarterly basis. So it is that sort of facilitation.

Ms Sheehan: And can I say, in—

THE CHAIR: Sorry, in the same line of thought as Ms Porter, have you done a SWOT analysis on which services are sought, what are the strengths, what are the weaknesses, what are the threats and what have you done in regard to that? Hoping that people will see opportunity is one thing, but the grim reality for families on the ground is that they need the services then and there.

Ms Sheehan: Thank you for the question. In the analysis that we have been able to do with the best available data, we have looked at where funding sits at the moment, in what service types, and then we have gone to the national minimum datasets for disability and HACC. The mental health end of this sort of service provision does not have a minimum dataset but we do have contract information from mental health. We have looked at what sorts of services are funded now, where do they sit across the spectrum of service provision, what sits in accommodation support, what sits in community access and so on.

Then we use the distribution of services and funding at the moment as a proxy for preference, which we think is a reasonable thing to do. Where services sit reflects in some way the preferences that people with a disability have for those service types. Then we have looked at—

THE CHAIR: That is okay, and I get what you are doing there. But have you surveyed the existing clients for unmet need and are you certain that, under the new system, not only will the existing need—and I think we all understand that there is unmet need there as well—but the unmet need will be met as well and do you have the staff and organisations to deliver that when it starts on 1 July?

Ms Sheehan: The first issue about unmet need is absolutely the thinking and research by the Productivity Commission which led to the establishment of the national disability insurance scheme. The Productivity Commission did an extensive analysis of what was the lack of services that were experienced and particularly found that 80 per cent of care for people with a disability was being provided by families and carers. I think we can take from that that there is unmet need absolutely everywhere. There is no question about it.

Our analysis of clients who are in existing service systems in the ACT may have been as high as 2,700, but we are geared up to move to 5,075 by the end of year 3. That is an almost doubling of services, and that is because there is unmet need with people that have no services. I gave the example, from my own experience in service provision, of people in the homelessness system who were in and out of the criminal justice system, the youth justice system, and who have no specialist services but who will get services under the NDIS.

THE CHAIR: But again you are doubling the number of clients that you think will be catered for. How will you cater for their needs?

Ms Howson: I think there is a macro response to that and then of course it depends on individuals and their circumstances.

THE CHAIR: I do not think individual families care about the macro. I think they look at their kid and say, “This system is being held up as a solution.” The expectation out there is incredibly high, and I know you guys know that. How do we get the staff on the ground inside the system that you are putting together to deliver those services, when we currently do not meet unmet need?

Ms Howson: Dare I say we trust in the market. I think one of the—

THE CHAIR: If that is your approach, that is a reasonable approach but what is your analysis of the market telling you?

Ms Howson: It is certainly the Productivity Commission’s thesis, if you like, in terms of how we actually meet these gaps in service provision. The community at the moment, I guess, is captured by the services that are available rather than the services they might choose or need. We need to find this out over the course of the trial—again it is one of these burdens of responsibility as well as privilege in being a launch site—as we come to experience the way in which individuals start to express their needs and what is considered to be reasonable and necessary. That will illuminate better for us what might be these service gaps and then how we will move to fill them.

I think what Ms Sheehan has been explaining is that there are mechanisms within the design of the launch, the capacity of the National Disability Insurance Agency itself to activate a market response to an evident gap that we will be looking to, as well as the fact that the government has made this decision to withdraw from service provision over a fairly lengthy period—2½ years for Therapy ACT, three years for Disability ACT—and the phasing itself, which will give us the opportunity to ensure that we have a government capacity and capability to support our community as we step into this new world order.

THE CHAIR: You are confident that your analysis of the need in the ACT can be met?

Ms Burch: Can I just add that some of the premise to your question is that this is all sitting within a disability specialist workforce response, and the notion of the NDIS and the packages that individuals could apply for is actually deeper and broader than

within a disability specialist service response. Some of the examples we have had through the ESO are around education and training, giving them opportunities to be self-employed, which is much deeper than responding to the number of home care packages or personal care that may be required and the like.

Ms Chapman: May I add, just as an indication of Ms Howson's response that the market will actually start to build, we have had some ads in recent days, one of which was in I think the *Canberra Times* on the weekend—Meredith, did you bring it?—from the House with No Steps. House with No Steps is a very big organisation that works right around Australia but has a tiny presence in the ACT in a very particular area. They are actively saying, “We are coming to town to provide a whole bunch of services under the NDIS. Would you like to work with us?”

We know that there are organisations who already exist, not necessarily in the ACT but who are absolutely committed to building a business here to provide services for people of the ACT in a whole range of ways—ways that we have probably never had provided for us before. I think there is evidence already that the market is going. We hear the story, we have talked to people, we know what is going on.

MRS JONES: I guess to an extent you are saying it is a bit of a step into the dark, but are you suggesting that maybe it is impossible to know? Is that what you are suggesting?

Ms Burch: I do not think we can forecast to any high level of accuracy what the system will look like in two and three years time. There will be players and providers coming to town that are unknown—for example, the House with No Steps. Disability Trust has come into town with respite services, and I have seen them advertised over the last number of weekends in papers as well. So you will see absolutely a change and—

MRS JONES: But even with the current services, you are not necessarily having a make-sure process that they be provided because you are not 100 per cent sure that they are going to be taken up? Is that also part of it?

Ms Howson: I think we can be almost 100 per cent confident that this current service offer will still be a dominant and evident service offer within the ACT in the foreseeable future, and that is because of the gradual withdrawal of government as a service provider. But it is also because what we are seeing in other launch sites is that people are not that courageous, if you like, or they tend to, at least in their first experience with the national disability insurance scheme, look to simply replace the funding envelope for the service offer they currently have. As Kate Starick mentioned, this is a generational change and as we see—

MRS JONES: It is a mentality change too.

Ms Howson: Yes, and then we will see different providers stepping in to offer different types of services. Why I wanted to also talk about the micro, Mr Smyth, was that there will be from time to time individuals with quite specific and unusual circumstances and needs, and the one thing that we will not be doing throughout the period of the launch is leaving anyone without the service provision. Maureen, what is

the correct terminology for this?

Ms Sheehan: Continuity of service.

Ms Howson: Continuity of service will be offered to those—

THE CHAIR: We probably need to move on just a little.

Ms Burch: Can I just add to that if I can—and then I will close, Mr Smyth—for the first that go through the NDIA and have that experience of their package, it is not chiselled in stone forever. They can come back and review it when they gain confidence, when the system develops. That is important.

MR WALL: One very brief follow-up, please, Mr Smyth. You have all been very specific in the language that you have used around the services and the withdrawal, saying that no-one currently accessing the service will be left without. But the big question, and where a lot of the uncertainty has been created out there, is with those that are not currently accessing the service, particularly around early intervention for children where they may be recently diagnosed or recently identifying that they do need some intervention services next year but are not currently accessing the services. There has been no guarantee or very little assurance from government or the directorate about what will be in place for them. It is very easy saying no-one will be left behind who is currently accessing services, but what about those who are not currently accessing?

