

**STANDING COMMITTEE ON
ESTIMATES AND FINANCIAL OPERATIONS**

BUDGET STATEMENTS

**TRANSCRIPT OF EVIDENCE
TAKEN AT PERTH
TUESDAY, 28 JULY 2009**

SESSION THREE

Members

**Hon Giz Watson (Chair)
Hon Philip Gardiner (Deputy Chair)
Hon Liz Behjat
Hon Ken Travers
Hon Ljiljanna Ravlich**

Hearing commenced at 3.02 pm.

McSWEENEY, HON ROBYN
Minister for Community Services,
sworn and examined:

BARRERA, MS SUSAN
Director General,
Department for Communities,
sworn and examined:

WITHERS, MS STEPHANIE
Executive Director, Redress WA,
Department for Communities,
sworn and examined:

WALTON, MR PETER
Executive Director, Corporate and Business Support,
Department for Communities,
sworn and examined:

AQUINO, MR JOHN
Acting Director, Finance and Resource Management,
Department for Communities,
sworn and examined:

CREED, MS HELEN
Executive Director, Children and Family Services,
Department for Communities,
sworn and examined:

The CHAIR: On behalf of the committee, I welcome you to this hearing this afternoon. Before we begin, I am required to ensure that the oath or the affirmation is administered. If any of the witnesses would prefer to take the oath, they should indicate that to the committee clerk, and we have a Bible that can be provided for that purpose.

[Witnesses took the oath or affirmation.]

chai: You will have signed a document entitled "Information for Witnesses". Have you read and understood that document?

The Witnesses: Yes.

The CHAIR: These proceedings are being recorded by Hansard. A transcript of your evidence will be provided to you. To assist the committee and Hansard, please quote the full title of any document you refer to during the course of the hearing, and please be aware of the microphones and try to talk directly into them. I remind you that your transcript will become a matter for the public record. If for some reason you wish to make a confidential statement during today's proceedings, you should request that the evidence be taken in closed session. If the committee grants your request, any

public and media in attendance will be excluded from the hearing. Please note that until such time as the transcript of your public evidence is finalised, it should not be made public. I advise you that premature publication or disclosure of the uncorrected transcript may constitute a contempt of Parliament and may mean that the material published or disclosed is not subject to parliamentary privilege.

I remind members again to assist Hansard by referring to the *Budget Statements* by either the volumes or the consolidated account estimates by way of page number, item, program and amount in preface to your questions.

Do members have any questions?

[3.05 pm]

Hon SUE ELLERY: I have questions across a range of the areas within communities, but I will start with your announcement in respect of Redress WA this morning. How many applications were received?

Hon ROBYN McSWEENEY: There were 10 000 names put forward —

Hon SUE ELLERY: Ten thousand exactly?

Hon ROBYN McSWEENEY: Over 10 000; I have not got the exact number, but it certainly was over 10 000.

Hon SUE ELLERY: Can you be a bit more precise? Perhaps you could seek some advice about the number of applications.

Hon ROBYN McSWEENEY: Ten thousand two hundred exactly.

Hon SUE ELLERY: Thanks. How many claims received have been assessed as eligible for the maximum payment?

Hon ROBYN McSWEENEY: At the moment there is, I think, 5 900 who are eligible; they are not being assessed for the maximum. The assessments are ongoing. The actuary has taken a look at probably 100 and done an assessment on those to get the figure.

Hon SUE ELLERY: That goes to what was going to be my next question. Can you—or perhaps you could seek advice—walk me through the modelling that you did to adjust the scheme to determine that you needed to reduce the maximum to \$45 000?

Hon ROBYN McSWEENEY: The Labor Party's modelling in 2007 was on insurance ratios, and the costs were used and an estimate was made that 80 per cent of, say, 9 689 claims received would be assessed within approximately 20 per cent of the maximum allowed. If we look at the money that was given out and the money that I have now, which is \$90.2 million, there was never, ever going to be enough money to pay the maximum —

Hon SUE ELLERY: With respect, Chair, I am actually asking the minister to walk me through the work done to adjust the caps. I am familiar with the modelling that was done to reach the scheme in the first place. I think the minister touched on perhaps a sample that was used to determine that the cap needed to be reduced to \$45 000. Could the minister walk me through the process undergone?

Ms Withers: Redress has engaged an actuary—a very competent person, recommended by Treasury, who did the work on stolen wages, so he is very experienced. He took a smaller sample of our first group of applications actuarially based. He gave us the sampling methodology, which he said was valid, and we then processed the claims and fully put them through for an assessment by our legal team and gave him the details of all of those claims. He then processed them through a financial model and came back and gave us the recommendation that, based on the claims that he had seen, we either needed more funding or, if we wished to remain within \$90.2 million, the upper payment would be in the region of \$45 000, as announced by the minister.

Hon SUE ELLERY: Okay, so the renewed modelling that you did was based on a sample. I think the information you gave me before was that the assessments are actually still ongoing.

Ms Withers: No, we processed that sample as an actuarial sample and, based on his modelling, he has told us that this is what he believes. There is an error margin in any actuarial sample; we are therefore doing another, fuller sample, and that work is being conducted now, but we believe that the upper payment amount that the minister has announced on his advice is what we look like being able to pay.

Hon SUE ELLERY: I might ask you to table for me the sample methodology that you have just referred to so that I can actually see the document in writing. Can I clarify something, so that I am absolutely clear? I have scribbled down from what you have said before that assessments were ongoing and that so far, of the 10 200 applications you have received —

Ms Withers: Ten thousand two hundred names were put forward and registered as applications by 30 April. We believe that of those 10 200 applications, possibly in the region of 5 900 will go forward to be properly and fully processed.

Hon SUE ELLERY: Do you have any idea whether, perhaps from the sampling or otherwise, for the 5 900 you expect to be eligible to receive either a tier one or tier two payment, there is any modelling or indication about the ratio between tier one and tier two of that 5 900?

Ms Withers: At the moment I believe it would be premature to say at this stage.

Hon SUE ELLERY: When do you expect to complete that work?

Ms Withers: When the second actuarial sample is completed.

Hon SUE ELLERY: When will that be?

Ms Withers: Within the next two months I think we will have a much clearer idea.

Hon ROBYN McSWEENEY: I think what your government did not do was it underestimated the actual severity of the abuse that we are seeing, and it has been absolutely horrific. It is a sad indictment on the history of Western Australia, this terrible abuse.

Hon SUE ELLERY: It is, but with due respect, we are not here for an editorial on what my government did or did not do.

Hon ROBYN McSWEENEY: You can listen because that is what I have told you.

Hon SUE ELLERY: It is not what I was asking. I have asked you what you think the ratio is. Some payments have already been made—I was making them prior to the election to those people who were terminally ill. If you are suggesting that the 80/20 modelling that went into the scheme as we developed it was incorrect, do you have a notion about what that ratio might be?

Ms Withers: Yes. The actuary told us that it is more like 70/30.

Hon SUE ELLERY: Okay.

The CHAIR: Member, were you asking for supplementary information with regard to the modelling?

Hon SUE ELLERY: Yes. I asked for a copy of the sample methodology to be provided to the committee.

[Supplementary Information No C1.]

Hon SUE ELLERY: Still in respect of Redress, can you advise me about whether there have been any adjustments in the other elements of the scheme? That goes to legal costs, support services, external panel costs or administration costs.

Hon ROBYN McSWEENEY: No, the original scheme as set up by the previous government has been followed through. It closed on 30 April and the actuary has just now looked at that sampling, as we have said, so that the scheme was as the Labor Party set it up.

Hon SUE ELLERY: Can you advise what counselling is available to people whose applications are still being progressed? I ask that particularly in light of the announcement today. I do not know about the minister's office, but I have received phone calls and emails from very distressed people today. I have been referring them to counselling and I have advised the media who speak to any of those people to refer them to counselling, because I am quite fearful that something we do not want to happen might happen. I am interested to find out whether there is any counselling available to people whose applications are still in the system.

Hon ROBYN McSWEENEY: I would be one of the only ministers in Australia who has counselled abused people and worked with abused people, so I know how difficult this decision is. It was very difficult for me to make as well, but I only had the money that I had. I set the ceiling at \$45 000. My heart goes out to them. If I could give them the world, I would, but the counselling question I will pass to Ms Withers for comment.

