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SENNATE
COMMUNITY AFFAIRS LEGISLATION COMMITTEE
Monday, 28 May 2012

Members in attendance: Senators Bernardi, Carol Brown, Cash, Fierravanti-Wells, Fifield, Furner, Humphries, Ludlam, McKenzie, McLucas, Moore, Payne, Rhiannon, Siewert, Smith and Waters
FAMILIES, HOUSING, COMMUNITY SERVICES AND INDIGENOUS AFFAIRS PORTFOLIO

In Attendance

Senator Jan McLucas, Parliamentary Secretary for Disabilities and Carers

Department of Families, Housing, Community Services and Indigenous Affairs

Mr Finn Pratt, Secretary
Ms Liza Carroll, Deputy Secretary
Mr Michael Dillon, Deputy Secretary
Ms Felicity Hand, Deputy Secretary and Chief Operating Officer
Ms Serena Wilson, Deputy Secretary

Cross Outcomes

Ms Julia Burns, Group Manager, Corporate Support
Amanda Cattermole, Group Manager, Gambling Reform, Program and Community Support
Mr Steve Jennaway, Group Manager, Business and Financial Services Group
Mr Anthony Field, Group Manager, Legal and Compliance
Mr Paul McBride, Group Manager, Social Policy
Ms Cate McKenzie, Group Manager, Women, Children and Mental Health
Ms Donna Moody, Group Manager, Information Management and Technology
Mr Steve Agnew, Branch Manager, Property, Environment, Procurement and Security
Ms Tracey Bell, Branch Manager, Communication and Media
Mr Phil Brown, Branch Manager, Indigenous Community Safety Branch
Ms Flora Carapellucci, Branch Manager, Strategic Policy
Mr Simon Crowther, Branch Manager, Compliance
Mr Scott Dilley, Branch Manager, Business Planning and Financial Governance
Ms Jill Farrelly, Branch Manager, Mental Health
Mr James Fletcher, Acting Branch Manager, Public Law
Ms Alanna Foster, Branch Manager, Seniors and Means Test
Mr Paul Hardcastle, SACS Taskforce
Mr James Kemp, Acting Branch Manager, Program Frameworks
Ms Yvonne Korn, Branch Manager, Program Frameworks
Mr Andrew Lander, Branch Manager, Audit, Assurance and Risk
Ms Jan Lawless, Branch Manager, Cross Portfolio and Information
Michael Lye, Group Manager, Families
Ms Lynette MacLean, Branch Manager, People
Mr Gary Michajlow, Section Manager Manager, Property, Environment, Procurement and Security
Ms Marian Moss, Branch Manager, Commercial and Indigenous Law
Mr Philip Moufarriage, Acting Branch Manager, Social Security Relationships and International Branch
Mr Kurt Munro, Branch Manager, Ministerial, Parliamentary and Executive Support
Ms Susan Parker, Deputy Branch Manager, Indigenous Communications and Events
Ms Ginevra Peisley, Branch Manager, National Disability Insurance Scheme
Dr Judy Schneider, Branch Manager, Research and Analysis
Mr Kamlesh Sharma, Branch Manager, Financial Accounting
Andrew Whitecross, Branch Manager, Family Payments and Child Support
Ms Kim Vella, Branch Manager, Budget Development

**Outcome 2—Housing**
Mr Sean Innis, Group Manager, Housing, Homelessness and Money Management
Mr Leon Donovan, Branch Manager, Homelessness Policy
Mr Allan Groth, Branch Manager, Housing Policy Branch
Ms Karen Pickering, Branch Manager, Commonwealth State Relations
Ms Kathryn Mandla, Branch Manager, Housing Affordability Programs
Ms Marion Moss, Branch Manager, Commercial and Indigenous Law

**Outcome 4—Seniors**
Mr Paul McBride Group Manager, Social Policy
Mr Bryan Paler, Group Manager, Community Engagement
Ms Robyn Calder, Branch Manager, Strategic Program Reform Taskforce
Ms Flora Carapalluci, Branch Manager, Strategic Policy
Ms Alanna Foster, Branch Manager, Seniors and Means Test
Ms Mary Laughlin, Acting Branch Manager, Community Investment
Mr Philip Moufarrige, Acting Branch Manager, Social Security Relationships and International

**Outcome 5—Disability and carers**
Ms Susan Black, Group Manager, National Disability Insurance Scheme Taskforce
Ms Margaret Carmody, General Manager, National Disability Insurance Scheme Launch Implementation
Dr Nick Hartland, Group Manager, National Disability Insurance Scheme Taskforce
Mr Evan Lewis, Group Manager, Disability and Carers
Ms Cate McKenzie, Group Manager, Women, Children and Mental Health
Ms Laura Angus, Branch Manager, Disability and Carers Programs
Ms Jill Farrelly, Branch Manager, Mental Health
Mr Ray Jeffery, Acting Branch Manager, National Disability Insurance Scheme Taskforce
Ms Jillian Moses, Branch Manager, National Disability Insurance Scheme Taskforce
Mr John Riley, Branch Manager, Autism and Early Intervention
Ms Sharon Rose, Branch Manager, Disability and Carers Payments Policy
Ms Alison Smith, Branch Manager, National Disability Insurance Scheme Taskforce
Ms Karen Wilson, Branch Manager, Disability and Carers Policy

**Outcome 6—Women**
Ms Cate McKenzie, Group Manager, Women, Children and Mental Health
Ms Fiona Smart, Branch Manager, Safety Taskforce
Ms Mairi Steele, Branch Manager, Women’s Branch

**Equal Opportunity for Women in the Workplace**
Ms Helen Conway, Director

**Social Security Appeals Tribunal**
Ms Jane Macdonnell Principal Member

**Committee met at 09:01**

**CHAIR (Senator Moore):** I declare open this hearing of the Senate Community Affairs Legislation Committee. The Senate has referred to the committee the particulars of proposed expenditure for 2012-13 and related documents for the Families, Housing, Community Services and Indigenous Affairs portfolio. The committee must report to the Senate on 26 June 2012 and has set Friday, 27 July 2012 as the date for the return of answers to questions taken on notice. Senators are reminded that any written questions on notice should be provided to the committee secretariat by close of business on Wednesday, 12 June 2012. Officers and senators are familiar with the rules of the Senate governing estimates hearings. If you need any assistance, the secretariat has copies of the rules. I particularly draw attention to the Senate order of 13 May 2009 specifying the process by which a claim of public interest immunity should be raised and which I now incorporate in **Hansard**.

*The extract read as follows—*

**Public interest immunity claims**

That the Senate—

(a) notes that ministers and officers have continued to refuse to provide information to Senate committees without properly raising claims of public interest immunity as required by past resolutions of the Senate;

(b) reaffirms the principles of past resolutions of the Senate by this order, to provide ministers and officers with guidance as to the proper process for raising public interest immunity claims and to consolidate those past resolutions of the Senate;

(c) orders that the following operate as an order of continuing effect:

1. If:
   (a) a Senate committee, or a senator in the course of proceedings of a committee, requests information or a document from a Commonwealth department or agency; and
   (b) an officer of the department or agency to whom the request is directed believes that it may not be in the public interest to disclose the information or document to the committee, the officer shall state to the committee the ground on which the officer believes that it may not be in the public interest to disclose the information or document to the committee, and specify the harm to the public interest that could result from the disclosure of the information or document.

2. If, after receiving the officer’s statement under paragraph (1), the committee or the senator requests the officer to refer the question of the disclosure of the information or document to a responsible minister, the officer shall refer that question to the minister.

3. If a minister, on a reference by an officer under paragraph (2), concludes that it would not be in the public interest to disclose the information or document to the committee, the minister shall provide to the committee a statement of the ground for that conclusion, specifying the harm to the public interest that could result from the disclosure of the information or document.

4. A minister, in a statement under paragraph (3), shall indicate whether the harm to the public interest that could result from the disclosure of the information or document to the committee could result only
from the publication of the information or document by the committee, or could result, equally or in 
part, from the disclosure of the information or document to the committee as in camera evidence.
(5) If, after considering a statement by a minister provided under paragraph (3), the committee 
concludes that the statement does not sufficiently justify the withholding of the information or 
document from the committee, the committee shall report the matter to the Senate.
(6) A decision by a committee not to report a matter to the Senate under paragraph (5) does not prevent 
a senator from raising the matter in the Senate in accordance with other procedures of the Senate.
(7) A statement that information or a document is not published, or is confidential, or consists of advice 
to, or internal deliberations of, government, in the absence of specification of the harm to the public 
interest that could result from the disclosure of the information or document, is not a statement that 
meets the requirements of paragraph (1) or (4).
(8) If a minister concludes that a statement under paragraph (3) should more appropriately be made by 
the head of an agency, by reason of the independence of that agency from ministerial direction or 
control, the minister shall inform the committee of that conclusion and the reason for that conclusion, 
and shall refer the matter to the head of the agency, who shall then be required to provide a statement in 
accordance with paragraph (3).
(Extract, Senate Standing Orders, pp 124-125)

CHAIR: I welcome Senator the Hon. Jan McLucas, Secretary Finn Pratt and officers of 
the Department of Families, Housing, Community Services and Indigenous Affairs. Senator 
McLucas, would you like to make an opening statement?

Senator McLucas: I do not usually do this, but I think it is important that we note that 
former Senator Judith Adams is no longer with us. Senator Adams was a very strong 
contributor to this committee over a long period of time. I think this committee will miss her 
contribution. She was a very practical senator who was very focused on people and the 
outcomes for people, and that is why her contribution in this particular committee was very 
significant. I would just like to mark the opening of this Senate committee with a recognition 
of that loss.

CHAIR: Thank you.

Senator FIFIELD: On behalf of the opposition, I thank the parliamentary secretary for 
her comments about Judith Adams. We do miss her. She was one of the substantial figures of 
the Australian Senate.

CHAIR: Mr Pratt, do you have an opening statement?

Mr Pratt: No, thank you.

CHAIR: Thank you very much. The committee will begin today's proceedings with 
cross-portfolio outcomes and corporate matters. We do have a program which is public, so 
people will see it, and we will try to follow that program as closely as we can. But, as you 
know with experience of this committee, we sometimes are flexible in the way we operate.

Department of Families, Housing, Community Services and Indigenous Affairs

[09:03]

CHAIR: Senator Fifield, I believe you and Senator Bernardi are kicking off.

Senator FIFIELD: Thank you, Chair. Good morning. This is, I guess, a question to Mr 
Pratt. After the last reshuffle, Minister Macklin was given additional responsibility as the 
Minister for Disability Reform. I just want to check whether the minister has received a 
charter letter.
Mr Pratt: We discussed this issue of charter letters at the last estimates hearing. I know that I risk irritating or antagonising you on this matter—

Senator FIFIELD: You would never do that, Mr Pratt!

Mr Pratt: I apologise if I ever do, Senator. My position on charter letters is they are correspondence between the Prime Minister and her ministers. While I am generally aware of their existence, and when they are finalised I generally see a charter letter, I do not believe it is appropriate for me as an official to actually talk about those things. They are cabinet-in-confidence. They are considered by cabinet. Really, I think it is appropriate for you to direct your questions on this to the minister or the Prime Minister.

Senator FIFIELD: The forum for senators to direct these questions is Senate estimates, which is why I am doing that here. I appreciate that the contents of a charter letter may be deemed to be cabinet-in-confidence, but the existence of charter letters is not cabinet-in-confidence; nor is their transmission, or otherwise, cabinet-in-confidence. If we extended cabinet-in-confidence to cover the existence of something or the time of something then we would not even be able to ask if a cabinet meeting happened on a particular day because that would be deemed cabinet-in-confidence.

Mr Pratt: I think it is possible to debate that, but I certainly will not.

Senator FIFIELD: That is probably wise. But I think it is entirely within the bounds of a Senate estimates hearing to ask whether a minister has received a charter letter from the Prime Minister. Estimates is about accountability, and one of the basic mechanisms for informing a minister of their priorities and responsibilities is the charter letter. So it would be strange if we could not ask and receive an answer as to whether a charter letter had been received.

Mr Pratt: Certainly, Senator. I do not disagree with your point of view. However, charter letters are not a matter which is the responsibility of my department. They are correspondence between the Prime Minister and her ministers, and therefore it is not appropriate for me to talk about them in any fashion, in my view.

Senator FIFIELD: Charter letters are, as a matter of course, conveyed from a minister to his or her department head to say, ‘This is what I have been tasked to do; please help me do that.’

Mr Pratt: That is the convention, yes, Senator.

Senator FIFIELD: While you do not have responsibility for the charter letter, you do have responsibility to help give effect to the Prime Minister’s wishes as expressed to the minister and as conveyed to you via a copy of the charter letter.

Mr Pratt: Correct.

Senator FIFIELD: Given that I am not a member of the House of Representatives, I cannot ask Minister Macklin there. We have Senate estimates to pursue matters such as this.

Mr Pratt: Senator, exactly what is your question?

Senator FIFIELD: Has the minister received a charter letter and has a copy of that charter letter been conveyed to you as department secretary?

Mr Pratt: Okay. I will undertake to seek the minister’s agreement to disclose that information to you.
Senator FIFIELD: I am not sure if the minister’s agreement is required to answer a question as to whether you have actually received a copy of something.

Mr Pratt: It might be if it is something which is confidential to the minister and the Prime Minister.

Senator FIFIELD: On that basis you could decline to answer almost any question we ask here—on the basis of ‘that involved a conversation with the minister and I will seek permission as to whether I can disclose that’.

Mr Pratt: Certainly, I would decline to answer questions around any policy advice that I might give to the minister or my department might give to the minister, or any discussions we might have about policy issues. But beyond that I think we actually try to answer the vast majority of your questions.

Senator FIFIELD: I am not asking about policy; I am not asking about advice to government; I am not asking for cabinet discussions or matters to be relayed. I am just asking the most basic and simple question of fact that it is probably possible to ask at an estimates committee: whether a charter letter has been received and passed on by the minister to the department secretary. There could not be a more simple, factual question to ask.

Mr Pratt: Certainly I am aware of the existence of charter letters.

Senator FIFIELD: And I am aware that the sun—

Mr Pratt: As to when they may have been provided, I do not actually know. I am prepared to take that on notice to ask the minister if she wishes to release that information.

Senator FIFIELD: Chair, the frustration I am having with questions about charter letters—

CHAIR: You are sharing it with the chair.

Senator FIFIELD: I am sharing it with the chair to seek your guidance as to how to proceed.

CHAIR: It would be my advice that this question should go to Senator McLucas, as it is a question to do with ministerial process.

Senator FIFIELD: I will put it to Senator McLucas and I will share my frustration with her. Just by way of reference, in Prime Minister and Cabinet estimates I asked whether Minister Butler had received a charter letter. I thought this would be a straightforward letter because he is in the PM&C portfolio. So it was a letter going from the Prime Minister within the PM&C portfolio to a minister in the PM&C portfolio. I asked the question at the previous estimates, and they said, ‘We do not know. We will take it on notice.’ That is odd, given that they cover both the issuing and the receipt of the letter. Again, at this estimates, I was told, ‘We took it on notice last time.’ And what the answer on notice said was, ‘We cannot add anything to what we said at estimates.’ What was said at estimates was nothing. I had this experience last time perhaps at FaHCSIA estimates. I would really hate to go through this again and be at the next estimates and still not know. It is bordering on the absurd. So I seek your help, Minister.

Senator McLucas: And the question?

Senator FIFIELD: It is the same question: how do I find out whether Minister Macklin has received a charter letter from the Prime Minister and whether that has been passed to Mr
Pratt? I have asked this straightforward question time and time again at successive estimates and there is no answer forthcoming. Can you help me?

Senator McLucas: I think Mr Pratt has indicated that he is aware of the letter.

Senator FIFIELD: No, he said he is aware of the existence of charter letters—like I am aware that buses exist. It does not actually progress things terribly much.

Senator McLucas: I will seek advice from Minister Macklin to assist you.

Senator FIFIELD: Okay. So will you undertake to get the committee an answer to the question as to whether a charter letter has been sent from the Prime Minister to Minister Macklin and whether it has been provided to Mr Pratt?

Senator McLucas: I will seek the information that is available to Minister Macklin and see if it can be of assistance to you.

Senator FIFIELD: That would be truly grand. Can I ask another question. Has Minister Collins received a charter letter?

Senator McLucas: I think I will treat that in the same way.

Senator FIFIELD: Mr Pratt, are you aware if Minister Collins has received a charter letter?

Mr Pratt: I do not have anything to add to the responses that I gave on Minister Macklin’s having a charter letter.

Senator FIFIELD: Let me approach this another way. This is astounding, I have to say, Parliamentary Secretary. One of the basic mechanics of government is the conveyance of a charter letter, and whether that has actually been written, received and passed to the department cannot be answered. This is extraordinary, I have to say. This is a new level of lack of cooperation with an estimates committee.

Senator McLucas: I do not agree, Senator. Mr Pratt has indicated to you that we will assist you in the best way we can, but that will require discussion between me and those ministers.

Senator FIFIELD: Given that we are on this portfolio all day, I will not be unreasonable. Let us seek to have an answer to this question by lunchtime. It has to be within the combined resources of everyone in this room, everyone at the table. We know the minister is in the building. Can I ask if by lunchtime—

Senator McLucas: I will see what we can do.

Senator FIFIELD: Thank you. In relation to Minister Collins, let me approach this another way. Part of my reason for questioning in relation to Minister Collins is to define what her exact responsibilities are. A charter letter would be a good place to start, but since we cannot even confirm whether a charter letter has been sent or received I guess that makes it a little difficult. So let me approach it another way. Without confirming the existence or not of a charter letter, Mr Pratt, what are the formal responsibilities of Minister Collins?

Mr Pratt: We would be happy to help you on that. I might ask the deputy secretary who supports Minister Collins to step forward and tell you about the things we underpin her on.

Ms Carroll: Minister Collins has a set of responsibilities which include the Office for Women and the community services within the portfolio.
Senator FIFIELD: How do you define the community services within the portfolio?

Ms Carroll: That would be grants to organisations—for example, the Family Support Program, some of the community investment programs et cetera.

Senator FIFIELD: Okay. What is the annual dollar value of those programs for which she has responsibility?

Ms Carroll: I do not have that off the top of my head, but I can get that for you, Senator.

Senator FIFIELD: So it is grants for family support?

Ms Carroll: She has broad responsibility for community programs, so that includes things such as the Family Support Program, the Community Investment Program—a range of those kinds of programs. But we could get you a dollar figure for that, Senator.

Senator FIFIELD: Can you also get me a comprehensive list of the things for which she is responsible?

Ms Carroll: Yes, Senator.

Senator FIFIELD: How does the department know what tasks the government have allocated to Minister Collins, for example? How does the department know that?

Ms Carroll: Minister Collins is a junior minister to Minister Macklin. Minister Macklin has described for us the things that would go directly—

Senator FIFIELD: How did she describe them?

Ms Carroll: Through protocols—ministerial minutes and those sorts of things.

Senator FIFIELD: And how are those protocols promulgated to the department?

Mr Pratt: In briefings with the minister, discussions with the minister.

Senator FIFIELD: Sure. That is how you are advised. How are they then promulgated in the department so that the department knows?

Mr Pratt: We basically tell everyone who they are reporting to in the department and amongst the ministers and parliamentary secretaries.

Senator FIFIELD: How do you tell them?

Mr Pratt: ‘X official, you are reporting to this minister or parliamentary secretary.’

Senator FIFIELD: So you just say, ‘Hey, guys, you, you and you are reporting to this minister.’ I am just trying to get a handle on what her core responsibilities are and how the department is formally advised of what her core responsibilities are. It just sounds a bit vague to me.

Ms Carroll: Within the department we have a ministerial support unit and through that ministerial support unit, which does things like provide the template for ministerial briefs and work out where correspondence would go, we have some documentation of where different minutes and those sorts of things would go.

Senator FIFIELD: Are you able to table the documents that explain where things go?

Ms Carroll: I could take that on notice, Senator.

Senator FIFIELD: This might be an easier way to approach it: I assume outcome 6 is the responsibility of Minister Collins, the Office for Women?

Ms Carroll: That is right.
Senator FIFIELD: So she would be responsible for outcome 6. Which other outcomes or programs does she have responsibility for?

Ms Carroll: Within the other outcomes it is probably a mix. Within outcome 1, for example, she does not have responsibility for family payments or paid parental leave but she does have responsibility for the Family Support Program. Within outcome 3 she has responsibility for the Community Investment Program, but she does not have responsibility for other things that sit in there, like problem gambling et cetera. She does have responsibility for the Financial Management Program, which includes emergency relief and financial counsellors and things like that. Her title is Minister for Women and also Minister for Community Services, so it is the broad community services programs. But we can give you a list of the dollar values of the particular subcomponents within outcomes.

Senator FIFIELD: If you could. Would you also do the same for Senator McLucas’s responsibilities?

Mr Pratt: Yes, Senator.

Senator FIFIELD: I have a feeling you might be being underpaid, Senator McLucas, for your level of responsibility compared to your ministerial colleagues. I am in here fighting for you.

Senator BERNARDI: Senator McLucas, have you received a charter letter?

Senator McLucas: I will check that for you.

Senator BERNARDI: What do you mean you will check it? You must know whether you got one or not.

Senator McLucas: I get a lot of letters.

Senator BERNARDI: So you do not recall getting one specifically from the Prime Minister appointing you to a position?

Senator McLucas: I would like to absolutely confirm that.

Senator FIFIELD: Mr Pratt, you confirmed you are aware of charter letters. Do charter letters only go to ministers or do they also go to parliamentary secretaries?

Mr Pratt: They can go to whomever the Prime Minister seeks to send them to.

Senator FIFIELD: Okay. We will have that taken on notice. Senator McLucas, you will forgive me. It does seem a little fuzzy around the edges, what Minister Collins is responsible for.

Senator McLucas: Can I confirm that there is absolute clarity in the department about which ministers have which responsibilities and what responsibilities I have. It is absolutely clear.

Senator FIFIELD: I am clear which responsibilities you have, Senator McLucas.

Senator McLucas: I am glad you are.

Senator FIFIELD: I am very clear on that. Anyway, it is a bit fuzzy for me because it is not clear whether charter letters have been transmitted. The way in which the government formally defines a minister’s responsibility is not clear and it is not clear how that is communicated through the department.
Senator McLucas: Can I absolutely confirm to you that we are totally clear about our roles and responsibilities, and so is the department.

Senator FIFIELD: We shall see, in relation to Minister Collins. On budget night, who in the department or what area—I do not want to pin this on an individual—is responsible for uploading the portfolio budget statements to the department website?

Ms Hand: We have a Communications Branch in FaHCSIA, and an officer in that branch is responsible for uploading.

Senator FIFIELD: What time was the target for having the portfolio budget statements online?

Ms Hand: That would depend on various factors on the day—issues associated with lockdowns and whatever. We make sure that we are ready to launch as soon as we possibly can when the documents and the budget are known publicly.

Senator FIFIELD: It is known publicly at 7.30 pm, I think. From what I have been told by people who were actively looking for the portfolio budget statements for FaHCSIA, they did not appear online until about 8.30 pm. Would that be right?

Ms Hand: I am not aware of it being late, but I will ask my head of communications.

Ms Burns: Our budget documentation did go up slightly later than we had hoped. We do normally try to get it up as soon as it is allowable to make it public, but we had some trouble with our operating system so it was a little late this year, I am afraid.

Senator FIFIELD: So it was around 8.30 pm?

Ms Burns: I think it was actually a little later. I think it started loading at about 8.50.

Senator FIFIELD: So there were technical issues?

Ms Burns: Indeed.

Senator FIFIELD: I will move to FOIs. How many FOI applications have been received by the department for the year to date?

Ms Hand: We have received, year to date, 58. I am just trying to find the right page here. I know that, in addition to those 58, there were 17 carried over from 2010-11, which makes a total of 75 FOI matters that we have been dealing with this year. Of those, 71 have been completed and four are still being processed.

Senator FIFIELD: How many of the 58 or the 75 were responded to within the required time frame?

Ms Hand: Sixty-nine, Senator.

Senator FIFIELD: So 69 of the 75?

Mr Pratt: Of the 71.

Senator FIFIELD: Sorry: 69 of the 71 have been dealt with. Are the ones which have not been dealt with within the required time frame all carried over from the previous financial year?

Ms Hand: No.

Senator FIFIELD: Okay. So all of the 17 carried over from the previous financial year were dealt with within the required time frame?
Ms Hand: I believe so, Senator.

Mr Field: Yes, Senator. I understand they were.

Senator FIFIELD: Of the 69 applications where decisions have been taken, how many of those resulted in a decision to not disclose some information?

Ms Hand: With respect to the 69, I do not have those statistics. I can say, with respect to the total 71 that I referred to earlier that have been completed, 32 were decisions, 32 were withdrawn and seven were transferred to another agency.

Senator FIFIELD: Could you take on notice those which you failed to disclose that were sought?

Ms Hand: Sure.

Senator FIFIELD: I will turn to the issue of staff misconduct. In the current financial year, how many cases have there been of staff misconduct?

Ms MacLean: As at 30 April 2012 the department has had three formal code of conduct investigations.

Senator FIFIELD: Without wanting to go into too much detail, can you indicate their nature or type?

Ms MacLean: Yes. The allegations involved a breach of confidentiality, bullying and harassment, and a failure to follow a lawful direction.

Senator FIFIELD: Breach of privacy. Is that sort of accessing—

Ms MacLean: Breach of confidentiality.

Senator FIFIELD: Is breach of confidentiality accessing databases?

Ms MacLean: Potentially. I do not have all of the facts of the case in front of me.

Senator FIFIELD: Failure to follow a lawful direction—that is something where a supervisor was within their rights to ask a staff member to do something and they declined to do so?

Ms MacLean: Potentially, yes.

Senator FIFIELD: Thank you. What about the previous financial year, 2010-11?

Ms MacLean: I do not have that with me today, Senator. I can take that on notice.

Senator FIFIELD: If you could. Of the three cases this financial year, have any of those individuals since separated from the organisation?

Ms MacLean: No, those cases are ongoing.

Senator FIFIELD: Is the Clean Energy Future website something that is run by the department?

Ms Burns: No, Senator.

Senator FIFIELD: But it is something that the department would have input into? I am thinking in particular about the carbon tax compensation estimator.

Ms Hand: The Department of Human Services runs that website. They have responsibility for the content. We would only have input inasmuch as they would take the materials around payments, eligibility and criteria and ensure that they were accurately put on the website.
Senator FIFIELD: It has been put to me—and you may wish to refer me to Human Services—that the estimator on the website for carbon tax compensation does not provide for an estimate of compensation for families with three or more children.

Ms Hand: I am not aware of that. One of my colleagues may be.

Ms Bell: The estimator is held on the Clean Energy Future site, which is maintained by the Department of Climate Change and Energy Efficiency. They have built the information around that estimator, and they would be privy to the caveats that they would have to put on that.

Senator FIFIELD: So input to that website, if I am to ask about that from the compensation point of view, is best put to Human Services? I assume that the department of climate change seek advice from the expert department on that. You are telling me that it is Human Services I should go to?

Mr Pratt: It does depend a bit on the nature of your questions. It may be worth just checking them with us in the first instance.

Senator FIFIELD: I am asking whether FaHCSIA has an awareness that there is not an estimate of compensation for families with three or more children. Is that something that has been raised with the department?

Ms Foster: I am aware of the estimator. I am not aware of whether the numbers for three children are on that. The website is the responsibility of Climate Change and Energy Efficiency. My understanding is that the information for it has been provided by the Department of Human Services.

Senator FIFIELD: Okay, I will ask Human Services, although I know I am running the risk of their saying that I will have to talk to the department of climate change about it because they run the website—but I will take it at face value and go to Human Services on that. The clean energy assistance package—I am sure that is not the right phraseology. What is the correct phraseology?

Mr Pratt: Household assistance package.

Senator FIFIELD: Thank you. That is the branding on the ads, isn’t it, the household assistance package? Is that a FaHCSIA campaign?

Mr Pratt: Correct.

Senator FIFIELD: How much is being spent on the campaign?

Ms Burns: Was that ‘has been spent’?

Senator FIFIELD: Has been and is intended to be.

Ms Burns: To date, expenditure as of last week was $1.413 million.

Senator FIFIELD: That expenditure covers what time frame?

Ms Burns: That covers up to 24 May and would have commenced in April.

Ms Bell: As of 31 March no payments had been made. Work had only just commenced on the campaign.