Ms Evans: That is a great question; thank you for asking it. If we go back to the picture, it probably is a bit clearer. If a family have had a diagnosis of some kind, even if they have not yet entered an early intervention program, in the pink circle, they almost certainly have entered services with Therapy ACT, and they will have a continuing service with Therapy ACT. Education and Training Directorate are aware and are keeping a list as families are coming on board and would have been eligible for service next year. Those families will be offered the same opportunities as they phase into the NDIA in the second half of this year, for all the new services that will be opening up in 2015. They may not be currently in an early intervention program, but if they have had a diagnosis of developmental delay or disability, they will be accessing something. It might not be a small group program, but it will be a therapy program.

Ms Burch: If they are not, they will enter into Therapy ACT through that intake assessment and early intervention process.

Ms Evans: Through the yellow.

THE CHAIR: We need to move on. Could we just finish this section. Perhaps Ms Starick can answer this: was any work done with the enhanced service offer that led you to understand that there might be gaps in the market? Was there any analysis done on the services that were taken up? And if so, is it possible—

Ms Howson: The applications that were made and could we respond to them?

THE CHAIR: Yes, but has that been collated, and is it possible to provide the committee with that information?

Ms Starick: Yes.

THE CHAIR: Thank you.

Ms Starick: I would like to provide you with a summary of the types of things that people applied for with the enhanced service offer. I think this provides a good indication of what people have been looking for and what they will look for into the future.

One of the seven top areas would be transport—support to get to and from activities, whether that be transport that is accessible, like wheelchair accessible, or something else. Affordable options was included. There was equipment to live independently. This included aids and equipment and minor modifications. This could be in the home or it could be modifications to a vehicle or outside the home.

Information technology was high on the agenda with people's requests. This included iPads, iPods and personal computers. The rationale for these requests included to have adaptive technology to be used by people with sensory impairments, to enable further learning and improved communication skills and to enable people to stay in touch with friends. If you imagine somebody who has challenges accessing the community, some social tech media have been increasingly popular.

There are household items. This included some items related to furniture in the house as well as communication aids and equipment and devices that could be used in the home—things like adapted fire alarms. That would be if somebody, for example, was a new mum who had a hearing impairment and wanted some adapted equipment to help her care for her child.

Other items around increased independence included adaptive kitchen equipment. For example, if somebody has a swallowing disorder, there are some new products available that can puree food very efficiently. If you are a mum and you have more than one child or children with different dietary needs, it aids some of the caring responsibilities there.

There is also support for opportunities to engage in the community. This is the flexible support options, which included support for people to regularly access and be involved in community life or to build their experience, confidence and skills. This included participation in recreational, artistic, vocational or sporting activities in the ACT.

Of all of the applications—these are applications, not what was granted—there were 3,096 requests for equipment and minor modifications, 3,509 requests for quality of life grants, and 2,554 requests for flexible support and service grants. So the spread of requests was very broad, as you would expect with a population that is as diverse as the population of people with disabilities in the ACT is.

There were particular targeted requests for people, for example, from CALD

communities—

MRS JONES: Culturally and linguistically diverse?

Ms Starick: Yes. That included some support to assist family members to establish ongoing supports and access into the community. They were probably the top seven items.

THE CHAIR: Is it possible to provide that summary to the committee with the numbers?

Ms Howson: Yes. That is in a report that is already in the public domain.

THE CHAIR: Ms Porter, a new question or an ongoing question.

MS PORTER: On page 87 of budget paper 3, it talks about the school-based therapy intervention with children with developmental delays and disabilities, the therapy assistant program. It says:

The use of therapy assistants within schools enhances learning outcomes through therapy programs that improve functional skills in communication, fine motor and gross motor capabilities.

This will continue until the end of 2016, I think, from reading this, and then these services will be funded through the national disability insurance scheme. Do I understand that to mean that these therapy assistants will then be funded through the NDIS and will come into the schools to continue this program and give these children—

Ms Sheehan: Thank you, Ms Porter; I can answer that question for you. In the NDIS, the contributions that both the commonwealth and the ACT have to make to fund packages can be either through putting cash in or through what is called in kind. What that means is that we provide a service and then the value of that service counts towards someone's package.

When it comes to anything that is happening behind the school gate—that is personal care for children in schools and therapy assistance for children in schools—the ACT government will continue to fund and provide that service. But the full value of that service—which is \$4 million for personal care within schools and \$570,000 for therapy assistance—those millions of dollars count as part of the ACT contribution to the NDIS. When the child that is receiving the benefit of the therapy assistant in schools comes to the agency for an assessment, they will make their plan, and inside their plan will be some contribution: the value, the cost, of a therapy assistant in school will sit inside their package.

MS PORTER: Let us take a therapy assistant who is working in X school and working with a group of children. Will each of those parents need to have a plan which will include that therapy assistant in X school working with their child?

Ms Sheehan: It is not that they will need to, but when they go to the agency and make

their plan, part of their plan will be around supporting the education of their child. When it comes to in-kind contributions, the ACT government has to set a price for those services. That is, in a sense, a virtual bill between the agency and the ACT government. So the value of that whole program is part of our contribution, and accessing that service just sits inside the package.

It is not that the only way we can pay for therapy assistants is for every child to have to go to the agency and get a package so that we can fund them; the ACT has simply said, “Behind the school gate we are committed to excellence. We can achieve those excellent outcomes for children with the therapy assistance program. It has been a well reviewed program. It has got great outcomes for those children. We’re just going to keep funding that program.” And then when children go to get a package, we know that part of their package is actually that the ACT is contributing that to the outcomes for those children.

MS PORTER: So why is it necessary to say in the budget papers that beyond 2017—it shows zero in the budget papers under 2017-18. Right?

Ms Burch: Because it has moved.

MS PORTER: There will be another budget line in here in the future?

Ms Burch: What you will see is that it would be embedded in our in-kind contribution towards the NDIS as we move through each year into transition. In the NDIS, you will see our contribution and the commonwealth’s contribution in each year. That will change and you will—

MS PORTER: It will be occurring in a different format in the papers?

Ms Burch: Yes.

MS PORTER: I understand. But I am a bit confused about the statement you made earlier, minister, when you said: “We are getting out of this area. The government is not going to be providing services in the NDIS.” This sounds as though we are.

Ms Burch: Inside the school gate. Currently, each and every week there is personal care and other activity that happens within the school gate to support children with a disability. We are not removing ourselves from that area.

MS PORTER: Right.

Ms Burch: That will continue. Otherwise you could have multiple providers coming into a school to provide different things. For simplicity, to support the families that are embedded within a school, the activity within a school gate is an in-kind contribution, and that will continue.

MS PORTER: So going back to the example that I used before with the mother who has a child in primary school and a child in preschool, but it is a child that is coming into the preschool to receive the services because it is just a bit too young yet. It is coming in and receiving services that are provided within that preschool. They will

continue?

Ms Burch: Within a preschool?

MS PORTER: Yes.

Ms Burch: Within a traditional preschool, and certainly the specialist intervention programs attached to Malkara and Cranleigh continue.

MS PORTER: If Cranleigh is coming in to save another preschool where they are providing the services for those children, that will continue?

Ms Burch: No.

Ms Sheehan: Ms Porter, it goes back to this issue—

MS PORTER: It is just very confusing, minister. I do not understand why. Could we have some clarity around why the services that Cranleigh currently provides into other schools have to cease. It just would be really good to understand that.