Ms Withers: As the member is probably aware, there was funding for counselling people to assist them while they did their applications and also to help them with their applications. We are still actually doing that because some people, while they have put in a full application, they are adding to them and they are still being supported through that process. In addition, as the member possibly remembers, there was funding in the budget for group work support, and we have engaged connect groups who will be offering free groups to Redress applicants, with an emphasis on connection with the community on moving forward on addressing some of the deficiencies typical of this group. In addition, we have a panel of social workers based at Redress WA who are giving phone counselling and, if necessary, home visits, but preferably phone counselling. In addition, as the member may be aware, there is actually quite a generous commonwealth-funded scheme through Medicare where, if somebody goes to their GP and gets a mental health plan done, they can have funded by the commonwealth government 12 individual sessions a year with a qualified clinical psychologist and 12 group work sessions. That does not cover the entire amount; however, our Redress social workers have been negotiating with people who are indigent to try to get them to be covered just for the amount that Medicare provides. In addition, there is another counselling scheme run through a GP network where people can get help for a nominal fee of either \$5 or \$10, and our social workers are also referring people to that.

[3.15 pm]

Because the Redress funding is finite, what we are trying to do for people who need ongoing help—there is actually not much point in continuing them with Redress because our funding is finite. We are actively trying to move people on to the Medicare funded scheme because that is ongoing and they can form a relationship with the councillor and get reasonably ongoing funding. We will be writing to our applicants in a newsletter very soon telling them about this and encouraging them to ring us to get support, and we have briefed our service provider. There are 26 service providers across the state, and they also are briefing the people.

Hon SUE ELLERY: If I may, my electorate office had some queries towards the end of May and the advice given then was that a newsletter would be done very soon and that counselling—I think the ConnectGroups, which I think will be funded to provide peer-type support groups, is that what you are talking about?

Ms Withers: Yes.

Hon SUE ELLERY: That was back at the end of May and it is now July and you are saying the same thing. What is the time line for the newsletter and what is the time line for the ConnectGroups' counselling project to be under way?

Hon ROBYN McSWEENEY: The newsletter is just about ready to go out to everyone who has had a successful application. Could I just say, Madam Chair, I hope that Hon Sue Ellery was not inferring that if something happened to one of these abused people, that I was in some way to blame because I came out with the statement today that the limit would be \$45 000.

Hon SUE ELLERY: If I wanted to make an accusation like that, I would have done it.

Hon ROBYN McSWEENEY: No, you actually inferred it and I took offence, so I just want that on the record that I certainly do not want anything to happen to any of the people who have been victims of abuse at all.

Hon SUE ELLERY: I do not think anyone in this room or any reasonable human being would want that to happen.

Hon ROBYN McSWEENEY: Thank you for clarifying that for me.

The CHAIR: What was the other aspect of your question?

Hon ROBYN McSWEENEY: As I was saying, the newsletter is almost ready to go out.

Hon SUE ELLERY: And the rollout of the ConnectGroups?

Ms Withers: ConnectGroups has a website, which has now been built and is up and running. It is developing the groups. This is the draft of the newsletter. As you can see, it is very close to going out. One of the issues that has delayed it is that we have only recently been able to get a fully complete and accurate list of all the applicants. That is one of the things that has delayed it. ConnectGroups is up and running and it is now taking referrals for people.

Hon SUE ELLERY: What was the delay in getting the list of applicants, because they had to apply to you? How was that delayed?

Ms Withers: The applicants were able to add to their applications and confirm and come forward with a fuller application for a little while after 30 April, so it has taken us a while to process all that data.

Hon SUE ELLERY: Okay. That is the end of the questions I had on redress. I have other questions but I do not mind if others want to —

The CHAIR: I might just ask, Hon Liz Behjat, is your question on this?

Hon LIZ BEHJAT: Not on this, no; it is on seniors.

The CHAIR: We will give you a go and come back to Hon Sue Ellery.

Hon LIZ BEHJAT: Minister, on page 793 of the budget papers, I am referring to major policy decisions and election commitments. The seniors cost of living rebate—we have some figures there that go across the years as to what it will be. I want to know how many people are eligible for that rebate; how many who are eligible for it have applied; and how many who are eligible have had that rebate paid.

Hon ROBYN McSWEENEY: Thank you. As at 20 July, 234 043 seniors have submitted cost-of-living rebate applications, which, if I can say, was the biggest payment of its type in the history of the state. Out of that number, 176 416 payments have been made to 219 086 Seniors Card holders, which places that at a value of \$18 825 725. That means there is about \$19 million circulating in the Western Australian community. So, 211 000 have actually received their money and 219 000 have been processed.

Hon LIZ BEHJAT: How many are eligible? Do you know those figures? I am trying to work out the take-up rate of those who might be eligible, as to how many have taken it up.

Hon ROBYN McSWEENEY: I think from memory it is about 280 000. We can give you the exact figures, but I think it is about 280 000.

The CHAIR: Minister, are you suggesting that is a supplementary question that you will answer?

Hon ROBYN McSWEENEY: Yes.

[Supplementary Information No C2.]

Hon LIZ BEHJAT: Similarly, with the seniors security rebate, is it my understanding that that has not yet been paid?

Hon ROBYN McSWEENEY: No, it has been announced as at 1 July and any senior who purchases some form of security on their house can fill in the form now and send it in but we will not start making payments until 1 October.

Hon LIZ BEHJAT: Okay. I suppose that it is hard to say, but are you expecting the take-up rate on that—it will not be anything near the cost of living rebate, I suppose.

Hon ROBYN McSWEENEY: No, the government has put aside \$10 million. Many seniors already have security but this is for people who do not have any and it is for people who are renting. They can still apply.

Hon LIZ BEHJAT: What about someone who has just recently put in some form of security before the rebate became available? They might have added security measures to their premises. Can a claim be made for that retrospectively?

Hon ROBYN McSWEENEY: No, it is from 1 July onwards. We announced it just after the financial year so that people would know that it was coming and they could fill in the forms.

Hon LIZ BEHJAT: So if they did it on 30 June, it is a bit of bad luck, really.

Hon ROBYN McSWEENEY: The scheme started on 1 July.

The CHAIR: I have a couple of questions. I refer to the three per cent efficiency dividend on page 794 of the budget papers under “Major policy decisions”. I wonder if you could detail where staffing efficiencies of \$300 000 will be achieved for 2009-10 and how these targets, which are three times the size of the previous year, will be achieved without compromising the quality of services to the community.

Hon ROBYN McSWEENEY: I will hand that over to the director general.

Ms Barrera: Can I just clarify which figures you were talking about please, Chair?

The CHAIR: It is page 794 under “3% Efficiency Dividend”, the top line “Staffing Efficiencies”.

Ms Barrera: The staffing efficiencies are going to be achieved with forward planning and considerable difficulty, but we are going to have to identify areas where there is perhaps duplication and an ability to reduce staff numbers, and try to do it in a way that does not compromise front-line services.

The CHAIR: Is there no further detail other than that?

Ms Barrera: As you would probably appreciate, most of our staff are permanent public servants, so our ability to reduce in a planned way is limited. We have to use vacant positions that occur through people leaving for whatever reason in a way that will least impact on the departmental effectiveness. It is quite difficult to say that we will choose a position here and there, because we do not know which positions will become vacant.

Hon SUE ELLERY: Except that you already had to do the ones for 2008-09, so you must know what they were?

Ms Barrera: I do not have that figure offhand but there were a number of reorganisational—it was confused last year because of a number of restructures in the department and changes in government et cetera. OMI was moved to a different department and family and domestic violence

was moved to a different department. The situation is not quite as straightforward as it might perhaps appear at first glance. The only way we can make reductions is through natural attrition.

Hon KEN TRAVERS: Did you actually make a saving of \$100 000 in the last financial year in staff efficiencies?

Ms Barrera: I would have to check what our actual figures were and adjust it for all the changes that I have told you about. I am sure that we met our budget targets.

The CHAIR: Perhaps I might direct my question to the minister. Just in terms of that, can that target be achieved without compromising the quality of services to the community?