Senator FIFIELD: And what is the total budget for the household assistance package campaign?
Ms Bell: The total budget for phase 1 is $14 million. And the budget for the next financial year is $21 million. But there is no decision to go ahead with that component of the campaign as yet, pending tracking research.

Senator FIFIELD: Are you able to break down the $1.43 million figure and the $14 million figure into the components—research, creative, online, media buy?

Ms Bell: The forecast spend—because obviously the total has not been spent yet—for concept testing and research is $470,000. Benchmarking, tracking and final evaluation is $192,000. Creative development, including CALD and Indigenous components, is $2.1 million. The advertising spend for phase 1 is $11.1 million.

Senator FIFIELD: Of the $1.43 million up to 24 May, how much is advertising spend or media buy, or however it is put?

Ms Burns: To date, none of the advertising spend has been paid.

Senator FIFIELD: You have not received the invoices yet?

Ms Burns: That is right.

Senator FIFIELD: So that $1.43 million spent so far is concept testing, benchmarking, creative—

Ms Burns: Yes. It is creative and market research, which includes testing.

Senator FIFIELD: When was the decision made that FaHCSIA would undertake this campaign?

Ms Hand: The decision was made on 22 March.

Senator FIFIELD: Was that a cabinet decision or was that when the department was advised by government or—

Ms Hand: It was a government decision.

Senator FIFIELD: Government as in cabinet or the department of finance, which has ultimate responsibility for campaign advertising?

Mr Pratt: It was a government decision but it was subject to cabinet deliberation.

Senator FIFIELD: Did any discussions take place—and, if so, when—between the department of climate change and FaHCSIA about the possibility of FaHCSIA taking it over?

Ms Hand: We had no discussions with Climate Change before the government decision.

Senator FIFIELD: Was there any instruction from government—and I might know the answer to this question from another estimates—that the e-word, carbon, not be used in the campaign advertising?

Ms Hand: It was a government decision that the household assistance package campaign focus on payments primarily, because there had been extensive public relations activity previously that had linked the household assistance package to Clean Energy Future and carbon pricing. The government’s whole objective with this campaign was for it to be information based and to get information out there around the different types of payments, eligibility and timing criteria. Obviously a lot of contextual information is provided on supporting media to television, like websites and below-the-line PR activity, that makes those references to carbon pricing and Clean Energy Future.
Senator FIFIELD: You said there was a decision of government to focus on the payments and eligibility. How exactly was that instruction worded? Focusing is one thing; not mentioning something else is another thing. Was it just put in terms of the focus on X or was there a specific instruction that there be no mention of carbon?

Ms Hand: As I said, it was a government decision to focus this campaign—bearing in mind that FaHCSIA is not the policy agency; we are the implementation agency and it would be inappropriate for us to focus on carbon pricing—on the household assistance program.

Senator FIFIELD: How was the instruction conveyed?

Mr Pratt: Senator, I do not think it is correct to say that the campaign as a whole does not cover carbon pricing, because it does. The advertisements have a clear call to action, which is that they refer people to a website or, in radio ads, to call centres and so forth. Once you go from the rather brief advertisement through to the more detailed information, it is very clear that the context is the Clean Energy Future package, carbon pricing and so forth. So it is not correct to say that it does not cover carbon pricing.

Senator FIFIELD: Let us just focus on the TV ads for the moment. Was there any instruction that the TV ads not mention the word ‘carbon’?

Mr Pratt: I will have to check the advice that came from the government decision-making process but certainly it is not my recollection that there was anything in that decision-making that said something like that.

Senator FIFIELD: Could you take that on notice—whether there was any written or verbal communication from the government to the department that the word ‘carbon’ not be used in television advertising for the household assistance package.

Mr Pratt: We will take that on notice.

Senator FIFIELD: I think Finance were happy to say that ‘carbon’ was not to be used in the advertisements. But I will let you take that on notice. Concept testing, I assume, happens before the ads are actually shot and written and all the rest of it. Concept testing would have involved focus groups?

Mr Pratt: Yes.

Senator FIFIELD: Was there any prompting of the focus groups in relation to the phrases ‘carbon’, ‘carbon tax’ and ‘carbon pricing’ to evoke a response?

Ms Bell: The focus groups were built around determining people’s understanding of their eligibility for the payments. So the focus was very much on what words resonated with people around the payments and whether they understood that they potentially had access to them. That was recipients and nonrecipients, because obviously we did not want nonrecipients inundating the DHS call centre. The focus was very much on eligibility for the household assistance package payments and the various components of that package, and their understanding.

Senator FIFIELD: Were the words or phrases ‘carbon’, ‘carbon tax’ and ‘carbon pricing’ tested at all for their reaction in those groups?

Ms Bell: No. We were testing the draft concepts that we had from the advertising agency. Because they were purely based on an information campaign around payments, we were not testing specific wording around carbon pricing policy.
Senator FIFIELD: The focus groups—are they recorded as a matter of course?

Ms Bell: It depends on the facility. Most are recorded on audio and some are recorded on video as well.

Senator FIFIELD: Are you able to provide the committee with a copy of the focus group reports?

Ms Bell: The audio and video?

Senator FIFIELD: I assume a report is done of the—

Ms Bell: I will have to take that on notice.

Senator FIFIELD: Can you also find out whether there were recordings done and whether those are available? Take that on notice, please. When was the last focus group conducted?

Ms Bell: I would have to take that on notice as well.

Senator FIFIELD: Are there still focus groups that are doing work at the moment or being convened as part of the campaign?

Ms Bell: Phase 1 focus groups have ended.

Senator FIFIELD: Okay. Could you take on notice when the last focus group met. Just to fill in gaps in my knowledge, can you quickly take me through each phase of approval for the campaign?

Ms Hand: We received advice of the government decision on 22 March. There were various meetings with the Independent Communications Committee as we proceeded through concept testing and the like.

Senator FIFIELD: That is within Finance?

Ms Hand: That is right. The Independent Communications Committee reviewed the final mainstream materials and on 7 May they wrote to the secretary of FaHCSIA, Mr Pratt, indicating that they believed what we were proposing with the campaign complied with principles 1 to 4 of the guidelines. On 7 May, as is normal practice, the secretary certified the campaign—this is for the non-CALD component; I will come to CALD and Indigenous in a moment. A minute was put up to Minister Macklin and she approved the campaign to go forward on 8 May. The culturally and linguistically diverse part of the campaign and the Indigenous part of the campaign were certified by the secretary on 15 May. A minute went up to the minister and she approved those two components of the campaign on 17 May.

Senator FIFIELD: I have lost track of this. Was there a time when the Auditor-General had to sign off on campaign advertising—or there was but that is no longer the case?

Mr Pratt: That was the previous process.

Senator FIFIELD: The Auditor-General does not have a role at present?

Mr Pratt: No.

Senator FIFIELD: Were there any discussions between the department and the Prime Minister’s office about the campaign and its formulation or were they purely between your staff?

Mr Pratt: We do not brief the Prime Minister’s office; we brief our minister’s office.
Senator FIFIELD: I am asking whether there might have been contact initiated from the office to discuss the advertising.

Mr Pratt: No, we would not deal directly with the Prime Minister’s office. That is not to say that it is not possible for a PMO representative to be at a meeting where we are advising our minister’s office, but we do not have direct relations with the Prime Minister’s office.

Senator FIFIELD: Was a representative of the PMO at any meeting where you were advising your minister in relation to the campaign?

Mr Pratt: Not when I was, but they may have been during other meetings that that the department would have had.

Senator FIFIELD: I will ask the officials.

Ms Hand: Not for me, but they may have been in some of the working group meetings.

Ms Bell: No, the working group meetings were departmental. We have a working group for the campaign which has representatives from six or seven agencies. They are departmental representatives, not Prime Minister’s office representatives.

Senator FIFIELD: Were there any representatives of the Prime Minister’s office at any meetings that the department was involved with in relation to the campaign?

Ms Bell: Not that I am aware of.

Senator FIFIELD: With the $1.43 million up to 24 May—is there a meaningful daily figure that you could provide as to how much is spent on the campaign and its elements per day?

Ms Burns: No, Senator. As Ms Bell pointed out, until the end of March no expenditure had actually been made and so, as is often the case with big contracts, the payments are happening a bit later. So there is no useful daily breakdown.

Senator FIFIELD: I am giving the department the opportunity to come up with a meaningful daily figure but we will work on one ourselves to be of assistance.

Senator McLucas: I think the important word in your question is ‘meaningful’.

Senator FIFIELD: Don’t worry; it will be meaningful. I will move on to paid parental leave advertising. Correct me if I am wrong, but I think $6 million is allocated in the forward estimates for PPL advertising and evaluation.

Ms Bell: That is the dad and partner pay campaign.

Senator FIFIELD: What is that?

Ms Bell: It is an extension of the paid parental leave campaign.

Senator FIFIELD: Dad and partner—okay. But it is part of the broader PPL?

Ms Bell: It is an extension of that.

Senator FIFIELD: That is $6 million. Can you give me a breakdown of that figure?

Ms Bell: The 2011-12 forecast for that campaign is developmental market research, $289,000. The actual spend on that component as of 31 March was $202,000. Concept testing research was forecast to be $212,000—no spend to date. Benchmarking, tracking and evaluation was $80,000—no spend to date. In fact, there is no spend to date on the rest of the
components; they are all just forecasts. Creative development is $126,000. Advertising—we have no forecast for the advertising. It is very early days for this campaign.

Senator FIFIELD: Of the $6 million, how much do you think is likely to be the actual media buy—the actual advertising spend?

Ms Bell: We have not developed a media buy strategy, so we do not have that breakdown.

Senator FIFIELD: But it would be the bulk of it, I assume.

Ms Bell: Media buy is usually a large proportion. There is no television in this campaign, though. It is purely radio, digital and press.

Senator FIFIELD: You described it as ‘dad and partner pay’? Can you take me through the purpose of that? It is not a catchy phrase.

Ms Bell: It spells out simply the policy component. It was developed to support the introduction of a new payment on 1 January 2013 as a new entitlement for working fathers and partners pending the passing of the legislation. As I mentioned, the proposed communication mix is magazines, radio and digital—no television—with supporting public relations activity and information materials. The campaign will obviously include communications for ethnically diverse audiences and Indigenous audiences.

Senator FIFIELD: And this comes into effect in 2013?

Ms Bell: Yes.

Senator FIFIELD: Was that 1 January 2013?

Ms Bell: It was 1 January 2013.

Ms Hand: Can I just clarify that Ms Bell was talking about the 2011-12 total forecast of around $878,000, not the $6 million you were talking about.

Senator FIFIELD: It is $878,000?

Ms Hand: Yes.

Senator FIFIELD: Sorry, the $6 million is over the forward estimates. You are not anticipating that any of this will be TV advertising?

Ms Bell: No.

Senator FIFIELD: I will move to the schoolkids bonus campaign. Again, correct me if I am wrong—$12 million has been allocated for that campaign over the forward estimates?

Ms Bell: Yes, that is right.

Senator FIFIELD: Are you able to provide a breakdown of how that will be spent?

Ms Bell: Just across the two years. This campaign has not commenced yet, so we have not done the forecasting of the breakdown. In the budget papers it is $8.5 million in 2012-13 and $3.5 million in 2013-14.

Senator FIFIELD: Where did the decision for this campaign originate? I guess the answer will be that it was a government decision. Obviously it was a government decision, but what was the genesis of it? Did the department have discussions about this campaign before government made a decision?

Mr Pratt: I did not quite get that.
Senator FIFIELD: In the case of the household assistance package advertising, the department had no discussions with the department of climate change, for instance, before the decision of government was taken. Were there any discussions about such a campaign in the department, between departments or between the department and government before government took the decision?

Ms Burns: On the schoolkids bonus?

Senator FIFIELD: Yes.

Ms Burns: No, not to our recollection.

Senator FIFIELD: The schoolkids bonus is something that eligible families automatically get now, isn’t it? You do not have to keep receipts or submit that through the tax office. What does a family have to do to make sure they are on the radar to get it?

Ms Burns: These questions are best addressed by the policy area, not the communications area. The policy area is best placed to answer them. I am not sure that those officers are here.

Senator FIFIELD: I am not asking for a detailed explanation, just in the broad. Mr Pratt, do households have to do anything to receive it?

Mr Pratt: They have to satisfy the eligibility criteria.

Senator FIFIELD: How do they do that?

Mr Pratt: By having school-aged children at the right age.

Senator FIFIELD: And how do they notify the department that they have those school-aged children, or—

Mr Pratt: We would know that information from their receipt of the family tax benefit and their interaction with the Department of Human Services.

Senator FIFIELD: So you know that anyway—they have to do nothing in order to access it?

Mr Pratt: That is right.

Senator FIFIELD: That leads me to ask what the rationale is for the campaign. I might not agree but I can understand the rationale for the household assistance package—explaining how people might access something. What is the need for a $12 million spend in relation to campaign awareness for something that people will be aware of when they get it and that there is nothing for them to do in order to get?

Ms Carroll: Perhaps I can just elaborate a little bit. While the eligibility is attached to family tax benefit part A, there are also other elements that families will need to do. For example, there is a different school starting age in most states and territories. The payment obviously begins when the child starts school, so there will be some trigger for parents to let the human services department know their child is about to start school. In some states the child might start school at five and in another it might be six. Again, the age at which they go on to high school is a factor, because the payment changes when they go to high school. So there is some activity the parents need to be aware of. There is a kind of a primary eligibility, so to speak, around family payment, but then there are actions that parents are required to take.
I think the other thing a communications campaign is associated with is making sure parents understand what the criteria are so that people who perhaps are not eligible do not think that they are eligible. So there is a twofold process. One is about families understanding how they let people know their child has started school or started high school, and the other is to make sure that there is an understanding of who is eligible.

**Senator FIFIELD:** That is a new one to me, Ms Carroll: advertising to make sure people are aware that they are not eligible for something. ‘Do not even think about it! You are not eligible!’ It is a different approach.

**Ms Carroll:** It is understanding what the eligibility frame is.

**Senator FIFIELD:** Governments could spend all day every day telling people what they are not eligible for. Anyway, that is a new one for me. I am just thinking out loud here. Would there be a cheaper way to let families know about the age commencement issue at schools, given that the ages vary? Just take me through that again. Surely people would know when their kid is about to start school. Yes, the eligibility might vary.

**Ms Carroll:** Yes.

**Senator FIFIELD:** The age at which kids might start school might vary state by state, but parents themselves would know when their kid is about to start school. So that is a self-evident thing, isn’t it?

**Ms Carroll:** It is about actually getting the payment to start. The idea is that the schoolkids bonus starts in January 2013. The first payment is for a group of children who are just starting school that year. For human services to be aware about payments starting, there will be some activity required from those parents. Yes, the parent knows that their child is about to start school, but they need to know to tell human services.

**Senator FIFIELD:** Would there be a cheaper way to let those parents know than $12 million worth of advertising?

**Mr Pratt:** That question does seek a value judgment. There could be less effective ways of letting people know.

**Senator FIFIELD:** Like a direct letter?

**Mr Pratt:** It might not have the same impact.

**Senator FIFIELD:** As an advertising campaign that they may or may not see?

**Mr Pratt:** These are value judgments which we are not going to debate with you because we would hate to say that you were wrong.

**Mr Lye:** I guess the experience—and human services could elaborate on this—is that, without some form of communication campaign and letter process, you then get a consequent increase in traffic on the various channels that the human services department operate and that then impacts on their ability to service other clients. So the experience is that you need this approach to make sure that that is not overloaded by families who might be somehow confused or unsure of their entitlement.

**Senator FIFIELD:** How much would it cost to send a letter to—

**Ms Carroll:** You would need to ask human services that, Senator. They are the service delivery agency.
Senator FIFIELD: I will ask. I think there might be less expensive ways to do it. We may agree to disagree that a campaign to advise people what they are not eligible for might not actually be a necessary function of the campaign. Anyway, there may be opportunities for more direct and less expensive communication, I think, with those people who are eligible. Could not the schools also advise?

Ms Carroll: Schools are the responsibility of the state government.

Senator FIFIELD: I appreciate that, but it was just another thought. I will explore that with Human Services.

Senator McLucas: Your little one is not of school age yet, but my experience is that sometimes those notes do get lost behind the five-day-old banana.

Senator FIFIELD: I do not mean using children as the carriers of the letters. Anyway, I will pursue that with human services. But $12 million is a lot of money for something that people get anyway.

Senator McLucas: I think Mr Lye’s comment is relevant. I think it would be a good question to ask of human services, but if people do not know what a payment that they have received in their account is, they tend to get on the phone. There is a huge upswing, as I am advised, of people who will attempt to find out what is going on, and that then puts pressure on the call centres in human services.

Senator FIFIELD: Letters may be the solution, but I will explore that with Human Services. Senator Bernardi had an area that he wanted to address, and then I will come back.

Senator BERNARDI: I shall be brief. Mr Pratt, has the department entered into any commercial agreements with a company called Open Mind Pty Ltd? Sometimes they trade under Hall and Partners Open Mind Pty Ltd.

Mr Pratt: Are they a research company?

Senator BERNARDI: Yes.

Mr Pratt: The name rings a bell. I have come across them.

Ms Bell: We have had some dealings with Open Mind Hall and Partners.

Senator BERNARDI: Are you able to tell me, please, what the engagements with them were? What were your words?

Ms Bell: We have had some contracts with Open Mind over the last few years. I can probably take that on notice and have the information back today.

Senator BERNARDI: That would be great, thank you. I am interested to know what the agreements were that were entered into, what was the total spend on these agreements and whether they were tendered in the usual manner. You specifically said ‘over the last few years’, so I would like details of all the contracts entered into. Have there been any recent ones?

Ms Bell: I would have to check that.

Senator BERNARDI: Are you aware of the types of contracts, or is it just for market research work?

Ms Bell: It would have been for market research.
Senator BERNARDI: Is the department able to provide the committee with the reports that were generated from the market research?

Mr Pratt: We will take that on notice.

Senator BERNARDI: I would also be interested in any videos or other electronic recordings—

Mr Pratt: So products supplied by Open Mind.

Senator BERNARDI: Yes: any videos or recordings of any focus groups and related sessions.

Ms Bell: We do not take videos or audio from focus group sessions, usually for privacy reasons. But we do get top line reports.

Senator BERNARDI: Whatever you are in a position to supply in that respect I would appreciate. I told you I would be brief.

Senator SIEWERT: A couple of my questions are just checking where I should be asking. Obviously the issues around portability and the changes to portability go across a number of areas. Specifically, disabilities is one area. Where should I ask those questions today?

Mr Pratt: The schedule has disabilities on from 3 pm this afternoon.

Senator SIEWERT: Yes, but is there a possibility of dealing with it in general? This stretches across several areas, including the age pension. Is there an area where we should ask general issues or do we just cover them in each specific issue? Otherwise we are going to be asking some of the same questions again. They are general rather than specific.

Mr Pratt: I will just check with my colleagues to see whether we might be able to do it.

CHAIR: It would depend on the questions, Senator.

Senator SIEWERT: Some of it is about why the determination was made to bring it down from 13 weeks to six weeks, for example. These are general questions rather than specific ones.

CHAIR: I imagine the answer to that would be that it is a government decision.

Mr Pratt: We will just check if we can do that now.

Senator SIEWERT: Perhaps I can ask about the remuneration case. Where would be the best place to ask that? Would that be here? I want to know how FaHCSIA is dealing with it and the process.

Mr Pratt: Are we talking about the SaCS case?

Senator SIEWERT: Yes.

Mr Pratt: Yes, it should be with us.

Senator SIEWERT: I know it is no longer called the SaCS case. Is that here?

Mr Pratt: Yes.

Senator SIEWERT: Can I ask about that now, then?

Mr Pratt: I will just check to see that we have the right people.

Senator SIEWERT: In terms of your share of the $2.1 billion that has been set aside, how much has FaHCSIA been allocated, or has that not been done yet?
Ms Carroll: Our proportion is about $1.2 billion.

Senator SIEWERT: Around how many contracts does that cover?

Ms Carroll: That would cover most of our contracts.

Mr Hardastle: Somewhere in the vicinity of 2½ thousand providers.

Senator SIEWERT: And how many contracts? I realise that some providers will have a number of contracts.

Mr Hardastle: We would be looking to how we pay these. We would supplement through one adjustment for all of them. That would make 2½ thousand adjustments or thereabouts.

Senator SIEWERT: I want to go into the letters because I am still a little bit confused about this. I am sure you know that I was asking last week about it as well. Your intention is that each provider will get one offer that will cover all of their contracts? Whether they get a range of letters from different agencies we will get to in a minute.

Mr Hardastle: One offer per agency.

Senator SIEWERT: Yes, so all the contractors FaHCSIA has will get one letter. Will that then cover each of these particular contracts that they have with you?

Ms Carroll: That is right. It would be clear to the organisation what it covered.

Senator SIEWERT: I have had two different answers to this, so I am trying to seek clarification. Is it your understanding that each provider will get one letter, just one, that will cover DEEWR, FaHCSIA and whoever else they have contracts with? Is that the basis on which you are operating?

Ms Cattermole: It is our understanding that they will get one letter for the range of contracts in relation to an agency.

Senator SIEWERT: In other words, if I am provider X, I am going to get a letter from you, a letter from DEEWR and a letter from the Department of Health and Ageing, for example?

Ms Cattermole: That is possibly so. That is correct.

Senator SIEWERT: Possibly so?

CHAIR: On the same day?

Ms Cattermole: That is possible. I am not sure. Certainly, to the greatest extent possible, the intention is to coordinate the information across agencies, but the intention is also that there will be one letter per agency for all of the contracts that that particular organisation would have.

Senator SIEWERT: I must admit I am really confused. I have now had three answers to this question. One was that there will be different letters from each of the agencies. Another was that I will get one letter that will incorporate my whole offer from government across all of the agencies, and now you are saying that there will be one letter from each agency?

Mr Hardastle: We are certain of that, Senator: one letter from each agency.

Senator SIEWERT: So I could get three or four. If I were a big provider I could get three, if not four, letters but each offer from each of the agencies would still be on the same basis?
Ms Cattermole: Yes. That is correct.

Ms Carroll: I will explain why it is more likely to come from each agency. In FaHCSIA we might have a funding agreement that runs for two years or three years, and the Health funding agreement might have a different end date on it. So the amount that the service provider got would be more associated with that particular funding agreement. Within the agency we would look at whether it was Anglicare or someone like that and look at what they needed. Each department would do the same. So they would get that coordinated piece of advice from FaHCSIA and a coordinated piece of advice from Health.

Senator SIEWERT: Let us pick on Anglicare as an example, since you did: 'As a government, we fund them through the Department of Health and Ageing to do this, through DEEWR to do that and through FaHCSIA to do this, so let us send them one letter with the three offers in it.' No-one is doing that?

Ms Carroll: We are each looking at it. We are trying to coordinate that as much as possible, certainly, but we are not trying to centralise that piece of information.

Senator SIEWERT: Thank you. That is not what we were told through the office of a not-for-profit last week. There was some going backwards and forwards. I will go back and check the Hansard, but it was my clear understanding that, after some discussion, we came down to the idea that there would be one letter. But obviously that is not your understanding.

Mr Hardastle: It is not our understanding. We are looking to streamline communications as much as possible. We are looking to have one website where we will be providing the same consistent messages, but in terms of the letters we understand that there will be one per agency.

Ms Carroll: We will check that within government as well.

Senator SIEWERT: You said there is going to be a website and that will give the providers up-to-date information. When is that likely to be up and running?

Mr Hardastle: Somewhere over the next two weeks, we expect.

Senator SIEWERT: Who is responsible for implementing that?

Mr Hardastle: That is FaHCSIA.

Senator SIEWERT: So you are going to be providing the website for across all agencies?

Mr Hardastle: Yes.

Senator SIEWERT: What is going to be on that website?

Mr Hardastle: There will be information on the scope of the decision. There will be information about the government’s response to the order, once the order has actually been made.

Senator SIEWERT: And that is still expected on the 31st, is it?

Mr Hardastle: There is a conference on 31 May. Whether it is actually made then or whether the order is actually made weeks after that I cannot be certain.

Senator SIEWERT: So there is the government’s response and then what else would be on that?

Mr Hardastle: There will be a lot of detail on the scope of the government’s response. That is broadly what we will have on the website.
Senator SIEWERT: Okay. Will it be developed further later on?

Mr Hardastle: We will have tailored information for different states where there are differences, but, yes, it will continue to be updated as it progresses.

Senator SIEWERT: Perhaps you could clarify something for me. I have asked this before and I think I have misunderstood. What is happening with providers that are already paying above award?

Ms Cattermole: I guess the way in which we have framed the supplementation process is not to spend a lot of time on the detailed staffing arrangements and business models of each of the organisations. The idea is to make it as streamlined and simplified as possible. I think the sector has given us very strong feedback exactly on the same basis. The idea is that we have estimates based on organisations that have employees who fall within the scope, and the payments will be made on that basis. Obviously there might be some ons and offs at the margins of that, but the idea is that, using that estimate, we will pay on that basis so that we do not end up in some very complicated process that then has to have reconciliations.

Senator SIEWERT: If I understand correctly, given the number of contracts you have and given the scope, each organisation, depending on that calculation, will get a payment, depending on the number of contracts they have.

Ms Cattermole: That is right. And there would need to be some kind of clarification at the end—for example, where an organisation says, ‘Yes we had these employees that were in scope,’ and they sign off in some way to indicate that what they got was pretty right. But we are not going to end up in detailed analysis of people’s individual staffing arrangements.

Senator SIEWERT: Thank you. Are you aware that there are some organisations that are under the misapprehension that if they pay above award they are not going to get any money?

Ms Carroll: We are certainly aware that there is not a lot of clarity all of the time in the sector. Minister Collins has been holding some roundtables to help get the sector across the key issues. There was one held in Canberra on 1 May and I think there was one held in Brisbane last Friday. The idea of those roundtables is to talk about the scope of the decision, the government commitment and the kind of methodology that might be used. And so it is trying to get that clarity for service providers.

Senator SIEWERT: When is the one in Perth?

Mr Hardastle: I do not have it to hand.

Senator SIEWERT: We rattled through some meetings last week, but I did not get the one that was in Perth.

Mr Hardastle: I do not have it to hand.

Senator SIEWERT: If you could clarify it to me during the day that would be great. I am aware that there are some organisations in Perth that are still under that misapprehension. How are you taking into account the fact that Western Australia has not referred its IR powers? Are there therefore different arrangements for Western Australia?

Mr Hardastle: We are paying people who are subject to the equal pay case, so if they are not subject to the equal pay case the government does not have a share in which to assist organisations.
Senator SIEWERT: What assumption was made about the number of people who were covered by the federal system? In the determination of the $2.1 billion that has been allocated, what assumption did you make for the number of people who would be covered under this case in Western Australia?

Mr Hardastle: The number of employers was provided by DEEWR to the finance department.

Senator SIEWERT: What about yours?

Mr Hardastle: They did it on a sector-wide basis for WA in terms of the people under the SaCS award.

Senator SIEWERT: Is it best if I ask you?

Ms Carroll: You need to ask DEEWR, Senator.

Senator SIEWERT: So you gave information to DEEWR for that?

Mr Hardastle: Not that I am aware of.

Senator SIEWERT: So how could you be sure that DEEWR got it right for you?

Ms Carroll: Because DEEWR had the broad responsibility for the case more generally, they put the broad numbers together. Certainly we are aware of what might need to be covered within the contracts that the department holds, but it was associated with the broad numbers that DEEWR put together.

Senator SIEWERT: I am sorry, Ms Carroll, I do not quite understand you. DEEWR did not ask you, but you have done a calculation anyway?

Ms Carroll: DEEWR were responsible for the case and for the submission that went forward. More generally, you would need to ask DEEWR those specific questions about how they did the calculations around WA. I think for the department, we are applying the money that has been allocated for FaHCSIA across the contracts that the department has where we believe we pick up SaCS award employees. I think we are confident that the money we have allocated to us, pending the final decision, is broadly the kind of right quantum that would cover our contracts.

Senator SIEWERT: How do you know that if DEEWR did not ask you when they made that calculation?

Mr Hardastle: We would not have the specific information that would enable us to make a decision about what award all our different employers pay people under. So we would have a very limited contribution that we could possibly make around that. You make these costing estimates. We are confident that we will be covered.

Senator SIEWERT: I just do not understand how you can be confident that you will be covered. If DEEWR did the calculations without information from you about how many contracts you have and how many people are then employed under the contracts with the agencies, how are you confident, therefore, that you have enough money?