Ms Burch: Why don't we park that question? When ETD comes, we can continue.

MS PORTER: Yes.

Ms Burch: As a child enrolled in mainstream preschool, we continue to provide those in-school-gate supports, because they are within the school gate. Whether you are in preschool, year 7 or year 5 down at the local school, if you can currently have a level of teacher assistance or personal care assistance, that will continue.

THE CHAIR: Ms Berry, a new question.

MS BERRY: A lot of this has already been covered so I am probably going over old ground. I know that this probably covers quite a range of areas, but can you comment generally on how services get out to people who need them? I know we talked about housing before with the example that you gave, Ms Sheehan, but I am thinking about things like speech pathology, where early detection is so important.

Ms Evans: Certainly. I think what we are providing for in the new system in terms of our mainstream service offering is that entry point for the whole community, looking at joining up government services such as the child and family centres. The human services blueprint is an essential part of how we move forward to make sure that families are captured at that very early point where they need intervention. We know that vulnerable families do not even necessarily recognise that their child has a need, so it is the universal services that are really important. They can come along to paint and play, for instance, or they can pop into a speech pathology drop-in and get some advice that is very non-threatening and can be very supportive of the family. At that point, we would start to move them along. But other universal services, such as our maternal and child health nurses, community paediatricians, GPs and other services that families routinely need, will continue to refer into the assessment services.

MS BERRY: So with those people who are identified as needing services, just using the example of speech pathology, how do you make sure that they are identified and then connected with services? How does the NDIS, when it comes in, connect with all the other agencies?

Ms Evans: That is right, yes.

MS BERRY: I know that Ms Sheehan has sort of talked about this a little in her example of housing and how housing will work in. But is that how—

Ms Evans: Can I give on an on-the-ground example; would that help?

MS BERRY: Yes, that would be perfect.

Ms Evans: For instance, a mum may bring in a three-year-old. Perhaps they come to the maternal and child health nurse for immunisation. The maternal and child health nurse says, “I am a bit concerned about this child’s speech and language.” They would refer them to this mainstream assessment service, to the speech pathology drop-in. They will get a date. They will pop in and they will see a speech pathologist. The speech pathologist will then say, “Look, they are a little bit delayed, but we think that if you come along to this parent information session, you can get some strategies and things might be okay.” Or they will say, “We have got some concerns for that little person.” We might start something with them. It might be a home program or whatever.

But if it looks like there is an early intervention need and that child is going to need a package of intervention, we would be just referring to the agency. We would give the family the support to fill in the paperwork or do whatever they need to do to engage with the agency and to get the support they need through a funding package.

Ms Howson: I might add that at a system level, the human service blueprint has also incorporated a single human service gateway. That has been funded in this budget. What we are looking to achieve there is a much more seamless engagement between the National Disability Insurance Agency and the ACT human service system. In fact, the National Disability Insurance Agency will be co-locating with our human service gateway at our site in Belconnen at Nature Conservation House.

Through that physical co-location, I am confident that we will develop some very good processes of seamless referral and support for families. Often a family will present with multiple needs, and the whole intent of this new approach to a single human service system is that we can provide exactly what that family needs at the time that they need it and for the right period of time.

MS BERRY: I know that the human services blueprint is a bit of a pilot just for west Belconnen. How will people outside west Belconnen—

Ms Howson: In terms of the human service gateway, that is an ACT-wide service and it will be virtual as well as physical in the sense that there will be certainly humans in a site that people can visit. But we will also be extending that service offer through a telephony channel as well. We will work towards improving our online presence for

families to be able to access services.

The learnings that we get from the translation of a more integrated system through the experience of west Belconnen we will move out to our other parts of Canberra as soon as we can. We will not be simply isolating that approach to west Belconnen. It will be our incubator of innovation, if you like.

MS BERRY: It is very exciting.

MRS JONES: I wanted to go to the bullying question. Should I pop it on notice? Would that be the easiest way?

Ms Burch: Yes, that is probably best if you are asking all agencies.

MRS JONES: Is it okay for you to accept that for all the agencies that you are appearing with? I will put it on notice so that it is simple; otherwise we will do it every single time.

Ms Burch: I have looked at the secretary and asked him to forward all three, yes.

MRS JONES: Thank you.

THE CHAIR: Mr Wall to close.

MR WALL: Thank you. Minister, I would just like to go back briefly to the work KPMG is doing around setting the preparedness for early intervention services. I was contacted by a parent of a young girl who was part of one of the focus groups that occurred a couple of days ago. She said that it was a great opportunity as a small group to have a discussion about what their needs were and to have them heard. What was concerning, though, was the KPMG facilitator saying words to the effect of “time is already behind us” when they were discussing whether or not the non-government service sector would be operational and able to meet the need on day 1, term 1, 2015. What assurances can you give that this will happen?

Ms Burch: I am on record, Mr Wall, as saying, and I said it at the forum on Monday a couple of weeks ago, at which you were present, that KPMG is doing some work. We have already got agencies that have put their names down. I am quite happy to share them with the committee, on notice. They have put their hands up and said that they want to move into this space and be ready.

MR WALL: But we are hearing from the facilitators that they have also got concerns so—

Ms Burch: Mr Wall, I was not there. I would say that that is very disappointing if they have actually shared that or expressed that because what I am hearing from all those in the directorate is that, yes, we need to move quickly but we are committed to do that. I have given a commitment to announce and to have publicly available these services, in place from term 4.

The recent Assembly motion said that the information will be ready in term 4. We

will have an expo. However, I think that “expo” is the word of the month at the moment. But however that may look, we will have those services available, to meet parents, for parents to meet them, to have an understanding of what those service offerings are and for these services to be in place from 1 January next year.

MR WALL: As a follow on, minister, will you maintain government-provided services if the private sector or the non-government sector is unable to meet demand come the beginning of 2015?

Ms Burch: When you say “unable to meet demand”, again, we have made a commitment. There will be no-one left without a service. For anyone who is currently receiving a service, we will not vacate the service space. You have asked the question: what about those that are not already existing as a service? They will be linked in to the new services that will move into place. There are 300 children currently enrolled in those services. Most of them—the overwhelming majority—move in, as they would do, through into preschool and school.

MR WALL: Can I just clarify this? You just said that you will maintain those services if the—

Ms Burch: No, I have just said that we will ensure that for those that are currently receiving a service—and I think everybody on this side has said this—we will ensure that there is a service for them. It may not look exactly—

MR WALL: So government-provided services—

Ms Burch: Mr Wall, please! It may not look exactly the same as it is now. I think I have been very clear that services should not look exactly the same as they are now. I would hope that many may look the same, but many more should come in in different shapes and forms to respond to those in need. This is a commitment from the government to withdraw from the services, one that you have said is Liberal Party policy as well. We are doing everything to move out of that with as least distress as we can to families.

MS BERRY: Who can they call if they are worried—for example, during those focus groups? Is there a hotline or something where they can actually speak to a human?

Ms Burch: Yes, there is. It is not an 1800 number but there certainly is a number that is advertised on information sheets. It is certainly on the Disability ACT and Therapy ACT websites. It is important, I think, collectively. This is a big change and I would hope that we collectively work together in a non-adversarial role to make sure that we do respond to those concerns. There is nothing more important to a parent than their child. If their child has significant and special needs, they are going to worry even more. We collectively should be doing all we can to make sure that they are supported and that services are in place.

