

GENERAL PURPOSE STANDING COMMITTEE No. 4

Friday 15 February 2008

Examination of proposed expenditure for the portfolio area

COMMUNITY SERVICES

The Committee met at 10.00 a.m.

MEMBERS

The Hon. J. A. Gardiner (Chair)

The Hon. C. E. Cusack

The Hon. K. F. Griffin

The Hon. S. P. Hale

The Hon. R. A. Smith

The Hon. H. Tsang

The Hon. L. J. Voltz

PRESENT

Department of Community Services

Dr N. Shepherd, *Director General*

Ms D. Rygate, *Deputy Director General, Strategy, Communication and Governance*

Mr J. Parisi, *Director, Financial Services*

CORRECTIONS TO TRANSCRIPT OF COMMITTEE PROCEEDINGS

Corrections should be marked on a photocopy of the proof and forwarded to:

**Budget Estimates secretariat
Room 812
Parliament House
Macquarie Street
SYDNEY NSW 2000**

CHAIR: I declare the meeting open to the public and welcome the officers from the Department of Community Services to this supplementary hearing. At this hearing the committee will further examine the proposed expenditure for the portfolio of community services. Before we commence, I make some comments about procedural matters. In accordance with the Legislative Council's *Guidelines for the Broadcast of Proceedings*, only committee members and witnesses may be filmed or recorded. People in the public gallery should not be the primary focus of any filming or photographs. In reporting the proceedings of this committee, you must take responsibility for what you publish or the interpretation you place on anything that is said before the committee. The guidelines for the broadcast of proceedings are available at the table by the door. Any messages from attendees in the public gallery should be delivered through the Chamber and support staff or the committee clerks. I remind witnesses that they are free to pass notes and refer to advisors while at the table. I ask everybody to turn off all mobile phones. As to the format of the hearing, there will be questions from the Opposition and the crossbenchers.

Given the inquiry's reporting date, the committee has resolved to request that answers to questions taken on notice at this hearing be provided within 14 calendar days of the date on which they are sent by the committee secretariat. Any questions taken on notice today will be sent through to the Minister for Community Services. Due to the reasonably short timeframe, we would appreciate it if witnesses would endeavour to answer questions during the hearing rather than taking the questions on notice. If you do elect to take a question on notice please bear in mind the timeframe for the return of notices.

NEIL CRAIG SHEPHERD, Director General, Department of Community Services,

DONNA THERESE RYGATE, Deputy Director General, Strategy, Communication and Governance, Department of Community Services, and

JOHN PARISI, Chief Financial Officer, Department of Community Services, on former oath:

CHAIR: Dr Shepherd, do you wish to make an opening statement today?

Dr SHEPHERD: No, I do not.

The Hon. CATHERINE CUSACK: At previous inquiries we have asked you about staffing issues within the Department of Community Services and I think you have actually described it as a good news story for the department in terms of the additional positions. You said at a previous estimates committee meeting: "We are having over 1,500 applications for caseworker positions. We can only handle 275 in the coming year." You talked about the low staff turnover, meaning you are not losing permanent workers, and basically it sounds like staffing has been a wonderful story in the Department of Community Services. The Public Service Association [PSA] however, in its newsletter of September 2007, complains about the Department of Community Service's failure to fill vacant caseworker positions:

Caseworker positions are unfilled. Some of these positions have been vacant for up to 12 months. Other regions are in a similar situation. Due to excessive workloads, lack of staff and unfilled positions, staff/middle management are unable to comply with many DOCs policies, this includes the "Training and on the job practice requirement for new caseworkers ...

The PSA has been raising concerns about all the above issues and the failure to fill vacant positions for sometime and remedies are now urgently required.

Are we talking about the same organisation, in terms of your description of staffing versus the Public Services Association's description?

Dr SHEPHERD: The Government gave the Department of Community Services originally 875 caseworker positions to be filled over a period of five years. The department has largely met those targets and, in fact, imposed its own additional target of another 150 out-of-home-care caseworkers to add to the 875 caseworkers. So that is 1,025 additional caseworkers. As at 31 January this year we had, in fact, a net gain of 730 caseworkers. So we have made substantial inroads into the target and we anticipate that the recruitment over the second half of this financial year will take us substantially above probably 900 caseworkers.

In 2006-07 we started an additional 530 caseworkers and this financial year we have already started 319 caseworkers. So we are recruiting caseworkers at a rapid rate. In order to meet the 1,025 we need to recruit about another 1100 caseworkers. There are reasons for that. The first reason is if you have a seven per cent turnover as we do—that is very low by industry standards—then over the five years of the reform program that is an additional 530 caseworkers we need to start just to keep pace with the turnover. In the Government's reform package we have also been given an additional couple of hundred manager caseworker positions—if you get new caseworkers you need somebody who can supervise them. There are an additional 200 manager caseworker positions in the department. Almost all of those manager caseworker positions will be filled by existing experienced caseworkers. So there are an additional 200 we have to find on top of that. Then there is turnover in the manager caseworkers themselves and over that period of five years there would be a turnover of about 125 manager caseworkers. When you start to look at those numbers the department in fact has done a massive amount of recruiting and training of caseworkers. We also started the process with an underlying deficit of 213 caseworkers. So before we even started there was an underlying deficit there. My view is that by the end of the five years of the reform program we will have basically met our target except for the 213 underlying deficit and we will get the 213 in the first half of 2008-09. By the end of this calendar year the Department of Community Services will be as fully staffed as it can be, given that it has a turnover of seven per cent in permanent caseworkers.

When the Public Service Association talks about some offices having very substantial levels of vacancy, that is true. In far western New South Wales particularly, where it is very hard to get people to go, we have caseworker vacancies. At the moment we are participating in the Premier's department enhanced process of getting people into Western New South Wales. We have a number of strategies of our own to get people to go to western New South Wales, such as short-term secondment of experienced caseworkers. That has certainly been working and some people have wanted to extend their secondment in western New South Wales. We are also looking at ramping up even further the incentive packages to go into western New South Wales to try and get a full complement of staff there. Because not everybody wants to go to western New South Wales, or to some parts of regional New South Wales; we have a substantial number of people who have been deemed eligible to become caseworkers that are on eligibility lists for the more popular places. There are 27 on the eligibility list for Strawberry Hills, the central Sydney community service centre; 23 for Parramatta; 23 for Ballina, not surprisingly; 19 for Lismore and so on. We have done everything we can to persuade those people to take positions close by, or in other community service centres, but if they do not wish to we cannot force them. We are also trying to get experienced caseworkers from those community service centres to move to other places to free up spaces.

There are some, if you like, unders and overs in the system, where you have some places significantly understaffed and other places not. The places that are considerably understaffed are considerably outweighed by places that have a full complement or near to a full complement of staff. The other thing that is still sitting in the system, of course, is that we have not recruited all of the caseworkers for 2007-08—the year is not over! Most of the recruitment occurs in the second half of the year because that is when the new graduates become available to us in numbers. There are still some community service centres that have not received their full increase in staff.

We are in fact talking about the same organisation but when you look at the hard facts, and the hard facts come from the people that we pay on the payroll, then the organisation has done an amazing job in recruiting a vastly greater number of caseworkers than the target. It has had to do that because the department is talking about net gains.

It is not talking about just the number of people that it has recruited. As I said to you, we recruited 530 in 2006-07 and we have recruited a further 319, but what we are putting on the record is the net gain including the turnover.

The Hon. CATHERINE CUSACK: I have not heard of the underlying deficit of 213 caseworkers. Has that ever been reported by the department, that you are aware of?

Dr SHEPHERD: It would come out in any net numbers that we have published. It has not been a secret. It took a while to work it out. In 2002 when I arrived in the department there were some 4,500 positions on the books and we paid about 2,400 people. So, it was very hard in 2002 to work out exactly what the net position of the department was. It was not until we significantly improved the human resources systems that we were able to be very confident about what the gap actually was.

The Hon. CATHERINE CUSACK: Can I just get those figures again? That is 4,500 positions?

Dr SHEPHERD: I mean, they are rough figures, 4,500 positions.

The Hon. CATHERINE CUSACK: How many were funded positions?

Dr SHEPHERD: That I cannot tell you off the top of my head. I think you have to go back to the Government's injection of a substantial amount of funds in 2002 and why they injected those funds given that the organisation systems were in a significant level of disarray, and that was largely attributable to decisions made by both governments in the prior decade or so.

The Hon. CATHERINE CUSACK: 20 years ago, yes.

Dr SHEPHERD: Well, I do not know, 20 years ago—whatever.