Mr Hardastle: The proportions they used to work out what proportion under different awards is one thing. The costings work did use the grants that we have—the proportions of our programs in WA. It was not in the absence of our information, but it was not about us telling DEEWR what we think the award coverage is.
Senator SIEWERT: So you did tell DEEWR how many contracts you have in WA?

Mr Hardastle: DEEWR provided the break-up for the department of finance. We also worked with the Department of Finance and Deregulation, based on our programs and the splits across the number of states.

Senator SIEWERT: So how much of the $1.2 billion have you allocated to WA?

Ms Carroll: The final numbers will occur once the final Fair Work decision is in. We could take that on notice and provide that, once the final decision is in.

Senator SIEWERT: But you have worked out that, of the $2.1 billion, yours is $1.2 billion?

Ms Carroll: Yes.

Senator SIEWERT: So surely you must have a notional allocation to the states against that?

Ms Carroll: We would have a notional allocation. We can take that on notice. Also, obviously we would anticipate that the final decision will come in during that period as well.

Senator SIEWERT: Thank you. Is it intended that further information, as in the allocations, will be provided on the website? Once you have allocated the $2.1 billion, will that then be publicly available on the website?

Ms Carroll: Are you talking about the amount that each department might be utilising of the $2.1 billion? The final detail is still being worked out, but we could take on notice whether that was being provided.

Senator SIEWERT: Once you have made the offer to organisations or to providers and they do not think it is adequate, what is the process then? Are you all using the same process? What if they want to appeal, for want of a better word?

Mr Hardastle: I saw the response from the Department of Finance and Deregulation last week. I would give the same answer. We have not finalised that process yet. We will have a consistent across-government position on how we handle the comeback process.

Senator SIEWERT: When do you intend to finalise that process?

Mr Hardastle: I imagine that we would definitely have that finalised before the order is finalised.

Senator SIEWERT: Has any information been conveyed to the community and to the providers about what that appeal process is going to be? And, if not, when do you intend to tell them?

Ms Carroll: That would be part of the broad communication. Once the final order comes in and we are doing more direct communication with different service providers, we would obviously tell them the whole process, including any issues they might have and how those would get resolved.

Senator SIEWERT: How much is the website costing, and which bucket of money is it coming from?

Mr Hardastle: That is being funded internally by the department.

Senator SIEWERT: It is not coming out of the $2.1 billion?
Mr Hardastle: No. The $2.1 billion is the government’s commitment to the providers.

Senator SIEWERT: Perhaps you could take on notice, if you cannot tell me straight away, how much the website is costing.

Ms Carroll: We will take that on notice.

Senator SIEWERT: Perhaps you could take on notice, if you cannot tell me straight away, how much the website is costing.

Ms Carroll: We will take that on notice.

Senator SIEWERT: Can I ask very quickly about the national compact? Is this the best place to ask about that?

Ms Carroll: That is probably under outcome 3 tomorrow, if that is okay.

Mr Pratt: Did you wish to discuss those portability issues?

Senator SIEWERT: Yes, please.

CHAIR: You have a minute, Senator. Perhaps we should just take the break early. Thank you.

Proceedings suspended from 10:29 to 10:48

Senator SIEWERT: Can we go to portability. I have some general questions and then some specific ones. My understanding is that this covers essentially anybody who goes overseas and who receives a pension and/or allowance—is that right?

Ms Serena Wilson: Would you like me to list the payments, Senator?

Senator SIEWERT: Yes, please.

Ms Serena Wilson: The payments are disability support pension, parenting payment, carer payment, carer allowance, widows B pension, wife pension, widow allowance, partner allowance, youth allowance—student, Austudy, mobility allowance, telephone allowance, pension supplement, utilities allowance, senior supplement, the clean energy supplement, the low-income supplement, pharmaceutical allowance, rent assistance, pensioner education supplement, some concession cards, family tax benefit part A and family tax benefit part B, single-income family supplement, double-orphan pension and paid parental leave. Special benefit, Newstart, youth allowance—other, and sickness allowance do not have general portability but they can currently be paid outside Australia in limited or defined circumstances, like an acute family crisis or legal proceedings overseas, for a maximum of 13 weeks. The age pension is not affected by this measure.

Senator SIEWERT: The age pension is not affected—however, isn’t there a new provision the Australian working life residency—

Ms Serena Wilson: That is a separate measure.

Senator SIEWERT: We will deal with that under the seniors section?

Ms Serena Wilson: Yes.

Senator SIEWERT: My understanding is that if you are on DSP and you are determined a severely impaired disability support pensioner—

Ms Serena Wilson: That is correct. I will give you the exclusions, if that would help, for DSP recipients. Those people whose payments were grandfathered from changes introduced in 2001 and 2004 will not be affected. People with a severe disability who are terminally ill will not be affected. People with a severe disability who are required to accompany a family member who has been posted overseas by an Australian employer—and, from July this year,
those who have a severe permanent disability and no future work capacity—have a new entitlement to portability and will not be affected by this measure.

**Senator SIEWERT:** Should I ask you about disability specific issues here or when we are in disabilities?

**CHAIR:** I would prefer it in disabilities.

**Senator SIEWERT:** I am happy to do it there. I would like to know, though, about the exemptions for anybody else. We will talk about those ones in disabilities, but does anybody else have access to exemptions?

**Mr Moufarriage:** Yes—students. People who are studying overseas can get an exemption for the purpose of that period of study if it contributes to Australian based course.

**Senator SIEWERT:** They are the only ones?

**Ms Serena Wilson:** Other than the ones I mentioned, I believe so.

**Senator SIEWERT:** Family tax benefit payments—what is the process there? If I am travelling overseas and I have kids and the only payments I get are family tax benefits, would I normally have to tell you that I am travelling overseas with my children?

**Mr Moufarriage:** Yes. It is a requirement with all social security payments and family assistance payments that you tell Centrelink if you are going overseas. The Department of Human Services can find out through a relationship they have with the department of immigration when people leave Australia.

**Senator SIEWERT:** I realise that I am now crossing over to where I may need to talk to Centrelink. You are expecting that every time a parent travels overseas with their children for more than six weeks—

**Ms Serena Wilson:** The current expectation, as I understood it, is that when people go overseas when they are receiving a social security payment—a payment that is made by Centrelink—it is a notifiable event.

**Senator SIEWERT:** I wonder how many parents do that or are aware of it. I will ask Centrelink. But I bet a lot of them are not. What is the rationale for reducing their payments when they are overseas for more than six weeks? Say I am on long service leave and I have taken my kids overseas for more than six weeks—what is the rationale?

**Ms Serena Wilson:** The government made the decision to reduce the period of portability because it considered that six weeks is a reasonable time for Australian residents to manage family or personal matters that arise from time to time and require them to be overseas and continue to receive taxpayer funded assistance. The changes are consistent with the focus and purpose of most working-age payments, which are to assist people with the cost of living in Australia; to facilitate, if they are people of working age, their contribution to the community to the extent that they are able; and to ensure that those who are on activity tested payments are able to work or are otherwise able to work are doing everything they can to get work in Australia.

**Senator SIEWERT:** I am talking about family tax benefit, which is supposed to be helping with the cost of the kids.

**Mr Moufarriage:** Family tax benefit aid remains portable for up to three years. It just reduces to the base rate at six weeks.
Senator SIEWERT: What would be the average difference between what they would be getting and the base rate?

Ms Serena Wilson: It depends on the circumstances. The number of children—

Senator SIEWERT: Two.

Ms Serena Wilson: We might have to do a calculation. Mr Whitecross might be able to help.

Senator SIEWERT: Surely you have done some calculations on how much you are saving.

Ms Serena Wilson: We have a total savings figure.

Senator SIEWERT: You are obviously looking at a bit of paper. Instead of me waiting for however many months before we get answers to questions on notice back, is there a table that you could table now that would tell us the savings against each of the allowances?

Ms Serena Wilson: I can refer you to Budget Paper No. 2.

Senator SIEWERT: Is that going to tell me the detail that I have just asked for in terms of—

Ms Serena Wilson: There is a table for each department but it does not have the detail for each payment.

Senator SIEWERT: What I am after is against each payment.

Ms Serena Wilson: We do not have that detail with us. We can undertake to get it for you but I am not sure that we will be able to get it in the course of the hearing. If we can, we will.

Senator SIEWERT: That would be appreciated. My understanding is that the family tax benefit then goes back to the base rate for whatever period of time you are overseas—or does it cut off further later?

Mr Moufarriage: At three years.

Senator SIEWERT: Yes, you did say that. So if I am overseas for a period of anything up to three years I still get the base rate—is that correct?

Ms Serena Wilson: That is correct.

Mr Whitecross: Provided that the absence is temporary, it is up to three years.

Senator SIEWERT: If I am travelling overseas with my kids for carer reasons, do I still get cut down to the base rate at six weeks? If I have to travel overseas to look after a sick relative and I have to take my kids, do I still get cut back to the base rate after six weeks or is there an exemption?

Mr Moufarriage: No, you would get cut back after the six weeks.

Ms Serena Wilson: For the above-the-base amount.

Senator SIEWERT: Thank you. I will ask the rest of my questions under the specific areas.

Senator FIFIELD: Something I neglected to ask for earlier when we were talking about the household assistance package—and this is something that no doubt you will want to take on notice—is whether the brief to the advertising agency could be provided to the committee.

Mr Pratt: We can take that on notice.
Senator FIFIELD: Also—and you may need the relevant officers for this—is there a market research company called TNS that has been engaged as part of the work for the campaign?

Mr Pratt: Apparently the answer is yes.

Senator FIFIELD: And what is it that TNS does? I think it is a market research firm.

Ms Burns: Yes, they are a research firm.

Senator FIFIELD: And are they the research firm that has been engaged for focus group testing, concept testing?

Ms Burns: We have had two market research firms engaged for the household assistance package campaign. I will have my colleague Ms Bell explain that to you.

Ms Bell: TNS is the research company for the concept testing. As is best practice, we split the work and engaged another company to carry out benchmarking and tracking to check how those concepts—

Senator FIFIELD: Just to fill a gap in my knowledge—how are market research firms chosen? Is there a shortlist the department of finance has which the client department chooses from? Do they pitch? How does it work?

Ms Bell: With campaigns we have to use the communications multi-use list which is held by the Communication Advice Branch at the department of finance. We also have our own market research panels because there is other work that occurs outside of campaign work. The researchers that we have used for the household assistance package sit across both of those.

Senator FIFIELD: So let us just take TNS. How were they selected? Were they on the department of finance list?

Ms Bell: They were on the department of finance list but also on our panel list and they were direct sourced due to time imperatives.

Senator FIFIELD: Direct sourced means someone says, ‘Let’s go with them’?

Ms Burns: The panel process is established through a proper procurement process to allow, then, when you need to move fairly quickly, taking somebody from a preapproved procurement panel.

Senator FIFIELD: Because of time constraints you decided to direct source someone. How is the decision taken to pick one firm rather than another?

Ms Bell: We look at their background in certain types of work, their Commonwealth work, and how much work they currently have on and whether they are able to take on the extra contract work, particularly for campaigns that are fairly quick.

Senator FIFIELD: So it was you who did that, who made the judgment that they were ready, willing and able?

Ms Bell: Yes, and my branch assesses that. We looked at a number of companies from that panel and some were unable to take it on in the time frame.

Senator FIFIELD: But it was purely on the basis of the professional judgment of you and your colleagues? No-one steers you towards a particular provider in these sorts of processes?

Ms Bell: No, we go through our procurement process. We develop a comprehensive procurement plan against each decision, which is then checked by our procurement people.
Senator FIFIELD: There is just one thing before I yield. I wonder whether Senator McLucas or Mr Pratt have had the opportunity to confirm the receipt of charter letters by the portfolio officeholders.

Mr Pratt: I have been checking and it is still under consideration.

Senator FIFIELD: Okay. I will ask a little bit later.

Senator BERNARDI: Mr Pratt, I have questions on the helping households communications campaign.

Mr Pratt: Yes.

Senator BERNARDI: What exactly is the $8.89 million in the current financial year and over the next financial year going to be expended upon for this campaign?

Ms Bell: The household assistance package campaign?

Senator BERNARDI: Yes. The ‘helping households communication campaign’ is how it is in my notes. In the PBS, on page 44, it says ‘Helping households communication campaign’.

CHAIR: And that is a different campaign? I just want to confirm that that is a different campaign to the household assistance.

Ms Bell: No, it is the same campaign. We provided a response to Senator Fifield earlier today.

Senator BERNARDI: When I was out of the room, clearly.

CHAIR: I think there is some confusion with the title. It is the household assistance campaign, not helping households, which is probably where the confusion arose.

Senator BERNARDI: Chair, in the PBS it says ‘Helping households communication campaign’.

CHAIR: I think the common usage now is the alternative name. Is that right? I am just getting someone to double-check, but I think that is true.

Ms Hand: Can I check—did you say $8.5 million?


CHAIR: Do you have a page number?

Senator BERNARDI: It is on page 44 of the PBS.

CHAIR: Thank you. That might help.

Ms Hand: I will ask our CFO to come up here, but the way the household communication campaign is reflected in the PBS is across numerous outcomes, depending on what the nature of the payment is.

Senator BERNARDI: So this is a subset of the $14 million overall, is it?

Ms Burns: Yes, that is correct. The household assistance package is spread across a number of outcomes. The one that you have identified is just that outcome’s contribution to the overall $14 million.

Senator BERNARDI: So this is directly related to the carbon tax?

Ms Burns: To the household assistance package.
Senator BERNARDI: You do not want to utter those words: ‘Yes, it is related to the carbon tax.’

Mr Pratt: Senator, it is related to our responsibility, which is the communication around the household assistance package.

Senator BERNARDI: I understand that, Mr Pratt.

Mr Pratt: Which of course links to the carbon tax and the carbon price.

Senator BERNARDI: You said it. Thank you. Maybe Senator Fifield has explored this. Are you able to tell me about the forms that the communication campaign is going to take?

CHAIR: We have covered that, Senator.

Senator BERNARDI: All right. What haven’t you covered?

Mr Pratt: He was very comprehensive.

CHAIR: I would not normally pull you up, but we did spend a lot of time on this. Unless there is something distinctly different, it just seems to be—

Senator BERNARDI: That is fair enough. I understand it. But I have a series of questions and I am just trying to go through them. What about the campaign within the disability support pension area? Is there a breakdown of how it is going to be spent? Has that been dealt with?

CHAIR: We covered a number of campaigns and I do not want to speak on behalf of the officers.

Ms Burns: Just for clarification, are you referring to the same campaign within the disability—

Senator BERNARDI: The same campaign, yes—$1.1856 million has been allocated for the disability support pension communication campaign. I am just interested in whether you can provide me with a breakdown of how it is going to be spent within that realm.

Ms Burns: Again, the overall $14 million for the current financial year was broken up across the outcomes where recipients belonged. Disability pension recipients are part of the target group for the household assistance package, so some of the funding is allocated to that outcome, but the campaign is not specifically broken up into those outcome groups.

Senator BERNARDI: So it is a general campaign that is also targeted to, for example, the disability support pension. With this supplementary payment and income support for households there is no specific information that is different?

Mr Pratt: That is correct, Senator, except for the elements which are targeted at Indigenous people and people from cultural and linguistically diverse backgrounds.

Senator BERNARDI: Which is from a language perspective for Indigenous people as well; is that correct?

Mr Pratt: Primarily, yes.

Senator BERNARDI: I may just jump ahead, then, to more general questions about communications and public relations, if we can. Is the department able to tell me how much is being spent in total on communications, including all of the campaigns more broadly—PR and advertising?
Ms Burns: Are you seeking campaign expenditure?

Senator BERNARDI: Including that. I am asking for the total communications, public relations and advertising campaign expenditure in 2012-13.

Ms Burns: This financial year, in 2011-12, the department has spent approximately $1.9 million on advertising. That comprises, at the moment, $383,598 on campaigns and approximately $1.5 million to $2 million on non-campaign advertising. Our non-campaign advertising, as we previously explained to the committee, is recruitment advertising, advertising the availability of grants et cetera.

Senator BERNARDI: What about next financial year? How much are you expecting to spend?

Ms Burns: To spend on campaigns?

Senator BERNARDI: Not just campaigns but communications in total: PR campaigns and advertising.

Ms Burns: I would have to take on notice the full year anticipated spend on all forms of communication.

Senator BERNARDI: I would appreciate it if you did. You may need to take this notice as well. Can you tell me how many full-time equivalents within the department have their main work focus or their work output directly relevant to communications, public relations and related activities?

Ms Bell: We will have to take that on notice.

Senator BERNARDI: Does the department monitor the websites or social media of parliamentarians other than their ministers?

Ms Burns: Not as a matter of course, no, Senator.

Mr Pratt: It does happen.

Senator BERNARDI: It does happen but not in a formal sense?

Mr Pratt: Not in a formal sense, although it might, for example, in the lead-up to an election. If there is an announcement of policies and we are preparing incoming government briefs then we would be clearly looking at that. If there are statements from members of the opposition or others about existing government policies we might look at that. But we do not have a formal program of doing that.

Senator BERNARDI: So something would need to be drawn to the attention of the department or the people within it in order for them to go through—

Mr Pratt: Or there might be something in the media which would suggest that the shadow spokesperson had a point of view on existing government policy which we would want to go and look at.

Senator BERNARDI: But you do not have people there following Twitter feeds and things of that nature?

Mr Pratt: No. I certainly hope not.

Senator BERNARDI: You hope not?
Mr Pratt: Not generally. Certainly on things which relate to government business and the department’s responsibilities, yes they would, but not just generally.

Senator BERNARDI: But any inquiry into it would be limited to things related to the department itself or something that would be drawn to your attention and relating specifically to the shadow ministers?

Mr Pratt: That typically would be the case, yes. I am not ruling out that something else might trigger someone’s interest—for example, something in the media—but it would relate to the department’s business, or it should.

Senator BERNARDI: Mr Pratt, I understand that you cannot give me an unequivocal answer that there is no specific group that is monitoring online media, but would you make some inquiries into that and let me know?

Mr Pratt: Certainly to my knowledge there is no designated website monitoring area, but we will check.

Senator BERNARDI: I mean social media monitoring or things of that nature.

Ms Bell: Obviously, as part of our campaign work, we monitor social media. It is a good way for us to look at blogs et cetera and to gauge how payment recipients understand the messages that we are putting out. So that relates directly back to our communications work. We do not have a dedicated team that does that. We do not have a dedicated social media team, but communications officers, as part of their campaign work, do monitor blogs and websites in order to make sure that we are meeting our communications objectives.

Senator BERNARDI: Would you be able to provide me with a list of the blogs and websites and things that are regularly monitored, including any Twitter feeds, that are monitored by that communications group?

Ms Bell: We can look at the campaigns that we are doing and the sorts of blogs that we are looking at and note those down.

Senator BERNARDI: If you have people who are monitoring the responses to particular campaigns it would be only natural that you would regularly go back to the sources to see whether the campaigns have been effective or whether there is public comment on them and how they have been received. I am sure there must be a regular list of media social media that is revisited. That is what I am interested in.

Ms Bell: We do not have a regular list, but I can check with my senior staff as to how they are doing the monitoring as it relates to their campaign work.

Senator BERNARDI: That would be good. I would appreciate that. I am interested not only in the websites but in whether the department regularly monitors ministers’ and shadow ministers’ contributions and other parliamentarians and perhaps their staff or advisers. If so, who are they? Then who is responsible for directing the activities within the communications group?

Ms Burns: There is nothing systemic about the way in which we might follow social media. If the media quote a member of parliament or a senator or a spokesperson on something then we will often go to the source to find out exactly what they said or the context in which they said it so that we can understand where that point of view is coming from, because, surprisingly, sometimes the media does not quote the whole thing.
Senator BERNARDI: Really?
Ms Burns: Yes.
Senator BERNARDI: I have experienced that on occasion myself. Anyway, you understand that general inquiry, and I would appreciate as in-depth an answer as you can possibly give me, please. Chair, I have one other question in relation to the Social Security Appeals Tribunal. I know other people have questions.
CHAIR: We will finish off the general questions first and then go to SSAT.
Senator FIFIELD: Can I go back to the household assistance package again. For benchmark tracking $190,000-odd has been expended so far. What is the company that is doing that?
Ms Burns: It is Roy Morgan.
Senator FIFIELD: Thank you.
Senator WATERS: I have a few questions about the interaction of your department with the environment department, SEWPaC. Under the federal environmental law, the EPBC Act, when making a decision about approving a project the minister has to consider social and economic impacts. Has SEWPaC ever approached FaHCSIA for advice on the social impacts of major projects that have been referred under that legislation?
Mr Pratt: We would have to check. It is quite possible.
Senator WATERS: Could you take that on notice. Are you aware off the top of your head of any occasions where they have requested that?
Mr Pratt: Nothing is coming to mind in relation to that particular act, but of course in things like interdepartmental committees, where we are working on submissions to government and so forth, there is often consideration of the social impacts of policies and so we of course liaise extensively then with other departments.
Senator WATERS: So that is the social impacts of broader government policy, as opposed to the impacts of a particular project that has been referred for the environment minister’s consideration?
Mr Pratt: That is right. However, I am not definitively ruling out that we might not have provided advice on a specific project.
Senator WATERS: Do we have the folk in the room who could answer that or will you need to take that on notice?
Mr Pratt: I am thinking that we will need to take it on notice.
Senator WATERS: I am interested in whether that advice includes the social impacts of enterprise migration agreements as well. Could you also take that on notice as part of that question. While I am on that theme, has FaHCSIA, of its own volition or at the request of anyone else, assessed the social and economic impacts of enterprise migration agreements?
Mr Pratt: I would have to take that on notice.
Senator WATERS: Thank you. Is there any possibility of having an answer to that one by the end of the week?
Mr Pratt: We will do our best.
Senator WATERS: Great. Thanks for that. Much appreciated. I want to move back to the EPBC Act. The environment minister is to invite comments from other ministers with administrative responsibilities regarding a referral. Does the environment minister or SEWPaC regularly request input from FaHCSIA on major projects that have social, economic and community impacts?

Mr Pratt: Not to my knowledge.

Senator WATERS: Could you check whether the environment minister or SEWPaC have ever requested such advice in writing. If you could take that on notice that would be good.

Mr Pratt: Certainly, Senator.

Senator WATERS: If a minister or a department in any context is required to consider the social impacts of a major project, what would FaHCSIA consider to be an appropriate process for assessing social impacts? What sort of analysis do you think would be needed?

Mr Pratt: That is a rather broad question. Certainly we would look at things like who lives in the area that might be affected, what sort of income support they might be receiving, any demographic information that we have, the extent to which we have funded programs operating in the location or dealing with the people who are potentially affected by the proposed project. It could be quite a few factors that we would look into.

Senator WATERS: Is that a process that FaHCSIA would undertake itself or is it more appropriate that independent expert analysis would assess those issues?

Mr Pratt: Either might be the case. We might buy in assistance or we might do it ourselves.

Senator WATERS: So FaHCSIA has those skills in-house to effectively do those social impact assessments?

Mr Pratt: Yes. We have very expert staff.

Senator WATERS: Can you tell me a little bit more about the expertise that you have, the number of personnel, and whether or not that is work that you regularly undertake? Pardon me if that is an obvious question to the other members of the committee.

Mr Pratt: We have a large number of people—I could not tell you offhand how many—who have strong policy, analytical and research capabilities. There are people who have been working in these areas for many years. FaHCSIA and its predecessors have a rather proud history of skills and expertise in this area.

Senator WATERS: On social impacts particularly?

Mr Pratt: An awful lot of our policy work is around social impact.

Senator WATERS: If you could perhaps take on notice your view on what are the skills a regulator might need to assess the social and community impacts of major project proposals, mostly in the context of those environment department referrals but in the broader context as well, that would be very helpful.

Mr Pratt: Certainly, Senator.

Senator WATERS: Thank you.

Senator McKENZIE: Just on that note I thought that was a very interesting line of questioning from Senator Waters. I would also like similar information around the effects of
the Murray-Darling Basin Plan and whether the authority has sought FaHCSIA’s advice on the development of their socioeconomic modelling around the release of the plan.

Mr Pratt: Yes, Senator.

CHAIR: If that is the end of general questions we will move to SSAT. Ms Macdonnell, are you here by yourself? You are the only officer here from SSAT?

Ms McDonnell: I am, Chair.

CHAIR: That is fine. I just wanted to check whether we were waiting for more people. I was not questioning whether you were capable of being here by yourself or not.

Senator SIEWERT: With the move to more online processing, through Centrelink et cetera, how are you going to handle that new process? Have you noticed any difference in your workload, the number of appeals or your interaction, now that new process has been introduced?

Ms Macdonnell: No, in fact there has been a fall in applications for review of decisions made by officers employed in Centrelink.

Senator SIEWERT: I was going to go there next. What is the quantum of that fall, over what time frame?

Ms McDonnell: In the last financial year, 2010-11, the quantum was, as I recall without opening the book, an 11 per cent fall in applications for review of what I might refer to as Centrelink decisions. If my memory serves me correctly, Senator, there was a five per cent fall in applications for a review of decisions of the Child Support Registrar.

Senator SIEWERT: Sorry, there has been a five per cent fall in the child support?

Ms Macdonnell: Yes, and 11 per cent on Centrelink.

Senator SIEWERT: Thank you. What time frame is that over?

Ms Macdonnell: I will check. I was answering from memory. I am looking at the annual report of the tribunal. I am looking at page 8 and it says there was a 12 per cent decrease in relation to applications for review of decisions made in Centrelink. When that decrease was combined with the decrease in the previous year, there had been a 40 per cent drop.

Senator SIEWERT: Thank you.

Ms Macdonnell: I am looking for a figure there for child support. I cannot quickly alight on it, but I believe it is around five per cent.

Senator SIEWERT: That is over 2010-11?

Ms Macdonnell: Yes, but could I check that and, if that were to be incorrect, give you the correct figure?

Senator SIEWERT: Thank you. That would be appreciated. In terms of 2011-12, I realise we have not reached the end of this year but what are the figures to date? Are they tracking the same?

Ms Macdonnell: They are tracking a further fall, perhaps not as large a fall for applications for a review of decisions made within Centrelink, but a larger fall in terms of applications for review of decisions made by the Child Support Registrar.
Senator SIEWERT: Sorry, that—
Ms Macdonnell: There is a fall but not of the same magnitude.
Senator SIEWERT: Across both?
Ms Macdonnell: On Centrelink.
Senator SIEWERT: Yes.
Ms Macdonnell: It would appear that there is likely to be a fall of greater magnitude on the child support.
Senator SIEWERT: Thank you. What I am also interested in is a breakdown in the appeals against the specific allowances and pensions. I am particularly interested in what has been the trend with the disability support pension.
Ms Macdonnell: I would have to take the question on notice to give you those figures. I think they are relatively static.
Senator SIEWERT: If you could take that on notice that would be good. I am particularly keen on the 2011-12 figures, and if you could break it down into quarters that would be appreciated. Thank you. I am particularly interested in that area. I am also interested in the number of appeals from the Northern Territory. Can you break it down into territories and states?
Ms Macdonnell: Yes, I will be able to do that. I would be very surprised if there has been any change. We received a very small number in the Northern Territory and I am not aware of there having been any increase.
Senator SIEWERT: Okay. If you could look at it for that period, again broken down into quarters, that would be appreciated.
Senator SMITH: Just briefly, this financial year, 2011-12, how many cases have resulted in the applicant’s case being upheld?
Ms Macdonnell: Pardon me. I have to think about whether I have that readily with me. The number of applications that have been finalised after a hearing is something a little under 10,000. I may have something. No. The figures that I have here do not break it down in that way. Can I take that on notice, please?
Senator SMITH: Certainly. Thank you very much.
Ms Macdonnell: So it is the number that is affirmed?
Senator SMITH: The proportion of cases that had resulted in an applicant’s case being upheld.
Ms Macdonnell: Upheld. Okay.
Senator SIEWERT: Also, could you do that against the specific allowance or pension that they were applying for or that decision was based around? Was it DSP et cetera.
Ms Macdonnell: By payment type?
Senator SIEWERT: Yes. Thank you. That is the appropriate word.
Ms Macdonnell: Could I just make the observation that the answer to what percentage are affirmed and aside moves within a narrow range each year. It ranges probably within about five per cent per year and it is a longstanding trend. While I cannot give you the exact figure,
I can say that, looking at it during the year, it has not moved out of that range. So I can offer you that today. I can offer you the exact figure on notice.