Hon ROBYN McSWEENEY: I believe that it can be. It is not an easy thing to do—a three per cent efficiency. I know that with child protection I was able to get an 8.5 per cent increase but with the Department for Communities, as the director has said, it is very hard to judge because the domestic violence unit has just been taken out and put into child protection, and staff have gone over to there, and the Office of Multicultural Interests has also gone into local government, which moved staff around again. We are certainly doing it as best we can with the three per cent efficiency cut in front of us.

The CHAIR: By way of supplementary information, we had a hearing yesterday with the WA Police Service and one of the comments made was that in times of economic downturn, public servants in particular tend to stay in their jobs. If the capacity to make this efficiency cut is dependent upon people leaving, is there a projection, or can you give an indication for the next 12 months whether the rate of attrition is likely to be what it has been or is it likely to be less because of those factors, in which case meeting the target will be harder?

Hon ROBYN McSWEENEY: I believe that meeting the target will be hard because in an economic downturn, as you said, people are staying in their jobs. The department is seeing that at the moment.

Hon KEN TRAVERS: Minister, in light of the fact that your officers cannot tell us how the savings will be made at this particular point in time, how can you be so sure that you will not have an impact?

Are you able to tell us where the savings will be made? Is that the advantage that you have?

[3.30 pm]

Hon ROBYN McSWEENEY: Well, I am hoping that there will not be an impact. There are people there and I have looked at the efficiency savings as to where they want to go. In 2008-09, I think there were 33 staff over-budgeted for and I think this year, to be totally honest with you, that there will be, we are looking at 29 staff in those three per cent efficiencies. That is going to be hard. I am not sitting here saying that it is not going to be, because it is. Now, your government was going to have three per cent efficiency cut. Our government is now facing a three per cent efficiency cut. I wish it was not, but it is, and it is going to be difficult. However, the services that we have, I am hoping—I cannot guarantee you—that they are not going to suffer. I am certainly going to be working towards maintaining the services that we do have in the department.

Hon KEN TRAVERS: So you cannot guarantee it?

Hon ROBYN McSWEENEY: I am working towards maintaining the services that we have in the department and doing it well.

The CHAIR: If it is on this matter—Hon Sue Ellery.

Hon SUE ELLERY: Yes. I am after an organisational structure for the department. The reason I asked for that, is that budget paper No 3, which is the one that looks at the Economic and Fiscal Outlook, refers on page 117 to a rationalisation of structure and resources to save \$1.9 million. I am asking: what is the basis of that \$1.9 million and what is the progress of that rationalisation?

Hon ROBYN McSWEENEY: The rationalisation is an ongoing movement—it has to be. I mean, obviously it has to be done over a period of time and I will get the director to comment further.

Ms Barrera: The Department for Communities was formed out of a number of smaller units, as the member will be aware, that included the Office of Multicultural Interests, the womens' interests policy unit, children and youth, seniors, and volunteering. Each of those had their own administrative structure, plus we inherited a group of people to carry out Children and Family and Services, largely located in the regions. So, the department started off with a number of disparate units which had to be brought together as a whole and of particular importance was the need to better utilise the administrative staff that were in the original so-called policy units. That was partially done when I arrived in the department last year—about March. Over time, we have, because of the need to become a coherent and efficient apartment, rationalised to combine the services which provide cross-departmental services such as administrative support, managing brands and service agreements, handling public relations and events—so those functions have been rationalised drawing upon the resources in a different policy units.

Hon SUE ELLERY: If I may: the Treasury figure in a document is \$1.9 million. Is anyone in a position to advise me what makes up that \$1.9 million?

Mr Aquino: Which figure are we talking about?

Hon SUE ELLERY: The figure in budget paper No 3 at page 117. This is not the budget statements, this is the *Economic and Fiscal Outlook* document.

Hon LJILJANNA RAVLICH: The little book.

The CHAIR: Budget paper No 3.

Hon KEN TRAVERS: I have a copy here if anyone wants to borrow it.

Hon SUE ELLERY: It refers to 1.9 million.

The CHAIR: Could a copy be provided?

Hon ROBYN McSWEENEY: Yes, I think so.

Hon SUE ELLERY: Despite any view that we might all share about Treasury's capacity to make figures out of something —

Hon ROBYN McSWEENEY: I think we all share that!

Hon SUE ELLERY: —somebody must have a point of view or some information about —

The CHAIR: Which page, sorry?

Hon SUE ELLERY: Page 117.

The CHAIR: Thank you.

Hon SUE ELLERY: How did Treasury come to the 1.9 million?

Hon KEN TRAVERS: I should say that while you are thinking about your answer, do not worry. Some of the answers that we have just been told include “We have just been told by Treasury” or “We have not been told and we have to meet the Treasury's requirements”. That might be your answer!

Hon ROBYN McSWEENEY: Treasury might be a law unto itself, too.

Hon PHILIP GARDINER: Yes.

Hon KEN TRAVERS: You would not be the first agency to say you had been told by Treasury or for it to be news to the agency that Treasury has not told you yet!

Hon ROBYN McSWEENEY: That is very true.

The CHAIR: Mr Walton.

Mr Aquino: Sorry, John Aquino.

The CHAIR: Sorry, I have my bits of papers crossed!

Mr Aquino: It is basically when the three per cent dividend was being worked through with Treasury, a table was computed and in terms of the stage one savings for rationalisation of the structure, it was basically pro-rated over a period of four years. Those figures, I mean, they were a part of that budget briefing that was just done.

Hon SUE ELLERY: But that is not the three per cent.

Hon KEN TRAVERS: This is over and above the three per cent.

Hon SUE ELLERY: This is in addition to the three per cent.

Mr Aquino: Rationalisation of structure?

Hon SUE ELLERY: Yes.

Hon PHILIP GARDINER: It appears that way in the budget papers that I have.

Hon KEN TRAVERS: If you look in your own budget papers, you have got that extra line of economic audit in them.

The CHAIR: Page?

Hon KEN TRAVERS: On page 794.

Mr Aquino: Treasury just advised us of the figure that we were to use and that is the figure that we pro-rated across the years.

Hon SUE ELLERY: Okay. If I may follow up on that, I am advised—first of all, I asked if I could get an organisational structure; you might be able to provide me that now and that would be useful if you could. Also, I am advised that the separate offices of womens' policy and seniors and volunteering no longer exist. Can you tell me if that is correct or not?

Hon ROBYN McSWEENEY: No; we have the Office of Seniors—well, if I say we do have the Office of Seniors, we have the seniors' centre and we have policy people in the department that work with the Office of Seniors. I will hand you over to the director to comment further on that and then I will get back to the other.

Ms Barrera: Part of the need for rationalisation was to combine some of the policy capacity so that we still provide policy and program support to seniors and to womens' interests; but in actual fact, since the department was formed, there has not been a separate office for women—it was part of the policy division. In order to, I think, improve our ability to provide a policy capacity to cover all of our interest groups—and that includes seniors, volunteers, carers, women, et cetera—the policy functions have all been brought together. There is a group of people who have responsibility for women and other things. They can become more familiar with a number of different areas but our commitment to providing that policy support remains.

Hon SUE ELLERY: Okay, thank you. Can you outline what changes have been made to advisory committees since September 2008?

Hon ROBYN McSWEENEY: There are two advisory committees that I did stop: one was the Women's Advisory Council because I wanted to set up a new one and put my own stamp on it, and the other was the Aboriginal women's congress. So those two have gone and also the childcare committee has gone because I wanted to do it differently. I wanted to have forums with childcare. The Women's Advisory Council is just about to be reformed and I believe it is going to be a really good advisory council. All the women on it will have links back into their particular women's committee that they belong to and that will be formed next month.

Hon SUE ELLERY: What did you take issue with in terms of the women's advisory committee and the Indigenous Women's Congress? How did you think they were not—what were they not doing?

Hon ROBYN McSWEENEY: No; they were doing a very fine job and I had a morning tea to thank most of them and another one is coming up to do that: to thank them for the work that they did—the good work on behalf of your government. But this is a new government and I wanted to do things a little differently.