The Hon. CATHERINE CUSACK: Yes, it is in fact 20 years ago. Sorry, can I just take you back to that. You mentioned how many people were employed by the organisation in 2002, and I think you said—

Dr SHEPHERD: Roughly 2,400. We can get those figures for you as accurately as we can, but I would not be confident in using anything other than a very rough approximation in providing evidence to the Parliament on what the 2002 position really was. I can tell you what I think it was, which is what I have done. That gives you, I guess, the scale of the discrepancy: that is the issue. If you have a discrepancy of, say, 2,000 in an organisation the size of the Department of Community Services between positions that are notionally on the books, now a lot of those positions are not real. They are just positions that might have been changed. There might not have been anybody in them for quite a number of years. They might have been positions that were there at one time, the whole structure had been changed and they had never been removed from the system. If you have a dysfunctional human resources system, that is what can happen. So, what we did over the period 2003-04 was intensive audits of each of the community services centres in order to rationalise what the underlying position was. The current human resources system has a very accurate picture of the positions that have been allocated to the community services centres across the full range of staff and who is currently occupying those positions. Obviously, we also know when we intend to fill the new positions that have been made available to us over the five-year period.

The Hon. CATHERINE CUSACK: Is it fair to say that all the positions on the books in the department now are funded positions?

Dr SHEPHERD: Yes, that would be fair to say.

The Hon. CATHERINE CUSACK: You could take an accurate snapshot of which positions are vacant and which positions are filled?

Dr SHEPHERD: Yes. I do not mean to be obscure, but vacant is a pretty complex term. It is a simple concept in lay terms, but once you start dealing with human resources terms it gets pretty tricky because positions can be vacant in your and my terms for a whole host of reasons.

The Hon. CATHERINE CUSACK: I am thinking about the Department of Community Services worker in the office and she is the only one and there are meant to be three people there and there is clearly only her. So, that is a vacancy.

Dr SHEPHERD: Yes, but if you go in there today, into a community services centre, then there will be some positions in which there is nobody operating: they are either on leave, they are on sick leave, they are on maternity leave, or something else. As I said, some of those positions will have been backfilled by temporary employees, some of them may not. When I talk about vacancy, and I suspect when you are talking about vacancies, it is where there is no permanent or temporary occupant against the position.

The Hon. CATHERINE CUSACK: Correct.

Dr SHEPHERD: And yes we can identify those. And as I said to you, in some community services centres, particularly the small ones in far western New South Wales, there are situations where they are significantly underresourced. That is no secret.

The Hon. CATHERINE CUSACK: How many vacancies are there at the moment?

Dr SHEPHERD: In the department, I will take that on notice so I can give it to you accurately, but it will be the 213 plus the ones that we have not yet recruited in this financial year. So, it will be a number in the 400s roughly.

The Hon. CATHERINE CUSACK: The 213 are caseworker positions, is that correct?

Dr SHEPHERD: Caseworker positions, yes.

The Hon. CATHERINE CUSACK: Why are 213 positions vacant? Are they not funded?

Dr SHEPHERD: No, the positions are funded. The problem is that if you look at the massive recruitment task that the organisation has had—it cannot just recruit, it has to train as well—pretty much you cannot go much faster than we have gone. Again, these are rough figures, my guess is that we have taken in and trained well over 1,500 caseworkers, probably more, in the five-year period. In fact, it will be more than that. The training is a very intensive process because we get these people in as social work graduates or social work graduates with a number of years experience in other organisations. They then require eight weeks intensive face-to-face training on child protection, the legislation around child protection, identifying issues in child protection, and identifying what amounts to physical abuse and what amounts to other forms of abuse. Then we need to train them in the field. So, the training does not occur in a single eight-week block; it occurs over a period of 9 months to 12 months as we train these people with a number of modules, put them out in the field, get them to work with somebody closely, bring them back for the next bit of training, put them back out again and so on.

So, when you look at that huge task of recruiting and training, I think what I said originally is that by the end of calendar 2008, which is the end of this year, we should have not only done everything that we committed to do, including the extra 150 caseworkers, but we should have got through the backlog of the 213. The other thing we have done over the period of the last few years is to change substantially the way we recruit. We do not use the old-style public sector recruiting techniques now. It is a much more sophisticated approach that targets every possible available avenue of potential people who would be qualified to become caseworkers. We work with the universities during the year and prior to the students sitting their final exams in order to pick up people that way. We have Aboriginal cadetship schemes running. We target the Aboriginal communities locally and through the general Aboriginal networks in order to get people in as Aboriginal caseworkers. We run online recruitment, which has been remarkably successful in getting an increased number of applicants. We go to all of the careers expos through the Department Education and Training and so on. So, there is a massively more sophisticated and much broader set of techniques that we now use in order to recruit. I doubt there are any avenues that we are not currently exploring to get the recruits.

The Hon. CATHERINE CUSACK: You indicated that you had over 1,500 applications for caseworker positions.

Dr SHEPHERD: No, I said we would have brought in—

The Hon. CATHERINE CUSACK: No, no, no. I am sorry, I am referring to your answer in the earlier estimates hearing.

Dr SHEPHERD: Sorry, okay—not the one I just gave.

The Hon. CATHERINE CUSACK: Fifteen hundred is a popular number in staffing figures. You indicated that you had over 1,500 applications for caseworker positions since 3 August and you indicated you can only handle 275 in the coming year.

Dr SHEPHERD: Okay, there is something wrong there because we can certainly handle more than 275. We have already started 319 in this year. No, what I said was another 275 caseworker positions are being created in 2007-08 and that includes 200 from the original package plus 75 from the additional 150 out-of-home-care caseworkers announced in the 2006-07 budget. So, they are positions. We will recruit a lot more caseworkers than those positions. We have already done that. My view is that we will get well above 600 in this financial year.

The Hon. CATHERINE CUSACK: So how many would be in training at the moment?

Dr SHEPHERD: I can get that for you on notice because the training courses start and finish, they are almost continuous, but I would need to get the accurate answer. Every caseworker, and every managed caseworker for that matter, who comes into the department receives the full range of training, and there is additional training for Aboriginal caseworkers as well. Now, there are more than 400 caseworkers that successfully completed the course in 2006-07 and there were 217 in addition to that who completed the introduction to the early intervention program courses well.

The Hon. CATHERINE CUSACK: It is hard to see how we could be up to 1,500 altogether. The target is to train 1,500 altogether over the period.

Dr SHEPHERD: We will train them. At the end of this calendar year there will be some caseworkers, the ones that are recruited between, say, June and December, who will still be at some point in the caseworker development course. That is normal. We bring them in. As I said, we give them intensive, eight-week, face-to-face training and then they are put out into the field for a period of time and then they come back for more of that eight weeks training. There will not be caseworkers recruited who are not going through the caseworker development course within a very short period of them being brought into the department.

The Hon. CATHERINE CUSACK: Are the 213 caseworker positions funded positions?

Dr SHEPHERD: You asked me that and I said yes.

The Hon. CATHERINE CUSACK: My next question arising from that then is what has happened to the funding for those 213 positions, given that they have not been able to be filled?

Dr SHEPHERD: The organisation receives roughly \$1.2 billion or thereabouts per annum. About \$360 million-odd of that is employee related. You do not tie it down to individual positions. Obviously, in any organisation that is growing, if you are not able to use the money for these positions today, there are other positions within the department that are part of the reform package that that money can be applied to, or it may be that you need to do some additional systems development or some additional development around training or whatever. It is not as if the money sits in a little pocket over there and because no-one is sitting there it gets handed back to Treasury.

The Hon. CATHERINE CUSACK: What does each caseworker cost the department on average?

Dr SHEPHERD: It is over \$100,000.

The Hon. CATHERINE CUSACK: Say it is \$100,000, there is about \$21.3 million per annum not being spent on caseworkers because of the 213 underlying deficit in caseworkers. In a normal budget process that would present itself annually as a figure if those positions were funded and then you would say we are underspent by \$21.3 million on caseworkers so we will allocate this funding to other programs? That would be a normal way of allocating the budget, I would have thought. I am wondering how you are allocating those funds to other programs. What are the other programs that would be benefiting from that underspending on those caseworkers?

Dr SHEPHERD: What would make sense would be to just work out the salaries component and where the salaries component finished in what we are allocating, what we spend on salaries, and then we would allocate that discrepancy across other programs. For example, last year the out-of-home-care costs spiked in the second half of the year and—

The Hon. CATHERINE CUSACK: The Government indicated there was new funding for that.