**Senator SMITH:** Just with regard to that, does that also include Child Support Agency payments? Do they get captured—

**Ms Macdonnell:** They are captured separately. Are you asking me to include that?

**Senator SMITH:** Yes, please.

**Senator McKENZIE:** With the 40 per cent decrease in applications that you mentioned earlier—can you put your finger on why? That is pretty significant.

**Ms Macdonnell:** Over those two years? I would only be speculating.

**Senator McKENZIE:** But with such a significant drop over core business, surely there has been some analysis within the department of why.

**Ms Macdonnell:** There has not been analysis at the tribunal as to why; I cannot comment on whether there has been in the department. One can only read anecdotally that there is a link between economic conditions, workloads at Centrelink and workloads flowing through the tribunal. But I have no empirical information to offer you. There is one thing that I have been told, and that is that Centrelink has adopted a practice whereby the authorised review officer rings the customer in many cases and explains the decision. Certainly it is my understanding that the Department of Human Services would credit at least some of the drop in number of applications for review to the SSAT to that initiative. But I cannot take that any further for you either.

**Senator McKENZIE:** Thank you.

**Senator SIEWERT:** I asked you to give me the Northern Territory figures. In fact could you give me the figures for each of the states and territories over the period of financial year 2011-12 to date?

**Ms Macdonnell:** By outcome?

**Senator SIEWERT:** Yes, if you could—by payment type and state.

**Ms Macdonnell:** By state and by outcome?

**Senator SIEWERT:** Yes, thank you.

[11.32]

**CHAIR:** We will now move on to questions in outcome 4.

**Senator FIERRAVANTI-WELLS:** I am following up on some questions that you provided on notice—Nos 146 to 149. First I will go to 147, which was in relation to staffing levels. Has there been any change since that answer was provided?

**Ms Foster:** The actual FTE for the branch at the moment is 43.5. So it is the same as the previous answer.

**Senator FIERRAVANTI-WELLS:** And no changes are perceived over the forward estimates?

**Ms Foster:** I should flag perhaps that that number of staffing in the branch is the total number of staff. Some of the staff in the branch are engaged in cross-program, cross-portfolio work, including means test policy and household assistance package work. So there have been
ebbs and flows in the mix of staff in the branch but the level has remained really quite static, and for the next financial year it is planned to remain around that level as well.

**Senator FIERRAVANTI-WELLS**: In relation to question on notice No. 148, which was about briefs, can you tell me—there have been some announcements made in relation to the aged care package. Whilst that is in the purview of the Minister for Ageing and Mental Health, has FaHCSIA assisted or been involved in any way in relation to any of those announcements?

**Ms S Wilson**: Yes.

**Senator FIERRAVANTI-WELLS**: Could you just elaborate on that to give me an idea of the areas where you have assisted?

**Ms S Wilson**: We have assisted in a range of areas. The Department of Health and Ageing had an interdepartmental committee that supported their work in aged care, of which we were a member. We attended meetings of that committee and we commented on papers that were developed. So it was commenting, providing information and looking at interactions between aged care measures and the age pension and pension settings.

**Senator FIERRAVANTI-WELLS**: And the means testing issues? There were some means testing announcements. Did you provide any advice? I am not asking what the advice was. Was that part of that as well?

**Ms S Wilson**: Yes.

**Ms Foster**: I should flag that there is a separate means test that applies to aged care and to the age pension. They are similar but not—

**Senator FIERRAVANTI-WELLS**: I appreciate that. I was just talking in terms of means testing more broadly. Obviously they are two separate entities, but as part of that work of the interdepartmental commission did you provide advice and assistance in relation to the framework and timing of the changes—the introduction on 1 July 2014?

**Ms S Wilson**: I do not believe we can go to the detail of the advice. We provided a range of advice about the package—

**Senator FIERRAVANTI-WELLS**: Perhaps I can rephrase my question. Did that advice include, perhaps, the timing of the introduction?

**CHAIR**: They cannot go into that detail, Senator.

**Mr Pratt**: Certainly our advice was quite comprehensive.

**Senator FIERRAVANTI-WELLS**: And one could assume that it covered a comprehensive range of matters, Mr Pratt—is that right?

**Mr Pratt**: That is correct.

**Senator FIERRAVANTI-WELLS**: And within that comprehensive range I can draw my own conclusions?

**Mr Pratt**: Correct.

**Senator FIERRAVANTI-WELLS**: Thank you. I will go to DoHA in relation to the membership of that interdepartmental committee. In relation to question on notice No. 149, could you elaborate in particular on one of those conferences? Are there any papers that you
gave or obtained as a consequence of that attendance—in particular the conference about emerging researches in ageing? Ms Foster, can you take that one notice?

**Ms Foster:** I can. Generally those conferences do put papers up on a website. I will check.

**Senator FIERRAVANTI-WELLS:** If you could kindly provide me with the link, that would be very helpful. In relation to figures about persons aged 65 and over, in your annual report last year as at June 2011 you set out statistics about the numbers of pensioners on the full rate, on part rates and in total. Is there an update of those figures since June 2011?

**Ms Foster:** The latest numbers I have are for March 2012. The percentage of max rate pensioners is 60 per cent. The percentage of part rate pensioners is 40 per cent. Splitting that 40 per cent out, 12 per cent of pensioners are on a part rate because of the assets test and 28 per cent are on a part rate because of the income test.

**Senator FIERRAVANTI-WELLS:** Could you put numbers next to that? The figure I have is 3,103,529 according to ABS statistics. Do you have a figure as at March?

**Ms Foster:** The latest ABS figure that I have is at June 2011, I am sorry, and it is 3.3 million.

**Senator FIERRAVANTI-WELLS:** Your figures give a breakdown as at March but you are still going on that 3.1 million figure?

**Ms Foster:** No, sorry, there is a difference. Of the 3.3 million people, as at March 2012 we had 2.2 million people in receipt of the age pension. Those percentages that I gave earlier apply to the 2.2 million age pensioners.

**Senator FIERRAVANTI-WELLS:** All right, but we are still going on that 3.1 million?

**Ms Foster:** The 3.3 million figure is at June 2011.

**Senator FIERRAVANTI-WELLS:** I am going on a different figure. I am going on an ABS Australian demographic statistic as at June 2011 which was in advice that was provided to me. If you could kindly give me a link or advise me where your 3.3 million came from that would be very helpful.

**Ms Foster:** Yes, I will take that on notice.

**Senator FIERRAVANTI-WELLS:** How many pension recipients to date have taken advantage of the pension advance payment option since the changes were implemented on 1 July 2010?

**Ms Foster:** In 2010-11 the number of advances—not the number of people—was 917,163. To date for this financial year the number of recipients receiving advances has been 509,388. Unfortunately that is comparing advances and recipients.

**Senator FIERRAVANTI-WELLS:** So you do not have the number of recipients for 2010-11? Could you take that on notice?

**Ms Foster:** I can give you the number of recipients for the 12 months to 31 March if that would help.

**Senator FIERRAVANTI-WELLS:** Yes, thank you.
Ms Foster: That is 545,640. That is the 12 months to 31 March 2012.

Senator FIERRAVANTI-WELLS: As I understand it, to obtain a pension advance payment the pension recipient is required to provide an explanation or evidence to substantiate their request for an advance payment.

Ms Foster: They are not asked to provide a reason for which they may be asking for the advance payment, so there is not an explanation that is provided to Centrelink. But Centrelink does ask them about the amount that they can afford to repay. So there may be a difference between what the person asks for and what they may receive, because it is very much based around what the person can afford to repay over 13 fortnights.

Senator FIERRAVANTI-WELLS: So that is where the explanation comes in: it is not the fact that they want the advance payment; it is how they are going to repay it?

Ms Foster: Yes.

Ms S Wilson: It is not how they are going to repay it; it is what they think they can afford each fortnight as a repayment.

Senator FIERRAVANTI-WELLS: Yes but does that require some sort of paper evidence or some other information to be provided to you, or is it just an assessment that you make with the recipient?

Ms Foster: Centrelink would ask the recipient to consider their usual expenses such as groceries, rent, child care and other loan repayments. But I suspect that the Department of Human Services may be able to help with further details.

Senator FIERRAVANTI-WELLS: Are you able to provide me—on notice if you can—with a month-by-month breakdown of the number of recipients applying to utilise the pension advance option? Is that something that you track? Is there a month-by-month—Ms Wilson, I see you are shaking your head.

Ms S Wilson: I am not sure that we have that data monthly.

Senator FIERRAVANTI-WELLS: Perhaps just take it on notice, if you do not mind.

Ms Foster: My understanding is that it is quarterly but I will take that on notice.

Senator FIERRAVANTI-WELLS: Could you give it to me quarterly then. Do you have circumstances where those applications are denied?

Ms Foster: I do not have any details on that.

Senator FIERRAVANTI-WELLS: Could you take that on notice, please, and in what sorts of circumstances you would deny somebody. Following on from what Ms Wilson said, would that be something you would do if you believed they were not able to repay over the time?

Ms Foster: The source of our information on that would be the Department of Human Services. I am happy to take that on notice but it may be useful—

Senator FIERRAVANTI-WELLS: Would you like me just to ask the department?

Ms Foster: Yes, and we can of course let them know that the question is coming.

Senator FIERRAVANTI-WELLS: I will just address those questions to the Department of Human Services, thank you. I have some questions on the Australian working life
residency and the strengthening of those requirements. Will this rule take effect immediately or will it be phased in over a time period and, if so, what will be that time period?

Mr Moufarriage: It is due to start from 1 January 2014. It will take effect from that date. Anybody who is overseas at that date will be grandfathered under the 25-year arrangement that is currently in place.

Senator FIERRAVANTI-WELLS: Have you done any work in relation to the number of applicants for the age pension that these changes will affect?

Mr Moufarriage: Yes, we have. Approximately 5,400 age pensioners go overseas permanently each year. Around one-third of this number are paid under social security agreements with New Zealand and Greece, which will not be affected by the initiative. So there are approximately 3,300 people who will be affected.

Senator FIERRAVANTI-WELLS: Have you got some statistics in relation to how many people will reach age pension eligibility but will not be eligible for the age pension due to the introduction of these new rules? Have you done an estimate of that group of people?

Mr Moufarriage: No, because they will be eligible for the age pension here in Australia. When they go overseas they will still be entitled to the age pension but at a reduced amount because of the—

Senator FIERRAVANTI-WELLS: But you cannot estimate because you do not know how many people will be going overseas?

Mr Moufarriage: We do know that, as I said, approximately 5,400 age pensioners go overseas every year.

Senator FIERRAVANTI-WELLS: There is a predicted saving of $50.8 million by introducing this program. Can you outline exactly how these savings will be achieved?

Mr Moufarriage: It is essentially the difference between the current proportionalisation arrangements and the new proportionalisation arrangements for new people going overseas. At the moment if a person has an Australian working life residence of say, 17 years—that is the period between 16 and age pension age—after 26 weeks absence from Australia their age pension is calculated at 17/25 of the age pension. That is what is paid after 26 weeks absence. Under the new arrangement, that will be 17/35 of the age pension.

Senator FIERRAVANTI-WELLS: I have some questions in relation to the tripling of the tax-free threshold and the seniors card. Have you done any work on the eligibility criteria for the Commonwealth Seniors Health Card—any proposed changes in relation to that?

Mr Moufarriage: I would have to take that question on notice.

Senator FIERRAVANTI-WELLS: Do you have an estimated number of applicants who may be denied access to the card due to not meeting the eligibility criteria now?

Mr Moufarriage: Again—

Senator FIERRAVANTI-WELLS: You have to take that on notice?

Mr Moufarriage: Yes.

Senator FIERRAVANTI-WELLS: Thank you. How many recipients of the Commonwealth Seniors Health Card will no longer need to complete required paperwork due to the tripling of the tax-free threshold so as to access the seniors health care card?
Mr Moufarriage: Again, I would have to take that on notice.

Senator FIERRAVANTI-WELLS: Thank you.

Senator SIEWERT: Can we go back to the working life residency budget initiative and who is grandfathered and who is not. My understanding is that grandfathering provisions will protect existing customers who are currently being paid under international agreements. So those who are already under the 25 rule will stay in the 25 rule—is that correct?

Ms S Wilson: There are two provisions. Those who are already overseas and are subject to the 25-year rule are grandfathered in respect of that rule. So it only applies to people going overseas from January onwards. Second, the social security agreements with Greece and with New Zealand provide an exemption or a difference in respect of people covered by those agreements.

Senator SIEWERT: So they will stay covered regardless into the future?

Mr Pratt: Subject to the operation of the agreement.

Senator SIEWERT: Subject to the operation of the agreement, but they are outside this process?

Ms S Wilson: That is right.

Senator SIEWERT: Can I just clarify that those people who are already overseas are covered, and those people who are already on the pension and now go overseas will be on the new rule. Is that correct?

Mr Moufarriage: If they go after 1 January 2014.

Senator SIEWERT: If I am already on the pension and I am going overseas now, I will be affected by this new rule?

Mr Moufarriage: Not if you go now.

Senator SIEWERT: Sorry—if I go now I will be fine. If I go in July—

Ms S Wilson: Next year?

Senator SIEWERT: If I go in July next year I become covered by this rule?

Ms S Wilson: Unless you are covered by a social security agreement with New Zealand or Greece.

Senator SIEWERT: Okay. So this applies to that group but also anyone who goes on the age pension as of that date?

Ms S Wilson: Unless the other exemptions apply.

Senator SIEWERT: Yes. I am just ignoring those because that is separate. So there are two groups of people who will be affected by this: those who are already on the pension but have not been overseas and those who will go on the pension as of the starting date?

Ms S Wilson: Yes.

Senator SIEWERT: What is the difference between me, if I am already on a pension and I choose to go overseas next year, and those who are still on the pension but happen to have gone overseas before I did? Isn’t that discrimination against those who are already on the pension?
Ms S Wilson: The grandfathering provision is recognising that people have already made a decision informed by the conditions that were prevailing at the time that they made their decision to overseas.

Senator SIEWERT: But I may be on the pension and may have been planning to go overseas in the not-too-distant future and will be affected by this.

Ms S Wilson: Grandfathering arrangements usually pertain to those who are already the recipient of a beneficial mechanism.

Senator SIEWERT: I am a recipient of a beneficial mechanism—I am on the age pension.

Ms S Wilson: But you are not overseas.

Senator SIEWERT: No, but I may be planning to go overseas. I do not necessarily agree with the rule but I can understand why you are bringing it in for those who go on the age pension from now on. But I am already on the pension and I may have already been planning to go. So you have changed the rules when I am already on the pension.

Ms S Wilson: The government decided to change the rules for a number of reasons. In so doing they made a decision that those who had already operated under previous rules and made a decision to leave Australia should not have the conditions changed having made that decision. But the government decided to make this change for a range of reasons, and one of them was to bring us in line with other OECD countries, which generally require between 35 and 45 years working life residence to receive full pension overseas. So recognising that some people have already made a decision based on the rules that pertained when they made that decision to go overseas, they have had their existing entitlements saved. But people making decisions in the future will have to make decisions on the basis of the rules that pertain then.

Senator McLucas: Senator, it might be of use to recognise that this measure does not start until 1 January 2014. So the circumstance you are describing—I think it allows for informed decision-making by individuals. A very small number of people, if any, would be making decisions that far out and would not be able to accommodate the change.

Senator SIEWERT: How many people are grandfathered?

Ms S Wilson: I will have to take that on notice.

Senator SIEWERT: Could you take it on notice, and how much it will cost.

Ms S Wilson: I do not believe we would be able to tell that.

Senator SIEWERT: Surely you would know how many are overseas already.

Ms S Wilson: Yes but we probably do not know their working life residence between the current rules and the new rules. You would need to know that to be able to make the calculation that you are asking us for.

Mr McBride: There is also the prospect of those people who are currently overseas coming back to Australia, and if they stay in Australia for long enough then they will move to the new rules. So to work through that costing you would also have to understand their possible future behaviours.

Senator SIEWERT: How long do they have to stay in Australia then to come under the new rules?
Mr McBride: Twenty-six weeks.

Senator SIEWERT: So if they are back here for half a year they are then on the new rules?

Mr McBride: Yes.

Senator SIEWERT: In other words, you are not going to see many people coming back for a length of time.

Mr Moufarriage: But that is the same as the proportionalisation arrangement for all people that are proportionalised. Once they come back for more than 26 weeks—

Ms S Wilson: The proportion mechanism is applied here.

Mr Moufarriage: They move to the new proportional rules.

Senator SIEWERT: The 3,300 that are affected by the new rules—on what basis did you calculate that?

Mr Moufarriage: That is the number of age pensioners that depart permanently each year, so we had a look at the previous couple of financial years to see how many people were leaving permanently. We also looked at those people that were leaving temporarily but for periods greater than 26 weeks, because they will also be affected.

Senator SIEWERT: So they are included in the 3,300?

Mr Moufarriage: No. In addition to the 5,400 that go permanently there are around 4,000 who go overseas temporarily—for periods of more than 26 weeks but spending an average of about 39 weeks a year overseas.

Senator SIEWERT: So they will now be caught up under these new rules?

Ms S Wilson: Once they have been away for 26 weeks they may get affected by the proportionalisation.

Senator SIEWERT: But if they come back they go back up to the full?

Ms S Wilson: Yes.

Senator SIEWERT: I must be a bit obtuse—what is the difference between the 5,400 and the 3,300?

Ms S Wilson: It is a consequence of the social security agreements.

Senator SIEWERT: I beg your pardon—okay. Going back to the comment you made before, do you know that the 3,300 go permanently overseas?

Mr Moufarriage: Yes. They tell Centrelink that they are departing permanently.

Senator SIEWERT: Do you know how many of those were originally here under the 35 or under the 25-year limit now—the difference between 25 and 35? You just said you did not know for those who are currently overseas. Do you know how many of those are now within the 25-year rule?

Mr Moufarriage: I might have to take that on notice. The average period of Australian working life residency for all age pensioners is about 19½ years.

Senator SIEWERT: If that is the case, how come you cannot work out—

Mr Moufarriage: Sorry, I do have those numbers. About 26 per cent—of that group of 3,300 pensioners who go overseas permanently, 858 have less than 25 years working life
residence, 759 have between 25 and 35 years Australian working life residence and 1,683 have more than 35 years Australian working life residence.

Senator SIEWERT: So we are not actually talking about 3,300 that are going to be part of this, because 1,683 in fact have more than 35 years?

Mr Moufarriage: Yes.

Ms S Wilson: That is correct.

Senator SIEWERT: Plus a percentage of the 4,000 that are temporary but we do not know how many will be overseas for more than 26 weeks—is that correct?

Mr Moufarriage: Yes. That is a second—in addition to those numbers I gave you, there is another group of 4,000 that go temporarily.

Senator SIEWERT: If we know the percentage who worked here for less than 25 years, how come we cannot tell what the average working life has been for those that are already overseas?

Mr Moufarriage: We could probably find that out.

Senator SIEWERT: What I am trying to do is work out, getting back to the question of how much the grandfathered group—

Ms S Wilson: How much difference would it have made—is that the question you are asking?

Senator SIEWERT: Yes.

Ms S Wilson: I am not sure whether we can do that. We can take on notice whether we can do that.

Senator SIEWERT: Okay.

Senator HUMPHRIES: I want to ask about the payment of the clean energy advance to self-funded retirees. I understand that holders of the Commonwealth Seniors Health Card have to advise the Department of Human Services of their bank account details in order to receive the clean energy advance—assuming they qualify, of course. Is that the case?

Ms Foster: Commonwealth Seniors Health Card holders will generally get a seniors supplement as a result of holding the CSHC. I understand there may be a group of CSHC holders who do not receive the seniors supplement. In order to receive the clean energy advance they have been asked to advise of their bank details if they so choose.

Senator HUMPHRIES: How have they been asked to do that? What notification have they had of the need to do that?

Ms Foster: DHS may be able to help you better with this, but I understand that there has been a letter sent to CSHC cardholders advising them of the need to supply details.

Senator HUMPHRIES: One letter has been sent. Is there any other public notification that you are aware of?

Ms Foster: I am not aware of any. There may have been a ministerial media release. But I do not have the date of that.

Senator HUMPHRIES: I am aware that there is a small amount of information in the latest News for Seniors.
Ms S Wilson: That is a Centrelink publication.

Senator HUMPHRIES: The information in News for Seniors does not actually tell people how they can supply the information to the Department of Human Services. I assume it is obvious to people from the letter how they do that.

Ms Foster: I am sorry—there was a media release, in fact, from Senator Carr on 30 April telling self-funded retirees about that requirement. In the media release there is a call centre number provided. In the letter—

Senator HUMPHRIES: That is 132300?

Ms Foster: In the media release, yes—132300. And in the letter the contact number is 132300. To speak in languages other than English it is 131202. That is a Department of Human Services letter.

Senator HUMPHRIES: Are you aware that people can be waiting 45 minutes or longer on those lines in order to be able to get through?

Ms S Wilson: These are questions for the Department of Human Services.

Senator HUMPHRIES: I am just asking if you are aware of that. I assume they can make that information available to the department online as well.

Ms S Wilson: Again, these are really questions for the Department of Human Services.

CHAIR: Ms Wilson, I think it is fair enough to ask a question about whether the department that develops the policy is aware of the issues that clients are having. I understand that you cannot answer the direct question but I think it is okay for Senator Humphries to draw your attention to and ask the question about awareness. I am fine with that, though the detail, as you know, has to go to Centrelink.

Senator HUMPHRIES: On a policy question, are there any arrangements to compensate people whose income is just above the CSHC threshold for the effect of the carbon tax? I am talking about singles on $40,000 a year and couples on $80,000. Forty thousand is not a lot of money. Is there any compensation to people above that threshold?

Ms Foster: People may be able to get the benefit of tax cuts.

Senator HUMPHRIES: If they are paying tax, yes.

Ms Foster: Yes, if they are paying tax. Some of those people may have superannuation that is income-test free. Some people may be able to get the low-income supplement. Some self-funded retirees, of course, are under age pension age, so some people may be able to access the low-income supplement if their adjusted taxable income is up to $30,000 year for singles, $45,000 for couples and $60,000 for singles or couples with a dependent child.

Senator HUMPHRIES: But that would not include anybody who was not eligible for a CSHC, would it? Because you have to have—

Ms Foster: If you are a younger person—

Senator HUMPHRIES: It cuts out at $40,000 for a single.

Ms S Wilson: If you were a younger person with an income below the amounts Ms Foster read out then potentially you would be entitled to the other payments she mentioned.

Senator FURNER: What is the federal government doing in respect to assisting seniors to compensate them for the carbon price commencing on 1 July?
Ms Foster: The household assistance package is assisting income support recipients, allowees and recipients of family payments. There are also tax cuts available to working Australians. The household assistance package began to roll out on 16 May with an initial payment of the clean energy advance to families receiving family tax benefit. The initial payments to pensioners, allowees, seniors supplement recipients and veterans will follow. They will be made by the end of June. The assistance to pensioners in fact starts flowing today and will continue through to 8 June.

Senator FURNER: Can you expand on what that assistance means for pensioners, for seniors?

Ms Foster: A single age pensioner, for instance, will receive $250. A couple combined will receive $380. Commonwealth Seniors Health Card holders will receive the same assistance as pensioners. Their assistance will become payable in June with the quarterly payment of the seniors supplement.

Senator FURNER: What about self-funded retirees?

Ms Foster: Self-funded retirees who hold the Commonwealth Seniors Health Card will receive the same assistance as pensioners—$250 for singles and $380 for couples. Otherwise they will receive the benefit of tax cuts because of the increase in the tax-free threshold to $18,200.

Senator McLucas: Senator Furner, can I just interpose at this point. Unfortunately Senator Humphries is not here but he indicated that the threshold for the Commonwealth Seniors Health Card was $40,000 a year. It is in fact $50,000 a year. I thought the committee needed to be aware of that.

Senator FURNER: Okay. How will the department be rolling out the assistance? How is it going to be delivered?

Ms Foster: It is paid automatically with their primary payment. They do not have to apply; they just need to check their details are correct and it will be paid with their primary payment.

Senator FURNER: That will be in addition to the regular fortnightly pension. They will receive it in the mail or their—

Ms Foster: Correct—in their bank account. The advances are being paid for a certain period—between nine, 12 and 18 months potentially—until such time as the regular fortnightly assistance through the clean energy supplement commences with the primary payment. For age pensioners that would be March 2013.

Senator FURNER: Are these payments going to fully cover pensioners for the expected carbon price impact?

Ms S Wilson: The anticipated impact of the carbon price on household spending was estimated to be $9.90 a week in 2012-13. The average household assistance is around $10.10 per week.

Senator FURNER: Will that be assessed on an annual basis?

Ms S Wilson: It will be indexed by the CPI each year. If the carbon price drops once we move to a floating carbon price, household assistance will not be reduced.
Senator FURNER: As they stand, how much have pensions increased under the Labor government?

Ms Foster: I only have a number since September 2009, when major pension reforms were rolled out. The maximum base rate of pension has increased by around $154 a fortnight for singles and $156 a fortnight for couples combined.

Senator FURNER: Those are the increases since 2009 to date?

Ms Foster: That is correct.

Senator FURNER: And that is in relation to the payments for the carbon price as well?

Ms Foster: No, that excludes the household assistance payments.

Senator FURNER: So there will be even more payments made on top of that to assist?

Ms S Wilson: That is correct. This is a consequence of the pension reform package and then the household assistance is on top.

Senator FURNER: Conversely, how does that compare with the increase of, say, the last five or 4½ years of the Howard government?

Ms Foster: I do not have that information.

Senator FURNER: Can we put that on notice and get those figures. Is the department getting any feedback from the media or academia in respect to the recent impact of the Labor government’s reforms on pensions at all?

Ms S Wilson: I am not quite sure what you are getting at. Could you rephrase the question?

Senator FURNER: Are the reforms generating any interest from the media or academia in respect to their success?

Ms S Wilson: There has been some work done by academics that has looked at the impact that transfer payments make in addressing costs of living, which is found to be significant. Notably the pension reform package, being such a significant increase for pensioners, is quite a contributor to that.

Senator McLucas: I understand that policy researchers from the University of New South Wales and Flinders University have confirmed that our pension boost has more than halved the number of pensioners living in poverty compared with the number at the end of the Howard government, from 25 per cent down to 12 per cent. From my own perspective—the commentary through my electorate office from pensioners—we know that pensioners still do it tough but they report considerable pleasure at receiving the historic boost that they received. I am sure you have the same through your electorate office.

Senator FURNER: Thank you for that. Is the seniors work bonus achieving its objectives at all?

Ms Foster: The new work bonus allows the first $250 of employment income a fortnight to be not assessed under the pension income test when working out the amount of pension that is payable. Early signs from the work bonus are promising. Of course we have to note that employment can be subject to seasonal trends, but as at 30 December 2011 around 80,000 age pensioners who worked had less income assessed under the income test because of the work bonus. In the period since the introduction of the original work bonus that was introduced as
part of the pension reforms to December 2011, average employment income growth for pensioners who work rose by 10 per cent, compared to growth in average weekly earnings for the corresponding period of eight per cent. So that would indicate that people are working a bit more rather than any upward pressure of wage rates itself. Also there has been a steady increase in the proportion of age pensioners who are undertaking paid work. From June 2009 to June 2011 the percentage of all age pensioners undertaking paid work increased from 3.2 to 3.5 per cent. Over the same period the percentage of new commencements to the age pension who were working increased from 8.8 to 10.7 per cent. They are actually quite a key group to look at because we know, for instance, that it is often people who are under 70 who work. Because the stock of age pensioners is so large it is often useful to look at policy change in terms of those new commencements.

Senator FURNER: Do you have any dollar figures on what the outcomes have been for those stats you have just gone through?

Ms Foster: For people who are working, the average annual gross employment income is $16,600. For income tested pensioners aged under 70, the average amount of employment earnings has increased by $500.

Senator FURNER: I will try not to earn the wrath of the chair on this question. No doubt the department is aware that the coalition opposition has indicated a withdrawal of these funds to seniors. Has the department, in your lifetime, ever considered a proposal of turning around benefits paid to seniors or any other person in the community—how you would you arrange such a drawback on funds that are paid out?

Ms S Wilson: I am not sure I understand the question.

Senator FURNER: In the lifetime of the department have you ever been involved in rolling back or returning an entitlement to seniors or anyone else—any recipient out in the community—that has already been put in place?

Ms S Wilson: Over 26 years of working in social policy there have been a number of times when I have been responsible for implementing or advising on measures that would seek savings out of entitlements by reducing entitlements to people. Often governments of all persuasions consider the extent to which they believe it is necessary to protect current recipients from such savings measures compared with anyone who might qualify in the future.