There will be change. There is no doubt about that. NDIS brings great hope and opportunity, but it does bring big question marks. That is why we are doing all we can to get those question marks out of the way as soon as we can. That is my commitment to term 4—to have that information in place.

MS BERRY: And I think it is one—

Ms Burch: Can I share the number with you?

MS BERRY: Yes, share the number, please.

Ms Burch: It is 6207 1086; so 6207 1086.

MS BERRY: It is important, I think, for people at those focus groups. They might go away and think about it and then have—

Ms Burch: Absolutely.

MS BERRY: fearful moments sometimes because of some information that they did not get at that focus group. It is important, I think, that they get—

Ms Burch: And many people do not want to ask a question in front of others and they want private time.

MS BERRY: That is right.

Ms Burch: Yes.

THE CHAIR: All right; we might call it quits there. As a final, apart from the material on the various websites that we have all visited, does the government have a single document that details how the NDIS will work in the ACT, and is it possible to have a copy of that document?

Ms Burch: A single document? What do you mean by “single document about how NDIS will work in the ACT”?

THE CHAIR: Have you got a copy of how you will implement it, what you expect to happen, time frames?

Ms Burch: Yes, there are information sheets. We can put those—

THE CHAIR: No, I have seen the information sheets. But part of the concern in the community is that there is not enough information. Have you got a—

Ms Burch: If the concern is that there is not enough information, I do not know how you would put it down in one sheet—

THE CHAIR: No, I did not ask for one sheet.

Ms Burch: given the complexity.

THE CHAIR: I asked for a single document. Is there a single document that brings it altogether as a comprehensive plan?

Ms Burch: No.

Ms Howson: There is not a single document, Mr Smyth. There is, though, a single website, and that website is designed to allow people to navigate to their particular areas of interest and need. There is—the query about not enough information is that all the information that we have is available and we have been, I think, delivering a very comprehensive program of engagement with different target groups in different ways. But if there is something in particular that you are interested in, I am sure that we can help you find that.

THE CHAIR: The overarching structure on how it will work.

Ms Burch: The other part of this equation is the National Disability Insurance Agency, which is the stand-alone body—

THE CHAIR: No, no—

Ms Burch: No.

THE CHAIR: I want information on the implementation in the ACT.

Ms Burch: They are part and parcel of the equation of implementation in the ACT. We can only do so much. Once somebody is introduced to the NDIA and starts that conversation with the planner, we have no influence or control over how that conversation will go, how the assessments are made, how the final plan is determined by the planners within the NDIA. That is for the NDIA to explain, to describe and to educate the community about.

THE CHAIR: That is fine.

MS BERRY: I guess that there are so many different questions that one sheet of paper probably would not answer them all. We have just experienced today something—

THE CHAIR: No, I did not ask for a single sheet of paper.

MS BERRY: I am not talking about that. I am just making a comment.

THE CHAIR: Yes, all right. We will finish there. Thank you for your attendance this afternoon. There are a number of questions taken on notice. Could we have responses to them in five working days? A transcript will be provided. When it is available, could you peruse the document and get back to us with any corrections? At this stage, we will suspend until 4.30. We will come back to look at early intervention services, output class 2.

Sitting suspended from 4.15 to 4.30 pm.

THE CHAIR: Welcome back for the last session of day five of the estimates inquiry. The next output class is 2.1, early intervention. As we have some new staff members here, I need to ask whether everyone has read the pink privilege statement and

whether they understand its protections and implications. They have all nodded yes, which is fantastic. For your information, the proceedings are being recorded and broadcast. A transcript will be available in a couple of days for you to peruse. For any questions taken on notice, if we could have written answers in five working days, that would be gratefully received by the committee. Do you have an opening statement on early intervention, minister?

Ms Burch: No, I think I covered it earlier, chair.

THE CHAIR: Looking at the early intervention output, what is the impact of the NDIS on this area, if any?

Ms Howson: I might ask Ms Sheehan to come back to the table to support me with the answer to this question. I have already indicated that there are a number of indirect impacts of the fact that we are moving towards a consumer purchasing model for human services. That is flowing through our system in the context of us rethinking the way in which we deliver services here in the ACT. We are very pleased to be challenged by the parameters of the national disability insurance scheme in putting the purchasing power in the hands of individuals to actually select the services that they choose at the time that they choose them.

In that respect, we have been thinking about a much more person-centred and integrated approach, which is what led us to the work with the non-government sector regarding what a single human service system would look like, the blueprint which we have launched. As we said earlier today, we are very grateful for the government's support in placing that design on the ground in west Belconnen as a prototype of our thinking in that area.

That will certainly have an impact on the way in which we think about early intervention as a service offer. It is accelerating our work on looking across the whole of the ACT government and the range of services that are provided to families that are described as early intervention and prevention services, whether they are delivered by the health system, the education system, the community services system or, for that matter, the justice and community safety system.

Across those four domains, we believe we can come up with a much more comprehensive and coordinated, if not integrated, service offer for our community. My colleagues at the table—Mr Wyles, Dr Collis and Ms Evans—have been working on a new design that we will be wanting to discuss with the minister and the government shortly on how we bring all those domains together under one platform of early intervention and prevention.

That is a broad answer. In terms of the NDIS more directly impacting on early intervention, I think it is around the concept of an insurance scheme and the fact that insurance schemes drive us to investment in early intervention and prevention in order to avoid longer-term costs of use of crisis service systems or more expensive service offers, because we have not optimised the capabilities of individuals or their families.

Ms Sheehan: The output class that the committee is looking at is largely covered by the children, youth and family support program. That will be a key program in

supporting families and children with a disability who might be using the tier 2 information and referral services or might be receiving packages under the national disability insurance scheme.

As Ms Howson and the minister were saying earlier regarding establishing a broad human services gateway at Nature Conservation House and co-locating with the agency, that was after very serious lobbying that the minister was able to do with the National Disability Insurance Agency. The idea was that co-locating the children, youth and family support program, which was looking at diverting at-risk children and families away from the care and protection system, with the housing and homelessness service system and specialist disability supports was absolutely the best way that we had of making sure that children, young people and families with disabilities did not fall through the cracks.

The starting point for the NDIS is not the provision of specialist services but what legitimate access to mainstream services people with a disability should have that everyone else in the community takes for granted. By having the National Disability Insurance Agency with our broad gateway, people will access those mainstream services that our directorate is responsible for and that the whole community would have access to.

With specialised bits of the community or at-risk bits of the community, such as people using the child, youth and family support program, it is about establishing that base of what everyone else would expect to get for those families and then adding in the specialist supports that would come in through the national disability insurance scheme. In that way we would get a really well-rounded package that meets the needs of those families. The program that the committee is looking at now will be one of the key things that will support families and young people who would also then be accessing the NDIS.

Ms Burch: I might ask Mark Collis, from the office point of view, to add to that.

Dr Collis: The NDIS represents a significant opportunity, certainly for the child and family centre model of service delivery, bearing in mind that the model is about universal access, locally based, so mums and dads of children and, indeed, prospective mums, universally access our centres.