Dr SHEPHERD: If you go back to the way the package was originally structured, it was structured to meet 2001-02 levels of demand and there was no funding for growth in the package. So, we have had to meet—from efficiencies largely—our dealing with the increasing demand. That includes both children and out-of-home care, and there has been a significant increase in the recent past in children and out-of-home care—there was a 19 per cent increase in 2006-07—and that spike, which occurred late, is largely attributable to the increase in child protection workers who are now taking these cases into the courts. We are now getting to more chronic neglect cases, and as you get to more chronic neglect cases and start taking some of those into the courts, you find you are not dealing with one child, you are usually dealing with a significant number of children. So, some of the sibling groups that are coming in for out-of-home care is as high as seven. When you look at that big spike in out-of-home care, that is what happens. You adjust your funding across the total net cost of services for the department, and that is a commonsense way of managing the budget.

The Hon. CATHERINE CUSACK: I understand. Are you saying that there has not been any funding for growth since the 2002-03 financial year?

Dr SHEPHERD: There has been funding for indexation, which is the normal thing.

The Hon. CATHERINE CUSACK: Yes, for salary increases but there has not been funding for growth in demand being placed on the department?

Dr SHEPHERD: Correct.

The Hon. CATHERINE CUSACK: Since 2002-03?

Dr SHEPHERD: That is true for child protection and out-of-home care. There was a massive injection of funds which started in 2003 but the decision was made at the end of 2002, and the department, in my view, could not have grown any faster than it has grown, given the base we were coming off, which was an organisation in a significant level of dysfunctionality. We had to build the systems, we had to get caseworkers in, we had to get the training programs organised properly, we had to scale the whole thing up, we had to find accommodation for the new caseworkers, which has involved a massive accommodation program over five years. So, what we now have is a platform. The Government was always very clear that towards the end of the five-year reform program there would be a review to see what adjustments needed to occur based on changes in demand and necessary changes, perhaps, to the frameworks, and so on. The establishment of the Wood commission effectively does that because it enables a review. If you look at the terms of reference of the commission, it looks at the resource, it looks at the demand, it looks at the future demand issues and the frameworks within which child protection occurs in New South Wales.

The Hon. CATHERINE CUSACK: I am staggered there has been no funding for growth in child protection and out-of-home-care services for the past five years and that, in effect, it has been funded by an underlying deficit of 213 caseworkers. I am staggered by that. I feel very misled by the Government in the way it is talking about its rollout of additional programs and it explains to me why the people in the field are feeling under such enormous pressure at the moment.

Dr SHEPHERD: The people in the field are obviously feeling the pressure because of the increasing demand.

The Hon. CATHERINE CUSACK: Which has not been funded for growth for five years.

Dr SHEPHERD: I do not think that is a fair comment, with respect. I think the organisation received a significant injection of funds over a five-year period. So the funding did not all come in year one. The bulk of it came in years four and five. That funding was designed to enable the organisation to build as quickly as it could build to a point where it would start to have the capacity to deal with the number of cases that were coming through the door. It was based on the 2001-02 figures because that is what was available at the time. If you look at the improvement in the allocation rate of cases between 2001-02 and 2006-07, that is a staggering improvement in the allocation of cases within the department.

If you look at the occupational health and safety performance of the department and its workers compensation performance, it is doing substantially better than it was in 2001-02, and if you look at the Auditor General's report, the level of stress-related cases, psychological stress, has dropped significantly. The caseworker turnover has dropped as well. So, it is not as though we have not built a much more robust agency that is much more capable of dealing with demand from child protection in New South Wales. But it is equally clear that the Government has put in place a commission of inquiry to look into what now needs to happen to increase the resources available to child protection to meet the 2007-08 levels of demand and the forward projections.

In 2001-02 we did not have the sophisticated data analysis capacity that we have now nor did we have the quality of data that we have now that will enable us to provide the commission, as we are providing commission, with much more robust estimates of the trajectory of child protection demand and out-of-home-care demand for the succeeding years, which will enable it to come forward with recommendations to the Government that deal not only with the current year, which is what we had to

do in 2001-02, but for future years. The 213 that you referred to a number of times was an underlying deficit sitting there that the Government would not have known about in 2001-02 and I did not know about in 2001-02.

The Hon. CATHERINE CUSACK: I find that just as scandalous. Obviously you arrived in that situation in 2001-02, but for the Government not to know about that underlying deficit is not much of a defence, is it?

Dr SHEPHERD: But the Government has put the funding into the Department of Community Services to enable it to run with the full complement of caseworkers. That is not an issue.

The Hon. CATHERINE CUSACK: But it does not have the full complement.

Dr SHEPHERD: No, and I have explained in some details as to exactly why you do not have the full complement of caseworkers today, but you will have the full complement of caseworkers by the time the reform package comes to its end in June this year, plus the six months that we need to clean up the underlying deficit that is sitting there. I have already explained that in order to meet the target of 1,025 new caseworkers I have to recruit and train over 2,000 caseworkers—and the organisation will do that.

Ms SYLVIA HALE: There has been a plethora of figures. How many funded caseworker positions are in the department?

Dr SHEPHERD: In terms of positions, and that includes the 2007-08 allocation, which clearly we have not recruited for yet—so let us be clear about what it is—there are 2,428 caseworker positions.

Ms SYLVIA HALE: Sorry, as at 30 of June, this financial year, how many caseworker positions, whether they are filled or otherwise, will there be in the department?

Dr SHEPHERD: At 30 June 2008 there should be 2,428 caseworker positions, and then there are manager caseworkers on top of that, managers of client services.

Ms SYLVIA HALE: You say of that, 400 of those positions are currently vacant?

Dr SHEPHERD: It would be a bit over 400. I cannot tell you exactly.

Ms SYLVIA HALE: Is it 450 or close to 500?

Dr SHEPHERD: It is over 400. Somewhere between 400 and 500. I cannot tell you exactly. In there are the 213 underlying.

Ms SYLVIA HALE: I concede it is made up of various complements. How many caseworker manager positions are there available as at 30 of June 2008?

Dr SHEPHERD: I will get that for you accurately on notice, but it will be around 400. If someone can do a quick division of 2,428 by six that will give you pretty close to the ratio. It is 1:6.

Ms SYLVIA HALE: So the 2,428 figure does not include the managers, does it?

Dr SHEPHERD: No.

Ms SYLVIA HALE: How many vacancies are there amongst the managers?

Dr SHEPHERD: Considerably less because we recruit the managers before. Obviously you recruit the managers as early as you can in the process. I can get that figure for you as well, but it is a smaller proportion. I have been shown that it is notionally, on a 1:6 ratio, 404 managers casework. It will vary slightly from that because in some places there are less positions available than say six. So you might have a manager casework dealing with four. In other places it might be 1:7. But it is roughly around 400.

Ms SYLVIA HALE: How much experience is required of a caseworker before they are promoted to a caseworker manager?

Dr SHEPHERD: They are promoted on merit. It is a merit promotions system. We now use a complex assessment centre process for both caseworkers and managers casework. That process is designed to get a much better fit between caseworkers and managers casework and the likely position that they want to go to than the old standard 30-minute interview process. It involves a series of hypothetical exercises. It involves a whole lot of theoretical questions and practical questions and practical exercises. So managers casework go through that process and the ones who meet the criteria are selected. There will not be a set "You must have five years experience". What we are looking for though for managers casework is people who have the required qualifications plus some experience.

Ms SYLVIA HALE: Even though you may say it is not a criterion for promotion, on average how much experience do caseworker managers have before they are promoted?

Dr SHEPHERD: I do not know that I can get that number for you easily. The number that I can probably get for you will be the average number of years experience of managers casework across the board. So that will include not just the new ones but the existing ones. I am pretty sure that I can get that number but I will have to take that particular part of the question on notice.

Ms SYLVIA HALE: You said that you expect the number of caseworkers to increase in the second half of the year as you have new graduates emerging and they undergo a period of intensive training. When you recruit those graduates and train them is there any pressure on them to accept positions that are otherwise difficult to fill?

Dr SHEPHERD: You cannot pressure them, In a sense. You cannot tell them to go somewhere that they are not prepared to go. But certainly we would talk to people coming in about the possibilities of working in places where we have vacancies. Clearly if you have 27 people sitting on an eligibility list for Strawberry Hills then you will be talking to those people about the possibility of working in other places.

Ms SYLVIA HALE: The question I am asking is as follows. You have new graduates, presumably with no experience, and you give them a very intensive period of training. Do you do that in the expectation that they would then take up a position in an area where they choose to work or can they, after that period of intensive training, merely walk away and say, "Sorry, this is not for me"?

Dr SHEPHERD: No, we do not take them in on that basis. We take them in on the basis that there is a position that they have applied for and that they wish to fill. We would not take someone in and train them just on spec. Except one of the things we are looking at is having a pool of casual caseworkers available to fill very short-term vacancies and so on. So those people would be slightly different. But for the permanent caseworkers you make the offer of a position—so it will be a position at Parramatta or whatever—and then when they take up that position the training starts.