Senator SIEWERT: Going back to the supplement, there may be a simple explanation for this. In the budget statements for the expenditure on allowances, concessions and services for pensioners on page 87, the budgeted allocation for the seniors supplement for 2011-12 and 2012-13 actually goes down and then goes up again quite significantly.

Ms Foster: I believe that that is because of the payment of the clean energy advance. It is being paid in June this year and then next year it is—

Senator SIEWERT: Is it because the new one has started?

Ms Foster: It is the new one starting.

Senator SIEWERT: Because it is being paid in June it is in this year’s rather than next year’s?

Ms S Wilson: That is correct. A number of clean energy advances were paid prior to the current carbon price coming in as a one-off payment for a period. I think Ms Foster identified
the period as being from nine months to a bit longer, depending on which payment people were receiving. In respect of those on the seniors supplement, their regular payments start in June, so at the end of the financial year.

**Senator SIEWERT:** That explains the difference before it then goes up significantly. Thank you.

**Senator McKENZIE:** My question goes to a comment Ms Wilson made earlier about the average impact of the carbon tax and the average assistance. The average impact was modelled to be under $10 or $9 and the average assistance was a little over that?

**Ms S Wilson:** The anticipated impact on household spending in 2012-13 was expected to be $9.90 and the average household assistance is around $10.10 per week.

**Senator McKENZIE:** What processes or mechanisms are in place to measure the actual impact over time to see if we need to adjust it? I know we are increasing it by CPI, as per your comments, but what sorts of processes do we have internally to assess the actual impact?

**Ms Foster:** The actual impact will be captured by the consumer price index as measured by—

**Senator McKENZIE:** Completely?

**Ms Foster:** the Australian Bureau of Statistics. I think you will probably have to ask the Treasury that question.

**Senator McKENZIE:** Okay. So you are confident that the CPI will give you an accurate measure of the impact of a carbon tax on households?

**Ms S Wilson:** There are several indices that apply across the payment system. The CPI is the one that captures those general costs of living. Pensioners as well have their own index—the pensioner and beneficiary living cost index, the PBLCI.

**Senator McKENZIE:** Will that be used around the seniors—

**Ms S Wilson:** It goes to the primary payment.

**Senator McKENZIE:** But not to the payments specifically around assistance in implementing the carbon tax?

**Ms Foster:** The clean energy supplement will be indexed to the consumer price index—

**Senator McKENZIE:** But not to the specific index we use for pensioners?

**Ms S Wilson:** No. The pension review recommended a change in respect of the primary payment, which was to bring in the PBLCI. But the supplements have a different purpose than the primary payment and, because they have been designed in a way that reflects the particular costs that households are expected to incur as a consequence of carbon pricing, the CPI is the index that is going to be utilised.

**Senator CAROL BROWN:** I have a question about the quarantining of rents for public housing tenants with increases in pensions. When we had the historic rise in pensions in 2009, there was a call for state and territory governments to quarantine their part of public housing pensions. I wonder which states still carry out that policy and—

**Ms S Wilson:** My colleagues in the housing outcome will be able to answer that question for you because they are in contact with the state housing authorities.
Senator CAROL BROWN: Carrying on from Senator Furner’s question about the carbon price payments—because they are supplements they will not be included in any calculations of public housing rents?

Ms S Wilson: My understanding—but again my colleagues in housing are probably best equipped to answer this—is that public housing rents are calculated on the primary payment, which would be the pension rather than supplements.

Senator CAROL BROWN: So the supplements will be outside—

Ms S Wilson: I would like my colleagues in housing to confirm that.

Senator CAROL BROWN: Thank you.

Senator McKENZIE: Has the department done any modelling of the carbon tax’s impact on your own administration and running of your department?

Mr Pratt: That is probably an issue we should have covered under cross-portfolio.

Senator McKENZIE: Apologies.

Mr Pratt: Unfortunately the people who might give you a detailed answer on this are not here, but I will give you a general answer. Yes, we consider the future possible impacts of carbon pricing on our costs. And of course we are energy consumers like anyone else, so we look at this year to year.

CHAIR: That ends questions on outcome 4.

Mr Pratt: We promised Senator Fifield before—

CHAIR: He will be watching passionately, I know.

Mr Pratt: Yes. I have a premonition that I may have to go through this again when Senator Fifield turns up in the hearing room. As Senator Fifield has pointed out, the issues around charter letters were canvassed in the PM&C estimates hearings last week. It was pointed out that this is a matter for the Prime Minister and, as discussed, there are considerations for cabinet around these letters as well. On that basis, the feedback I have from the minister’s office is that they are happy for us to take this on notice at this time.

Senator McLucas: I can confirm that the correspondence between the Prime Minister and Minister Macklin is correspondence that is privy to them. I have nothing further to add to Mr Pratt’s earlier comments but I also want to confirm that there is absolute clarity about each executive member’s area of responsibility—both held by that executive member and held by the department. I understand that Ms Carroll has an answer to Senator Siewert’s question.

Ms Carroll: Senator, you asked about when the SACS roundtable would be held in Perth. The tentative date is 27 July. That is just being finalised at the moment.

Senator SIEWERT: That is a large difference between when the process first started and when it is getting to my home state.

Ms Carroll: That is the tentative date at the moment, Senator.

CHAIR: We will adjourn until 1.30, when we will be talking with officers in outcome 6.

Proceedings suspended from 12:30 to 13:31

CHAIR: We are going to outcome 6. Does either Senator McLucas or Mr Pratt have any updates, statements or questions?
Mr Pratt: Madam Chair, I do have some material that we would like to table, in relation to income management, ahead of tomorrow's session.

CHAIR: That would be really good, Mr Pratt, if we could get that. With outcome 6, we will have the first period on gender equality for women and then equal opportunity for women in the workplace. We will start with questions from Senator Cash.

Senator CASH: Could I start with a question in relation to the carbon tax and, in particular, the role of the Office for Women in looking at the impact of the carbon tax, if any, especially on vulnerable women. Has the Office for Women done any work on the impact of the carbon tax on women, in particular on lower-paid women? If so, what work has been undertaken? If not, are you aware of whether any work has been undertaken, particularly in relation to women?

Ms Carroll: We have broadly covered these kinds of issues in the past, in that obviously the Office for Women has a broad coordinating role and it comments generally on different particular areas. We are not specifically aware of any analysis that the Treasury or Climate Change has done on the impact on women.

Senator CASH: In your role as the overarching body that takes care of women's issues across all portfolios, has the office itself requested that any particular work be done? For example, I know that two years ago we discussed the impact of the Queensland floods on women and the fact that some work had been undertaken by the Office for Women to look at the impact of the floods on women in Queensland, and in particular on small business owners who were women. Has the office commissioned any research on the impact of the carbon tax on women and in particular on the most vulnerable in society?

Ms McKenzie: No, we have not specifically commissioned any.

Senator CASH: In relation to the household assistance package, you went through a number of figures. Will the Office for Women be monitoring whether or not the payment itself is sufficient, and again particularly for women and lower-paid women?

Ms McKenzie: This goes back to the role of the Office for Women and the importance of gender mainstreaming. This government, along with the previous government, is committed to gender mainstreaming, which is also consistent with the best practice identified in the Beijing platform. It is impossible for a small office for women to monitor the impacts of the programs and policies on 50 per cent of the population. Therefore, we have to focus on the priorities that have been set by government for us and we need to pay attention to the issues as government provides them to us. We also provide a capacity for departments to engage with us around particular issues where there are concerns for women. Other than that, we expect each department, each minister and each secretary to ensure that they have the capacity to be able to provide gendered advice.

Senator CASH: I understand that ensuring the economic security of women is one of your main priorities.

Ms McKenzie: That is right.

Senator CASH: So, in terms of the potential impact of the carbon tax on women across portfolio areas, is there any mechanisms in place whereby the Office for Women will be receiving feedback from other portfolios?
Ms McKenzie: In terms of economic security for women, part of the major work that we are doing at the moment relates to the reform of EOW to ensure that the jobs that women can get are jobs where there is equal pay, flexible working conditions and also a chance of advancement.

Senator CASH: In other words, the answer to my question is no.

Ms McKenzie: The priority for the Office for Women is very much around the EOWA reforms. We also keep a general eye on other things that are happening.

Senator CASH: But, in relation to the impact of the carbon tax and its potential effect on the economic security of women, are you keeping a general eye on that?

Ms McKenzie: As I said, we are not doing any specific work.

Senator CASH: So the answer is no. Thank you very much. The report from Standards Australia on gender in job titles being banned has recently come out; has the Office for Women had an opportunity to review that standard?

Ms McKenzie: That is EOWA.

Senator CASH: Yes. But has the Office for Women—I will be asking these questions of EOWA—had an opportunity to look at that report, or standard, should I say?

Ms Steele: Yes.

Senator CASH: Is this something that will be pursued? I note that it basically talks about personal pronouns—that 'his', 'her', 'he' or 'she' should not be used. Firemen should be called 'firefighters'; secretaries will become 'office managers'. What are your thoughts surrounding that?

Mr Pratt: I am sorry; that is news to me.

Senator CASH: You have not briefed the departmental head yet? I do not know what your role will become, Secretary—Office Manager Pratt! This is the problem. This is exactly the reaction that people have, unfortunately, when you read this new standard, and particularly the fact that personal pronouns—his, her, he and she—should not be used. Have you had an opportunity to review it? What are your thoughts around this? Is this something that will advance women in the workplace?

Ms Steele: I understand that is the purpose of the standard, but I think you would have to ask EOWA—

Senator CASH: So you have not done any work surrounding whether or not this will actually have an impact on gender equality within the workplace—a true impact as opposed to a stated impact?

Ms Steele: I am not sure what you mean by what work we have undertaken.

Senator CASH: If you have reviewed it, do you have any thoughts surrounding whether or not this is a realistic option going forward?

Ms Steele: I do not know whether the Office for Women has formed a view on that.

Senator CASH: I will put the questions to EOWA. Will you be forming a view on something like this, or is that not something that is within your permit?

Ms Carroll: These things would be within our permit. We have had a look at the report. Obviously, we know that EOWA would also be looking at the report. Over time, it may be
that we form a particular view or give advice to government about a particular view. But at the moment we have just looked at the report.

Senator CASH: Can I ask who in the office actually looked at the report? It is actually a standard. It is not a report; it is the standard.

Ms Steele: I have actually looked at it.

Senator CASH: When did you look at it, Ms Steele?

Ms Steele: During its development.

Senator CASH: Have you looked at the final standard that has now been released?

Ms Steele: I have not actually seen the final standard. I think that has been released only recently.

Senator CASH: I assume that you anticipate looking at the final standard and providing comment on it. When do you think that will be?

Ms Steele: In the near future.

Senator CASH: 'In the near future', depending on which department we are talking to, can have exceptionally diverse meanings.

Ms Carroll: We would not want to be specific, because obviously we balance the workloads and look at the different priorities. Ms Steele might say 'in the next month', but something else may come up.

Senator CASH: So you will be looking at it eventually?

Ms Carroll: We will be having a look at it.

Mr Pratt: Sooner rather than later.

Senator CASH: Sooner rather than later? This is getting more nebulous by the moment, Mr Pratt—Office Manager Pratt!

I now turn to the portfolio budget statements of 2011-12 and 2012-13. In the 2011-12 PBS, a number of initiatives that the Office for Women worked on for gender equality programs were listed. They included the administration of support for a victims of trafficking program and research into equality issues. In the latest PBS that has been issued, those two initiatives are actually omitted. Can I ask why; and what does that actually mean for those two initiatives?

Ms McKenzie: In the recent PBS, it says that the Office for Women also administers the support for a victims of trafficking program. So I think that was seen as a broad explanation of what we do.

Senator CASH: Okay. When you read the two PBSs and put them together, there are things missing. Are you still doing that administration of support for a victims of trafficking program and it has just been put into a different part of the—

Ms McKenzie: I understand so.

Senator CASH: Research into equality issues was also removed from the general initiatives.

Ms McKenzie: That is an ongoing responsibility of the office.

Senator CASH: Is there any reason that it was removed from the general initiatives?
Ms McKenzie: No.

Senator CASH: Did anyone realise that it had been removed from the general initiatives?

Ms McKenzie: As we look at drafting the strategy, you would see that the whole goal of the strategy is to look at equality. Obviously there is a range of work that we do which relates to research about equality. I think it is just a different way of putting the material.

Senator CASH: If you go to program 6.1, expenses, in the PBS for 2012-13, the final sentence says:

The high relative funding in 2011-12 is due to a movement of funds previously approved from 2010-11. I believe that is a reference to the National Plan to Reduce Violence against Women and their Children. Can you confirm what is exactly meant by that? It is at page 119 of the current PBS, under program 6.1, expenses.

Ms McKenzie: My understanding is that you are correct; it is in relation to the national plan. Ms Smart will be able to provide some advice.

Ms Smart: In 2010-11, $1.9 million was moved from 2010-11 to 2011-12.

Senator CASH: Why was that?

Ms Smart: That was due to the need to rephase some work that was associated with the national plan.

Senator CASH: When it says that it is 'due to a movement of funds previously approved from 2010-11', is that the $1.9 million?

Ms Smart: Yes.

Senator CASH: In relation to program 6.1, under deliverables—again, it is just a change of language—there is the 1800RESPECT number. In 2011-12 the language used was the number of individuals for the 1800RESPECT number, and in 2012-13 we are now talking about the number of contacts. So it was the number of individuals in 2011-12 and it is now the number of contacts. Is that just semantics or is there an actual change in the definition of who is contacting the helpline?

Ms Smart: It is really just semantics.

Senator CASH: Was there a reason behind it?

Ms Smart: It is that 'contacts' is the more accurate term to use.

Senator CASH: So it is still individual contact?

Mr Pratt: In my experience, it is very difficult to actually work out how many contacts an individual might have, so it is easier to measure contacts than individuals.

Senator CASH: Is a contact still a phone call?

Ms Smart: A contact could be a phone call or now it could also be online.

Senator CASH: So it is literally semantics, then.

Ms Smart: Yes.

Senator CASH: I now refer to the women's budget statement that was released by the minister. The Women's statement 2012 refers to:

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**COMMITTEE MEETINGS**

**COMMUNITY AFFAIRS LEGISLATION COMMITTEE**
... a suite of measures to recognise and support key groups of women in Australia, including Indigenous women, women with a disability or mental illness, rural women, and women from culturally and linguistically diverse backgrounds. That is in the foreword of the women's budget statement. Can you please explain what this suite of measures is and how the Office for Women contributed to the development of this suite of measures?

Ms McKenzie: If you go to page 16 of the statement itself, you will see that there are the headings 'Indigenous women', 'Women with disability or mental illness', 'Rural women' and 'Culturally and linguistically diverse women'. Each of those lists a range of initiatives.

Senator CASH: So that is the suite of measures there?

Ms McKenzie: We are not suggesting that this is a comprehensive suite and that it has everything that the government has done in relation to these groups of women, but it is illustrative and indicative of the breadth of measures.

Senator CASH: In the minister's foreword it refers to 'a suite of measures'. Is there a more comprehensive document that I can obtain?

Ms McKenzie: What would be available would be information on each of those measures. In terms of whether it has been brought together to focus specifically on the women's issues relative to those key groups, no, I do not think there would be a more comprehensive statement.

Senator CASH: Given that this is the women's budget statement, how did the Office for Women contribute to the development of the suite of measures?

Ms McKenzie: We coordinated the development of it.

Senator CASH: How did you do that?

Ms Carroll: Through the normal processes around the budget. This document was put together and coordinated with input from the relevant departments.

Senator CASH: I now turn to page 10 of the women's budget statement, to the section headed 'Superannuation'. Minister, this will be a question for you. The Women's statement 2012 at page 10 states:

Women are also more vulnerable to poverty in old age, with lower superannuation balances and greater dependence on the single age pension …

There is some work that has been done on superannuation within the women's budget statement. What was the policy rationale, given the government's commitment to superannuation, in particular for women, behind excluding superannuation from the PPL scheme?

Senator McLucas: Unless the officers have something to add, I will have to take that on notice.

Senator CASH: Thank you, Minister. Does the office have any comment on what the policy rationale was behind that, given the statements that are made about superannuation and the impact on women within the women's budget statement?

Ms Carroll: I would not want to go into any of the key deliberations—
Senator CASH: I am not asking you to go into key deliberations; I am asking you for the policy rationale.

Senator McLucas: Excuse me, Chair, could we ask if the senator could wait until the officer has finished her answer before she asks another question.

Senator CASH: I thought you had; sorry about that.

Ms Carroll: Effectively, what the government said when it announced the Paid Parental Leave scheme was that it was introducing the first paid parental leave scheme. It had asked the Productivity Commission to provide a report and it took forward the key components of that report. That was the main focus of the Paid Parental Leave scheme.

Senator CASH: Was there any recommendation in the Productivity Commission report in relation to the inclusion of superannuation in the PPL?

Ms Carroll: Yes.

Senator CASH: What was that recommendation?

Ms Carroll: I understand that it was to include superannuation.

Senator CASH: So the government therefore did not go ahead with all of the recommendations from the Productivity Commission report?

Ms Carroll: That is right.

Senator CASH: Mr Pratt, do you have anything further that you can add in relation to the policy rationale behind why superannuation was not included in the PPL, given the statements about super that are made in the women’s budget statement?

Mr Pratt: I have nothing to add, other than the fact that it was a government decision. The government does not always accept every recommendation from the Productivity Commission.

Senator CASH: Thank you. Minister, I would appreciate it if you would take that on notice. Could I now turn to the answer to question on notice No. 231 from the 2011-12 additional estimates. The topic was economic security. I asked a question in relation to superannuation, and the answer given was:

Consistent with the Beijing platform, this Government and the previous Government have supported gender mainstreaming as the best practice approach to ensuring gender is considered in the full range of decisions affecting women. Superannuation policy is a matter for the Treasury Department.

What relationship does the Office for Women have with Treasury in terms of high-level advice on superannuation, and financial literacy more generally, for women?

Ms McKenzie: We have an ongoing discussion with most portfolios about issues of importance. As I said before, one of the things that we do not have at the Office for Women is sufficient resources to monitor on a daily basis what is happening in each department.

Senator CASH: When you say that you do not have sufficient resources, what do you mean by that?

Ms McKenzie: Given that the population is 50 per cent women and all the policies and programs have differential impacts on women, we certainly do not have the capacity to be able to track down each of those things. Rather, this government has, as the previous
government had, a policy of gender mainstreaming where each minister and each secretary is responsible for the gender policy and programs in their own portfolio.

**Senator CASH:** Do you require additional staff in order to undertake this additional work?

**Ms Carroll:** Essentially, unless the role of the Office for Women was extremely large, there would just not be the capacity to do its own policy work. Really, the key frame of working is to work with and through the other departments. On the question that you have asked about financial literacy and superannuation, as Ms McKenzie has said, we do have ongoing discussions with the Treasury department. Also, on financial literacy within our own department, we run some financial literacy and financial management programs and we obviously work within our department as well.

**Senator CASH:** Can I ask you to take on notice, Ms Carroll, to get me a list of the programs that you have just referred to that you run within the department on financial literacy.

**Ms Carroll:** Yes.

**Senator CASH:** Thank you very much. Could I now turn to the answer to QON No. 214 from the additional estimates hearing in which I asked about the status of the personal safety survey due to be completed this year. Mr Pratt, if you could indulge me for one moment, I have to say that this was the answer that amused me more than anything:

On track.

What does 'on track' actually mean?

**Mr Pratt:** You can see that we are very efficient in our use of words! Clearly, that means that we anticipate completing the survey this year.

**Senator CASH:** When is it due to be released?

**Ms Smart:** The data from the personal safety survey is due to be released in 2013. The survey itself is being undertaken in this calendar year. The ABS, from that, will then analyse the data and publish the data during 2013.

**Senator CASH:** In relation to the answer that I got to the question, which was 'on track', what does that mean? Were there milestones that were meant to be met et cetera?

**Ms Smart:** Yes. With the ABS undertaking the survey, there are various points along the way that they have to meet in terms of the development and testing of the survey itself, the training of staff and putting the survey into the field, and they have met all of the time frames that they have set.

**Senator CASH:** Could you take on notice to provide me with a list of those time frames and when they were actually met—and, in particular, going forward, what the additional time frames are? So it is due to be released in 2013?

**Ms Smart:** That is correct. The only caveat that I would put on that is that, because of the sensitive nature of this particular survey and because it is dealing with personal safety, the ABS does not tend to publicise or talk about when it is actually in the field. So that would be the one thing that we would not want to—
Senator CASH: No, and I would not want to compromise that. Absolutely. In relation to the responsibilities of the office, does the Minister for the Status of Women have a charter letter, as is normally provided, I understand, to ministers?

Senator McLucas: We have covered this before, Senator.

Senator CASH: Is that a yes or a no?

Senator McLucas: You will be able to read my response and Mr Pratt's response in the Hansard.

Senator CASH: That is fine. Could we deal with it now, though, because I have a different tack that I might be taking in relation to this. Does the minister for women have a charter letter?

Mr Pratt: At the risk of reopening the comprehensive discussion that we had this morning, I am not in a position to answer that question. It is a matter between the Prime Minister and her ministers as to whether or not she writes a charter letter to them. These are issues which were canvassed in the PM&C estimates last week and which were, I understand, considered to be a matter for the Prime Minister. It was pointed out that these were also subject to cabinet deliberations and, therefore, we have not at this stage been able to answer any questions on charter letters.

Senator CASH: Thank you, Mr Pratt. Are you able to tell me what the usual practice is in relation to charter letters, or does that differ from government to government?

Mr Pratt: Conventionally it is similar. Following an election and the divvying up of responsibilities between ministers, the Prime Minister will write to them setting out their priorities and the Prime Minister's expectations of the minister.

Senator CASH: If there is no charter letter as such and I were looking for the document that set out what the responsibilities are for the Minister for the Status of Women, where would I find that?

Mr Pratt: I am not saying that there is not a charter letter.

Senator CASH: No; but is there another document that I would be referring to?

Mr Pratt: Certainly, at the beginning of the portfolio budget statements, it sets out, efficiently, the roles and responsibilities of different ministers. So you will see on page 3 that the Hon. Julie Collins is the Minister for the Status of Women.

Senator CASH: Sorry; page 3?

Mr Pratt: Yes. Then—again, very efficient—if you read that in the context of outcome 6, which we have just been talking with you about, and if you look at the annual report, all of those things together—

Senator CASH: Come together to provide—

Mr Pratt: what we do and how we underpin Minister Collins.

Senator CASH: In relation to the answer to question No. 141 from the supplementary estimates hearing—I asked about spending in certain areas—one answer was the amount spent on consultancies: $1,337,125.59. You may have to take this on notice, but can I get a breakdown of what those consultants fees were?

Ms McKenzie: We will have to take that on notice.
Senator CASH: Thank you. Could you also take on notice, in relation to hospitality and entertainment, the $14,052.29 and in relation to education or staff training to the value of $56,764.12. I would also like to get a breakdown of what that was actually spent on.

I now turn to the program The Line, which I know we have canvassed at previous estimates hearings. Given that it is an online social marketing campaign, how is it actually being monitored?

Ms Smart: The monitoring is done through six-monthly monitoring research that is undertaken through a private company.

Senator CASH: So the Office for Women is not involved in the monitoring of the program?

Ms Smart: There is tracking research—tracking the penetration of the campaign. That is done independently and that provides us with information about its reach. In terms of the feedback, because it is a social marketing campaign, we get feedback from people on an ongoing basis, on a live basis in a sense. Through the Facebook page and through the website, we get feedback from individuals, which my staff and the staff in the communications branch look at.

Senator CASH: In relation to the private company that is looking at the penetration of the campaign etcetera and the reach of it, what feedback have you actually received in relation to how the campaign is penetrating and whom it is actually reaching at the moment?

Ms Smart: In terms of the tracking of the campaign, we know that most recently, through verification of the number of people who are Facebook fans, it is over 70,000 now. We also look at the number of independent media take-ups, articles that appear in other media in terms of the number of people who have attended events. The current information that I have is that it has reached over two million young people aged between about 12 and 20.

Senator CASH: When you say it has reached over two million young people, what evidence do you have that the program is actually doing what it is meant to do, and that is changing attitudes?

Ms Smart: From the most recent tracking research, we know that 84 per cent of people who recognise the campaign claimed that it has improved their understanding of behaviour that could be crossing the line; 81 per cent said they had changed their behaviour as a result of the campaign; 82 per cent said that they intended to change their behaviour in the next six months; and 76 per cent of 12 to 24-year olds specifically intended to change their behaviour in the next six months as a result of the campaign.

Senator CASH: Just in relation to what you are reading from, which I am assuming is the analysis that has been given to you, are you able to table that for the committee so that we can have a look at the data in full? Perhaps you could take it on notice.

Ms Smart: Yes.

Senator CASH: I am interested to see exactly what the program is delivering. In particular I am very interested in those statistics that you have just read out about such a high percentage of people who have said it affected their behaviour and there was a potential change for the better. How much is being spent on the program overall?

Ms Smart: It is $17 million over four years.
Senator CASH: It is the $17 million over four years?
Ms Smart: Yes.
CHAIR: You have one more question.
Senator CASH: Can you provide an update, from the February estimates, for the financial year to date in relation to how much is being spent? You may have to take that on notice in relation to The Line.
Ms Smart: We will just check if we have it at hand. As at 31 March 2012, it was $14,154,679.
Senator CASH: Can I get you to break that down into print advertising, radio advertising, online advertising and online web?
Ms Smart: That would have to be taken on notice.
Senator CASH: Thank you.
CHAIR: Senator Rhiannon.
Senator RHIANNON: Critical to your important work is thorough data, and the government is obviously awash with data. To what extent are you advocating for more gender-based matrixes in terms of how data is assembled by different government departments?
Ms McKenzie: We advocate strongly for departments to compile gendered data. We think that being able to have a strong and sound evidence base is a very important tool.
Senator RHIANNON: How successful have you been? Can you give me some examples of how you have been able to change it?
Ms McKenzie: What we would say is that we have talked to a range of departments about the importance of collecting data, and some departments are moving towards that. The Office for Women, along with the Select Council, funded the Australian Bureau of Statistics to provide the national gender equality indicators which are another way of getting at data at the very highest level.
Senator RHIANNON: I was particularly interested in the area of housing. Have you been successful there in terms of gender-based equity in relation to how women are impacted by the shortage of affordable housing, such as gender disaggregated data in relation to the outcomes of the National Affordable Housing Agreement, the National Partnership Agreement, the National Rental Affordability Scheme and the Social Housing Initiative?
Ms Carroll: Some of the specifics around what has been done in that area would be covered under the Housing Outcome later today. More generally, certainly it has been something that has been talked about with officials at the state level. The issue for women in particular around housing, certainly we are quite aware of it and have been talking to the state government officials around that. One of the areas is also considering homelessness, because there has been an increase of older women who have been becoming homeless.
Senator RHIANNON: It has been talked about and you say there is more awareness. Have you actually advocated or even provided suggestions on how they change their current assembling of the data?
Ms Carroll: I do not have the right officers here at the moment but in the Housing Outcome we could come back to that question or I could take that on notice for you.

Senator RHIANNON: Could you take it on notice because I am not sure that I will be here for Housing.

Ms Carroll: Thank you.

Senator RHIANNON: Maybe this is one for Housing but I will ask it specifically. Staying with the issue of homelessness, I imagine that you are aware that there have been suggestions about redefining primary homelessness to include equally the experiences of men and women to enable accurate data to be obtained and to also look at primary homelessness and secondary homelessness. Is this a level of detail that you are working towards?

Ms Carroll: I could take that on notice for the Housing people.

Senator RHIANNON: Has the Office for Women advocated that the government take into account the reality and needs of ageing women and carers? I am particularly interested in this in the context of the recommendations of the Productivity Commission's report Caring for older Australians.

Ms McKenzie: The Office for Women has a very strong role not only in advocacy but also, to the greatest extent possible, in providing tools and assistance and support to departments to collect relevant information to be able to do the relevant gender analysis. We talk to departments in a range of ways. We talk to them, they engage with us about issues and ideas they have. We also have a gender panel where they can get expert advice to enable them to do the analysis. We also have an IDC where we discuss the issues relating to gender across the Public Service. We very strongly advocate for women's issues to be taken into account in both policy and programs.

Mr Pratt: If I could just clarify something and I may have misheard you, in which case I apologise. While we advocate strenuously with other government agencies, we do not of course advocate to government itself. We provide advice to ministers on these issues.