Hon LJILJANNA RAVLICH: It just amazes me that there should be some confusion about what is the three per cent efficiency dividend as opposed to what is the economic audit panel references in the budget. That senior officers of the department actually cannot make that distinction is absolutely mind blowing! Anyway, be that as it may, the economic audit, which was going to lead to the rationalisation of the structure, I am hearing the minister say that some of these specific sections in the structure were actually doing a very, very good job but they were doing such a good job that you actually decided to get rid of them!

Hon ROBYN McSWEENEY: No; the advisory committee.

Hon LJILJANNA RAVLICH: Were you instructed by Mr Shergold to actually find a quantum amount, which is just under 2 million by rationalising the structure of your agency or did you go to the economic audit panel and advise them that this is what you want to do because of the policy decisions that you have taken as a minister in your own agency?

Hon ROBYN McSWEENEY: I think that you just heard the department say that Treasury came up with the figure.

Hon LJILJANNA RAVLICH: So Treasury instructed you?

Hon ROBYN McSWEENEY: Treasury came up with the figure, as it did across all departments, on the three per cent efficiency and the cuts —

Hon LJILJANNA RAVLICH: No.

Hon ROBYN McSWEENEY: They left what we did up to the department, and I will hand you over to the director so that she can say once again what she just told you.

Hon KEN TRAVERS: I think you need to understand that we are talking about the economic audit and not the three per cent efficiency dividend. They are two different things.

Hon LJILJANNA RAVLICH: I am talking about the economic audit and the panel set up headed by Mr Shergold, who is working in consultation with Treasury, and basically they are finding efficiency savings across the whole of the public sector, that is, in each and every agency within government, and they are working, I think, with government agencies and ministers to find savings. Now what you have said to me, minister, is that your agency was instructed by the economic audit panel to find just under \$2 million worth of savings and how you came up with them in terms of the internal rationalisation within your agency was, basically, up to you; but you were instructed to find that. You have also put on the public record that the economic audit panel in fact did exactly the same to every other agency across the state meaning that the economic audit panel is calling the shots in terms of finding money and determining policy outcomes.

Hon ROBYN McSWEENEY: I think that you are getting a bit carried away with this whole thing.

Hon LJILJANNA RAVLICH: No; I do not think that I am.

Hon SUE ELLERY: It is difficult not to with the evidence that is —

Hon LJILJANNA RAVLICH: Well, I think the minister has just reaffirmed that, but I just wanted a clarification that my understanding was in fact what happened and I think that the minister has —

Hon ROBYN McSWEENEY: I have not actually met with Mr Shergold. I am meeting with him, but I have not met with him yet.

Hon LIZ BEHJAT: You should, because he has got a lot of power.

Hon LJILJANNA RAVLICH: But you managed to find the savings. You cut your programs.

Hon ROBYN McSWEENEY: I said the savings were ongoing—that it was ongoing.

Hon KEN TRAVERS: I am still—a very clear question: how are you going to achieve the saving headed “Rationalisation of Structure” and in this year it is \$566 000 at page 794 of the budget. How are you going to achieve that this year?

The CHAIR: Mr Walton—I got it right this time!

Mr Walton: Correct. Work is actually underway and in the reformation of the department, particularly in the policy and planning area, consolidation of offices is actually delivering significant savings through the abolition of some senior positions in the structure and the reconstitution of the portfolios. We are then also looking at a range of other expenditure areas that are operating expenses such as consultants we engage, travel, vehicles and the like—these are the areas that we are targeting to deliver those sorts of savings.

Hon KEN TRAVERS: So this is over and above the three per cent cuts and the election commitments with regard to media and marketing?

Mr Walton: Correct.

Hon KEN TRAVERS: Can you provide us with a detailed breakdown—and you can take this on notice—of, in each of those areas, how you have, what you are doing and how much you are saving for each area?

Mr Walton: Certainly.

[Supplementary Information No C3]

Hon KEN TRAVERS: Just to be clear, that is the items listed under election commitments; for savings under media and marketing; the items under the three per cent dividend; and the items and the economic audit—if we could get a detailed breakdown. Effectively, your agency is getting a four and a half efficiency dividend, not a three per cent.

[3.45 pm]

Hon LJILJANNA RAVLICH: Reference was just made also to cuts in vehicles. How many vehicles are going to be cut? How many vehicles do you have to start with?

Mr Walton: It is 59 vehicles, and at the present time our immediate target is a reduction of six.

Hon LJILJANNA RAVLICH: Treasury has you at 62.

Hon KEN TRAVERS: That is your 10 per cent that you have got to do as an automatic thing for Treasury.

Hon LJILJANNA RAVLICH: But I am saying in terms of the cuts that you referred to, are they the cuts that have been imposed—the 10 per cent by the Premier in vehicle fleet reduction across all government agencies—or were you intending, as a part of the economic audit requirements, to actually reduce the number of vehicles in any event?

Mr Walton: Work was underway to reduce the number of vehicles. The discrepancy between the figures might be accounted for by some vehicles being commonwealth program funded. I am referring to the vehicles in our fleet.

Hon LJILJANNA RAVLICH: How many vehicles were you going to cut prior to the Premier’s notice that there should be a 10 per cent reduction?

Mr Walton: We had targeted six as our immediate target.

Hon KEN TRAVERS: That is, under the three per cent efficiency dividend you are cutting six vehicles as part of your savings for the three per cent efficiency or as part of your rationalisation structure you are cutting six vehicles?

Mr Walton: It is part of the economic rationalisation.

Hon LJILJANNA RAVLICH: Now there is another requirement by the Premier for a 10 per cent cut, so does that mean you will reduce your vehicle fleet by 16 vehicles all up or are you going to negotiate with the Premier's department in terms of this new requirement that has been placed by him on your agency?

Mr Walton: There is a slight difference in the percentage, but our immediate target is six and we are looking to further reduce if at all possible. We are looking at our utilisation of vehicles on a per-trip-per-day basis, and if we can reduce further, we will.

Hon LJILJANNA RAVLICH: Will that impact on your front-line services?

Mr Walton: That is part of the process of looking. We are doing daily logs on all vehicles. We will endeavour to get the best use out of all vehicles without impacting on front-line services.

The CHAIR: Just before I came back to Hon Sue Ellery, I might just take us back to page 794 again and the second line item under the three per cent efficiency dividend. Could you please specify the outputs of the activities that will be reduced or cut as a result of the budgeted reduction in the community relations activity of \$500 000 for 2009-10, 2010-11 and 2011-12, and the \$532 000 in 2012-13?

Hon ROBYN McSWEENEY: You are asking for the reduction in community relations activities, are you?

The CHAIR: Yes.

Hon ROBYN McSWEENEY: It is to be achieved through reducing the cost of the extensive community awards and events program, partly through timing to smooth peak workload periods and of media monitoring and related consultancy services. Increased revenue will be generated through sponsorship and cost sharing through partnerships. With the new look awards and events programs, the community education opportunities through media publicity and awareness raising will continue, but internal DFC communications tools, such as the redevelopment of the internet may be affected. Reduction in publications and corporate communications is to be achieved through scaling back publications and other promotional activities, which underpin a broad range of activities and services, including ceasing non-essential work to upgrade DFC's intranet and internet capability. A number of publications are to be reduced, but alternative electronic options have to be explored. Reduction in administration overheads is to be achieved through stringent controls on staff travel, the engagement of external service contractors, motor vehicle fleet operations and the use of office consumables. The focus will be on streamlining while aiming to maintain services to the public and ministerial offices.

Hon SUE ELLERY: The one after refers to the reductions in non-government sector payments. Can you outline how you are going to meet the \$1.296 million over four years? Under the three per cent efficiency dividend heading, the last entry refers to reductions in non-government sector payments.

Hon ROBYN McSWEENEY: That is to be achieved through actively managing discretionary staffing expenses and administration overheads. The department has commenced a review of all funded services, which is ongoing. That has been in place, I think, since 2002. The review is focusing on current and future community needs, and will assist in identifying efficiencies that could be secured in relation to non-government funding. At this stage, all the non-government contracts have been given 12 months approval.