Ms SYLVIA HALE: Presumably, to new graduates you make offers of positions at Brewarrina, the far west, or wherever and you see that they have declined to apply for those positions. Is that the difficulty?

Dr SHEPHERD: They apply for positions in places. The public sector has changed. When I joined it you applied to be a veterinary officer and then they said, "You will go there or you will not receive a salary". In fact, I recall I got moved from Sydney 10 weeks before I was due to be married to Narrandera and told, "Go there or else". And we went there.

Ms SYLVIA HALE: It happened to many, many teachers as well.

Dr SHEPHERD: Teachers are exactly the same. But that does not happen now and we are not able to direct caseworkers to go to places they do not want to go, particularly coming in.

Ms SYLVIA HALE: After they have completed the intensive training and are out in the field is mentoring assistance provided to them on an ongoing basis?

Dr SHEPHERD: Yes. There are two things that happen. The first is that obviously we have a ratio of 1:6 managers casework to caseworkers. The second thing you try to do is the managers client services who run the community services centres obviously try to get a balance of experienced and less-experienced caseworkers in teams. The next thing you do is you buddy them up with more experienced caseworkers. So you are constantly trying to make sure that you do not have a seriously inexperienced caseworker in a situation where they are out of their depth. Is that an absolutely flawless system? No, it is not. It cannot be. In any organisation that is increasing the number of caseworkers that we are increasing you are going to have a higher proportion of less-experienced caseworkers than the old organisation had. That is inevitable. There are only two choices there: You either do not increase your numbers of caseworkers or, if you are going to increase your numbers of caseworkers, you are going to wind up with a lower experience profile across the system. You catch that up pretty quickly—over a few years you can catch that up. So in three years time the organisation will have a much higher level of average experience than it has today.

Ms SYLVIA HALE: What is the attrition rate in the first 12 months of full-time employment for new caseworkers?

Dr SHEPHERD: The overall separation rate is about 7 per cent of permanent caseworkers. I will need to take the question on notice but the anecdotal material that I have been given is that the assessment centre process is resulting in a very low separation rate for caseworkers in the first year. I need to go back and check that and bring the figures back. But, as I understand it, it is much, much lower than the attrition rate that would have occurred under the old system of recruitment.

Ms SYLVIA HALE: I have questions about specific things but I am happy to defer them if any other member would like to ask more general questions.

CHAIR: Roy, do you have any questions?

The Hon. ROY SMITH: No.

The Hon. CATHERINE CUSACK: Dr Shepherd, I would like to ask you about adoptions. This was a topic that we asked questions about at the previous estimates hearing. We were seeking figures on the number of local adoptions. At the previous hearing you indicated that in 2006-07 there were 162 adoptions. Twelve of those were local adoptions, 112 were intercountry adoptions, 23 were intra-family adoptions and there were 15 adoptions of children in out-of-home care. In terms of seeking to compare those figures with the previous year in terms of the number of local adoptions, we talked about a figure of 23 local adoptions and you were going to check whether that included children in out-of-home care. You took the question on notice and the answer that you subsequently gave was, "No. The figure of 23, the number of local adoptions, does not include the number of children in out-of-home care". I am refreshing your mind about previous questions and answers. It appears that the number of local adoptions has halved from 23 to 12 in the past financial year. Is that correct?

Dr SHEPHERD: On the figures you have given me that would seem to be correct but I will need to go back and check it.

The Hon. CATHERINE CUSACK: Okay. There appears to be a very significant decline in the number of adoptions being processed by the department.

Dr SHEPHERD: No. There is an increasing number of children who are being looked at for adoption under the permanency planning principles. Those cases will be going through the process at the moment so they will not show up in the statistics yet. But it is very clear that we believe that adoption is a viable and desirable—a very desirable, in fact—alternative to long-term foster care if it can be organised. The permanency planning trial, which has been run over the last couple of years in an expanding number of community services centres, will be further expanded in 2008. You will anticipate that you will see an increasing number of adoptions arising from that process. I cannot tell you off the top of my head what is the number of adoptions going through that process.

The Hon. CATHERINE CUSACK: How many children have been in out-of-home care for five years or longer? Do you have a figure for that?

Dr SHEPHERD: I think I can get you that number. Whether I can give it to you in terms of five years or whether it is on some other statistical basis, I am not sure. But I would be surprised if we cannot get you a number that tells you what are the numbers of short-term children in out-of-home care and the long-term children in out-of-home care.

The Hon. CATHERINE CUSACK: The figures seem to be very low in light of the numbers of children involved in placements. I guess my question relates to the arrangements for those adoptions. As to those children being targeted for permanency placement, are their cases processed through the department's adoptions branch?

Dr SHEPHERD: The idea is that the cases that are being managed for permanency planning will be managed through the community services centres supported by the devolved staff from the adoptions branch. So the intention is to regionalise a substantial part of the adoptions function in order to strengthen the permanency planning process. Clearly there are some bits of adoptions that you cannot regionalise, such as the intercountry adoptions part. But if you want to lift the number of local adoptions then a sensible way to do that is to have it as a focus of the out-of-home care caseworkers in the community services centres properly supported through the adoption Act processes that are required. Clearly when the department ran, as it did, a fully centralised system on adoptions that did not connect as well with out-of-home care as you would have wanted it to. Hence the permanency planning exercise and the devolution of some of the adoptions positions into the field.

The Hon. CATHERINE CUSACK: How many staff were in the centralised adoptions model?

Dr SHEPHERD: I will give you a rough number of between, say, 45 and 50. I can get it for you accurately. Off the top of my head, I think the number was 48, but that is a number of years ago.

The Hon. CATHERINE CUSACK: It is somewhere around the 50 mark, or just under?

Dr SHEPHERD: It is not 50, but it is close to it. It is in the forties.

The Hon. CATHERINE CUSACK: More than 40 staff for an output of 162 adoptions in a year seems extraordinary.

Dr SHEPHERD: They do not just do new adoptions. There is a massive amount of post-adoption support provided, which goes on for many, many years in some circumstances.

The Hon. CATHERINE CUSACK: 112 of those are intercountry adoptions.

Dr SHEPHERD: Intercountry adoptions is highly resource-intensive. Because of the Hague Convention rules, it requires a massive amount of processing in order to get through the intercountry adoption process. It is a nightmare.

The Hon. CATHERINE CUSACK: Families would say it is a massive amount of work in order to get through the DOCS processes.

Dr SHEPHERD: DOCS does not determine the process required for intercountry adoptions. The intercountry adoptions processes are set by the Hague Convention and by the legislation; DOCS just has to follow them. The problem is, if DOCS is going to follow them properly, a massive amount of work is involved. There is infinitely more work involved in an intercountry adoption for DOCS than there is in taking a child through the court process into out of home care. It is a very odd system.

The Hon. CATHERINE CUSACK: Are intercountry adoptions going to be regionalised as well?

Dr SHEPHERD: No.

The Hon. CATHERINE CUSACK: There is going to be a retained centralised process for intercountry adoptions?

Dr SHEPHERD: Yes. We did go through an expression of interest recently—I am not sure what the result of that was—seeking external providers of intercountry adoption services. This is my view, and nobody else's. It is not something that a child protection agency should be doing. It is really an issue for the Commonwealth. It is, in fact, bringing people from overseas into Australia. The ones that happen to come in to New South Wales can come in through the normal Commonwealth processes, and all we would need to do is to deal with any child protection issues that arose later. Largely, what we are in intercountry adoptions is an agent of the Commonwealth. So there is this whole substantial processing that goes on which is resourced substantially by New South Wales.

The Hon. CATHERINE CUSACK: Substantially by the families, in fact?

Dr SHEPHERD: As well as that, because there is the fee component. The fee component does not cover the cost of processing an intercountry adoption. Again in my personal view, and nothing more than that, the sooner the system is rationalised between the Commonwealth and the States, and the sooner it is looked at as an immigration process, the better for everybody.

The Hon. CATHERINE CUSACK: So it is the local adoptions and permanency placement matters that are being regionalised. In 2006-07 there were 162 adoptions in total, of which 112 were intercountry adoptions. In my calculations, that means that 50 adoptions for the year were not intercountry adoptions. Those 50 adoption issues are now going to be regionalised out of the centralised model?

Dr SHEPHERD: No, because some of them are matters where DOCS has a relatively limited involvement, but it still has an involvement. Intra-family adoptions of children who are not part of the DOCS client base still require, for whatever reason, some report from me as to whether this is a good thing or a bad thing. Again, why the child protection system would be involved in providing reports on intra-family adoptions is beyond me, but that is the way the legislation is currently crafted.