Senator RHIANNON: That is what I am trying to actually understand. It is crucial that all the policies are analysed from a gendered perspective. I think we agree on that. I am trying to obtain the examples of it. In this case it was with regard to the Productivity Commission's report Caring for older Australians. Has there been any specific advice on that report?

Mr Pratt: Yes, we would have provided advice to government.

Senator RHIANNON: What was that advice, please?

Mr Pratt: That is the issue. I will not talk about the nature and the content of our advice to government.

Senator RHIANNON: With regard to the Henry report, did you analyse the Henry report?

Mr Pratt: Yes.

Senator RHIANNON: I was specifically interested in recommendation 99 of the Henry report. This is one combining the calculation of the childcare benefit entitlement and the childcare rebate into a single benefit without reducing childcare benefits to lower income households. Was that touched on?
Ms Carroll: The broad analysis that would have been done by the Office for Women within the department looked across the whole report and would have been in an advice to government. The very specifics of that policy would sit with DEEWR. As Ms McKenzie indicated, in the idea of gender mainstreaming we would be encouraging that department to look at those recommendations from that perspective.

Senator RHIANNON: With regard to the National Disability Insurance Scheme, gender and acknowledgment of the needs of women with disabilities are explicitly mentioned as part of describing how the NDIS will enable access to and collaboration with mainstream services. That has been strongly suggested by a number of women with disability who are working in this area. Could you explain how you are taking this work forward in terms of representing women's interests, please?

Mr Pratt: Once again, we can generally address the issue. The next outcome is in fact looking at disability issues generally and the NDIS in specific, and it may be more appropriate for us to deal with that then

Senator RHIANNON: I may not be here for that. I will try. If I am not I will come back to it then.

Senator McLucas: I can confirm that the specific issues affecting women with disabilities are very much part of the consideration of the government in the design of the NDIS.

Senator RHIANNON: With regard to the budget statement that came out this year, the Women's Statement 2012, I could not find any mention of sole parents. Is that the case or have I just missed it?

Ms McKenzie: I cannot specifically remember the phrase 'sole parent', exactly where it is, but I would have to take that on notice to be sure that there was not any.

Senator RHIANNON: As there are so many people here, because I did want to take that up, I imagine there would be someone who would remember it. I just did not find it. I read it fairly thoroughly. When I got to the end and I realised I had not found it, I was not able to go back. Would somebody be able to check on that, please?

Ms McKenzie: Yes, we could.

Senator RHIANNON: So I can ask you now. I imagine there are people here who have worked on this very thoroughly and must know it inside out and would be able to answer that question.

Ms McKenzie: I am sorry; unfortunately we are unable to recall at this stage whether the words 'sole parents' are used in the document or not.

Senator RHIANNON: Just to ask it in another way, are issues that are relevant to the needs of sole parents, particularly considering the majority of them are women, single women, covered in the document?

Ms McKenzie: We would certainly suggest they are covered in the document because it is looking at supporting working Australians and their families. It is looking at issues about a new Australian economy and it is looking at supporting community strength. So those issues would be relevant to sole parents.

Senator RHIANNON: Specifically in terms of the entitlements that sole parents rely on?
Ms McKenzie: Ms Steele has just pointed to page 7 in the box where it is talking about the jobs, education and training, childcare fee assistance. It does mention ‘single parents’.

Senator RHIANNON: That is one mention and that is with regard to childcare assistance. In terms of the level of entitlements and also the issue of considering how they are going to lose their entitlements much earlier, in what context is that being handled? This is a group of women that is increasing in numbers in our communities. I would have thought it would have been given some emphasis in a document that is specifically about women.

Ms McKenzie: This particular document looked much more at the measures and the initiatives that government has agreed over the previous years. If you look at something like early childhood, education and care, obviously that is important to sole parents. Obviously changes to family payments are important. The National Carers’ Strategy is important. Mental health is important. The range of issues that have been addressed in the document relate to the situation of sole parents as much as they relate to women in other circumstances.

Senator RHIANNON: On page 4 of the document, in the second last dot point in the first column, it says: 'We are giving priority to gender equality as a critical cost-cutting theme of our foreign aid program.' Could you give us a brief on how that actually plays out—some details on it, please?

Ms McKenzie: That is obviously the responsibility of AusAID but Ms Steele may be able to provide some information.

Ms Steele: Later, on page 21, we also talk about helping women globally. As Ms McKenzie says, the prime responsibility for our overseas aid effort in the area of gender equality is the responsibility of AusAID.

Senator RHIANNON: I appreciate that AusAID is responsible. That was why I was very pleased to see that you were featuring it there. When we do question AusAID specifically about sexual and reproductive health within the foreign aid program they so often revert to speaking about maternal health programs which are incredibly important but are not sexual and reproductive health. Why I was asking the question was not for it to be flicked to AusAID but to understand it, because you are saying here that we are giving priority to gender equality as a critical cost-cutting theme of our foreign aid program, and this does need to be given attention. That is why I am trying to understand. Is it just being left up to AusAID or are AusAID getting support so that they are recognising that these gender equality programs are not just about women and children, they are also about the important area of sexual and reproductive health?

Ms Carroll: As Ms McKenzie said before, we have a range of processes that we do engage with the different departments, like the women's IDC, where we provide them with support, we give them additional resources—we give them not additional resources but some advice and support on analysing things. I do know that AusAID has been attending the women's IDC and we have regular engagement with them.

Senator RHIANNON: Have the issues that I made reference to with regard to sexual and reproductive health been covered?

Ms Steele: These are issues that, yes, are covered particularly in the context of the annual Commission for the Status for Women conference in New York. The overseas aid policy in regard to those two issues does not actually sit with the Office for Women, although we
engage with AusAID and obviously DFAT when we are engaging at CSW. The Office for Women basically has responsibility for the domestic policies rather than the aid or foreign policies.

Senator RHIANNON: Thank you.

CHAIR: Senator Brown.

Senator CAROL BROWN: I want to quickly go back to The Line project. I know there is some information going on notice. The last time we spoke, in February, Ms Smart, you mentioned that The Line project was up for an international award. I am looking at your face and it is telling me I should move on to my next question. How did you go?

Ms Smart: We were one of four finalists in the award. No, we were not successful in winning. We were a runner-up, we would say.

Senator CAROL BROWN: It is good news to be able to get to that level.

Ms Smart: And that is how we felt about it.

Senator CAROL BROWN: I just wanted to check. The tracking research that you talked about in discussion with Senator Cash, did you indicate—you might have and I might have missed it—what date that data would be drawn from?

Ms Smart: That was from December, the end of last year. The most recent tracking research is being undertaken, as I understand, virtually at the moment, and that data will be available in a month or so time.

Senator CAROL BROWN: Will you be able to provide it on notice? Last time we looked there were 600,000 visitors to your website and so many friends on Facebook. Can you provide that information?

Ms Smart: In terms of the fans on Facebook, as of today it was 70,955. That has increased since the last estimates. We have had over 579,000 unique visitors to the website who have accessed 1.86 million pages on the website. Certainly in regard to the information and the tracking across the number of people who have attended events and the penetration of media articles and take-up by television as well, there has been a number of news items on Channel 7; I think it was in WA as well. One or two-minute things on the news have a certain level of penetration which gives us that read of reaching more than two million young people.

Senator CAROL BROWN: That is very good. From the international recognition you have received, have you received any interest from other countries to come and have a look or get some information about what we are doing here?

Ms Smart: At the International Women's Shelter Conference where the award was given, I was at that conference for a couple of days and I spoke to people from the United States, and Canada in particular, about the campaign and they were interested in not just the website but also a wide range of the resources that have been produced. I had a show and tell and was able to show it to them and how they could access it because all of our resources are able to be downloaded so that anyone can access them. Whether those people have gone on to access it, I do not know. I also had conversations with government officials in New Zealand and provided them with access to actual hard copies of the resources when we were at the Commission for the Status of Women. Certainly we had a lot of good feedback from people who had gone and looked at it before us talking to them.
Senator CAROL BROWN: I did want to ask a question about 1800RESPECT in terms of how many people have actually made contact and the time lines for that as well. What period are we talking about?

Ms Smart: The 1800RESPECT telephone counselling service commenced on 1 October 2010. From then until 30 April 2012 we have had a total of 16,961 telephone contacts. The online service commenced on 1 July 2011. We have had 1,726 online contacts up to 30 April this year.

Senator CAROL BROWN: They are contacts. It is not individuals?

Ms Smart: It is not individuals. Whilst it is possible for people to identify themselves, it is a confidential service. People can contact counselling services anonymously. So it is difficult to ensure that every one of those contacts is from a single individual. The other thing with 1800RESPECT is that it is intended to be able to provide a level of ongoing support to people, particularly where they cannot access it locally. You will have a certain proportion of people who will either call back because they feel they need more support or will have pre-arranged contact. So the counsellors will actually set times to have a conversation or an online session with individuals.

Senator CAROL BROWN: Is there a feedback mechanism as to what people think about the service?

Ms Smart: As with any of our providers, we ensure that they have a complaints mechanism. In terms of feedback as to how people felt about a particular service, it is quite difficult. It is not like you can actually go and ring them back and track them as you can with, say, a parenting-type program or a course. Particularly when people are dealing with issues of violence, you do not want to potentially endanger them by trying to contact them back. You will have people who do not want to give out information about themselves. I have spoken with other telephone counselling services about the difficulties and it is an area that all of those counselling services tend to struggle with how you do post-contact evaluation.

Senator CAROL BROWN: That is quite understandable. The next question is about the UN Commission on the Status of Women. Can you give me an overview of the last session, the 56th session? What happened? What was the theme of the last one?

Ms Smart: The theme for CSW56 was the empowerment of rural women and their role in poverty and hunger eradication, development and the current challenges. The Australian delegation took part in a range of discussions and events around the priority theme. There were three side events or parallel events that the delegation participated in or co-sponsored. There was one on the impact of domestic violence on rural women, which was done in partnership with the government of the Solomon Islands. The second one was access to education equals success in employment, in partnership with the government of New Zealand. The third was rural women and girls with disabilities: economic empowerment and political participation, which was done in partnership with the United Nations Department of Economic and Social Affairs, Women Enabled, Women with Disabilities Australia and the Women's UN Report Network. There were also a range of bilateral meetings that members of the delegation undertook, including with Michelle Bachelet, who is the Executive Director of UN Women, the Rt Hon. Lynn Featherstone MP, who is the Parliamentary Under Secretary of State For Equalities and Criminal Information in the UK, a meeting with the Minister of
Gender Equality and Family from the Republic of Korea, meetings with the First Lady of Malaysia, with the Ambassador of Gender Equality from Norway and the Secretary-General of the YWCA. A couple of members of the delegation also spoke at parallel events which were organised by non-government organisations. Of course we participated in the negotiations that go on around CSW.

Senator CAROL BROWN: Was there an agreed position at the end of all that?

Ms Smart: Unfortunately, there weren't agreed outcomes from CSW 56. There were a number of resolutions, but not overarching agreed outcomes; countries were not able to reach agreement on the broad suite for this one.

Senator CAROL BROWN: What was the sticking point?

Ms Smart: Whilst negotiations are meant to be held in confidence, a number of countries took quite a conservative view around a range of issues—it has been publicised by others—particularly around issues of sexual and reproductive health. One group of countries took quite a conservative view and other countries were not prepared to see a winding back in language and focus on those issues, so were not able to agree with the draft agreed conclusions.

Senator CAROL BROWN: Are you able to tell me what our position was?

Ms Smart: We supported, as a basis, retaining existing levels and argued quite strenuously on a number of fronts to strengthen efforts.

Senator CAROL BROWN: What happens now?

Ms McKenzie: We are currently talking with DFAT and with the Global Ambassador for Women and Girls about how Australia may be able to work in the lead-up to the next CSW to ensure that, hopefully, stronger statements can be made and there is a greater degree of agreement. We are having the first of those discussions, I think, next week or the week after.

Ms Smart: We have also spoken with non-government organisations and encouraged them to use their networks internationally so that influence could potentially be brought to bear on particular issues that they have interests in.

Senator CAROL BROWN: What will the theme of the next meeting, the 57th, be?

Ms Smart: The priority theme for CSW 57 is 'violence against women'.

Senator CAROL BROWN: Good luck in terms of the negotiations. I do have some other questions but I will put them on notice. Thank you.

CHAIR: Senator McKenzie, one general question and then we move on to EOWA.

Senator MCKENZIE: In regard to the Empowerment of Rural Women and their role in food production, my question goes to your second strategy around improving economic outcomes for women. Specifically, I will be talking about regional women, those involved in the agricultural industry and food processing sector—a sector in our economy which employs a lot of women. If you have been to the Goulburn Valley and seen the SPC food factory you will know what I mean. What work, if any, has been conducted with these sectors by the Office for Women, particularly around the direct impact of the Murray-Darling Basin Plan on these women's jobs going forward in specifically the food production and food processing sectors?
Ms McKenzie: I would need to go back to some of the discussion we have been having today which has been around our role in catalysing departments to be able to take a strong gendered approach towards their policy and programs, rather than the Office for Women trying to do it all.

Senator McKENZIE: In that light, what conversations has the Office for Women had with SEWPaC or with the Murray-Darling Basin Authority about their gendered approach to their work?

Ms McKenzie: I am not sure about the range of conversations. I would need to take that on notice. SEWPaC is one of the departments that attend the IDC where we talk about the importance of gender mainstreaming. They are one of the departments that have access to the Gender Panel, so therefore can get access to that kind of advice. One of our six women's alliances is the rural women's alliance, the National Rural Women's Coalition and Network, which looks at issues of particular concern to rural women, and we certainly engage with them frequently.

Senator McKENZIE: If you could give, on notice, any advice around the rural women's alliance and any engagement they have had around the impact on women within the Murray-Darling Basin system, Queensland to Adelaide, I would appreciate it. Thank you.

Mr Pratt: We have a clarification we would like to make.

Ms Carroll: Senator Cash, when I said that the Productivity Commission report on paid parental leave had recommended superannuation to be a part of it, I was not fully correct. I have the exact words here. It said that essentially they did not recommend that in the first instance. They said that the continuation of superannuation entitlements during paid parental leave absences for certain eligible employees will add to business costs and that, whilst a prima facie case for employer provision of superannuation exists, the compliance burden associated with the scheme's initial phase in current economic circumstances suggests that implementing the superannuation component should be deferred at the beginning of implementation. I wanted to be clear, because I did not have that quite right.

Senator CASH: Thank you.

Senator McLucas: Our legislative review of PPL includes specific reference to 'consideration of superannuation'.

CHAIR: Thank you. Thank you to the officers of the Office for Women. We move to EOWA.

[14:37]

Equal Opportunity for Women in the Workplace Agency

CHAIR: Welcome. Senator Cash?

Senator CASH: Good afternoon, Ms Conway. Could I start with the Australian Standard on Gender Inclusive Job Evaluation and Grading and in particular the answer to question on notice 196. I note that this standard has now been released by Standards Australia. It is a public document?

Ms Conway: Yes, it is a public document; it was released on 15 May.

Senator CASH: Media articles are now saying 'new rules ban gender in job titles' under the standard we are referring to—you were in the room when I was referring to the article—
and that 'fireman' will become 'firefighter'; 'secretaries' become 'office managers', and the personal pronouns 'his', 'her', 'he' or 'she' should not be used. What are EOWA's views on that? Will that enhance gender equality within the workplace?

Ms Conway: This is a voluntary standard. I think the press said it was a report that dictated particular things—

Senator CASH: Clearly, that was incorrect.

Ms Conway: This is a voluntary standard. It is a standard that is designed to facilitate the removal of gender bias in job evaluation and grading. It is accepted, I think it is fair to say, that the way jobs are graded in some circumstances can contribute to the gender pay gap. This is a tool that is supported by the agency to try and deal with this big issue of the gender pay gap.

Senator CASH: You say job grading in some circumstances can contribute to the gender pay gap.

Ms Conway: Yes.

Senator CASH: Can I ask you for specific examples of where that has occurred?

Ms Conway: The standard looks at gendered language. In some cases, gendered language leads to an assumption that certain jobs are done by certain genders, and that some of the skills required by those jobs naturally come with a gender and should not necessarily be evaluated as part of the job and hence remunerated as part of the job.

Senator CASH: So is a fireman an example of a job that refers to a specific gender?

Ms Conway: That is an example. I think the argument and discussion has gone off on a bit of a tangent because of the media. It is all about looking at jobs in a gender-balanced way, and trying to remove any gendered language that might lead to an assumption that jobs should be done by a particular gender and that, because a particular gender might have a particular disposition, that disposition is automatically assumed and not otherwise evaluated and then accordingly remunerated as something that is critical to that job.

Senator CASH: Is the standard going to be promoted and used by your agency?

Ms Conway: Yes, Senator.

Senator CASH: How will that occur? How will you be doing that?

Ms Conway: Currently there is a link to the standard on our website and we are preparing a guide to the use of the standard, which we hope to have completed in the next few weeks. The agency will promote the use of the standard and will assist organisations that want to use the standard. Currently we are upskilling staff within the agency on the standard.

Senator CASH: Does EOWA use this standard itself? Does it already use this standard in practice, and it did not need the standard to tell it to use this type of language?

Ms Conway: I think it is fair to say that the principles underlying the standard are principles that have been supported and promoted by the agency for a long time. This, however, is a more structured way of looking at job evaluation and grading. It being a complex sort of exercise, we thought it was worthy of the development of a standard and of course we will be promoting it, as I said, because we are concerned to deal with the gender pay gap, which is a particular responsibility under the proposed legislation.
Senator CASH: Will EOWA itself be looking at the standard and then reviewing its own practices to ensure that its own practices are consistent with the standard, considering that you are promoting it for general use in the community?

Ms Conway: Yes, Senator.

Senator CASH: When will that be occurring?

Ms Conway: We would expect to do that within the next few months. We have already had, as part of the development of the standard, a consideration of our practices, and we are satisfied that our practices are generally in accordance with the standard. But, now the standard has been published in the last week or so, we will review that again and make sure that our practices are consistent with the standard.

Senator CASH: When you say that they are generally in accordance with the standard, which practices did you identify that were not in accordance with the standard?

Ms Conway: We did not identify anything in particular. The standard requires a very specific set of processes that you go through. We had not necessarily gone through all those processes. We would look now at the standard and make sure that our systems and processes are in accordance with the standard.

Senator CASH: In terms of resources that would need to be allocated, say, by business if they were to adopt this standard, what type of financial resources or additional staff resources are we looking at?

Ms Conway: I am unable to comment on that, Senator.

Senator CASH: Were any additional costs incurred by EOWA in going through this review?

Ms Conway: No additional costs. We have a pay equity specialist working with us on a non-ongoing contract and she facilitated our consideration on the matter. But there was no extra cost.

Senator CASH: It was given to someone who was already with the organisation?

Ms Conway: That is right.

Senator CASH: In relation to that person, I refer to the answer to question on notice 196 from the 2011-12 additional estimates hearings, where it was noted that a non-ongoing employee who had specialist expertise and experience in the area after working on a similar standard in New Zealand was employed. For what period of time was this employee employed?

Ms Conway: That employee is still with the agency and her contract expires on 30 June this year.

Senator CASH: When did her contract commence?

Ms Conway: I would have to take that on notice. It was prior to my time at the agency.

Senator CASH: Is it for a number of years that she has been—

Ms Conway: That is correct.

Senator CASH: In what exact capacity is she employed?
Ms Conway: She is employed on a non-ongoing contract at an EL2 level to work with the agency on developing our suite of pay equity tools.

Senator CASH: What is the pay level for an EL2 position?

Ms Conway: I cannot remember the rates. I would have to take that on notice.

Senator CASH: Are there any other non-ongoing employees employed by EOWA?

Ms Conway: Yes, there are.

Senator CASH: How many are there?

Ms Conway: Thirteen.

Senator CASH: I will get you to take on notice what each one of them is employed to do, and how long their contracts run for. Did EOWA do any regulatory impact work on the new gender equality standard?

Ms Conway: The standard was developed by Standards Australia. A technical committee worked to develop the standard under the auspices of Standards Australia. That committee represented a wide group of stakeholders, employer groups, employee representatives, practitioners and the like. So the impact of the proposed standard was able to be ascertained through the contributions of the broad range of stakeholders on the consultative technical group.

Senator CASH: When you say the impact of the standard was able to be ascertained, what was ascertained in terms of the impact?

Ms Conway: The committee was concerned that the standard would be an effective, useful standard and that it was usable by its intended audience. That was the input that was sought from the stakeholders who were represented on the committee.

Senator CASH: Did you receive any feedback on the regulatory impact? I understand what you were looking to achieve. But now we have the standard, you can log on to Standards Australia and purchase this standard if you want to. Are businesses going to be encouraged to do this? They certainly have been encouraged to do it by way of your website. But when they log on and they see the standard, are they going to be discouraged because of the potential red tape implications for them?

Ms Conway: I cannot speak for others. All I can do is speak for the agency and say that we will be encouraging people to use the standard, and we will be providing what assistance we can to make sure that the use of the standard is facilitated. Most particularly, we will have a guide to the standard to assist people to use it.

Senator CASH: In terms of, say, the regulatory impact or the impact of potential red tape, there does not seem to be a clear understanding if there is going to be one, or whether an analysis was undertaken.

Ms Conway: There was no specific regulatory impact statement prepared. This is a voluntary standard, so organisations do not have to use the standard. We would be encouraging those to use the standard if they felt it would assist their process of evaluating jobs and we would help them do that.

Senator CASH: In terms of the committee that looked at this, the committee that you referred to, what was EOWA’s role, if any?
Ms Conway: EOWA was a participant on the committee and we provided somebody to do the drafting consistent with the discussion at the committee. So between committee meetings, consistent with the discussion, drafts were prepared for further consideration by the committee. That drafting was done by an EOWA representative.

Senator CASH: Are you able to table any reports from the committee that were provided to you in relation to the standard or any minutes from meetings?

Ms Conway: I would have to take that on notice because certain confidentiality provisions apply and I am not absolutely certain on that.

Senator CASH: That is fine. You can take it on notice. I turn to the answer I was given to question on notice 198 from the additional estimates hearings. In particular, it was in relation to the expressions of interest for the new IT system. When I previously asked about it in question on notice 161, the answer I was given was that it was 'in process'. You said you had received seven expressions of interest for the new IT system; however, requests of expressions of interest process had been terminated. When will that process recommence?

Ms Conway: The process has recommenced. The new process was scheduled to be posted on AusTender today.

Senator CASH: Will the seven who have already tendered for it, or put in expressions of interest, automatically be rolled over or will they need to express an interest again?

Ms Conway: They will have to express an interest again.

Senator CASH: I am assuming they have been told this?

Ms Conway: They were told that the tender process was terminated.

Senator CASH: Were any costs incurred by EOWA during the aborted expressions of interest process?

Ms Conway: Nothing above the ordinary staff costs.

Senator CASH: What were the ordinary staff costs?

Ms Conway: That would be the involvement of the staff who did the initial assessment of the tenders that came in—so essentially the IT project manager and some of the executive managers within the agency.

Senator CASH: We have had the committee inquiry into the legislation—you and I have spoken before, as I have with the Office for Women. In its submission to the Senate inquiry into the legislation, the Finance Sector Union cited lack of awareness and training of managers in the application of equal opportunity policies as an impediment to putting equal opportunity in practice. Are there any moves afoot through EOWA to introduce further education measures in tandem with the legislation to ensure that you have a greater awareness and training of those managers?

Ms Conway: We have a transition project in the agency to develop an education model. In the first instance, education will be in relation to the new legislation, and then we will focus on educating our stakeholders in relation to the major emphases and new focuses under the proposed new legislation: things like pay equity, women in leadership positions.

Senator CASH: When you say you are developing an educational model, what stage is this educational model at?
Ms Conway: It is close to completion.

Senator CASH: When do you expect it will be completed?

Ms Conway: I would expect in a week or two.

Senator CASH: It will be up and running online when?

Ms Conway: The model is around what education we think we need to deliver to whom. We have identified the stakeholder groups, the education for the particular groups and how we will deliver that. What is in train now, in conjunction with finalisation of the model, is a three-year program to stage the education in accordance with the model to reflect the immediate needs of educating our stakeholders around the proposed new legislation and then moving to other things. Within the resources the agency has we will stage our education and it is initially planned to have a three-year program for that.

Senator CASH: Could I go back to regulatory impact statements. When the agency looks at implementing or promoting to, say, the business community that it should be doing something, is it the normal practice that you would undertake a regulatory impact statement to understand whether or not there will be an additional red tape burden on business? Or is this not something that you do?

Ms Conway: It is the intention of the agency to consult. We would not formally undertake a regulatory impact statement but we would propose, if and when the legislation is passed, that we would have an ongoing consultative group reflecting broadly the stakeholders of the agency, to talk to them about what we are proposing to do and test their views about those things.

Senator CASH: We have talked today about the new standard in relation to gender and job titles, et cetera. Generally, if you are looking at saying to business and the broader community, 'You should change your work practices and do something a certain way,' is it your normal procedure that before you do something like that you would undertake a regulatory impact statement or commission someone to do that for you?

Ms Conway: No, it is not.

Senator CASH: Why is that?

Ms Conway: The agency has close relations with its reporting organisations, so every reporting organisation has a contact within the agency. For example, after a reporting organisation lodges their compliance report it is assessed and then the particular staff member assessing that report has a feedback call with the organisation and we test with the organisation what they can do, what they cannot do, why their results are at the level they are at, why they are not better. For example, if their statistics around women in leadership are poor, we talk about why that might be so, what they could do to improve that. Overall we aggregate a lot of information from a lot of our reporting organisations around what is possible, what is not possible. If you move to the next level of the employer of choice for women organisations, we receive a lot of information from those organisations—it is confidential—so we have a fair sense of what is possible and what is not possible.

Senator CASH: The Women's Budget Statement 2012-13 states that under the EOWA reforms an extra $11.2 million over four years will be provided from the 2011-12 budget, a doubling of funds to the agency, with most of this extra funding to provide practical help and
advice to employers. Can you outline in detail exactly how the $11.2 million is going to be spent?

Ms Conway: That money has been allocated over the forward estimate years. Most of the extra money will be spent on salaries. What we have to offer in the agency is we do not make widgets, we give advice and we assess reports; so it is people capacity. We have increased the number of staff, which is evident from the PBS, and it is all about having enough resources to be able to support organisations in improving their gender performance in the workplace.

Senator CASH: When it says most of this extra funding will provide practical help and advice to employers, that is the staff component?

Ms Conway: That is the staff component.

Senator CASH: For the staff who will be providing that type of assistance. In relation to the $11.2 million, how many additional staff have you put on specifically to deal with this part of the PBS?

Ms Conway: The current head count in the agency is 40. It is an FTE of 36.6 staff. Some of those staff have been put on to facilitate the implementation of the legislation. The other component which I did not get to is the rebuilding of the IT system. We need to completely rebuild the IT system and rebuild our website. As you know, the proposed reporting will be online, and with the commitment we have to supporting employers with less than 100 employees, we need to have a very professional website because that is the way we will extend our reach to those employers.

Senator CASH: How is the rebuilding of the website going?

Ms Conway: The rebuilding of the website is part of the IT project, Project Activate. That should have gone up on AusTender today.

Senator CASH: How long is it anticipated before the website is rebuilt so you can provide that additional support to employers with fewer than 100 people?

Ms Conway: The website is part of that project. We will be in a better position to know exactly how we will stage that project after we have completed the tender process.

Senator CASH: How long does the tender process go for?

Ms Conway: The tender process will go for—it is scheduled to go up on AusTender today—several months. Included in the tender process will be a proof of concept component. So we expect that will take a couple of months and then the project, once we have chosen the successful tenderer, will get started.

Senator CASH: In the event that the legislation passes and you have those commitments, in particular to employers with less than 100 people, if they come to you now and say, 'What support can you give me?', given that the website is not going to be available for several months because the tender process is going to be ongoing for several months, what can you do for them at the moment?

Ms Conway: At moment we give advice. We have workshops. Primarily it would be telephone advice and the use of the tools on our website.

Senator CASH: Madam Chair, I think that draws me to the end of my time.

CHAIR: Yes. You can put questions on notice.
Senator CASH: Thank you very much.

CHAIR: Thank you very much. We have completed Outcome 6 and we will move to Outcome 5, Disability and Carers. Senator Fifield, are you intending to go through program by program, or are you going to be more general with the issues? I know that NDIS, for instance, will be a discrete section. The others, Targeted Community Care, Disability Support—

Senator FIFIELD: We can endeavour to start going program by program.