I heard in the previous session discussion around the uncertainty early in life about development and disability. Bearing in mind that the NDIS is about both disability and early intervention itself in terms of the support package, we would see this as a fantastic opportunity for our universal services to very quickly be engaged in a more comprehensive early identification network that would be working with the agency to move towards more specialised supports as required or not, because we would continue to target playgroups and programs like that to support families. So it will impact in an opportunity context; that would be my observation.

THE CHAIR: Will that lead to a requirement for more services or more occasions of service provided?

Dr Collis: It would be difficult to say in the sense of how the service system works.

What would be true is that we are already engaged in that service provision at the moment. The NDIS is bringing a significantly greater service system behind that to support children and young people.

It will mean that the service offer we have next year, and in the child and family centres the year after, may very well change and adapt so that we do have services identification and so on. It may also mean that there are more partnerships with the community sector working out of our centres. So those are the kinds of speculations about how it might work out at this point.

MRS JONES: I have a supplementary on that. Is there a targeting of specialists for children, like child psychologists and paediatricians, with information about the change? I imagine a lot of recommendations regarding what the ACT government has offered in early intervention sometimes comes through those channels.

Ms Howson: Mrs Jones, are you talking here about the early intervention programs within the Education and Training Directorate?

MRS JONES: I understand that this is much broader than that, but just in that particular area.

Ms Howson: This is where we, I think, keep tripping over ourselves, because early intervention is a term that we—

MRS JONES: Use in different ways.

Ms Howson: are using to describe many programs across different domains of government. But in terms of your question in relation to the ETD services, minister, unless you know that answer, I probably need to take it on notice.

Ms Burch: I would say answer it more broadly and bring it back when ETD are here. Certainly, through our communication with service providers, stakeholders and groups, we have provided them with the information about change.

Ms Sheehan: The NDIS Taskforce is asked to present to many different groups on the NDIS. For example, I spoke to grand rounds at Canberra Hospital, the paediatricians and paediatric staff, about the NDIS. I addressed the early intervention group that is multidisciplinary, of which Mr Wyles has the chair and leadership. So we are doing our best to not just give social media information but go eyeball to eyeball with people that will be involved in providing services.

MRS JONES: The professional associations.

Ms Sheehan: That is right, so that they can understand and really provide assistance to us. For example, the paediatricians are very interested in the diagnostic start, and planning services for children. They are very keen to make sure that there are proper memoranda of understanding with the National Disability Insurance Agency so that there can be access to their services in the way that I was describing earlier. If a child presents first for a service at the NDIA that they have not recently seen, or they have not seen appropriate clinical staff, there need to be good referral pathways back, and

children need to be seen quickly.

MS PORTER: On page 13 of the budget paper, the table shows that the number of families supported through the parents as teachers program was set to increase from 120 families to 160 families. Can you explain to the committee what the parents as teachers program is, and why it is anticipated that the number of families will rise by that extent?

Mr Wyles: Thank you for the question. In the last budget we received additional money for the parents as teachers program, which allowed us to employ an additional three full-time equivalents—one in each of the child and family centres. The parents as teachers program is a home visiting program. Typically, the staff will start visiting the mother either pre-birth or shortly after birth. It targets more vulnerable women, often with mental health or drug and alcohol problems. The program was evaluated two years ago by the University of Canberra, and that evaluation showed that there was an increase in the ability of those women to seek help; they felt less isolated and they felt well supported by that program. So the evaluation was very positive in terms of the outcomes for those women who had attended the program.

Essentially, the staff home visit and they have a curriculum around parenting and child development. They engage with the mother and, over a period of time—up to three years in fact—that education happens. That is a really important program for people who have had potential problems that may impact on the development of a newborn baby.

MS PORTER: So this is something either just prior to birth or after birth, and it lasts until they are about three years of age?

Mr Wyles: Yes.

MS PORTER: How often do they visit? Is it weekly?

Mr Wyles: They will set some goals with the parent, and they will set a frequency of visits.

MS PORTER: So it is quite an intense program?

Mr Wyles: It is quite an intense program.

Ms Burch: Home based is one of the successful criteria, because it is about the worker being in the family environment and understanding what the mum or dad has to work with, and facilitating that in-home work.

MRS JONES: What was the quantum of service provision in that area in the last 12 months? Is that in here, the number of—

MS PORTER: It says 120 families, going up to 160.

Mr Wyles: Interestingly, we have also been exploring ways to deliver that program slightly differently. Where, for example, for whatever reason, it is difficult for the

parent to have someone come into the home regularly, they can Skype them—we have had some examples of that—or phone them. So we might use mixed ways of contacting parents.

MS PORTER: Is one of the issues that they may become isolated? Everyone is coming to them or they are Skyping. I am not suggesting this as a substitution, but is there any way of bringing some of these families together to interact with one another and get some support from each other? I know that as a young mother I was very isolated with my first child. With my second child, I was able to mix with other women and it was a much better experience.

Mr Wyles: Certainly, this is only one program provided out of the child and family centres. There are a number of group programs—playgroups and other support groups for parents and children. A number of these women would start with parents as teachers but then come into some of those other programs.

Ms Burch: Each centre operates a number of playgroups. This will be home based and intensive, but it also refers back into those more mainstream services.

THE CHAIR: Ms Berry, a new question.

MS BERRY: Thank you, chair. Has there been any modelling of the costs of not identifying children who need early intervention?

Ms Burch: Have we modelled the cost of not getting in early in terms of the benefits of early intervention?

MS BERRY: Yes.

Ms Burch: I am sure that there would be. I am not quite sure whom to go to.

Mr Wyles: The best reference is James Heckman, an economics professor who won the Nobel Prize. He did a lot of work around the cost benefit of early intervention. Broadly, the figure that is quoted is that, for every one dollar invested early, you save seven.

THE CHAIR: The Productivity Commission has done a number of reports as well.

MS BERRY: How are you ensuring that no child falls through the gaps with intervention and the NDIS?

Ms Burch: This is around early intervention quite separately from the NDIS?

MS BERRY: It all kind of crosses over.

Ms Burch: It is just the universal access method of our approach and getting outside the built form of a centre. The paint and play program and others really get out, quite literally, at a grassroots level and make sure that they are open and accessible for parents and then it is that soft door, as I have described it, entry back into another range of services.

MRS JONES: With early intervention programs like paint and play, is it part of their mode of operation to keep an eye out for things that people could do with more assistance on?

Ms Burch: Yes.

MRS JONES: Are there social workers involved in that sphere, or is it more an identification tick list or something?

Mr Wyles: Paint and play is one of those universal programs around community engagement, so certainly they are open for anyone in the community.

MRS JONES: Yes, I am a big supporter.

Mr Wyles: Our workers who run those would also be looking to provide additional support and referral for people they might identify as vulnerable or needing that support.

MRS JONES: What is the method of identification?

Mr Wyles: As those groups come together, they would be talking to a range of people in those groups. It may not be direct; it may not be someone at the group. It may be someone talking about a friend or a neighbour or someone they know and connecting in that way.

MRS JONES: Like a soft connection of people?

Mr Wyles: Yes.

Ms Burch: There is a mix. They all have paint and play as well. They have different service providers or guests that come in. I remember one at Kambah I went to where they had someone from the local public health dental clinic—the picnic table at Kambah adventure playground, with kids playing and mums talking, and an oral health hygienist checking on the child's health. It was fabulous.