The Hon. CATHERINE CUSACK: The PSA says, "The current DOCS plan to demolish a much-needed centralised adoptions branch is strongly opposed by the PSA. After much time in planning, consulting, et cetera, DOCS still cannot produce a complete staff structure with relevant information about the new proposal." That was in September last year. Do you now have a complete staff structure, with the information that is required for workers at the coalface to understand how it is going to work?

Dr SHEPHERD: Yes. That material has been provided. There is a clear arrangement for how the thing will work and for which positions go where.

The Hon. CATHERINE CUSACK: Would you be able to provide a copy to the Committee?

Dr SHEPHERD: It may not be a copy of a single document, it may be a number of things, but I am sure we have a comprehensive plan for that. Obviously it is a matter for the Minister as to whether he is prepared to provide it; it is not a matter for me. But do we have something like that? Yes, we will have.

The Hon. CATHERINE CUSACK: In terms of following this up, will you ask the Minister if you can provide it to the Committee? Is that the action you will take?

Dr SHEPHERD: I am not exactly sure of the protocol. Perhaps someone can advise. My understanding is that I cannot give you material direct; I had to give it through the Minister. But I will take advice.

CHAIR: The questions on notice will go through the Minister.

Dr SHEPHERD: Okay. I do not actually provide you with the answer; I provide the Minister with the material and the Minister makes a decision as to what he will or will not provide.

The Hon. CATHERINE CUSACK: Can I ask that that request be taken on notice?

Dr SHEPHERD: Yes, absolutely.

The Hon. CATHERINE CUSACK: With regard to requests for ministerial briefings, we are hearing reports that the department is overwhelmed by a number of requests for ministerial advice. What is the mechanism by which the Minister for Community Services is making requests to the Department for advice? Is that through a system of memorandums?

Dr SHEPHERD: As occurs with every ministerial office I have ever worked with, on both sides of government, there would be a mixture of formal and informal requests for information. They will usually be made to a centralised unit in the organisation, who will then distribute the tasks in order to get the relevant information. Occasionally where there is an ongoing issue that needs to be discussed between the ministerial office and officers in the department, there will be a direct link between the ministerial officers and individual officers in the department, usually at a very senior level.

I meet with the Minister regularly, as I have done with every Minister I have ever worked with, and requests may come through that process. They will usually be informal requests that arise out of the day-to-day interaction between a Minister and a departmental head. So that is the system. Off the top of my head, I could not tell you what the split would be between formal and informal. It would be pretty heavily in favour of informal, I would have thought.

The Hon. CATHERINE CUSACK: But the Minister would be capturing those requests and following them up, making sure the appropriate officer is dealing with them and responding?

Dr SHEPHERD: Yes, except for the ones that I have seen come outside that line. Depending on the issues, there might be a fair volume of that with individual senior officers, where the issue requires ongoing discussion between the Minister's office and the department.

The Hon. CATHERINE CUSACK: Of the requests that are formally captured by that system, can you give us an indication of what the volume is?

Dr SHEPHERD: I can take that on notice. What I can say is that, given the increasing size of the department and the complexity of child protection, there has been a steady increase for the five years that I have been there. It is not a spiky sort of thing that is just attributed to one individual; it has been steady. But you do get periods of increased activity. They occur around election time, where you get a natural spike. They occur also at the time of a change of ministerial portfolios, as people come back through the door essentially wanting to re-canvass issues that they have canvassed with a previous Minister, and that often happens as well. It has been a steady but sustained increase in requests. We will take it on notice, and then we can provide you with a graph.

The Hon. CATHERINE CUSACK: The issue of concern is that the department and the officers, particularly the casework officers, with the problems they are having, according to the PSA, are also feeling inundated by ministerial requests. This has all occurred during the period when the department was under, and continues to be under, greater strain, when we have work bans triggered, in part because of vacancies and in part because of other reasons, including too many requests for advice from the Minister. In that context, we have children whose casework is sitting on people's desks.

Dr SHEPHERD: As I am aware, there are no official vacancies in place from the PSA at the moment—certainly there are no official ones. What was the rest of the question?

The Hon. CATHERINE CUSACK: Are there any threats of work bans that you are aware of?

Dr SHEPHERD: Certainly the PSA has raised issues of concern around a number of the reform processes. It certainly raised concern about the implementation of the quality reviews that were part of the recommendations from the Ombudsman's reports and were obviously things that we

wanted to put in place. They obviously were originally concerned about the adoptions, though; they were originally concerned about the children's services reports—

The Hon. CATHERINE CUSACK: Are they satisfied on those matters now?

Dr SHEPHERD: "Satisfied" is a word that can be –

The Hon. CATHERINE CUSACK: A bit like "vacancies"?

Dr SHEPHERD: It is like "vacancies". There is agreement to proceed, as I understand it, with the children's services reports and the adoptions branch reports—

The Hon. CATHERINE CUSACK: Not satisfied?

Dr SHEPHERD: If you ever read the minutes from a joint meeting between the Public Service Association and DOCS management, you will see that in every agreement there is a caveat. The minutes will say, "The PSA is prepared to let the department do it but it does not really agree with it." If "satisfied" means everybody is absolutely happy, and holding hands and going forward together, no. Clearly, between any trade union and an organisation there will be—and there ought to be—a healthy tension around the reform processes and the things that are happening. Whilst many, many of the reforms have gone through with PSA support, I would not ever call that support unequivocal because that is not the way those industrial relations exercises proceed.

The Hon. CATHERINE CUSACK: In fact, the impression one gets is that there has been a big breakdown in relations with the PSA.

Dr SHEPHERD: Certainly relations since September or thereabouts are less productive than they were in the previous five years. There has been an increasing level of opposition to some of the key elements of the reform package. It certainly does not mean that that extends to those reform processes not occurring.

I would point out that we have not needed to go to the Industrial Relations Commission to seek resolution of disputes with the PSA. We have been able to resolve those disputes between the organisation and the department. If it came to the point where we had to start using the Industrial Relations Commission we would do that. It is quite different to, say, the relationship that might exist between some other agencies and the unions that they work with where they are in the Industrial Relations Commission on a very regular basis. We have not needed to do that.

The Hon. CATHERINE CUSACK: The PSA has stated:

The child protection system is known by workers as child protection by computer—CP by PC. With high vacancy levels, inefficient systems and a high level of demand from the community, clients are often not seen or interviewed on enough occasions to enable proper risk assessments.

One of the demands they have made is the immediate filling of all vacant caseworker positions permanent and temporary. Has that demand been met?

Dr SHEPHERD: I think I explained at some length at the beginning what is involved in the recruitment process of caseworkers and the training process of caseworkers. Clearly if I had a magic wand we would fill all the caseworker positions today.

The Hon. CATHERINE CUSACK: Why does not the PSA understand what you are saying?

Dr SHEPHERD: I could ask the same question of quite a few people who do not seem to understand the basic mathematics of recruiting and training caseworkers. I have been through it at some length and I do not know how else to put it. The simple fact is that you cannot wave a magic wand and suddenly recruit caseworkers. People have to apply and they have to be assessed. They have to want to go to the positions that are vacant, and then they have to be trained. We are doing that at a massive rate in DOCS at the moment. I have already given you the statistics of new caseworkers last year, which was 530. And I have told you that there are 319 that had been already started in this

financial year and that we will exceed 600 by the end of the financial year. It is not something where you just say, as the PSA has said, "We want all positions filled immediately." If I could get and train the caseworkers and accommodate them, then obviously that is what would have already happened.

The Hon. CATHERINE CUSACK: Given that demand has virtually doubled in the last five years—107,000 reports in 2000-01 up to 241,000 in 2005-06, so it has more than doubled—and there has not been any growth funding for those areas, would that not be a constraint on filling vacant positions?

Dr SHEPHERD: No, it is not a constraint on filling vacant positions because we are seeing a substantial number of applicants who are seeking to come into the departments. It is not as if they are not continuing to apply for positions in the organisation. So, no, that is clearly not a constraint.

The Hon. CATHERINE CUSACK: Returning to the current state of industrial relations, what work bans are being threatened by the PSA at the moment?

Dr SHEPHERD: It is probably best to take that on notice, so I can give it to you accurately. The one that is of most concern to me at the moment, or a couple of concern are in relation to threats. They are the non-participation in the trial that we need to get a review, an audit of community service centres underway and the other one is the probity checking of some people that I would like to be probity checked.

The Hon. CATHERINE CUSACK: Foster carers?

Dr SHEPHERD: As I said, I need to take it on notice. I need to go back and look at the specifics of that, but there is a probity checking threat sitting there that I need to double check.