CHAIR: And see how we go.

Senator FIFIELD: Yes. But just before we do, Chair, I might ask Mr Pratt and Senator McLucas if we have had any progress on the charter.

CHAIR: You are correct, Mr Pratt; you will have to go through your explanation again.

Senator McLucas: We did actually put this on the record, as you requested, before lunch.

Senator FIFIELD: I asked for an answer before. I am not sure what you have put on the record. If it is an answer then I am ecstatic.

Mr Pratt: Certainly there is an answer—a couple of times since you were here, Senator. As you pointed out, these issues were canvassed at the PM&C estimates and it was identified at those estimates that this is a matter for the Prime Minister. It was also identified that these are matters which are subject to the deliberation of cabinet and the minister is happy for me to take this on notice.

Senator FIFIELD: At PM&C estimates, Senator Evans said that he would take it on notice, which is what he said at the estimates before as well; I think it was what was offered at the estimates before this as well. This is entirely unsatisfactory.

Mr Pratt: I think this is only the second estimates that I have enjoyed this line of questioning.

Senator FIFIELD: Yes. I have no confidence that the answer that comes back on notice will be, 'We can't add to what was said at the hearing,' which is nothing. I just wonder how we short circuit this and stop it rolling from estimates to estimates—the same lack of an answer. The only rationale I can posit—and correct me if I am wrong, Senator and Mr Pratt—is that the only reason that this question would be declined to be answered is because the charter letters have not been sent. That is the only inference a reasonable person could draw.

Senator McLucas: That would be an inappropriate inference.

Senator FIFIELD: Would it? So you are confirming that charter letters have been sent?

Senator McLucas: I am saying that you should not infer.

Senator FIFIELD: Mr Pratt, what is the reason for not answering? I assume that by now you are in a position of knowledge as to whether or not charter letters have been sent. That is a reasonable assumption.

Mr Pratt: It is correct that I have had this knowledge for some time.

Senator FIFIELD: You have had this knowledge for some time, but it has been like extracting teeth for this committee to find out.

Mr Pratt: I apologise if I seem difficult, but if I can go back to the comment I made this morning—
**Senator FIFIELD:** I just say there is not a lot coming.

**Mr Pratt:** These letters are a matter for the Prime Minister and the minister. Let us hypothesise that a letter had been sent and I had seen it. It is not open to me to divulge that fact when it is a confidential letter between the Prime Minister and the minister. It would have to be either the Prime Minister or the minister who divulged that detail. So this really is a matter for the minister.

**Senator FIFIELD:** I do not accept that at all. For instance, there could well be advice which has gone from the department to a minister. You might not want to divulge what the advice is, but you can confirm that advice has been provided.

**Mr Pratt:** Yes. I see that as being quite different because that is something which is in my control; it is something which I own. I have produced that advice or, by extension, my department has produced that advice. So it is open to me to reveal the fact that I have provided that advice. But if it is something which is between the Prime Minister and a minister, which is cabinet-in-confidence, I do not think it is right for me to reveal details of that.

**Senator FIFIELD:** As to whether the letter exists, which outlines, basically, the minister's job description. I was just looking on the Queensland government website. They say what the charter letters are. In fact, you can click on every charter letter to every minister.

**Mr Pratt:** I am sure that their estimates hearings are much duller than ours, Senator.

**Senator FIFIELD:** No doubt. I do not accept that asking questions as to your knowledge about whether charter letters have been sent is something that this committee should not be able to ask and receive an answer to.

**Senator McLucas:** Maybe I can help you on that. I am trying to work out the point of your questioning. If the point of your questioning is to ascertain whether a letter has been sent or not, that is one question. I think the substantive question has to go to: do the department know clearly what each member of their executive does? The answer to that is absolutely. The department know what the full members of the executive have as their responsibilities; as do we. So, in terms of the operation of our offices or the operation of the department, your need to ascertain whether a letter was sent and what was in it is almost irrelevant. We know what we are doing here. Let us get on with it.

**Senator FIFIELD:** I am sorry; just say that again: you know what you are doing? I think the Australian public would beg to differ across a range of portfolios.

**Senator McLucas:** We are very clear about our responsibilities. We are very clear about our responsibilities and our department is very clear about our responsibilities. There is no question about that.

**Senator FIFIELD:** Let me reframe the question; it might assist Mr Pratt. Mr Pratt, is any part of your understanding as to what the responsibilities and objectives of your portfolio ministers are informed by the prime ministerial charter letter?

**Mr Pratt:** At a general level, over many, many years, that has been the case.

**Senator FIFIELD:** I am talking about at the moment with the current government and with the current portfolio officeholders. Has any part of your understanding of the
responsibilities of the portfolio officeholders and the objectives of the government in the portfolio been informed by ministerial charter letters?

Mr Pratt: Yes.

Senator FIFIELD: It is; by current existing ministerial charter letters?

Mr Pratt: By existing charter letters.

Senator FIFIELD: Including one to Minister Macklin in her capacity as the Minister for Disability Reform?

Mr Pratt: Now, of course, we are getting to the issue as to whether or not charter letters have been updated. That is an area which I do not wish to get into, for the reasons I have—

Senator FIFIELD: You may not wish to get into it, but whether an officer wishes to get into something is not a reason not to be forthcoming to a Senate estimates committee.

Mr Pratt: That is correct. I was being delicate. I have already explained my reasons for not thinking it is appropriate for me to reveal details of any, if it exists, confidential correspondence between the Prime Minister and the minister.

Senator FIFIELD: Senator McLucas, do you see the absurdity of a situation where neither a departmental secretary nor the responsible member of the executive at the table will either confirm or deny the existence of a charter letter, which is a fundamental instrument, a fundamental mechanism, for conveying to a minister and to a portfolio what the expectations of the Prime Minister and the government of the day are? Do you see the absurdity of refusing to confirm or deny? We are not talking about nuclear weapons on a United States aircraft carrier or battleship; we are talking about a charter letter.

Senator McLucas: What I think is absurd is the fact that we have wasted possibly nearly 40 minutes pursuing this, when it is very clear to the committee, from the department's perspective and from our perspective as portfolio ministers, that the substance of a letter is now reflected in our activity both as executive members and as a department.

Senator FIFIELD: Time has been wasted by a failure to answer. Chair, could I request a private meeting, please, because this is bordering on obfuscation and has been at successive estimates meetings. I would like to discuss what options are open to the committee to seek to ensure that an answer is provided.

CHAIR: You certainly can request a private meeting. As other people support the holding of a private meeting, we will have a private meeting.

Senator FIFIELD: Thank you, Chair.

Proceedings suspended from 15:09 to 15:13

CHAIR: We are now back in session. Senator Fifield.

Senator FIFIELD: I would like to give the parliamentary secretary and Mr Pratt another opportunity to answer the question as to whether Minister Macklin, in her capacity as the Minister for Disability Reform, has received a charter letter and whether Minister Collins, in her capacity as the Minister for the Status of Women and the Minister for Community Services, has received a charter letter.

Mr Pratt: Again, I have taken this question on notice. I have referred it to the minister. She will answer in due course.
Senator FIFFIELD: Can I just indicate that I think these responses and how this issue of charter letters has been handled are entirely unsatisfactory from my point of view and from the point of view, I know, of my opposition colleagues. It will be my intention to move a motion in the Senate that the charter letters be produced. If it transpires, as a result of that motion—if it is successful—that in fact the charter letters in question do not exist, I will have little option but to conclude that the responses today were to hide the fact that charter letters did not exist. I would hope that that is not the case. But, given that answers are not forthcoming, the only way that I can determine whether that is the case will be to move a motion in the Senate to seek the production of charter letters.

CHAIR: Senator, you have the right to do that, of course, and the officer and Senator McLucas have taken your question on notice.

Senator FIFFIELD: Thank you, Chair. Chair, I think you wish us to go program by program, if that is all possible.

CHAIR: If you can do it. If there is flow-on, Senator, I am sure the officers are available here to answer. Perhaps you can go to a theme and we will work around that.

Senator FIFFIELD: Okay. I do not have anything on 5.1.

CHAIR: Senator Siewert has some questions on 5.2, portability.

Senator SIEWERT: Thank you, Chair. I want to go back to the issues around portability that I flagged earlier and clarify the DSP portability process. It says that under the new process a person who has a severe disability or is assessed to have a severe disability with no future work prospects—

Ms S Wilson: Yes, a severe, permanent disability, with no future work capacity; that is correct.

Senator SIEWERT: Will this be assessed under the current impairment or the new impairment tables, or is this a different process?

Mr Moufarriage: It is a different process. It will be under the new impairment tables, but there will be a separate process for those people wishing to get extended portability or unlimited portability of the disability support pension.

Senator SIEWERT: There are several processes here that I will need to tease out. Just say that I have already been assessed under the new tables. If I then sought to go overseas for an extended stay—sorry; to receive exemption from this process—I would need to be reassessed. Is that right?

Mr Moufarriage: Yes. It is essentially a medical review of your disability support pension.

Senator SIEWERT: It is a medical review. What criteria do I do that against?

Mr Moufarriage: It is against the existing disability support pension criteria, but customers must have a severe impairment that is assessed as having an impairment rating of at least 20 points under the new impairment tables, of which 20 points or more are assigned under a single table.

Senator SIEWERT: That is under the existing table.

Mr Moufarriage: Yes, under the existing table.
Senator SIEWERT: That is a severe disability or a manifest disability. You have to have that anyway.

Mr Moufarriage: Yes. Then there are a couple of steps further. A treating doctor's report is provided in which the treating doctor has to provide further information around the severity and permanency of your impairment.

Senator SIEWERT: Will there be a table? Are you developing a table for that?

Mr Moufarriage: No; there will be extra questions on the treating doctor's report specifically for those people that are seeking extended or unlimited portability of their DSP.

Senator SIEWERT: So that is two steps. Did you say that there was a third?

Mr Moufarriage: I am sorry; there is a second step, which is the job capacity assessment. A job capacity assessor will, based on the treating doctor's report, look to see whether a person has any future work capacity.

Senator SIEWERT: So your treating doctor will do that as well.

Mr Moufarriage: Your treating doctor will look at the impairment and the permanency of that impairment and will make a decision on how permanent that impairment is.

Ms S Wilson: Make a recommendation and provide advice. Then the job capacity assessor will look at the question of future work capacity. As you understand, I think, Senator, they are two separate criteria.

Senator SIEWERT: That is why I was asking, because I did not quite get who did what. So a job capacity assessor will then do whether that person is permanently unable to work; is that correct?

Ms S Wilson: Yes.

Senator SIEWERT: This is a whole new process?

Ms S Wilson: It is leveraging existing information, but it is an additional suite of information.

Senator SIEWERT: So anybody wishing to claim exemption will have to go through this process.

Mr Moufarriage: Except for those people that are classified as a manifest grant for disability support pension that have been classified since the new manifest guidelines came in in December 2002.


Mr Moufarriage: Yes.

Senator SIEWERT: So if you received your classification—for want of a better word—after 2002, you only have to go through which part of this process—or none of it?

Mr Moufarriage: None of it. It is a manifest grant.

Senator SIEWERT: So if I have just recently been assessed against the new impairment tables, I do not have to go through this again?

Mr Moufarriage: Not unless you are a manifest grant. If you are not a manifest grant of disability support pension, you will have to be assessed under these new guidelines.
Senator SIEWERT: So, if I have my 20 points on the one impairment table under the new process, you then have got your DSP; you do not have to go through this process.

Ms S Wilson: You have two—

Senator SIEWERT: I interpreted what you said earlier that you had to.

Ms S Wilson: You have got the impairment rating and then you have a continuing inability to work assessment, so there are two components. If you are assessed as being manifest, you do not generally have the job capacity assessment—

Senator SIEWERT: That is why I was asking, because I thought once you had that you did not have to do the—

Ms S Wilson: That is correct.

Senator SIEWERT: But under this process—I am sorry; I am being a bit obtuse—if I have already been assessed as having a manifest disability, why do I have to go through the other process of the job capacity assessment?

Mr Moufarriage: You do not.

Senator SIEWERT: So who does to get this exemption?

Mr Moufarriage: Those people on DSP, the disability support pension, that are not a manifest grant.

Senator SIEWERT: But I thought it was only people with a manifest grant that could claim this anyway.

Mr Moufarriage: You do not.

Senator SIEWERT: So who does to get this exemption?

Mr Moufarriage: Those people on DSP, the disability support pension, that are not a manifest grant.

Senator SIEWERT: But I thought it was only people with a manifest grant that could claim this anyway.

Ms S Wilson: No. It is more automatic if you have got a manifest grant. Is that correct, Mr Moufarriage?

Mr Moufarriage: Yes.

Senator SIEWERT: The way you answered this before, I interpreted it to mean that everybody has to do this regardless of whether they are manifest. I thought you could only claim exemption if you had a manifest disability. The terminology you use here is 'severely impaired'— 'severe disability' and you cannot work.

Ms S Wilson: Severe permanent disability and no future work capacity. So if you have a recent manifest grant, that is manifestly saying you have the severe permanent disability and no future work capacity. Is that correct?

Mr Moufarriage: Yes.

Ms S Wilson: Therefore, you would be eligible for taking your DSP overseas under this new provision. If you were a manifest grant much earlier—

Mr Moufarriage: Prior to December 2002, or if they are a disability support pensioner who wishes to test their eligibility for the unlimited portability measure, they would have to go through that assessment process.

Ms S Wilson: So if you are not manifest now—maybe your condition has deteriorated or maybe you think, 'I could be eligible for this exemption'—then you would need this additional information.

Senator SIEWERT: So before 2002, or if I wanted to test to see whether I could do it. Is that correct?
Mr Moufarriage: Yes.

Senator SIEWERT: And you would be assessed under the new tables, I presume. If you are prior to 2002, you would then be assessed under the new tables?

Mr Moufarriage: That is correct, yes.

Senator SIEWERT: From now on, if I am being assessed under the impairment tables, there is nothing different to that test for a manifest disability than there is under this process, is there? It is the same impairment tables that are still being used.

Ms S Wilson: We use the same tables to assess whether somebody has a manifest condition or a manifest diagnosis or what their points in their impairment rating are.

Senator SIEWERT: I think you said that the same exemptions apply, though, for this one. If you were travelling overseas, if someone has employment overseas, this is not going to apply?

Mr Moufarriage: This provision gives you unlimited portability, so it would not be relevant.

Senator SIEWERT: As long as you have a manifest disability.

Mr Moufarriage: Yes.

Senator FIFIELD: Also on DSP portability and the budget changes reducing the portability period from 13 to six weeks, I have a scenario that I would put to you. Someone is on the disability support pension whose parents may also be their carer and they want to go on an around the world trip for eight weeks. How will these changes affect that scenario?

Ms S Wilson: The DSP would not be payable for the last two weeks of the trip because they would have exceeded the six weeks. It would be not payable rather than cancelled; so on the return to Australia it would be resumed.

Senator FIFIELD: It would be resumed, but it would not be backdated to cover those two weeks?

Ms S Wilson: No. It is not payable for the period that exceeds the six weeks.

Senator FIFIELD: Obviously the individuals involved would be obliged to notify Centrelink of their absence from overseas.

Mr Moufarriage: Yes.

Ms S Wilson: Perhaps I could just back-track. I should have said—Senator McLucas reminded me—of course, with the exception of those people who have indefinite portability because of the severity of their disability and no future work capacity. I just want to make sure that that is crystal clear. It is a requirement currently to notify Centrelink that you are going overseas.

Mr Moufarriage: Yes.

Senator FIFIELD: My other DSP questions, Chair, are of a statistical nature and are probably better facilitated by being placed on notice to give more time to talk about the NDIS. So I have nothing on 5.2.

Senator SIEWERT: I have just two more on portability, two short ones. I just want to clarify in my mind: I have been assessed after 2002; I let you know that I am going overseas
and I have a manifest disability. I will not need to be reassessed if I have already been assessed after 2002?

Mr Moufarriage: Yes.

Senator SIEWERT: Thank you. You made a point earlier in answer to Senator Fifield’s question that if you have been overseas for eight weeks and you come back, you just miss payment for two weeks. What if I had been overseas for longer than that? What is the maximum period I can be overseas for before my child would have to be reassessed for DSP, for automatic reinstatement?

Mr Moufarriage: The administrative processes within Centrelink at the moment allow for up to 26 weeks. So if a person comes back within 26 weeks, they generally do not have to put a new application form in for DSP; they can just re-establish their payment arrangement. Between 26 weeks and 52 weeks, there is an abridged process. They still need to reapply but, up to that 52 weeks, it is a shorter process.

Senator SIEWERT: So if my parents are on study leave or something for 12 months overseas, (a) I will only get support for six weeks—

Ms S Wilson: Unless they meet the other criteria.

Senator SIEWERT: Yes; I am assuming that they do not. If my parents are overseas on study leave for a year, when they come back they will have to be reassessed.

Mr Moufarriage: That is right.

Senator SIEWERT: After 12 months, it is total reassessment; prior to that, it is abridged.

Mr Moufarriage: Yes.

CHAIR: For 5.2 there will be some questions on notice, but that is the end of questioning here. We will now move to 5.3, income support for carers.

Senator FIFIELD: I have an issue that has been raised with me by a constituent. Probably the easiest thing is if I read out some excerpts of their correspondence to me. It is in relation to carer payments. My constituent says: 'Changes to eligibility criteria to receive carer payments changed on July 1 2011. The effect of this has been a hugely detrimental effect to many families of children with ongoing heart conditions. We ourselves have a daughter of three who was born with a congenital heart defect. Immediately after her birth she was taken to hospital where we remained for five months while she had a multitude of open-heart surgeries. We received a carer payment for her until July last year, but she still requires 24-hour care with her condition, requiring more surgery. Due to the ongoing nature of many heart conditions, parents are often unable to work due to the frequency of hospital stays and appointments and the constant monitoring involved in making sure your child is not overexerted or exposed to colds and flu. Day care and the like are not possible without a nurse in attendance, which is not feasible for a day care facility. It seems like an oversight from the Department of Human Services that has brought this situation about, and it needs to be fixed immediately.' My constituent talks about the group HeartKids, which has family support coordinators who have been receiving a huge number of calls from people wanting to know why their payments have stopped. That is the scenario. I would appreciate any light you could shed on how this sort of situation came about.
Ms Rose: Carer payment eligibility is not related to a specific list of conditions; it depends on the care load required. In order to qualify, you have to have a certain score on the disability care load assessment tool, which is comprised of a questionnaire on behalf of the treating doctor and also on behalf of the carer. All I can imagine that has happened here is that that qualifying score has not been achieved. It is hard to know without all the details.

Senator FIFIELD: There was a similar scenario with carers of children with diabetes, where at one level there was not 24-hour care required but there was periodic care through the course of the day and through the course of the night to check blood sugar levels. I think there was some ministerial intervention to remedy that situation.

Ms S Wilson: Yes, there was a review; that is correct. We changed the list of recognised disabilities, as I recall.

Ms Rose: That is right. That was in relation to carer allowance, not carer payment. Diabetes had already been on the list of recognised disabilities but only up to age 10. As a result of that review the age has been taken up to 16, but that was for carer allowance.

Ms S Wilson: We have had low visibility of these issues. There has not been any change or tightening of carer payment eligibility that would have had this impact. In fact it has been the reverse in recent years, with the introduction of the carer care load assessment tool, with a liberalisation. I am unable to help in terms of the particular cases, but we will certainly be very happy to have a look at the information you have and have a discussion with DHS about it.

Mr Pratt: Could you read that bit again—that something had changed in the arrangements?

Senator FIFIELD: Yes. It says: 'Changes to eligibility criteria to receive carer payments changed on July 1, 2011.'


Senator McLucas: I am happy for you to provide me, if your constituent is happy, with that email, and we will—

Senator FIFIELD: I will do that. The organisation HeartKids apparently is receiving a large number of calls from people who find themselves in the situation where they have had payments which have stopped.

ACTING CHAIR (Senator Siewert): It might be useful to talk with Human Services when they appear, seeing as that letter seems to say that they have approached Human Services.

Senator FIFIELD: Human Services is the portfolio that people have; it is the public interface.

Ms S Wilson: Centrelink—

Senator FIFIELD: I thought I would raise it here, lest Human Services say, 'Look, Senator, it is a policy matter and you need to talk to FaHCSIA about that.'

Mr Pratt: Irrespective of the questioning and answers from Human Services tomorrow, if, via Senator McLucas, you provide that to us, we will investigate it.
Senator FIFIELD: I will certainly do that.

Ms Rose: Also, the carer adjustment payment exists to assist families in that situation. If it is a catastrophic event, such as the ones you have just mentioned, that may be an alternative payment which is more appropriate for the situation. It is a one-off payment, as you are aware.

Senator FIFIELD: The Supported Accommodation Innovation Fund: $60 million was the initial allocation for that?

Ms S Wilson: That is correct.

Senator FIFIELD: How much of that has been allocated now? Has it been fully—

Ms Angus: The money is being expended over a couple of years. The first year's allocation is for a particular amount, which I think—

Senator FIFIELD: Has it all been earmarked? It has not all been expended, but has it all been earmarked?

Ms Angus: Sorry, I misunderstood. Yes, that is correct.

Senator FIFIELD: Can you give me a state-by-state breakdown of how it has been allocated?

Ms Angus: I can. I will just need to find it.

Mr Lewis: We have a document which we can table which has a breakdown. It is a breakdown of not only the state level but the recipients. Would that be of some assistance?

Senator FIFIELD: Yes, that would be great. What was the application process for the funds, in a nutshell?

Ms Angus: There was quite a lengthy consultation. There was an exposure draft of the selection criteria which was tested and put on the website for people to comment and consult on. There were ongoing conversations with a number of stakeholder groups that led to the development of finalisation of those selection criteria. The application period opened in September and closed in January. People were able to put applications in throughout that time. There was a requirement, though, for the applications to go via the state jurisdiction, the state or territory of their origin, for endorsement because this program is a capital works program and it was part of the conditions of the program that the individuals involved would have ongoing support which would need to be provided by the jurisdiction in which they resided.

Senator FIFIELD: Who was the decision maker for the applications? Was there a committee? Was it the minister?

Ms Angus: No. Senator McLucas was the delegate in this instance. There was a selection process which was followed which was made up of some departmental representatives, who assessed all of the applications that were received and provided some recommendations for the senator's consideration.

Senator FIFIELD: Were the recommendations accepted in all cases?

Ms Angus: Yes, that is correct.

Senator FIFIELD: Could you also—if you do not have it to hand, take it on notice—tell us the number of applications per state, per jurisdiction?
Ms Angus: The number of applications?

Senator FIFIELD: Yes.

Ms Angus: I would have to take that on notice. We do have the information, but I do not have it at hand.

Senator FIFIELD: The other document that has been tabled will give the answer as to the number of successful applicants?

Ms Angus: That is correct. They are all listed.

Senator FIFIELD: Thank you for that. I am interested in the rationale for the merging of the better start program and the Helping Children with Autism program.

Mr Riley: Essentially it is because they are both account based models of service provision and it provides a greater line of sight into those demand driven programs.

Senator FIFIELD: A greater what?

Mr Riley: Line of sight for central agencies into that.

Senator FIFIELD: I like phrases like 'line of sight' in disability! Did that come out as a result of government response to any of the recommendations of the KPMG report?

Ms S Wilson: No, it was independent of that. It was really about enabling better monitoring of those components of the appropriation to check how they were going against estimates.

Mr Lewis: Senator, we have talked a few times about the demand driven program and changing.

Senator FIFIELD: When does the combining take effect from?

Mr Riley: It takes effect from 1 July, essentially.

Senator FIFIELD: What are the main issues that you foresee with the combining of the two? Are there any particular challenges that that poses for you, administratively?

Mr Riley: Not at all. They each continue to have their separate identity within 5.7. There are no problems in terms of reporting or anything like that.

Senator FIFIELD: Minister, has the government given any further thought to a more formal response to the KPMG report in terms of expanding the eligibility for early intervention services?

Senator McLucas: As you know—I hope you know—it has been published.

Senator FIFIELD: I do know it has been published.

Senator McLucas: And it has been well received by the disability sector. The potential for people who are currently eligible for better start and HCWA and for others who may do well from early intervention services certainly will be part of our thinking around a national disability insurance scheme, and the report identifies that, as you know.

Senator FIFIELD: Thank you for that. It might be time for NDIS. I might start with the proposal that the opposition leader has put to the Prime Minister for a joint parliamentary committee on the NDIS to span several parliaments in order to help to provide a non-partisan forum for implementation issues for the NDIS to be raised and discussed, and also to provide a mechanism to help to lift the NDIS above usual partisanship so that the NDIS is something
that is owned by the parliament as a whole. Mr Abbott wrote to the Prime Minister on 27 April and 13 April and the Prime Minister replied on 19 May, declining the proposition. It was an unusual letter for a Prime Minister, the wording of it; it was quite a partisan and pointed reply. Senator McLucas, did the Prime Minister seek your views before replying to the opposition leader in relation to that proposition?

**Senator McLucas:** Not mine personally. As you know, Minister Macklin is the lead minister on disability reform. Certainly, going to the substance of the letter, the Prime Minister has very clearly said that our government is getting on with the job of designing a national disability insurance scheme. I concur with her view that, with respect to the establishment of a parliamentary committee, I honestly cannot see what its role would be, when you have the select council, which is made up of all state and territory treasurers and disability ministers, however called, and the federal Treasurer, and the Minister for Disability Reform and me. They are the players that we need to get around a table. They are the people who will lead the design. As you are very well aware, they work across party lines. This is about doing the work that we need to do to design a national disability insurance scheme. I can assure the committee that our government, along with a lot of state and territory governments, is actually doing that fundamental reform work right now.

**Senator FIFIELD:** Senator, or Mr Pratt, does either of you know whether Minister Macklin was consulted by the Prime Minister before she replied to Mr Abbott's proposal?

**Senator McLucas:** No, I do not know.

**Mr Pratt:** I do not know.

**Senator FIFIELD:** If you could take that on notice, I would be appreciative.

**Mr Pratt:** Yes, Senator.

**Senator FIFIELD:** Was any advice sought from the department, to your knowledge, on that subject of Mr Abbott's proposal, before the Prime Minister replied?

**Mr Pratt:** Not to my knowledge. This is not something which I expect the department's advice would be sought on.

**Senator FIFIELD:** Could you take it on notice if it is other than you think?

**Mr Pratt:** Yes, Senator.

**Senator FIFIELD:** I take the opportunity, since we are gathered, to let you know that Mr Christensen from the other place has lodged a notice of motion in the House to give the House the opportunity to consider the proposal that Mr Abbott has put forward which, if successful, would be transmitted to the Senate for concurrence. I thought I would let you know that there. Your advice may well be sought between now and—

**Senator McLucas:** That is fine. While that is happening in the political space, we will just get on with designing an NDIS.

**Senator FIFIELD:** It is a genuine proposal by Mr Abbott, who is very committed to the NDIS, to try to elevate the NDIS out of the usual partisan ruck.

**Senator McLucas:** I do not see it in a partisan ruck.

**Senator FIFIELD:** Sorry?

**Senator McLucas:** I do not see it in a partisan ruck—except for Mr Hockey.
Senator FIFIELD: Mr Hockey is a big supporter of the NDIS. I think it is important that we look for mechanisms to ensure that the NDIS remains above the more usual partisan fray.

Senator McLucas: With our advisory group, which is made up of people who were nominated in part by the states and territories, with our select council, I think we have the architecture in place that is required to deliver an NDIS.

Senator FIFIELD: We always look to do the best we can. Thank you for that, Senator. Let me place on the record that the opposition is very supportive of the $1 billion which is allocated in the budget. You mentioned Mr Hockey. Mr Hockey, contrary to some reports, is a supporter of the NDIS. I will put that on the record as well. In the wake of the budget announcement, in some sections a perception has developed that the NDIS has been fully funded, that the productivity time line has been signed off and agreed to. I want to clarify at the outset that it is my understanding that, while the billion dollars is good and is welcomed, the government has not made any commitment to fully implement an NDIS by the Productivity Commission's time line of 2018-19. Is that correct—there has not been a commitment to meet that time line as envisaged by the Productivity Commission?