MRS JONES: It is a fantastic program; I love it. My kids are always at it.

Mr Wyles: I think the other thing to say in response to Ms Berry's question is that Health play a key role. Having a maternal and child health presence at the child and family centres means that women, for example, will turn up for a health check with their baby for an immunisation and that, as the minister says, allows some broad assessment around whether there are other services that may meet the need—whether there is a need for relationship counselling, women's health counselling or a playgroup or something. That is that soft referral through the range of services that are already on site.

Dr Collis: We have focused on the services that operate out of the child and family centre model. One of the real strengths of the child and family centre model, and indeed how we want to develop this in terms of the human services blueprint, is the

network of support with local agencies and local capabilities. One of the things that I think the child and family service have worked up to in the past and which we can now get much more sophisticated about in terms of the human services blueprint is taking leadership in local area planning around what are the extant needs that exist for people in a particular community.

Through that process, which we will be undertaking as part of the trial of the human services blueprint in west Belconnen, we are allocating a resource from our child and family centre model to really learn about the demographics of our community: what are the needs that appear when children enter school in that area; what are the broad economic and social impacts on families and children in that area? That will allow us to tailor our services—not necessarily those that we provide, although they could be. What partnerships in that local area planning will happen with not only child and family centres but also UnitingCare Kippax across the road from west Belco, for instance, which is doing a lot of work in this space? Together, how do we coordinate and ensure that that service system wraps around people and that we have it tailored to meet the actual needs of that community? The CFCs will play a very important role in driving the local area planning from an early childhood development sense as well into the future. That is a really powerful influence on the community as well.

MS BERRY: And just letting families know about those sorts of services. The child and family health centre at Kippax is amazing. It really does provide some incredible services for the people in west Belconnen, or other people who are visiting out that side. I just wondered whether the focus groups that we were talking about in the last output class are going to continue throughout, or will they end at some time?

Ms Howson: No, those focus groups are specifically designed to engage the service offer that will replace the withdrawal of education from the provision of those early intervention therapy services. But having said that, the model of engagement with the community is already very well established in child and family centres to engage with the local community in the context of using focus groups and other things. The local area planners, if you like, whether they are in Tuggeranong, Gungahlin or west Belconnen, would host groups and do that type of needs assessment. That is right, isn't it?

Dr Collis: That is right.

MRS JONES: Can I just add to that, if you do not mind? I notice there is this intention to shift the women's services into the child and family health centres. Is part of the blueprint also going to be assessing the needs of vulnerable women? I know this might not be quite the right forum, but I think we are looking at how that as a hub is going to work in the external suburbs particularly.

Ms Howson: The short answer is yes.

MRS JONES: And to assess the needs that are in the community.

Ms Howson: As part of designing the implementation of the trial we are in the process of working our way through just how we will identify community-based needs. As well as your standard consultation process, we will be drawing in all the

data that is available to the ACT government through mechanisms like the AEI. We will be working through some online platforms to engage the community to have a conversation with us about what they think is important and what they need in their community.

MRS JONES: So those who are most in need—

Ms Howson: Will not necessarily use that channel.

MRS JONES:—will not necessarily be the people that put their hand up for a focus group.

Ms Howson: That is right. We will also be engaging the local providers so that they will have insights, qualitative and anecdotal insights, into the needs of their community. We are very determined to draw a grassroots view into what is needed in the community. The other part of this design is that we actually allow the community to lead the priorities. So rather than the government saying, “Here’s a suite of services we’re giving to this community,” we want to hear what the community want to work on first, if you like.

MRS JONES: If you are suffering domestic violence or something, it just may be unrealistic to think that you are going to get a direct request.

Ms Howson: No, but I do expect the range of advocacy bodies that are in place will help to have those voices expressed.

MRS JONES: I hope so.

Ms Howson: We are developing better mechanisms to actually engage those that are not normally engaged in this standard consultation process. It looks like Paul would like to say something about that.

Mr Wyles: I was just going to talk directly to the services for women at the child and family centres. We have been working with the office for women to establish a regular presence. From the beginning of the third term we will have the women’s information officer a day a week in each of the child and family centres.

MRS JONES: One day a week?

Mr Wyles: One day a week in each of the centres. I would see that position working very closely with our intake workers who are working business hours five days a week and making sure that there is some sharing of information across those two positions. You are probably aware there is a range of other services specifically for women in each of the child and family centres, including specific health services like maternal and child health nurses. The birthing centre visits regularly. A women’s health counsellor and nurses visit regularly. Relationships Australia—

MRS JONES: Are vulnerable men being taken into account in this process as well, if it is like a hub for people to come to? Women are not the only people who suffer from domestic violence. We do not have enough acknowledgement of the issues that men

deal with.

Ms Howson: My view is that we do not discriminate in that sense and that the service offer is for families and whatever form those families take in our child and family centres. I have personally seen some really good interventions with single dads in west Belconnen that have had an enormous impact through the parents as teachers programs and engaging those fathers in the more universal service arrangements.

MRS JONES: Great.

Ms Howson: We would like to encourage more dads to feel comfortable to come along.

MRS JONES: It is a process, and you might find ways of engaging them.

Ms Howson: Again, we are seeing increasing numbers of male specialists, allied health professionals, working out of our child and family centres, which is really pleasing. I think we are starting to get the demographic better aligned to the nature of our community in our CFCs.

THE CHAIR: Ms Berry, something to close?

MS BERRY: No.

THE CHAIR: Mrs Jones, a new question?

MRS JONES: I am happy to pass to Ms Lawder, if she has got anything.

THE CHAIR: Ms Lawder, welcome to the estimates committee.

MS LAWDER: Thanks. I have a question about the number of group sessions and education and community development programs. The numbers are pretty steady from last year to this year. How is that determined with the growing population? How do you decide how many sessions are a good number, or is it constrained by your available resources?

Ms Howson: Again, the short response is that, within the resource envelope that we have, that is generally what we would offer. We are always looking to extract some efficiency out of the system so that we can provide more, and constantly reviewing what is working. So the nature of those programs might change while the number of opportunities might stay the same.

MS LAWDER: I notice also that your cost per head of population is decreasing, it says, due to a cessation of commonwealth-funded programs. How will you manage that change, that decrease, from about \$68 per head to about \$62 per head?

Dr Collis: Thank you for that question. As we mentioned before, with the child and family centre service model, at the moment we are constructing a service model that aligns to the human services blueprint. We are spending the time to get that new service model right so that we are better delivering our services, better working with

partners in the community to deliver on the needs that are in that community.

We are, in fact, taking the cessation of the commonwealth program, and I am talking about the national partnership in early Indigenous child development program, which essentially was funding that went into the west Belconnen centre, and absorbing that, so there will be no service changes—or no major service changes; there are always service changes in any real-life service delivery system. We are absorbing that for this six-month period while we get the human services blueprint aligned, while we look at what opportunities there are for us. Even since we have been aware of that—Mr Wyles talked about the extra investment in the parents as teachers program coming into the system, so the resource level is continually changing.