Hon SUE ELLERY: If I can go back to budget paper No 3, which is the *Economic and Fiscal Outlook*, it is page 117 again, it refers to the cutting on grants across government, not just your agency, by \$200 million over four years, beginning with \$64 million to be cut this financial year. I want to understand what your role in that is, given that part of your strategic objectives includes partnerships with the non-government sector, for example, and supporting relationships with non-government. I want to understand what role the Department for Communities will play in determining how those cuts will apply.

The CHAIR: Is it page 117?

Hon SUE ELLERY: Sorry, it is not page 117. Page 83 is where it starts and it goes over to page 84, so it is at the bottom and then goes to the top of page 84. Then I think there is a table on page 85.

Mr Walton: Treasury has supplied guidelines and a framework just very recently, in the last week or so, and it is quite specific as to what it is we are to look at. We are working our way through that at the moment. We have to put back to Treasury our justification for grants that we believe should continue.

Hon SUE ELLERY: Is that DFC grants or grants across government?

Mr Walton: We are looking at the Department for Communities specifically.

Hon SUE ELLERY: My question is somewhat broader than that, because part of the corporate function of the Department for Communities is, if you like, the kind of whole-of-government advocacy on behalf of the non-government sector, so I am asking what advocacy role, if any, is the Department for Communities playing in ensuring that those reductions to grants to organisations is done in a reasonable, equitable fashion.

Hon ROBYN McSWEENEY: I should hope that they would all be done in the reasonable, equitable fashion, but I will hand you over to the director general.

Ms Barrera: In terms of the across-public-sector evaluation of the grant program, I have to say that our involvement has been very limited to date. I am not sure whether that is going to continue, but in the existing forums that we attend, we do emphasise the importance of the government/non-government partnership. It is critical because governments cannot deliver all services, and our partnerships with the non-government sector are critical. We advocate for that.

Hon SUE ELLERY: Can you perhaps talk me through some of the guidelines about how the reduction is to be made? What criteria you are to use when assessing your own grants, for example?

Mr Aquino: The guidelines that have come through, as Mr Walton has indicated, from Treasury have come up with a range of criteria to define whether a grant is a grant or whether it is budget for service as such. As we have just said, we were still very much at the nascent stage of that whole analysis process. We have got to do it within the next week. But that analysis defines whether a grant comes within a one-off nature, whether it is paid to an individual, and a whole range of criteria. I guess what we are going through is a whole range of grants that we currently classify as grants, to see whether they comply, and then we will be responding to Treasury accordingly.

Hon ROBYN McSWEENEY: I will be very hands-on on that. There are grants, such as the school program as one grant, to be specific. There are grants there; I am going to be very hands-on to make sure —

Hon SUE ELLERY: They have already been excluded. The document already excludes education grants.

Hon ROBYN McSWEENEY: Yes, but there are other grants in Communities that I would suggest are needed.

Hon SUE ELLERY: That same budget paper refers in its second report to the economic audit committee as being responsible for the implementation of that. Does DFC have a seat at that table in respect of the cuts to grants at all?

Ms Barrera: No.

Hon ROBYN McSWEENEY: When I was referring before and I was rudely interrupted, I was talking about the school holiday grants that we give out to all the small communities. Being the Minister for Communities and being very community orientated, there are grants that I would absolutely specify need to stay.

The CHAIR: Just before we proceed, I want to check that Hansard got the answer to the question, which was no. I thought it was a bit soft. Ms Barrera, I believe you said no in answer to Hon Sue Ellery's. Is that correct?

Ms Barrera: That is correct.

Hon SUE ELLERY: If I can go to the childcare regulations and the compliance with regulations. Are you able to tell me how many breaches of regulations by operators you have had in the six-month period from 1 January to 30 June, the nature of those breaches, whether or not there are more or fewer breaches for the same period in 2008, and how many of those breaches have proceeded to prosecution? I appreciate you might not have that information at hand right now. I might ask you to take it on notice, but you might be able to give me some comments, for example, about the number of prosecutions.

Hon ROBYN McSWEENEY: I will hand you over the Helen Creed.

Ms Creed: I do not have those figures that you have asked for, but we can certainly provide them. In terms of the prosecutions, there are certainly a number of prosecutions that are currently before the Magistrates Court—I think a total of seven different cases, but, again, I can give you that actual figure. That is an increase on the previous years.

[Supplementary Information No C4.]

Hon PHILIP GARDINER: I refer to page 796 and to service and key efficiency indicators about a third of the way down the page. There is a table there. I have just a few questions on this table. It is obviously because I do not understand the structure of your department, but the average cost per service is \$121 152 in 2008-09 and expected to be \$122 248 in the current budget year. What is the service? What is the definition of "service" in that term? It is the only efficiency indicator at the bottom of that table in the middle of the page, and is the average cost per service. What is the definition of that "service"?

Ms Creed: There are a range of services that are provided by the department that are counted under community and family support. For example, we provide parenting programs. We have a telephone line, where parents can ring for advice. We also have a library of resources where sometimes parents ring direct or, based on the request they are making on the advice line, we say, "Look, we've got this resource material that you might find helpful to address this issue that you are raising." We have those parenting coordinators located in regional areas as well, and so they may well be running groups about parenting issues. They may be providing community information.

[4.00 pm]

For example, our parenting staff operated a stall at the Wagin Woolarama. Huge numbers of people came through. They were able to provide advice on a range of questions that parents might have about what to do if their babies keep crying and that sort of stuff and the myriad other questions parents might have about their babies, children, teenagers et cetera. They are the kinds of direct services that are included under community and family support.

Hon PHILIP GARDINER: It is hard for me to get my mind around the fact that \$121 000—I know you are not saying this—goes to the Wagin Woolarama to do it.

Hon ROBYN McSWEENEY: The department provides and funds a number of services, as Helen has just said. Parenting services: Early Years program; ParentLink home visiting services; Best Start family centres; community parenting services. Parenting: Aboriginal Early Years parenting; ParentLink services—they all cost money—ParentLink home visiting services; Parenting WA, which is an excellent service to the regional community and the city. Early Years: historically, the Early Years development grants have been counted as one service and numerous Early Years activity has been counted as one, giving a total of two services for Early Years. Grants are also given to Dads in the Early Years; and there is the Best Start partnership with non-government family centres; family and community support; childcare industry support; support and self-help service; WACOSS; and the Yarloop community project. WACOSS is the peak social body.

Hon PHILIP GARDINER: There are roughly 20 of those kinds of programs, if you average it out because there is \$20-odd million being spent under the community and family support, so there are roughly 20 of those programs averaged out at 120 000 —

Hon ROBYN McSWEENEY: There are 166 total family and children's services throughout the state.

Hon PHILIP GARDINER: Some of them would be very small.

Hon ROBYN McSWEENEY: Yes.

Hon PHILIP GARDINER: That indicator does not tell me much about the efficiency. Nonetheless, I know that is not your idea; it is Treasury's. I guess they are seeing a lot of sad people out there, especially in the current circumstances. Some of the good news we have heard is that there is a youth justice strategy, which I understand you are involved with, set up with the Department of Corrective Services.

Hon ROBYN McSWEENEY: No, that is the Attorney General's department.

Hon PHILIP GARDINER: I am told that it is a cross-department service operating in Geraldton and the eastern goldfields. Is that budgeted anywhere, and how much are you putting into it?

Hon ROBYN McSWEENEY: The department is not involved in any of the service delivery. However, it was involved in helping to set it up with Corrective Services. Corrective Services does the service delivery. In the department, we do have the department for youth, although it is not in my portfolio; but it is certainly in the department. The program you are talking about is with Corrective Services.

Hon PHILIP GARDINER: When we heard about it before, it sounded like a very exciting program. It sounded as though all the walls between the departments were not there, which sounded terrific. I am a little bit concerned that your department is not as involved as I thought it might have been for this age group of 10 to, I think 22, in making a difference.

Ms Barrera: As the minister said, there are a large number of those types of initiatives. A lot were aimed at our indigenous youth. We were involved in the developmental stage. But we do not have staff in all the areas where they are being run and the staff, who are mainly in Helen's division, have other large responsibilities, including all the parent and childcare support et cetera, which we have to prioritise out of the services we provide. We reached the point at which we felt the youth initiative that you are referring to did not require our ongoing participation because it was impractical, and we have other priorities.