The Hon. CATHERINE CUSACK: Is it in relation to probity checks of staff or probity checks to be conducted by staff?

Dr SHEPHERD: It would be probity checks to be conducted by staff, not of staff, because probity checks of staff are done differently.

The Hon. CATHERINE CUSACK: This would be in the child protection area?

Dr SHEPHERD: That I cannot tell you. Going back to increase in demand, increase in demand has been quite differential across the different things that the department does. So the increase in demand in out-of-home care is considerably lower than 100 per cent. The increase in reported cases or reported notifications is approaching 100 per cent. But in other areas the number is not anything like 100 per cent. It is just that the increase to 286,000 notifications carries that load with it.

The Hon. CATHERINE CUSACK: In relation to the special commission, have you issued advice to staff in the department about protocols for giving evidence to the commission? Are front-line staff free to make their own submissions and give evidence to the commission?

Dr SHEPHERD: We have certainly made it clear to staff that they can make submissions to the commission. There was a communication centre notice issued early in the piece about the commission. We are operating absolutely in full co-operation with the commission. The commission has issued 30 summonses, more than 30 summonses to us over the period of time. Donna handles those things. They do that so that we can provide them with the information, otherwise we are prohibited from doing it under the Children and Young Persons (Care and Protection) Act. So we get a formal summons for that sort of material. There is a massive amount of statistical material being provided, a massive amount of background material being provided to the commission on a daily basis.

Our officers have appeared before the commission for briefings and there have probably been six or seven sessions of that kind. The commission has been out to community service centres and to the Help Line. It has an intensive program of travelling to regional New South Wales to community service centres and holding local forums in regional New South Wales. I certainly do not go and neither do any of the senior officers. The commission is free to travel throughout the organisation

pretty much as it wishes because that is in the best interests of getting a most robust report that will take the child protection system to the next stage.

The Hon. CATHERINE CUSACK: If a staff member were concerned about a child protection file and wanted to draw some issue to the attention of the commission, would I be correct in assuming that it would be illegal for the officer to provide that information to the commission?

Dr SHEPHERD: It would be illegal for them to provide it. What they could do is to raise the case with the commission and the commission can ask for, and has done, all the material that relates to the particular case. We get summonses every few days that say, "Please provide everything"—for want of a better expression—"in relation to these people or this case." They come out of left field. Some of them we have told the commission they should look at. Some of them come completely out of left field. They will be matters that have been raised with the commission as it travels around the State and the commission then starts to look into those. We provide that material as quickly as we can possibly provide it and as comprehensively as we can provide it. It cannot be any more open than it is.

The Hon. CATHERINE CUSACK: There is no constraint on staff talking with the commission at all?

Dr SHEPHERD: No. Why would there be? That would make no sense at all.

Ms SYLVIA HALE: Can the identities of staff members who wish to make submissions to the commission be protected from the department? Obviously, people would be concerned about their promotional prospects and possible targeting of them within the department.

Dr SHEPHERD: You would have to double-check this with the commission itself. My understanding of the powers of the special commission are that if the commissioner wishes to take evidence in private and wishes to suppress the details, then the commissioner can do that and will do that. It is not as if the commissioner does not have a reputation for handling this sort of inquiry with impeccable integrity and skill.

Ms SYLVIA HALE: I refer briefly to the question on intercountry adoption. Dr Shepherd, you said it was your view that this was a matter better handled by the Department of Immigration because essentially it was not a child protection issue. Have you made recommendations along these lines to the Minister? Is the Minister following this up with his Federal counterparts?

Dr SHEPHERD: Obviously these issues have been discussed between the Government and the department at various times. The Government has raised the issue with the Commonwealth at various times. I am talking about various Ministers as well, from Carmel Tebbutt's time onward. Essentially the Commonwealth did not want to take this function on, under the previous Government. They were very clear that they did not want to take the function on. At one stage I had caseworkers running around Bolivia and Brazil and places like that basically negotiating treaties with those countries, which is completely inappropriate. So what we were able to do under the previous Commonwealth Government was to force them to take on the treaty negotiations side of it, which was a good thing. But we have not been able to move to a position where individual applications in each State and Territory are dealt with in a centralised way. They are dealt with by the State and Territory bureaucracies.

The process is incredibly intensive and the level of scrutiny that is applied to the potential adoptive parents is at a level that—and I have to say yea or nay to some of these cases—we would never contemplate putting natural parents through. It is so far above and beyond. Admittedly, bringing children into the country is a complex business and the cultural issues need to be dealt with, and all the rest of it. But it is a very significant and a very onerous process. A lot of those conditions are put on by the country of origin of the children. They are not just Australian conditions.

Ms SYLVIA HALE: Presumably the Federal Department of Immigration undertakes such checks in relation to anyone wishing to migrate to the country or to take out citizenship. So it is not an area that is completely foreign to it. But if the department were to unilaterally withdraw from involvement in this area, that would in effect bring an end to the ability of people in New South Wales to adopt.

Dr SHEPHERD: I have threatened to do that in order to try to get the Commonwealth—I have certainly threatened to withdraw the treaty negotiation capacity with the Commonwealth Department. But there is no way that I can unilaterally withdraw services from the people of New South Wales. That would be reprehensible. Until the politicians at both State and Federal level make a decision as to how this is going to be run in the future we are stuck with the system we have.

Ms SYLVIA HALE: You clearly have no option but to retire in protest?

Dr SHEPHERD: Well, that is what I am planning on doing.

The Hon. CATHERINE CUSACK: Now that Kevin Rudd has been elected there is no more buck passing. I am sure it will be dealt with very expeditiously.

Ms SYLVIA HALE: I have a number of questions about the Ourgunyah safe house in Brewarrina but if you are not familiar with the details it would be best for me to put them on notice.

Dr SHEPHERD: I think it is better to put them on notice because I have a broad knowledge only.

Ms SYLVIA HALE: I will put questions on notice about the Ourgunyah safe house in Brewarrina but are you aware that in Walgett the Department of Community Services caseworkers are frequently minding children who have been removed from their families in a flat behind the office when the caseworkers are unable to find out-of-home-care placement for the children?

Dr SHEPHERD: I am not aware of the specific circumstances, but occasionally caseworkers do have to look after children when no other place can be found. Occasionally that happens in motels or whatever places they can do that. One of the difficulties with this whole system is that supply and demand is not completely controllable. We cannot control the demand: they come through the door. We have a fixed, although increasing, supply of available placements for children that meet the needs of the majority of children but may not meet the needs of every child. Some children have quite complex needs and you do not necessarily have a place available that night. If we get a call at 2 a.m. and something has to be done that night then it may not be possible to accommodate the child in anything other than a supervised placement with two caseworkers in a purchased place. As soon as we can we will try to send them to an appropriate placement.

Ms SYLVIA HALE: But it would be true to say that you are having difficulties in areas such as Walgett, Brewarrina and Bourke in recruiting sufficient caseworkers?

Dr SHEPHERD: Yes, and that is why we are looking at a revised package of incentives to try and increase the number of people who are prepared to work for longer periods of time in the western division. Now we have increased the number of caseworkers in western New South Wales substantially over and above what was there in 2002 but we have not been able, in some of those towns, to stabilise the staff numbers or personnel for long enough to have the sort of impact I would like to have in western New South Wales.

Ms SYLVIA HALE: Can I ask you what sort of additional incentives you are contemplating providing?

Dr SHEPHERD: I cannot actually answer that because that is the subject of a Cabinet submission. I am not in a position to answer that at this point in time. Suffice to say, in informal discussions with both the Aboriginal caseworker staff and other staff it would seem that what we are proposing should be sufficiently attractive to improve the allocation of caseworker resources to western New South Wales.

Ms SYLVIA HALE: Do you find it difficult in that area to attract sufficient numbers of Aboriginal caseworkers or is it with non-indigenous caseworkers that the shortage is apparent?

Dr SHEPHERD: It is both. If you think about it, if you were recruited into an office that is substantially under resourced and the pressure is very high, are you going to be there for a long time?

Are you going to seek to move somewhere else? Are you going to stay in the department? The answer to that would be one of the two latter suggestions. Until you get a critical mass in these places of trained staff and the managers to support them—being new they often need supervision—then you do not have the critical mass that enables the office to become stable. Once the office is stable it will survive for a relatively long time and it is much easier to get recruits who are prepared to stay for a period of time. Really what you need is enough of an incentive process to get them in, then the critical mass to keep them there and to continue the professional development and all those other things.

Ms SYLVIA HALE: Do you provide accommodation, in the sense of housing, to workers in those areas or do you not?