It also talks about our partners that have come into the program, such as the Smith Family, who have a very strong presence and are putting services into the program. But we are also looking very much to the other reforms, such as the out-of-home care strategy, which fundamentally is saying that we need to front-end the support of children in families. We would see that a lot of that support is in the community, and there are a lot of opportunities out of the child and family centre model to actually deliver programs like that.

The parents as teachers program is really a great example of that. I could think of a case study where many of those young mums have been able to keep their children in the family for a period of time where otherwise there was a strong risk that there may need to be an intervention around that. That is a fantastic outcome. And it is because we know that work so well that we would like to invest in that.

So with some of our resources that we see in the child protection system, we need to get out in front of the child protection system and be investing in the community, and early in the community, early in the life of a child, early in the life of a family, early in family experience.

All of that will see a service system next year which will be different. It will look somewhat different. Many of the same things—the playgroups and universal access, of course—are the things we are going to build on. We are going to be building on those really successful things. We may look at different services being available in our centres, but the actual investment—whilst I cannot guarantee, I would suggest—would be no different, if not more, in terms of that early intervention space. That is because, as we know, the whole of the human services blueprint is about getting down and getting that service right.

THE CHAIR: Just to follow on from that, on page 4 of the portfolio statements, at strategic objective No 3, there is an increase from the current financial year to the next of 80 families, bringing it up to 5,000. And it is 50 each in the outyears. How did you conclude that there would be an additional 80 families accessing the services?

Ms Howson: That is under—

THE CHAIR: Strategic objective No 3 on page 4.

Ms Howson: Again, our projection is around what we expect to be able to see in

terms of families accessing as defined by the resourcing envelopes generally that we understand we will have available to us. So we look back on past trends and knowing what funding envelope we are working within; then we make our projections around our forward forecasting.

THE CHAIR: If you go to page 9, therefore, table 5, output class 2, the government payment for this is going down 1½ million. So you have got less money and you are going to see 80 more families. What is the unmet need if you are just providing to the service? Have you done any assessment of how many other families would access it if they could?

Ms Howson: It is very hard to make a very linear connection because of the fact that we are modifying our service—the way in which we work with families, our service offers. It is very hard to make a very direct and linear connection between the two without taking into account all the changes that Dr Collis has just outlined around the way in which we will work with families.

There are three outcomes that we are looking for from the blueprint design. One is better outcomes for families. Another is that we actually have a much more efficient system in place. And there have been a number of observations that we feel that the resources in the system could deliver more productivity or more output if we worked differently together. We are very encouraged by the fact that the blueprint design has been co-designed with the non-government sector, and this is a view that they are also bringing to the table; this is not just a financial view of government.

I guess that over time the proof will be in the pudding: do we meet these targets? But we are very confident that we have got contingency in our system to be able to meet the needs of more families by redesigning the way in which we work and making sure that we have families using the services they need at the time they need them. That is why, when you look at what we have put into this design, the focus is on access—a much improved gateway service that addresses people's needs early and ensures they have the information largely to exercise their own autonomy and solve their own problems before they reach a point of crisis where it will be high cost with more intensive intervention, and, as we have families that are in a situation where they need more intensive support, that we are clearer about our objective in moving those families out of that crisis scenario and into one where they can, again, more effectively call on their own natural support systems and solve some of their own problems, engage with the services available in the mainstream more effectively.

We have demonstrated that through our trial of the strengthening families project, where we can show that families that are assisted through a co-design model, where we engage in a much more integrated fashion, can very quickly move out of a crisis situation and into a set of circumstances where they are largely looking after themselves, solving their own problems and not depending on government services as much as they have in the past.

THE CHAIR: What was the target for this financial year? You have got the budget number. What does the budget number mean? Is that the target? Is that the outcome?

Ms Howson: I am sorry; you are talking about—

THE CHAIR: Again, go back to strategic indicator No 3, the 2013-14 financial year.

Ms Howson: That is our estimate of the number. It is an estimate rather than a target.

THE CHAIR: How many have you seen in the year to date?

Dr Collis: We would have to take that on notice to get the exact number, but it would be on a trajectory to meet that target. In terms of table 5, can I just add that that includes the child family system, the children, youth and family support program, but it also includes the office of early intervention and prevention. I would just like to indicate that some of that funding is about how we construct our business in the office, not our service delivery as well.

THE CHAIR: What is the split between office and administration and then services?

Dr Collis: I will take that on notice.

THE CHAIR: All right. If we can go back to the table, strategic indicator No 3, though, do you actually turn families away? Ms Howson said that you worked to the budget, so do we turn families away or do families get lesser services because we have already used up the allocation for the year?

Mr Wyles: The great advantage of the child and family centres is, as I mentioned before, that there is an intake officer who works business hours at each of those three centres, which means that people can walk in and be seen. As part of that intake officer's job, they make an assessment about need. They will then provide a response based on that need. For some people, it may be the light touch; it may be an information brochure or it may be referral to another service. Using the west Belconnen example, UnitingCare Kippax is funded for financial emergency relief, so if that is the presenting problem the person would normally be walked across to that service. Then there is a range of things, depending on what the need assessment is. There is a brief clinic where, if there are some behavioural problems with the child, we can make a time for the family to see someone, usually within a couple of weeks, for that brief clinic. If there are health problems, we would refer to our health services within the centre or, if there is something else that is required, one of the major health centres. Programs like parents as teachers have criteria around more vulnerable women at risk.

THE CHAIR: If I could interrupt, can I say that I understand the programs, and thank you for that. But do we turn people away, and have we ever done an assessment of unmet need?

Mr Wyles: We would not turn people away. We would offer everyone something.

THE CHAIR: In regard to unmet need, have we done any analysis as to what is out there that we have not been able to reach?

Ms Howson: I think there are a number of our universal programs that we would run numerous times throughout the year. It may be that a particular client or their family

would be asked to come to a program in a couple of months time. In that sense, we would try to stagger that response throughout the year. But again, the driver behind the reorganisation of our service arrangements is that we are better able to meet the needs of families as they present—and more comprehensively.

THE CHAIR: Ms Porter.

MS PORTER: Minister, before one of the tea breaks we have had this afternoon, you talked about the fact that some commonwealth money around working with Indigenous families had been removed and you said you were looking to find other ways of approaching that. The program was running at west Belconnen, where there are a large number of Indigenous families compared to other places in the ACT. In mapping that area and looking at the local needs, what do you think might be offered either through the child and family centres or through the larger network of community organisations that you gave examples of, such as the terrific programs at UnitingCare?

Ms Burch: It is disappointing that a tad over \$1 million, which was recurrent cost and which came from the national partnership, ended and that the federal government made a decision not to renew or extend that. Our commitment to the local community, particularly in that area, to support Indigenous families remains stable. I might ask Dr Collis to talk about how we are currently planning. It is my understanding we are holding a status quo internally for six months while we do the work across our broader services—what do we bring in, what do we pull out, how do we work with the partnerships, how can we continue to maintain that investment. We are doing that work over this six months. We have made a commitment to keep the staff and status as is while we do that work. I will ask Dr Collis to make a point about what we are doing.

Dr Collis: West Belconnen, as you pointed out, is a centre of excellence for early Indigenous child development. I think we need to recognise some of the people who have been responsible for that, including Shona Chapman who started that program up. Anyone who has been out there and worked there would understand the really sophisticated relationships we have developed with the community. I am sure Shona will not mind this, but to quote her, Indigenous early childhood education is everyone's business, and one of our markers of success is how well our other centres and our other parts of the organisation respond to that.