Hon LIZ BEHJAT: Is there not some sort of ad hoc participation? Correct me if I am wrong, but the Department of Corrective Services said that the Department for Communities had ongoing involvement in the Geraldton program from time to time.

Ms Barrera: A lot of our staff have an interest in the area. Some of them have participated from time to time because people in the regions tend to work in a very collegiate way. But, as I said, we

do not have a formal commitment to that program because of the priority we need to give to our services.

Hon LIZ BEHJAT: I do not think there was an indication that it was formal. But I think Corrective Services was saying that it is a good thing that people are doing collaborative things up that way.

Ms Barrera: We collaborate in quite a number of things in the regions, as we can.

Hon KEN TRAVERS: There is the midnight basketball competition there.

Hon PHILIP GARDINER: So there is no allocation of spending under your budget for that program.

Ms Barrera: No.

Hon PHILIP GARDINER: If it is too late, you have to wait for the next budget year, when it will be a policy decision whether you get involved in a program like that, I presume. You cannot do anything now.

Hon ROBYN McSWEENEY: No, not in dollar terms but certainly, throughout departments, if they have an interest in that and they are community development issues, they will go over and help out. There will certainly be collaboration across departments.

Hon PHILIP GARDINER: I guess that is the story of your work: you never have enough money to do what is required out there.

Hon ROBYN McSWEENEY: In communities, there are so many things that one could get involved in. I would get involved in all of them if I could but it does not work that way, unfortunately. We aim to fund those that have an immediate effect in an area.

Hon LIZ BEHJAT: I am looking at significant issues impacting on the agency, apart from the redress scheme, which we have spoken about. The rest seem to be fairly motherhood statements about the agency.

The CHAIR: Can we please have the page number?

Hon LIZ BEHJAT: I am sorry, it is page 795. One that is of particular interest to me through some of the constituent work I am doing is the review of the Carers Recognition Act. That seems to be one of the few things there that is tangible, from my point of view. Will that still be able to be implemented, given the efficiency cuts you have to face and other sorts of restructures et cetera? If it is, when will that happen?

Hon KEN TRAVERS: You are stealing my question!

Hon ROBYN McSWEENEY: Pardon?

Hon KEN TRAVERS: I was just pointing out that she was stealing my question, minister, because you do not think I have an interest in this area, and I was ready to go!

Hon ROBYN McSWEENEY: Hon Ken Travers was on the first committee that set up the Carers Recognition Act.

Hon KEN TRAVERS: I co-authored the policy that led to it.

Hon ROBYN McSWEENEY: You did indeed, in 2004. Hon Sue Ellery is also very interested in the Carers Recognition Act.

Hon LJILJANNA RAVLICH: She is a carer.

Hon ROBYN McSWEENEY: Yes; for very good reason. It was undertaken between June and September 2008 and was tabled in both houses of Parliament in November 2008. Since that review has been completed, we have announced a number of policies targeted towards achieving greater efficiency in public sector expenditure. The response to the findings of the review has been informed by those policies. I have approved a proposal to adopt an outcomes-based approach to

addressing the findings of that review to conduct an annual survey of carers based on outcomes specified in the carers' charter as part of the compliance reporting by relevant agencies, which is Health and the Disability Services Commission. We have had initial discussions with the Carers Advisory Council. Obviously that will be ongoing with other stakeholders including Carers Australia (WA), the Department of Health and the Disability Services Commission. The first carers' survey and associated consultations are expected to be completed during 2009. The results of that survey will be provided annually to the Carers Advisory Council, the Department of Health, the Disability Services Commission and other relevant stakeholders. I was looking not so long ago at the Queensland legislation not just disability and health, but all agencies are expected to have an input. I have not gone down that path because this is my first time, I guess, as a minister and having carers. I have changed it a little from what the previous government had, so I am waiting to see what the surveys come back with. I believe it is a very important area and it is a growth area. There are many people caring for people with many types of disabilities.

Hon SUE ELLERY: One of the things the minister said just then was that the cuts had an impact on how the response is being developed for the Carers Recognition Act. Can you specify what impact cuts have had on how government has responded to the carers' recognition review?

Hon ROBYN McSWEENEY: Under me, I do not believe it has had an impact because it has been ongoing and I have come up with the surveys and those surveys will go out. In fact, it has not had a cut; I believe that this is a more efficient way to handle the Carers Recognition Act.

Hon SUE ELLERY: In the notes you just read from, somebody must have put the words in there about the cuts having an impact.

Hon ROBYN McSWEENEY: I said, "... achieved greater efficiency in public sector expenditure".

Hon SUE ELLERY: Where is the word "impact"?

Hon ROBYN McSWEENEY: Since the review was completed, the government has announced a number of policies targeted towards achieving greater efficiency in public sector expenditure.

Hon SUE ELLERY: The next sentence.

Hon ROBYN McSWEENEY: The response to the findings of the review has been informed by those policies. However, I go back to that. In my opinion, the survey that we are going to send out, I do not believe there has been an impact. Yes, I read that out, but just because there is greater efficiency in public sector expenditure, it does not mean that I have cut back anything to do with the Carers Recognition Act. It is just a different way of looking at things. I have looked at the Carers Recognition Act. Even if they came up with some other, I would have said, "No, let's go back to the carers and let's see what they want".

Hon SUE ELLERY: With respect, when you use language like that that says the way you are implementing a particular policy has been informed by a decision on cuts, it gives people the impression that you have amended your response to save money, so perhaps you ought be a bit careful with your language. If I move on, there is a sense of frustration amongst carer organisations that part of the government's response is surveys, for example, and further consultation. Carers' organisations say the facts about the things that are influencing carers' capacity to do what they have to do are already known. There is a sense of frustration that the government's response is in fact about a further round of consultation rather than amending the legislation to pick up the changes that the review actually recommended. Do you have a comment on that?

Hon ROBYN McSWEENEY: Yes, I do. The Carers Recognition Act was a good start and we do need to make some changes. But that was in 2004, and I would like to see now if what you put in the Carers Recognition Act has had an impact on carers. The only way I am going to find that out is to send out a survey to see how that has had an impact and if it has made it better for carers. You can tell me that is what carers think, but that was in 2004 and it is now 2009. I really think that we

owe it to the carers, of whom there are many—I know you have a very personal interest in it, but this is the way that I can find out whether it has had an impact.

Hon SUE ELLERY: With respect, there is a Carers Advisory Council and Carers WA, which have provided evidence to government in the course of the review about what they want. There are carers' views and carers' voices being provided directly to you.

[4.15 pm]

Ms Barrera: If I can just add—

The CHAIR: That was not a question.

Hon SUE ELLERY: It was an editorial piece!

The CHAIR: Yes!

Ms Barrera: If I can make a brief comment, the Carers Advisory Council has been quite frustrated in its dealings with the two departments named in the act—namely, the Health Department and the Disability Services Commission—and it has tried very hard to improve compliance with the act in its dealings with those two departments. Our suggestion is that we might have a greater ability to engage their commitment to the objectives of the act if we had better data from carers, and that is the premise upon which the reforms are being developed.

Hon SUE ELLERY: We will have to disagree about what data you have already got.

Hon KEN TRAVERS: I am getting completely confused. I thought that Hon Liz Behjat's question was a very good one. The dot point on page 795 talks about the implementation of the review of the Carers Recognition Act. I will ask the question so that the minister can correct me if I have misunderstood what she is telling us. What I am hearing from the minister is that she is not going down the path of implementing any of the recommendations—although I thought I heard the minister say earlier in her answer that she is—but that she is doing a survey to more broadly inform her of what she should be doing. What I am keen to know is: of the 16 recommendations, which ones has the minister accepted, which ones is the minister implementing, and which ones has the minister rejected or wants to have further consultation on; and what is the time line for implementation of each of those recommendations? I am happy for the minister to take that on notice.

[*Supplementary Information No C5.*]

Hon ROBYN McSWEENEY: Most of the recommendations have been taken on board, but I will give you a thorough analysis.

Hon KEN TRAVERS: One recommendation that I am particularly interested in is the issue about expanding it out for compliance by the Department of Education and Training. I think Ms Barrera made the comment about health and disability services. I think there is general acceptance that it needs to be expanded to include the education department to ensure compliance and monitoring. Can you tell us where that is up to?