Dr SHEPHERD: Good question. One of the elements I will disclose is that we are looking at how we can provide better accommodation in those remote towns in order to make it more attractive for people to be there. Governments of different persuasions over the last 40 years that I have been involved in the public sector have waxed and waned on whether they are prepared to provide accommodation in western New South Wales and the terms and conditions under which they will provide it. It is pretty clear that if we want people to operate in the Department of Community Services in New South Wales in some of those places we will need to have accommodation for people to go and stay when they are working in those towns.

Ms SYLVIA HALE: Particularly with Aboriginal caseworkers, there are often divisions among clans and tribal groups. I think there have been experiences in places like Dubbo at times where if you try to place people from different groups together it can generate a lot of hostility. Do you find that a difficulty in recruiting Aboriginal caseworkers in western New South Wales?

Dr SHEPHERD: Not a major issue. I think it is difficult sometimes for Aboriginal caseworkers to work within the community from which they came. They are then under 24-7 pressure living and working in that community. On the other hand, other people see the problem; they want to do something about it and are prepared to work in the Department of Community Services. Whilst there is a history of unhappy relationships in New South Wales, a lot of that is history. Over seven per cent of the staff in the Department of Community Services is now Aboriginal and we are getting substantial numbers of Aboriginal applicants for caseworker positions. We have moved beyond the stage where Aboriginal people would not be prepared to work in the Department of Community Services. We are certainly in a much better position to provide services to those Aboriginal communities than we were previously but we still need more Aboriginal and non-indigenous staff in western New South Wales.

Ms SYLVIA HALE: I am not sure if you are familiar with the position in the camps at Lightning Ridge? I was there about 12 months ago. There are people there—I think this is more attributable to the Department of Housing than to the Department of Community Services—who are living without running water, without electricity other than that provided by generators, living on earth floors, and who are living a distance from the centre of Lightning Ridge because there is no transport other than by taxi. I am just not talking about the Aboriginal community but a strong immigrant community from Finland and whatever. Their needs seem to be very much neglected both at the local government area and by some departments. Are you aware of the area around Lightning Ridge being a focus for the department's attention?

Dr SHEPHERD: There are a lot of areas that are a focus for the department's attention. The Deputy Director General, Service System Development, was in Lightning Ridge a couple of weeks ago to look at the issues there. At a senior level in the agency we are concerned about the issues in that part of the world. I cannot speak for the Department of Housing: I can only talk about what we are trying to do. The Deputy Director General, Service System Development was out there looking at both the women's refuge type issues in western New South Wales and, because she has responsibility for the Brighter Futures Early Intervention program for the Department of Community Services, she was also looking at how that program might work more effectively in that part of the world.

The Hon. CATHERINE CUSACK: Were you involved in the recruitment action to fill the position of Director General, Department of Community Services?

Dr SHEPHERD: I come with clean hands. No.

The Hon. CATHERINE CUSACK: So you had no role in that?

Dr SHEPHERD: No. It is not appropriate.

The Hon. CATHERINE CUSACK: Can you tell us what the process was for approving a new director general?

Dr SHEPHERD: The position was advertised, there were a number of people presumably that applied—I mean I do not have the details—and there was a selection panel. I know there was a selection panel. Then normally what would happen after that would be a recommended short list to the Minister. The Minister would then interview the recommended short list and take a recommendation to Cabinet. That has been the position for the last whatever.

The Hon. CATHERINE CUSACK: Whose responsibility is it? Is it a Premier's department driven process? Who actually convenes the selection panel?

Dr SHEPHERD: You would need to ask the Department of Premier and Cabinet that question but normally for positions of this seniority, because it is a level 8 position and in that top band, it would be the Director General of the Department of Premier and Cabinet who would chair the selection committee.

The Hon. CATHERINE CUSACK: Was that the case?

Dr SHEPHERD: As far as I know, yes. But, as I said, I was not actually part of the process. Then you would have either one or two other people on the panel of equivalent seniority and an independent.

The Hon. CATHERINE CUSACK: Who appoints the independent?

Dr SHEPHERD: Normally—and I cannot speak for this individual case because I actually do not know the detail—it would be the chair of the panel who would select the independent. In some cases that might be discussed with the Minister and in others it may not. I have been involved in chairing panels for chief executive positions and in some cases it happens and others it does not.

The Hon. CATHERINE CUSACK: In the case of this position, is a background in children's welfare issues an option or is it an essential criteria for the director general's position?

Dr SHEPHERD: I think you would have to look at the position description and the advertisement to get that. Clearly it was not in 2002, because my background is being a chief executive across a wide range of organisations. I was not the world's expert—I think I am probably a little more expert than I was—on child protection when I moved in to the Department of Community Services in 2002.

The Hon. CATHERINE CUSACK: Based on your experience, do you think it is better to have a background in child protection to be the director general?

Dr SHEPHERD: The role of director general is to basically ensure that the organisation has the resources that it needs to do the job, has the systems in place to make sure it functions properly and provides the capacity for the professionals in the organisation to do their jobs.

It is not essential for that person to have a particular professional qualification. If you look at the background of the organisations that I started in, if you look at the Department of Agriculture, there is no single professional in the Department of Agriculture who could stand up and say, "I am the agriculture expert" for New South Wales or Australia: you are a veterinarian, you are a plant pathologist, you are an agronomist, you are a soil scientist or whatever.

So, it is exactly the same in child protection. Each of these people bring a particular skill to the organisation. You have psychologists, social workers, early childhood teachers, legal officers and so on, and you have got all the systems people who are required as well. So, there is no single entity

by the time you get to chief executive officer level that makes any sense in being the sole criteria for employment. What it does do is make it a bit easier sometimes to understand, particularly in the very early days, some of the context, but within a year you understand the context pretty well.

The Hon. CATHERINE CUSACK: There has been an issue over the last 18 months in the Department of Juvenile Justice with pornographic e-mails being circulated amongst staff—I am sure you are aware that it was happening on a large scale—and more recently news of violent R-rated movies being shown in detention centres. I just wonder, is that sort of culture tolerated in the Department of Community Services with e-mail traffic and the showing of movies to children in care?

Dr SHEPHERD: I can speak only about the Department of Community Services. We have very strict policies around inappropriate e-mails, and if they occur, and they would occur very rarely, action is taken immediately against the individuals concerned. There certainly were some occurring before I arrived in the department and I took the action to deal with the tail end of that when I first arrived.

The Hon. CATHERINE CUSACK: What action was that? Did that involve suspending staff?

Dr SHEPHERD: Some people resigned as a result, some people went through the disciplinary process, others were warned. We have filters in place, of course, in order to try to protect that. The other thing is that we can monitor all e-mail traffic within the department. So, it is not easily possible for people to traffic significant pornographic material. The other thing that we have, of course, are policies about, if anything like that was detected, what someone is expected to do as soon as it appears. So, is it a significant problem in DOCS? No it is not. Would we tolerate it in DOCS? We would not. We were talking about the relationship of the Public Service Association [PSA] previously. The PSA and DOCS are at one on pornographic material. We have always had the support of the PSA in dealing with anything of that nature. We have never had an issue with the union.

The Hon. CATHERINE CUSACK: I am pleased to hear that. I wish that had been the case in Juvenile Justice because I am sure the community would expect a zero-tolerance approach to that type of thing, particularly in agencies caring for damaged and disadvantaged children.

Dr SHEPHERD: Yes. It is not appropriate for me to comment on.

The Hon. CATHERINE CUSACK: Can I ask in relation to the privacy breaches that have been occurring with confidential information on client files being faxed to various people in the community who were not authorised to receive it, what additional measures has the department put in place to prevent such breaches, given the revelations that three such breaches have occurred in recent weeks?

Dr SHEPHERD: There are not three that have occurred in recent weeks; there are three that have been reported in recent weeks. They have occurred over a much longer period than that, and they are quite different. They are three individual errors: one was in relation to minutes, one was in relation to faxed material and one was in relation to incorrect labelling on some envelopes. Not taking away in any way from the seriousness and the risks involved in this sensitive handling of that sort of material, but we do have a substantial number of individuals who have to take these actions on a daily basis and occasionally human error is going to come into any system of this kind. What we have done since then is to issue a revised set of instructions around faxes and how faxes are to be handled and sent. I have issued a general instruction to staff to increase the care with which they approach these things based on the fact that the information is sensitive and we do owe it to the families and the children to hold their information securely. Also, I have requested that all managers client services have a look at work practices in their particular CSCs to see what they might be able to change that would increase security.

At the end of the day, in any organisation that handles as much material as we handle—and it is a huge amount—and handles material as sensitive as the material we have and it is all done by hand, some people occasionally are going to make errors. We also, obviously, have in place procedures, if there is an error made, to try to recapture the material as quickly as possible. That is probably all I can

say on it. It is one of those things where if you could stop it happening, absolutely; or if you could automate the processes in some way—but these are not processes that you can automate.