I think it is important to acknowledge that, with the new partnership with Gugan Gulwan in Tuggeranong and the partnership with Duncan Smith and his program in Gungahlin, those are relationships which have really been nurtured and developed out of the kind of culture that has developed from west Belconnen. That is where those have been inculcated. The impact of west Belconnen is beyond west Belconnen, and to do honour to that we need to continue that process of developing our maturity right across our service system.

Specifically to west Belconnen, you are quite correct, Ms Porter—the purpose behind west Belconnen having an Indigenous focus relates to the community that lives in that area. We have no plan at all to take off that focus. In fact, people who were at the smoking ceremony opening at the front would know that west Belconnen is very

much owned by the community and is a particularly safe place for Aboriginal and Torres Strait Islander people to visit. I cannot see that being changed in the short term. Our commitment would be to continue that relationship and build on that into the new world of alignment with the human services blueprint.

MS BERRY: Burringiri. That is the name.

MS PORTER: Thank you.

THE CHAIR: A new question, Ms Berry.

MS BERRY: It goes on from the conversation about Aboriginal and Torres Strait Islander work out in west Belconnen but also across the ACT. I was reading about the human services blueprint and the work it will be doing around the Aboriginal and Torres Strait Islander agreement. Can you talk more about that work that is happening, or is that another area?

Ms Burch: It is predominantly within Mr Rattenbury's portfolio, but I would like to put in fold our commitment to support our Aboriginal community across any of the areas for which we have direct responsibility. The child and family centres are key to that, and you will see that commitment through the other output areas as well.

MS BERRY: I want to talk about this part of the human services blueprint and what it means for bringing all of those government departments together, for targeting a person as an individual with needs and what else it is doing as far as red tape reduction, telling your story once and not having to repeat it over and over again and how all that connects to the intervention work.

Ms Burch: I will start and then I will go to Mr Wyles. I think it is critical, and those of us who have worked in the front-line service delivery area know that people come with many often complex problems. The last thing we want to do is exclude them from opportunities of access into doors. We also hear repeatedly that they get weary of telling their story time and time again.

As service providers and as service users, there is also the ongoing narrative of silos of various agencies, government and non-government. Part of the strengthening families program is to cut through all of that and to appoint a single case manager who will have the delegation to actually make decisions. Whilst that caseworker could be a government or a non-government provider, could come from CSD or JACS or another agency, they will have the authority to make those decisions across those portfolio areas, as I understand.

Mr Wyles: Central to your question is the work that has been done and will continue to be done on a one-unit service gateway. In a sense, that is a bit deceiving, because it will not be one access point; it will be multiple access points. The challenge will be getting some consistency of approach across those multiple access points so that people will only have to tell their story once and then can be efficiently given what is required or escalated into the appropriate part of the service system as required.

The other piece of that work we have had some initial discussions about is taking a

common approach. Some work has been done nationally around what was called common assessment and referral but has moved to talk about a common approach and getting the right players in the room to all be on the same page in terms of some basic assessment. This has been trialled in a number of states with a view to reducing escalation into the child protection system.

If you give, for example, schools more information about how they deal with families who become homeless, they might actually be able to access more efficiently homelessness services rather than escalating to the child protection system. Those are the sorts of things we are exploring, and we have had some good interest from both education and Medicare Local around investing in that.

THE CHAIR: Ms Lawder.

MS LAWDER: I have a related question: how, if at all, will the single human services gateway assist vulnerable parents, for example? Can you outline for me how that will work?

Ms Howson: I might kick that off. One of the things we find is that people will show up into a part of the service system that either is convenient for them or they feel more comfortable with when, in fact, what they need is more comprehensive or much broader. An example would be that somebody shows up to our housing gateway service looking for housing support when, in fact, what they need might not only be housing support but also some support in relation to domestic violence, other relief support, some financial guidance and so on. Vulnerable families do not have to understand the system and be able to navigate their own way around it. Using a gateway model, through this common assessment process, the gateway will be able to offer that family the breadth of service they need to meet the circumstances they are in at that time.

MS LAWDER: So it is basically what some other states or territories might term the no wrong door?

Ms Howson: Yes, all those principles apply to this design. We are not pioneers in this; there certainly are other jurisdictions that have gone down this path, as well as the commonwealth. We are learning the lessons from their work in this area as well. We just need to localise these concepts, and our first step is towards the things that operate within CSD and bringing those together and working on this common assessment tool that Paul mentioned. If we can get all that right, I am sure we will be in a position to take advantage of technology and be able to integrate other services across the human service system.

MS LAWDER: I think what you are referring to is a tool, if you like, that mainstream services would use to get further information; is that right?

Mr Wyles: Yes. As it has been explained to me, it is a tool that has a range of domains. So some of them might be around accommodation. Where this has been trialled interstate, they found that particular professional groups may not necessarily feel comfortable asking questions outside the profession. The example they have given is that teachers may not feel comfortable asking about a family, where a family

lives or their accommodation circumstances. But that may be the critical question to help them to the service they require. The tool gives a number of domains which the professional with the family can work through in a more comfortable way, because there are prompts to ask those questions.

MS LAWDER: That is work that was sponsored or funded partly by the federal government initially some years ago?

Mr Wyles: Yes.

MS LAWDER: Is it a requirement that the states and territories sign up to it or is it a voluntary thing?

Mr Wyles: That is funded by ARACY—the Australian Research Alliance for Children and Youth—and they trialled that tool, that common approach, at four sites across Australia with federal government funding.

Ms Burch: We did a trial with the strengthening families program, which I refer to as the practical expression of the human service blueprint. We trialled it with about a dozen families and we evaluated that and reviewed our approach. This budget gives a commitment to extend that to a higher number of families and to build on that work. It is an education for us as a service provider and our community partners to understand how this actually works together, because it is a commitment on both sides.

MS BERRY: Part of the work in putting it together was working with all those non-government organisations and getting their feedback on what they saw as the need.

Ms Burch: Absolutely, and I think that is why the launch at West Belconnen Child and Family Centre had such a positive response—it quite genuinely is a co-design. This is not our brain's trust saying, "Have we got something for you to work with!" This is a true partnership and learning from everybody's collective experience as service providers about what we need to do better for the people we ultimately get up to serve—that is, those that are coming into our services.

THE CHAIR: Members, it being almost half past 5 we will finish there. Thank you, minister and directorate and agency officials, for appearing today. As mentioned at the start of the hearings, there is a time frame of five working days for the return of answers to questions on notice from this hearing. I remind members, including members not on the committee, that if you want to put questions on notice you have three days after the receipt of the uncorrected proof.

The award for today from the chair goes to Mr Whybrow. Members might not know that not only is he the Acting Chief Financial Officer for the Education and Training Directorate but he is, in fact, also the Acting Chief Financial Officer for the Justice and Community Safety Directorate. So to be across two budgets to the depth of detail that he is and still be able to explain the intricacies and the ins and outs of vocational training was a great effort. Well done, Mr Whybrow.

That is the end of day 5, and I declare the hearing closed.

The committee adjourned at 5.27 pm.