Hon ROBYN McSWEENEY: When it comes to monitoring and compliance, when I was in Queensland I saw legislation there—I am not sure now whether it was proposed legislation or whether it was already in train—that requires all departments, not just disability and health, to meet compliance requirements. I find that very interesting. I have the view that that would be a good thing. I am not saying at present whether we would go down that road, but I am saying I am doing further investigations to look at the Queensland legislation.

Hon KEN TRAVERS: I would welcome that. I did some work on this act, and there are lots of different models that we could use, and we could set minimum standards and do a range of other things and make it a compliance approach. Are you saying that you are going to hold up the development of the expansion of this act to the education department while you make the decision

about whether to broaden it out to all agencies? I would have thought that because of the size and the role of the education department as a carer, it would be worth getting on with doing that part and not waiting to make a decision about other agencies. I know how government works. It will take forever to get every other agency signed up through cabinet, as opposed to targeting one area that would give us a big bang for that change.

Hon ROBYN McSWEENEY: I am just wondering why you did not do that when the Carers Recognition Act was put forward. Was there any reason that only two departments were included—disability services and health?

The CHAIR: I think we are straying a bit outside the budget and doing a bit of history revisiting.

Hon KEN TRAVERS: My view about the act is that it will always be an evolving act. It is one of those things where we start with the big agencies in which the majority of carers are located. That is why I see education as the next big—for want of a better term—block of carers where you could bring them under the coverage of the act. I agree with the minister that we could eventually take it out to all departments, but it is about doing it progressively. Health and disability services at that time were, and still are, the two big agencies, but that is not to say that we should not expand it further.

The CHAIR: Excellent! I want to ask a question now! I refer to page 793, “Major Policy Decisions”, and the heading on page 794, “3% Efficiency Dividend”. The 2009-10 budget contains no increase above current indexation to the non-government sector. The NFP indexation has been set at four per cent for 2009-10, compared with 4.754 per cent for 2008-09, yet the existing indexation policy was not designed to address cost increases resulting from the increased demand for services that is now being experienced in part as a result of the economic downturn. Why has the department not considered a revision of the current NFP indexation policy, or a modification of that, to address the current social conditions?

Hon ROBYN McSWEENEY: This has been going on for a long time. Even in good economic times—the eight years of the Labor government—the non-government sector was never given the 30 per cent pay increase that it wants, even though I acknowledge that it did get some pay increase. I will hand over to Ms Barrera.

Ms Barrera: Are you referring, Madam Chair, to the indexing policy that was introduced to adjust grants?

The CHAIR: That is correct.

Ms Barrera: That is actually not something for which we are responsible. It is a centralised government policy. It is worked out between Treasury and the Department of the Premier and Cabinet. They advise us of the figure, and we implement it.

The CHAIR: Okay. So it is not within your control.

Ms Barrera: No.

Hon SUE ELLERY: If I may, part of the strategic objectives of your department is the partnerships with the non-government sector. Certainly through the Department of Communities in the previous government we had the human services industry round table, and we had a whole a bunch of forums whereby information was gathered and then passed on to influence the Department of the Premier and Cabinet, and they sat at the table, as did Treasury, and the Department for Communities played a role in influencing the decisions about that indexation. So while the actual allocation does not sit within the budget of the Department for Communities, part of your strategic objectives is to strengthen the partnerships with the non-government sector.

Hon ROBYN McSWEENEY: Certainly WACOSS is meeting with the Premier, and the Premier is meeting with non-government groups, and the service industry round table is going to look a little

different. We have been working with WACOSS on that. The department has good partnerships with the non-government sector, as do I.

Hon SUE ELLERY: I refer to page 794, childcare licensing fees. I note that the budget papers do not refer to this as a fee for service, so I want to clarify this. Will the fees that are collected be kept by the department; and, if so, what will the department use those fees for?

Ms Creed: The licensing fees—the \$706 000—is money that Treasury has indicated we need to collect through licensing fees, and that will be retained within the department. A corresponding amount has been taken out of our budget to compensate for that.

Hon SUE ELLERY: Okay. So will you quarantine, if I can use that expression, that money so that it will be used solely for the purpose of meeting your statutory obligations in respect of childcare regulation?

Ms Creed: The budget for childcare licensing is considerably more than \$706 000. I am not sure what you are asking.

Hon SUE ELLERY: I just want to make sure that the money that you collect will, number one, stay in the Department for Communities, and you have said that is true; and will, number two, be spent for childcare purposes.

Hon ROBYN McSWEENEY: We can provide that as supplementary information.

[Supplementary Information No C6.]

Mr Walton: I was going to add to Helen's response in that the expenditure in this area far exceeds the fees collected, so in that sense, yes, it will stay within that area and will be spent within that area.

Hon SUE ELLERY: It has been a few months now since the budget documents were prepared, and your estimation of that \$706 000 is based on what you anticipate licensing fees will be in the future. Given that the childcare industry remains a fairly marginal one, have you had cause to revisit whether that \$706 000 is going to be collected or not?

Hon ROBYN McSWEENEY: I have certainly had cause to revisit the actual fees that we will be charging. We are discussing that at the moment with the small rural childcare services because of the feedback from the childcare organisations, which I am very happy to listen to. At the moment we are looking at figures that will reduce that, in particular for small rural services and for family day care.

Hon SUE ELLERY: Thank you.

The CHAIR: I refer to page 794, "Outcomes, Services and Key Performance Information", and to "Service Summary" on page 795. The 2009-10 budget allocates an amount of \$8.638 million for childcare services. That is less than the amount of \$8.847 million that was allocated in the previous budget. Can you provide information on how this lesser amount will adequately address the shortage of childcare services, particularly given the recent closure of some private centres?

Ms Creed: I guess it is the difference between the budget and the actual that we need to clarify. We will need to provide that as supplementary information.

[Supplementary Information No C7.]

The CHAIR: The second part of my question might also fall under that. How much of this allocation will address factors impacting upon the quality of services, such as staff training, which we know is fairly poor in this area, and also wages?

Hon ROBYN McSWEENEY: As far as staff training is concerned, the department did a survey of all childcare licensing qualifications, and we actually came up better than any other state in Australia in that about 60 per cent had a certificate III. When we go over to COAG and listen to

them, they are talking about some people having masters degrees and degrees. So there is a discrepancy around the states about what is required in childcare centres. But I am quite pleased with Western Australia's certificate III, and the diploma level was quite high as well.

The CHAIR: What about wages?

Hon ROBYN McSWEENEY: I am always saying at COAG that the wages—which I think are \$14.25 an hour—are absolutely appalling for the job that they do. They do a terrific job. They are looking after the most precious people in the world—other people's children—and they are paid \$14.25 an hour. That is not right, and it needs to be increased.

[4.30 pm]

Hon LJILJANNA RAVLICH: Will you be arguing for a wage increase on behalf of your workers?

Hon ROBYN McSWEENEY: At a federal level, I think that—

Hon LJILJANNA RAVLICH: No, it is a state level issue, so will you be arguing for that?

Hon ROBYN McSWEENEY: I have been out saying that it needs to be increased.

Hon LJILJANNA RAVLICH: So you will put on public record that you think childcare workers should be paid more?

Hon ROBYN McSWEENEY: I am happy to put it on the public record; I have always thought that way.

Hon PHILIP GARDINER: I thought \$17.50 was the basic hourly wage.

Hon ROBYN McSWEENEY: I think it is \$14.25.

The CHAIR: Welcome to the childcare sector!

Hon SUE ELLERY: I turn to the review of the childcare regulations. That review made 28 recommendations. Can I request—I would be delighted if you could provide it to me now, but I suspect you cannot—that the committee be provided with an answer on how each of those recommendations is being implemented? You might be in a position now to draw to the committee's attention how progress on some key recommendations have been made, but otherwise I am happy to put the question on notice.

Hon ROBYN McSWEENEY: I can say that that review was a very good review. It was chaired by Hon Kate Doust and all those recommendations are now in train. There has been a cabinet submission put forward on those changes and it is going forward, but I am happy to provide the committee with further information.