The Hon. CATHERINE CUSACK: How many children currently are on a waiting list for places in the Brighter Futures program?

Dr SHEPHERD: I cannot tell you that off the top of my head. The last numbers I saw, which would have been probably December, there are over 1,000 already in the program. A lot of the services were still in the development process by the lead agencies—some non-government organisations that were putting the services in place. So, what you get is an exponential rise in the number of children going into Brighter Futures. If we pick the day, we can try to get a number. So, maybe if I take on notice the specifics of that.

The Hon. CATHERINE CUSACK: Sure. What is the target for the number of children by, say, the end of this financial year?

Dr SHEPHERD: You would hope to have in a financial year when the system was fully up and running—if you look at next financial year, its absolute maximum capacity is 6½ thousand children. Now that is in the program. Given that some children will be in there for two years, you have a rolling recruitment rate into there of about, say, 3,250 or thereabouts. Clearly that is going to vary a bit with the length of time that people stay in the program. So, if your target is 20 months average, which is my recollection of the target, then you would anticipate that you might get a bit above 3,250 going in. That is also based on the current level of resourcing to the program. The program is undergoing an external independent evaluation through the Social Policy Research Centre.

The Hon. CATHERINE CUSACK: When will that be completed?

Dr SHEPHERD: That will be completed in about three years, but there will be interim reports available to the department and then to government in that time. Hopefully we will have an interim report available for Commissioner Wood to look at before he brings down his final report. Clearly, if you can get in front of this system, even partially in front of it, that will ultimately modify demand.

The Hon. CATHERINE CUSACK: The Report on Government's Services 2008, released by the Australian Government Steering Committee for the Review of Government Service Provision on 31 January 2008, said that during 2006-07 only 265 children aged between nought and 17 years commenced in intensive family support services in New South Wales.

Dr SHEPHERD: Yes, that would be 2006-07. The intensive family support services will be the intensive family based services [IFBS], so they are very specific; they are intended to deal with Aboriginal clients. There are two or three of them have been established for a longer period of time and a number of others were being established in 2006-07. There are two more to be established in this financial year, which will take us up to at least one per region.

The Hon. CATHERINE CUSACK: So what will be the capacity?

Dr SHEPHERD: They handle a very small number of cases because it is decidedly intensive for three months at the least. The early evaluation of that program is very positive in that when you look at the number of clients who have been in there who subsequently go into out-of-home-care, it is quite low—much lower than you would expect for that group of clients. So, it is clearly effective. They are very difficult to establish and to staff. That has been a much slower process than I had hoped it would be. It is hard to get the Aboriginal staff that you would need with the required level of expertise to take on those positions. Significant negotiation needs to occur also with the Aboriginal communities around where they will operate in order to get a good working relationship between the IFBS and the community. So that number will increase substantially. Now I presume that is what the Report on Government Services is directed at. Certainly there are far more children than that who have gone into intensive services for non-Aboriginal children.

The Hon. CATHERINE CUSACK: According to the report, in 2006-07 there were 265 children who accessed the service.

Dr SHEPHERD: It depends on what we are talking about. One of the problems with the Report on Government Services—

The Hon. CATHERINE CUSACK: Or intensive family support services.

Dr SHEPHERD: Yes, okay. They will be the IFBS.

The Hon. CATHERINE CUSACK: Okay. In Victoria there were 1,741. So, I guess the suggestion is that New South Wales is way behind Victoria in providing those services. We would like some specifics on how many places are available, what is the target and when will we achieve it.

Dr SHEPHERD: All right. The first thing about the Report on Government Services is if you look at every table in the Report on Government Services it will say you cannot use these for comparison purposes across jurisdictions for the simple reason that definitions are completely different and the programs that are being measured are completely different. So, when you talk about virtually any of the statistics in child protection, because the systems are fundamentally different—for example, the way children are notified is fundamentally different, the way the cases are classified is fundamentally different—you cannot actually compare them. The report itself makes it very clear. I can give you numerous examples where people have grabbed bits out of the Report on Government Services and said, "See, this means New South Wales is not performing as well as its counterpart", but in fact you are comparing pears and bananas.

The Hon. CATHERINE CUSACK: Just on this issue, perhaps we can compare the current level of services with what is targeted for the future. If we could have some information on that, that would give us a feeling for it.

Dr SHEPHERD: Yes. Okay. We can certainly give you what the IFBS targets are, but what you then need to do—

The Hon. CATHERINE CUSACK: I am sorry, could I request that for places as well as the number of children because I understand that a place might take a number of clients during the year.

Dr SHEPHERD: But if you are going to compare New South Wales to Victoria, you have to know exactly what is included in the Victorian numbers and what they are talking about.

The Hon. CATHERINE CUSACK: Accepting that, I am asking for New South Wales figures only, if that is possible.

Dr SHEPHERD: Okay, but the way the question was put to me was a comparison between New South Wales and Victoria.

The Hon. CATHERINE CUSACK: I am trying to understand the difference between the Aboriginal services you spoke about earlier. I am not quite familiar with that.

Dr SHEPHERD: One is an intensive, family-based service which is designed to prevent Aboriginal children coming into out-of-home care. If you like, it is the last port of call before removal would have to occur. What you are trying to do is to keep the child safe and stable within the family and get the family functioning sufficiently well that the child will be safe and properly nurtured. That is what an intensive, family-based service does. The intensive services to other children are to children who are already in out-of-home care. They are the high needs kids, the kids who require the highest level of support and service in the out-of-home-care system. There are about, on average, 200 to 250 of those in any year. They are the children who require 24/7 supervision; they require specialist support services. There is residential care provided for the vast majority of those children, specialised education programs and a whole lot of other things. They are very expensive placements, very highly supervised. They are quite different to the group we were talking about earlier.

The Hon. CATHERINE CUSACK: The issue of children in care, either in the home or placed with foster parents, I would like to ask you about people with criminal history or a history of violence towards children who are family members or de facto partners of family members. It seems

fairly loosely worded at the moment, and I understand the concept of separating all children from people who have a criminal history would involve separating a lot of children from the natural families. I would ask you to comment on the policies and legislation in that regard. Is it exposing too many children to people with violent histories of abuse or is there potential for us to tighten up that part of the law?

Dr SHEPHERD: The policies and the legislative provisions in relation to children in foster placements are adequate when they are working together. The object is to make sure that the adult members of households are properly screened to make sure they pass the working with children check, and that picks up criminal histories and AVOs and other matters. So, that process is adequate. The other thing is that we require foster carers to tell us if circumstances change. Is it completely foolproof? No, it is not, because, if the foster carer does not tell you the circumstances have changed or there is a different adult member in the household, then until you find out by some other means you do not know there is an additional screening step required. But the vast majority of foster carers are in foster care because they want to do the best thing by the children and they understand the processes and procedures, so they provide the required information. At the moment we do screen, as I understand it anyway, all adult members of foster care households. As to whether any legislative changes are required in order to additionally support that, I do not know off the top of my head. I can take it on notice.

The Hon. CATHERINE CUSACK: Particularly in relation to Aboriginal children. The issue of the defacto coming into the house, for example. Placement might be made and a few weeks later someone might come out of jail.

Dr SHEPHERD: The theory is—the way the system should work is—that the foster carer should notify the department that that has happened so we would make an assessment as to whether the child is at additional risk. We may find that out through the foster carer notifying or by some other means. In any event, if we found that out, the policy would require us to do the additional bit of screening and to make that happen.

CHAIR: I want to put one question on notice. In the report of reviewable deaths in 2006 by the Ombudsman, just before Christmas, he recommend that the Department of Community Services provide a progress report on previous recommendations by February 2008 and another in July 2008. Could you, on notice, provide the Committee with a list of progress that has been made on any of the nine items the Ombudsman mentioned and give us a rundown of what progress has been made if they are able to have been reported on? That would be appreciated.

Dr SHEPHERD: I will take that on notice. That is all I can do.

The Hon. LYNDA VOLTZ: I only have concern with the timing of that, if it is required by February 2008. That is still within the 14-day period and it may not have been—

CHAIR: I appreciate that. You might be working to an end of February deadline.

The Hon. LYNDA VOLTZ: And they may not be able to get that within 14 days.

CHAIR: Yes. If the director general could just do the best he could in the time that is available, that would be appreciated.

Dr Shepherd, I think this will be the last hearing at which you will appear. On behalf of the Committee, I thank you for your assistance with our inquiries and also wish you well in your retirement.

The Committee proceeded to deliberate.