[*Supplementary Information No C8*]

Hon SUE ELLERY: There is some concern in the debate around early childhood and the commonwealth hubs, and what relationship the commonwealth hubs might have with WA family centres and that whole debate that is going on about school sites versus non-school sites—all that sort of thing. Is somebody in a position to make some comment to the committee about what we see the future of WA family centres being, what relationship they have with the developmental work that is going on with regard to the hubs—what is broadly described as the COAG process?

Hon ROBYN McSWEENEY: COAG seems to be a moveable feast on childcare, and it needs to be, so that we can get it right. In Western Australia the government has said that early childhood is with education and the zeroes to threes actually remain with the department, so all the parenting centres and family centre communities, and the actual education side of it from three upwards, is the education department. Yes, the talk is around whether they will be on school sites or whether they will be off-school sites. I think the five Indigenous hubs will be built; I believe four of them are up north and one is in the city, in Darch. That has not been announced yet.

Hon KEN TRAVERS: It has been now! We like to break the news on this committee!

Hon ROBYN McSWEENEY: I believe that Darch may be getting one and the other four will be going up north. I am advised that it is not Darch; I made a big mistake. It was not Darch.

Hon KEN TRAVERS: You have cancelled it already? That is in our electorate, too!

Hon ROBYN McSWEENEY: I do believe that one of them will be in the city and four of them will be in the north.

Hon KEN TRAVERS: But the one in Darch has already been cancelled!

Hon ROBYN McSWEENEY: No! I can say that the one in Darch is a YMCA, and it is a childcare centre.

Hon SUE ELLERY: So what is the future of Western Australia's family centres?

Hon ROBYN McSWEENEY: They will remain under communities, and I certainly expect no change as yet, but as I said, it is a moveable feast between the commonwealth government and the state governments. The commonwealth government is saying that these early learning centres should have teachers employed in them. What I have said is could not the teaching capability be done in daycares with diploma levels and be monitored by a teacher, because when we look at what is up north, it is going to be very hard to retain a teacher in a childcare centre, and there is all the talk around wages as well. I do not think that has really been well thought-out on the commonwealth's part, but it is a moveable feast and it has been changed. The language has been changed, thank goodness. When COAG first released its paper on early childhood, it talked about the politics of children, and that was not very good language to have. Now that has changed and I think they are on the right track, but it will be quite confusing for a little while.

Hon SUE ELLERY: With regard to the senior's security rebate, the scheme is funded for \$10 million with a yearly budgeted allocation of \$5 million this year and \$2.5 million for the two years after that. I am being asked questions about what flexibility there is to spend more in any one year. The notion that people have is that it is first in, best dressed, so you might get to the point at some point during this financial year where you have reached your \$5 million allocation and the next day someone will put in an application and will be told, "No, sorry; you've got to wait until next year". What flexibility do you have in how you make the payments match up with your allocations per year?

Hon ROBYN McSWEENEY: It is \$200 per household, and they will only be able to receive one rebate per household during the life of the scheme. Yes, it is basically going to be first in, best dressed, but as I said before, there are many, many seniors who have their security already, and some seniors might just need a security light, which obviously is not \$200, so they can put in for that and get the payment back.

Hon SUE ELLERY: But you do not have the flexibility, so if you reach your \$5 million on 23 February, and on 24 February someone puts in an application for a security light, they will not be able to get it because you have reached your \$5 million.

Hon ROBYN McSWEENEY: I could always make an application to Treasury, and that always has been on the table to do that, but at this point in time there has been \$10 million, a certain amount, set aside.

Hon SUE ELLERY: I am not talking about the total cap; I am saying within that \$10 million—I think you will get most applications early on—what capacity do you have to go, for example, over the \$5 million in this financial year? If you reach your \$5 million on 23 February—part way through this financial year—if somebody puts in an application on 24 February, they will be told, "You have to wait until 1 July".

Hon ROBYN McSWEENEY: No, I believe that there is flexibility there to do that.

Hon SUE ELLERY: So it is not first in, best dressed?

Hon ROBYN McSWEENEY: Certainly up to the \$10 million it is, but I am not going to be so pedantic as to say what the member is saying—that they are not going to get paid. It is the \$10 million block, and yes, while it has been done like that over four years, I am certainly not going—

Hon KEN TRAVERS: You can guarantee that anyone, at least for this financial year, who puts in an application will get it funded if they meet the criteria?

Hon ROBYN McSWEENEY: Yes.

Hon LIZ BEHJAT: There are 25 000 households, are there not?

Hon ROBYN McSWEENEY: Yes.

Hon SUE ELLERY: Yes, but some of them will have security doors but not a lock on the back door. Seniors will take it up, for sure.

Hon ROBYN McSWEENEY: Yes, and I hope they do. That is why it has been put forward.

Hon SUE ELLERY: What are you doing to ensure that seniors know about it?

Hon ROBYN McSWEENEY: There have been application forms put out in various places. I have been on radio a lot to tell them about it, and my seniors seem to know; the senior's centre is getting a lot of calls about it. There have been media releases; every parliamentarian is putting out flyers.

Hon SUE ELLERY: On the question of how people find out about things, what announcements have been made in WA about the agreement with the federal government for reciprocal travel concessions for seniors?

Hon ROBYN McSWEENEY: That is being done through Hon Simon O'Brien's department, but certainly our senior's centre has information on that.

Hon SUE ELLERY: Has he made an announcement?

Ms Barrera: I have seen numerous media reports about it, so I assume he must have.

Hon ROBYN McSWEENEY: Yes, he did.

The CHAIR: I refer to page 795, under "Outcomes, Services and Key Performance Information". Given that the number of families in need of support in facing increasingly complex problems is increasing in Western Australia, could you give reasons as to why there is no significant increase in funding to services providing community and family support from 2008-09 to 2009-10, particularly considering the reduction in funding to the non-government sector? There are a number of factors at work there.

Hon ROBYN McSWEENEY: Family support is picked up with the Department for Child Protection. It has a role to play as well. I will get Helen to answer that question.

Ms Creed: I guess the dot point the Chairperson is referring to provides some information about specific services in the parenting area that this department has been focusing on, and as the minister has indicated, there are a range of other departments that have services and supports for families. That was meant to identify some of the areas that the Department for Communities is particularly focusing on.

Hon ROBYN McSWEENEY: And there are the 203 non-government services that provide support to families. Not all of them, but a great deal of them provide support to families.

The CHAIR: On page 797, under "Outcomes, Services and Key Performance Information", "Strategic Policy and Coordination", the budget indicates a decrease in the average cost of policy development and coordination for projects and programs relevant to seniors for 2009-10, compared with 2008-09. Could you detail how this lower cost target will be achieved and whether it will meet

the needs of our ageing population and our ability to effectively plan for that change in the demographic?

Hon ROBYN McSWEENEY: It is a \$7 million decrease?

Ms Barrera: It is \$700 000.

Hon ROBYN McSWEENEY: I will let the Director-General answer the question.

Ms Barrera: Is the Chairperson referring to the performance indicator budget estimate decline for policy coordination projects for seniors?

The CHAIR: That is correct.

Ms Barrera: I would have to say that measurement of policy initiatives is more of an art than a science. If we do a couple of big projects, it will artificially inflate the average cost per project, so I would see that as almost a normal variation from year to year between the kinds of projects that we would do in any of our policy work for communities of interest. We will be, as I mentioned before, trying to multiskill our staff to help improve the efficiency of the whole policy effort so that people will not be only specialised in one particular area, but I do not think that is enough of a difference to impact on the quality of the work that we do.

Hon ROBYN McSWEENEY: I do not think seniors have missed out with this government. We have just talked about the cost of living rebate and the security rebate, and free transport for seniors. We certainly are providing seniors with service.

Hon KEN TRAVERS: As long as they do not own a boat.

The CHAIR: Or they are not going fishing!

Hon KEN TRAVERS: Or they do not use electricity!

Hon SUE ELLERY: I have two more questions, but I can put them on notice.

The CHAIR: That is very generous of the member; I think it is a very good idea!

Thank you very much for your attendance this afternoon. We will finish the hearing now.

Hon ROBYN McSWEENEY: Thank you.

Hearing concluded at 4.44 pm