Senator McLucas: We have made a commitment of $1 billion which has been well regarded in the community. We have recognised that we will need to roll out an NDIS in a staged approach, as the Productivity Commission recommended we do. We believe we will be able to have our first two launch sites able to be identified and begin operations on 1 July next year, with another two launch sites following that in 2014. We know that the design of the NDIS, which will be happening between now and 1 July next year, will take considerable effort. We are working very hard on that. Our state and territory bureaucracies are also working very hard. I need to put on the record that there has been a lot of cooperation across jurisdictions. Importantly, with respect to the commitment and the work we are doing, that is why we are using the words 'launch sites' not 'trial sites': so that there will be some refinement of the learnings that we experience in the first two years of operation. In terms of going on further from that point, the money we have allocated is for this four-year forward estimates, and further budgets will inform further development of the rollout.

Senator FIFIELD: You mentioned it being introduced in a staged fashion. The Productivity Commission recommended a staged introduction. But the staging which the government has chosen is different from that of the Productivity Commission.

Senator McLucas: Yes, we are one year earlier than the Productivity Commission recommended. The reason for that—and this is where some of the confusing messages from the opposition appear—is that when Mr Abbott first came back to Australia from overseas, the day after the PC report was released he indicated that it was going to take too long. We responded not to him but to the views of people with disability, who also said, 'Look, we'd like it to come along a bit earlier than this.' We believe that through the work of the select council we have designed a work program that can bring it one year earlier than the Productivity Commission recommended, in order to get on with the job and deliver for people with disability in this country.

Senator FIFIELD: The launch sites are coming into effect a year earlier than the Productivity Commission envisaged, but the launch sites will be servicing fewer people than envisaged by the Productivity Commission and, according to the funding and the budget, this phase of things will go to 2015-16. The year 2015-16 was envisaged by the Productivity Commission.
Commission as the first full year of the national rollout. From where I sit, it seems that, while the launch sites are happening a year earlier, the rollout is going lower and slower than the Productivity Commission envisaged. My question is: with the fact that the launch sites are going out lower and slower and perhaps extending further into the future than envisaged by the Productivity Commission, does that mean that a 2018-19 completion of rollout is less likely and will actually be delayed by the path that the government has chosen?

Senator McLucas: I take issue with 'slower'. We are bringing forward the first two launch sites—

Senator FIFIELD: You can bring something forward but roll it out more slowly. They are not mutually exclusive things.

Senator McLucas: Just to be clear about what you are saying when you say 'slower'—

Mr Pratt: Senator, is your question that, because the government has taken a different path from the PC recommendation with the launches, it will necessarily have a different approach in terms of the full rollout of the NDIS?

Senator FIFIELD: Yes.

Mr Pratt: The government has yet to take any decisions on the full rollout, so I am not sure that that connection can be made.

Senator FIFIELD: Sorry?

Mr Pratt: I do not think that connection can be made. That is still subject to government decisions.

Senator FIFIELD: I appreciate that a complete rollout of an NDIS is subject to government decisions. But my question is a different one. If the launch sites are rolling out between mid-2013 and 2015-16, when the Productivity Commission envisages a first full year of the national rollout, is the path that the government has chosen actually putting a full rollout of an NDIS beyond the time frame envisaged by the Productivity Commission?

Mr Pratt: It is not possible to say at this stage. The government still has to do much work, as Senator McLucas has outlined, with the states and territories both on the launches, which will inform a further staging of the NDIS, and then the full scheme itself.

Senator FIFIELD: By the same token, you cannot say that the path chosen by the government to go lower and slower with the regional rollouts will not see a full implementation beyond 2018-19?

Ms S Wilson: The government has titled this the first stage of a National Disability Insurance Scheme, which implies that there is a second stage. There have been no firm agreements reached about what the second stage would look like. We are currently working with the states and territories on the first stage. A key difference between the approach reflected in the budget measure first stage of a NDIS and the PC's recommended approach, other than the one that you have identified or you have inferred, is that the PC approach also involves building a very large national bureaucracy ahead of launching, with 20,000 people. So the government has decided to build a smaller start-up administration and provide a full scheme informed by the experience of developing and implementing the first stage.
CHAIR: We are going back to program 5.6, National Disability Insurance Scheme. Senator Fifield.

Mr Pratt: Madam Chair, may I just check something? Are we now only going to focus on the NDIS? Am I able to—

CHAIR: Any other officers who are not NDIS in this program can go.

Mr Pratt: Terrific; thank you.

CHAIR: Any questions that may pop up will be put on notice.

Mr Pratt: Thank you very much.

CHAIR: After that we will go to Housing. Mr Pratt, in terms of the program—and I will just put this on record for senators—we have got NDIS scheduled until 6.45. If the senators run out of questions, we are not changing that timetable. So your Housing people do not need to come any earlier than they are currently scheduled; so they will know their format will be requiring them at 7.45.

Mr Pratt: Thank you.

CHAIR: Senator Fifield.

Senator FIFIELD: We might go back to the $1 billion, which, as I say, we welcome. The Productivity Commission envisaged over the next four financial years a touch under $4 billion being expended—I think $3.9 billion—and a billion dollars is obviously less than that. I come back to where we left off before that. Although the launch sites are being brought forward a year, there is less money being spent than envisaged by the Productivity Commission over that time frame and fewer people being supported than envisaged by the Productivity Commission over that time frame. So, to me, it is almost a matter of logic that that would mean that, if government takes a decision to support a full rollout of the NDIS, it will happen over a longer period than envisaged by the Productivity Commission. That must be a question that the government and the department have turned their minds to—should a decision be taken to support a full rollout, what the implications of the decisions to date would have for the time frame within which that could occur.

Mr Pratt: I would not like to speculate what other decisions the government may take over the course of the next year or two.

Senator FIFIELD: I am not asking you to speculate on a decision that government might take. But, having said that, I would be sure that the department would have given consideration to what the decision to deviate from the Productivity Commission’s time line and funding schedule would mean for the theoretical capacity to meet the Productivity Commission’s schedule of a full rollout by 2018-19.

Mr Pratt: Perhaps I can answer your question in this way: we are certainly giving much consideration to an advice to the government about the next stage of the NDIS, subject to work with the states and territories.

Senator McLucas: Senator, you would be absolutely aware that the states and territories are integral to the delivery of this initiative.

Senator FIFIELD: Absolutely, and you cannot do anything initially unless you have agreement with the states and territories.
Senator McLucas: And we are working very hard with them.

Senator FIFIELD: I appreciate that. But the department must have given consideration to the implications for the Productivity Commission's 2018-19 time line as a result of decisions taken to date. If the department has not considered those implications, then I am even more concerned—or potentially concerned.

Ms S Wilson: When providing advice to government, there are a range of scenarios that are explored and, of course, the advice that we have provided would have been positioned against the Productivity Commission report because, as COAG agreed, it is the starting point; it is where we work both within the Commonwealth and with the states and territories on these issues. But there is no specific implication of the first stage for the scale and pace of stage 2 at this point.

Senator FIFIELD: I appreciate that. I guess where I am coming from is that I think in the minds of many people, when they hear that the launch sites have been brought forward by a year, they think, 'Oh, that's great. That means the NDIS will be delivered in full a year ahead of the Productivity Commission's time line.' I think a number of people just hear that the launch site is being brought forward by a year and they think, 'Oh, NDIS completion is being brought forward by a year.' But it would be wrong to make that assumption, wouldn't it, that the NDIS completion will be brought forward a year simply because some element of it is being started a year earlier?

Ms S Wilson: You could not assume either way. I think the point that I made about it is: this is the first stage and what it means for the second stage needs to be negotiated and agreed between governments.

Senator FIFIELD: I do not want to put words in anyone's mouth, but perhaps I can summarise it in this way: my understanding is—and correct me if I am wrong—that it could be that the NDIS in full is implemented earlier than envisaged by the Productivity Commission time line; it could be that it is implemented according to the Productivity Commission time line; or it could be that it is implemented later than the Productivity Commission time line.

Mr Pratt: That is correct.

Senator FIFIELD: Under the current Commonwealth-state disability funding arrangements, what is the split of funding between the Commonwealth and the state and territory jurisdictions? What is the sort of percentage rule of thumb that you go by?

Ms S Wilson: Is your question about current disability services?

Senator FIFIELD: Yes.
Ms S Wilson: Based on ROGs data for 2009-10, the research on government services, the Commonwealth funded around 33 per cent or $2.3 billion of services and supports that are specialist supports for people with disability that would be relevant to the NDIS, including through our contribution to the SPP through the National Disability Agreement; and the states and territories funded around 67 per cent, or $4.7 billion, through their own expenditure.

Mr Pratt: But that does not include, of course, disability support pensions, disability employment services and a range of other services that the Commonwealth fund.

Senator FIFIELD: Thank you for that. The Productivity Commission, fair to say, envisaged pretty much turning that on its head—a complete transformation in terms of the funding shares between the Commonwealth and the states. Just refresh my memory: the Productivity Commission report into the NDIS, what was the funding share they envisaged? Was it that the states contribute the money, which they currently spend?

Ms S Wilson: The PC recommended that the Commonwealth should take full responsibility for disability services expenditure. It had a proposition that there would be a tax swap, whereby states and territories removed their inefficient taxes in order to offset—

Senator FIFIELD: That was one of their dream hypotheses; they had a range of views as to how the funding could be sourced. Boiling it down, what the Productivity Commission envisaged, essentially, was that the states put in—however you want to source it, fund it—the amount of money, give or take a bit, that they are currently putting into disability services, that that would be their contribution and that the Commonwealth would make up the difference, which is where we get the six and a half billion dollar net figure from.

Ms S Wilson: The PC recommended that the Commonwealth should take full funding responsibility for disability services.

Senator FIFIELD: I appreciate that but, in terms of the source of funds, they were envisaging that the states put in the money that they currently spend on disability services

Ms S Wilson: That is not how I would understand it. They envisaged that there would be a recognition of the contributions that the states and territories currently make to disability services through a tax swap arrangement, whereby there would be a consequent reduction—

Senator FIFIELD: Forget the accounting mechanisms and whether you can achieve Commonwealth/state tax reform using the NDIS as a vehicle. Just boiling it down to where the dollars come from, it was that the states essentially contribute what they currently spend on disabilities services into the pot for the NDIS?

Dr Hartland: It was constructed slightly differently, Senator. We are pausing slightly because we are just trying to warm up our minds to the PC reqs.

Senator FIFIELD: At its most basic level.

Dr Hartland: In aggregate, there would be a reduction of expenditure of the states' equivalent to what they do now. But for any state it might be slightly different because you would have to consider fiscal equalisation measures. It is a very complex pot.

Senator FIFIELD: That is all right. I know some states spend a bit more per capita on disability; some a bit less. But putting all that sort of stuff aside, in guts, it was that the states put the money that they currently spend on disability into the NDIS pot. The difference
between what the Commonwealth currently spends and what the states spend, when you put it together, is about $6.5 billion.

**Ms S Wilson:** Senator, one of the possible approaches that the PC report canvassed was pooling, whereby the states and territories will contribute what they currently fund. That was not their preferred approach.

**Senator FIFIELD:** But pooling looks like it is the way things are heading.

**Mr Pratt:** You are getting to a proposition that basically says that the Commonwealth should simply pay everything extra to fund an NDIS into the future. We are not actually agreeing that that is what the Productivity Commission recommended.

**Senator FIFIELD:** At its guts, I think it was. I know they have multiple scenarios but let us not get into those; let us make it even more simple. It was that the Commonwealth would be funding a greater proportion of disability services than they currently do?

**Mr Pratt:** I think that is okay.

**Ms S Wilson:** That is good—

**Senator FIFIELD:** I do not want to go—

**Ms S Wilson:** That is a fair reflection.

**Senator FIFIELD:** Let us just agree on that. Things are even less progressed than I thought they were. When COAG agreed to shared responsibility between the Commonwealth and the states, the high level principles, they did not agree on any particular funding issues, did they? It was just an in-principle ‘We will share this’?

**Ms S Wilson:** The principles that go to resourcing arrangements are at principle 2, but there is a statement in the lead-in. Para 5 of the COAG principles states:

... the development and implementation of a National Disability Insurance Scheme will be a shared responsibility of the Commonwealth and states and territories.

Then the resourcing principles go on to say:

... resourcing arrangements should provide certainty of future resourcing, recognising the projected ongoing growth in demand and the need for incentives for containment, provide adequate funding to address assessed needs, be fiscally sustainable at all levels of government, be based on an assessment of the costs of meeting reasonable and necessary care and support needs of an individualised funding approach, be transparent regarding contributions from jurisdictions, not create any disincentive for carers and family members to provide support ... importantly, ensure that no jurisdiction is disadvantaged by historically high levels of funding for disability services, recent increased investment in disability services or additional investment in the lead-up to the launch of an NDIS and having already undertaken foundation reforms required to implement NDIS and, finally, support a social insurance approach.

So there is quite a lengthy section on the principles for resourcing in the COAG agreed principles that were released recently.

**Senator FIFIELD:** But no percentages. The forward statements include funding of $342.5 million over three years from 2013-14 for what most people would see as the guts of the scheme, the money to support individuals as opposed to the IT work and the other important infrastructure work to be undertaken—
Ms S Wilson: The $342.5 million over four years is for individual care and support, but I would also draw your attention to the funding for assessment and for case management or local area coordination which also are about an individual focus and supporting individuals.

Senator FIFIELD: Thank you for that. When Minister Macklin talks about the Commonwealth being prepared to meet 78 per cent of the first stage costs, is she talking about 78 per cent of direct personal support that is through individual packages and local area coordinators? Does that include everything?

Dr Hartland: It is the total cost—the new cost of launch, the total new money that is estimated to be needed for launch.

Senator FIFIELD: So a billion dollars is not enough to fund the launch. What is the additional funding in total expected of the states?

Ms S Wilson: The contribution from the states, if it is being sought, will be a fixed amount of the individual support, care and support. The amount that was calculated in the costing as the average cost of support for a person, noting that it would vary widely between individuals, was $34,969. The total contribution of new and existing that is being sought from states and territories per person to the individual care and support is around $21,000—just short of 21,000.

Senator FIFIELD: We have the $1 billion. So the $1 billion is 78 per cent of what is required to get this up and running, the launch sites?

Ms S Wilson: Of the new money.

Senator FIFIELD: So what is required of the states together?

Ms S Wilson: The contribution from the states, if it is being sought, will be a fixed amount of the individual support, care and support. The amount that was calculated in the costing as the average cost of support for a person, noting that it would vary widely between individuals, was $34,969. The total contribution of new and existing that is being sought from states and territories per person to the individual care and support is around $21,000—just short of 21,000.

Senator FIFIELD: We have the $1 billion. So the $1 billion is 78 per cent of what is required to get this up and running, the launch sites?

Ms S Wilson: The total, as I mentioned, is $21,000 per annum per person.

Senator FIFIELD: Yes, $21,000 per annum per person. We are saying $1 billion is 78 per cent of the first stage costs. What is the figure for the balance, which I presume is coming from the states—or not? Is that the expectation?

Ms S Wilson: There is a figure that has been identified as reflecting a weighted national average of $288 million across the states and territories in terms of new money. As I mentioned, it will depend upon which jurisdictions participate in the launch.

Mr Pratt: It is actually impossible for us to say definitively at this stage what the new money that might be required is.

Senator FIFIELD: So that $288 million is a combination of new and old money?

Ms S Wilson: It is an estimated weighted national average of new.

Senator FIFIELD: Of new money?

Ms S Wilson: That is correct.
Senator FIFIELD: From the states. On top of that $288 million, the Commonwealth would have an expectation that there would be money that the states currently spend on top of that?

Ms S Wilson: As there is for the Commonwealth.

Senator FIFIELD: But that additional money of the Commonwealth is not included in the $1 billion.

Ms S Wilson: No, it is not—nor is it included in the $288 million for the states.

Senator FIFIELD: So what the Commonwealth is envisaging is a billion dollars, new, from it—

Ms S Wilson: That is correct.

Senator FIFIELD: And none of that $1 billion has been, or will be, redirected from elsewhere?

Ms S Wilson: The $1 billion is new money, Senator.

Senator FIFIELD: The $288 million is expected to be new money from the participating states?

Dr Hartland: It is an estimate of what would happen if the participating states magically rounded out to the national average.

Senator FIFIELD: Thank you for that. When were the states first advised of the $21,000 figure?

Ms S Wilson: We have had a series of multilateral and bilateral discussions with states and territories since the budget.

Senator FIFIELD: How long do the states have, or will the states have, to reach agreement on that funding? Regardless of the mechanism—I do not know; you might call for expressions of interest, or you might negotiate directly—how long will the states have? When does that agreement have to be reached with the states in order to give effect to launch sites in the middle of next year?

Ms S Wilson: We have identified to the states and territories that it would be ideal to have agreement to sites in principle by the middle of the year.

Senator FIFIELD: By the middle of--

Ms S Wilson: Middle of this year.

Senator FIFIELD: So we are talking 30 June—four weeks away?

Ms S Wilson: Approximately the middle of the year. The path that I would anticipate is that states and territories will indicate their interest to the minister in response to a letter that she wrote to her counterpart seeking their interest. We will then continue to have bilateral—

Senator FIFIELD: When? Did that letter go on budget night or—

Ms S Wilson: Recently, as I understand it. I do not have the exact date with me. After the budget and after the Prime Minister and Treasurer had written to their counterparts.

Senator FIFIELD: Are you able to table a copy of—

Mr Pratt: We will take that on notice, Senator.

Senator FIFIELD: Thank you.
Ms S Wilson: Minister Macklin has—

Senator FIFIELD: I could ask the states but I am in the Commonwealth parliament and here we are.

Ms S Wilson: The minister has asked her counterparts to indicate an interest in working with the Commonwealth on hosting a launch. We have been having, as I have indicated, a series of bilateral and multilateral discussions. We anticipate that by the middle of the year it would be desirable to have in-principle agreement of sites for a launch.

Senator FIFIELD: By the middle of the year, in-principle agreement on sites for launch and agreement on funding contributions.

Ms S Wilson: I note that COAG at its next meeting is discussing a range of issues related to NDIS.

Senator SIEWERT: Agreement on all the launch sites by that time?

Ms S Wilson: Ideally, yes. Some jurisdictions may indicate that they would like to go in 2013; some may prefer to go in 2014. But it would be optimal to have an indication of that and therefore be able to continue to work multilaterally but work bilaterally in a very detailed way with those jurisdictions around the launch sites.

Senator SIEWERT: Thank you.

Senator FIFIELD: Was a deadline put in the letter or did it just express a desire that in-principle agreements be reached by the middle of the year?

Ms S Wilson: There was not a deadline for reaching in-principle agreement put in the letter, no.

Senator FIFIELD: But the states would be aware of the time frame?

Ms S Wilson: Yes. We have been talking to them about the time frame. We have had, as I mentioned, the bilateral discussions. We also had a multilateral meeting in Sydney on Friday, where we talked at some length about launch with our counterparts.

Senator FIFIELD: Seventy-eight per cent for the first stage of the cost of the NDIS—that is what the Commonwealth cites it is supporting. Looking at the $35,000 figure for individual support, it is only about a third of that which the Commonwealth is contributing to.

Ms S Wilson: The Commonwealth is contributing $684 million in total for the start-up of the NDIS infrastructure, the agency ICT, improved assessment and case coordination, workforce and sector capacity, investment and transition costs. We are contributing an additional $342.5 million for four years to the individual care and support element.

Senator McLucas: In saying that, it is important to revisit the point that Ms Wilson made about the inclusion of local area coordinators and how the assessment process has been directly related to the delivery of individualised care and support.

Senator FIFIELD: Sure.

Senator McLucas: What would that add up to?

Dr Hartland: It is $213.4 million.

Senator McLucas: So that is about five something—
Dr Hartland: There has been an amount of $213.4 million over four years to properly assess the needs of people with disability and their carers and to provide case management services through local area coordinators in launch locations. We can give a breakdown of that further, if you wish. That is about $58.6 million for assessment and $154.8 million for local area coordinators.

Senator FIFIELD: Thank you. A whole range of decisions is obviously yet to be taken. Who will employ assessors? Will that be the transition agency or will that be state governments, for instance, or is it yet to be determined?

Ms S Wilson: We are working through that currently, Senator.

Senator FIFIELD: The transition agency is to commence within FaHCSIA, is it not?

Ms S Wilson: That is correct.

Senator FIFIELD: How many staff are currently employed by FaHCSIA within the disability and carers area?

Ms S Wilson: On the NDIS?

Senator FIFIELD: No, just in total.

Ms S Wilson: I am sorry; I do not have that figure with me and we have let my colleague go—he would have it in his folder. I am sorry; I will have to take that on notice.

Senator FIFIELD: What about the number of FaHCSIA staff currently working solely on the NDIS?

Ms S Wilson: I can certainly give that to you. We have 44 staff in a task force in FaHCSIA, which is a joint task force and—

Senator FIFIELD: Joint with whom?

Ms S Wilson: It is joint with Prime Minister and Cabinet. It includes a number of secondees from other agencies.

Senator FIFIELD: That is 44. If you can take on notice what their positions and responsibilities are.

Ms S Wilson: Yes, I am certainly happy to do that. In addition we have around 11 staff who have started in the agency.

Senator FIFIELD: If you could also take on notice what their roles and responsibilities are.

Ms S Wilson: Certainly.

Senator FIFIELD: How many staff are currently working on the NDIS? Do you envisage that those 44 in the joint taskforce will move to the agency?

Ms S Wilson: We have not worked through the detail of that. We anticipate that the agency will be staffed from a combination of secondees from states and territories, people from outside the traditional disability services bureaucracy, from like insurance schemes. We have, you may be aware, advertised the CEO position publicly.

Senator FIFIELD: Indeed. That was budget day, was it?

Ms S Wilson: No, Senator.

Senator FIFIELD: The day before?
Ms S Wilson: It was prior to budget. We anticipate that there will likely continue to be a number of Commonwealth secondees as well; they will not be just from FaHCSIA. They will be from areas that are very relevant to implementing the sorts of reforms that we are talking about doing work.

Senator FIFIELD: What are you calling the head of the transition agency?

Ms S Wilson: The CEO of the National Disability Insurance Scheme Launch Transition Agency.

Senator FIFIELD: Will the states be consulted on the selection of that person?

Ms S Wilson: Ms Gill Callister, who is the head of the Department of Human Services in Victoria, will be on the selection panel.

Senator FIFIELD: Which is good. Will the states be consulted on the selection of the person? Will state ministers, for instance, be consulted on the selection of that person?

Mr Pratt: Not directly. Certainly we are in the search process, seeking a very broad range of candidates. We are approaching many people who are expert in this field to get advice on candidates. Ultimately this will be an appointment under the Public Service Act. That will be a decision taken by the Public Service Commissioner.

Senator McLucas: Realistically, that would be a hard thing to do. I understand the point you are making. This is not an advisory committee position or an advisory role. This is a very important, key position where we have to get the right person for the job.

Senator FIFIELD: That is right. It is important that the states and territories have a sense of buy-in and ownership.

Mr Pratt: I agree with that.

Senator FIFIELD: Could the selection documentation be tabled for the position?

Mr Pratt: We will take that on notice. I cannot see why not; it has certainly been provided to candidates.

Senator FIFIELD: Thank you. Who will have final sign-off on that appointment? Will that be a Cabinet decision?

Mr Pratt: No. It will be a Public Service Commissioner decision on my recommendation.

Senator FIFIELD: On your recommendation?

Mr Pratt: Yes.

Senator FIFIELD: It will not be a case of there is a selection panel and the recommendation goes to Cabinet?

Mr Pratt: I will chair the selection panel with Gill Callister, as Ms Wilson has mentioned, plus other representatives on the panel. We will arrive at a view as to who is the best candidate and I will propose that to the Public Service Commissioner, who hopefully will endorse it.

Senator FIFIELD: What is the length of the contract for the position?

Mr Pratt: Two years at this stage.
Senator FIFIELD: Thank you. I was going to ask you further questions about the background of the person you are looking for, but I guess the selection criteria will tell me that.

Mr Pratt: Yes.

Senator FIFIELD: I will not go any further there. The figure of $35,000 that we were talking about, the ballpark figure, for individual funding packages—how was that arrived at?

Dr Hartland: It is based on the analysis in the PC report. It has been scrutinised by the Australian Government Actuary jointly with some input from the states. Of course, since it is a budget costing it has also been scrutinised by the Department of Finance.

Senator FIFIELD: Was that figure discussed and agreed with the states?

Dr Hartland: It has been discussed with the states. I do not think we have formally asked them for their agreement to it. We are in discussions with them now.

Ms S Wilson: There was a paper which the select council considered which looked at the costs of the scheme. It was, if you like, an appraisal by the Australian Government Actuary of the PC costing. It did some up rating work which resulted in that amount per individual as an average for individual care and support. That paper was considered by the select council at its last meeting.

Senator FIFIELD: Who do you envisage in the trial will actually be the conduit of support? Will it be the transition agency? Will it be the state?

Ms S Wilson: I am not sure exactly what you are asking.

Senator FIFIELD: How will it work?

Ms S Wilson: We are working through the detail of that now in talking with colleagues in states and territories. We see the local area coordination role as being extremely important as the intake and registration and individual point-of-contact mechanism. In addition, the role of assessors and ensuring that there is equitable assessment of need taking into account people's individual circumstances so there is, if you like, a more appropriate response than the postcode lottery, I think is what the PC talked about as the current approach between states and territories for the level of support that people are assessed as needing and receive. Exactly how the launch agency and those functions will transition with current functions and roles and states and territories needs to be worked out on a detailed basis with each jurisdiction because they are quite different from each other. Some of them have reasonably well developed local area coordination—

Senator FIFIELD: Like Western Australia?

Ms S Wilson: Like Western Australia. Others have quite a different approach. We need to work out with them and those jurisdictions that are interested in the launch, where the appropriate roles and functions lie, whether they are employed by the agency, whether they are contracted by the agency, or purchased, including the potential of purchasing from states and territories. In some jurisdictions there are non-government organisations that do that front door and intake role. We just need to work through that detail.

Senator FIFIELD: Just going back to the $35,000 figure and the $21,000 envisaged state contribution, you said that the $21,000 would be a mixture of new money and existing money.
I know it will vary from state to state. What is the rough ballpark split between new money and old money that you envisage for the $21,000?

**Dr Hartland:** I guess the $288 million gives you a feel of what would be our estimate of the current average. The split will be different in different states, depending on where they are. At the moment as a result of the bilateral discussions the states are in a sense considering how close they are to that $21,000. We have asked them to consider effectively what they need to do to come up to the $21,000, what the gap is.

**Senator FIFIELD:** Do you have a sense of the range of the gap? You do not have to name particular states but just the range that there is.

**Ms S Wilson:** It is a significant range. The highest expenditure is of the order of $16,000—from material that I have seen from ROGS—and the lowest is quite a bit lower than that. I am just looking whether I have that with me.

**Mr Pratt:** Perhaps we will take that on notice. If we are able to find it, we can let you know later in the hearing.

**Senator FIFIELD:** Thank you. I know the Commonwealth is looking to reach in-principle agreement with the jurisdictions by the middle of the year on funding and launch sites. Has the Commonwealth reached in-principle agreement with any jurisdiction on launch sites yet?

**Ms S Wilson:** I do not believe it is appropriate to talk about these things when we are in the middle of negotiations. It is fair to say that we are working through discussions bilaterally with a number of jurisdictions. It is all ultimately subject to their own ministerial considerations and then governments agreeing bilaterally and multilaterally the terms of the arrangements.

**Senator FIFIELD:** You do not have to tell me where. You can just tell me whether in-principle agreement has been reached with any states.

**Ms S Wilson:** I think it would be fair to say that previously some jurisdictions have expressed interest, including in the public arena, and have been putting up their hands as being interested in being launch sites. Now we are working through the detail with them on a very specific proposition.

**Senator FIFIELD:** Has the department identified any risks in bringing the launch sites forward by a year?

**Ms S Wilson:** We have been, both individually and with the states and territories, working through risks and issues to be resolved. There was a formal risk assessment required by the cabinet process, which is not unusual for significant investments of this sort. The proposed treatments that were recommended are being fully implemented.

**Senator FIFIELD:** What were the risks?

**Ms S Wilson:** It was a cabinet document, an ERC document. It was commissioned by ERC and went back to ERC’s advice. I can talk to you about the range of things that are in place arising out of the advice.

**Senator FIFIELD:** Let us start there then.
Ms S Wilson: The first of those was establishing an NDIS board, which is chaired by Dr Watt, the Secretary of PM&C. It has as its members our secretary, Mr Pratt, and Mr Tune, the head of the department of finance.

Senator FIFIELD: You have got to have Mr Tune.

Ms S Wilson: The head of Treasury is represented at meetings by his deputy, Nigel Ray. In addition, there is Simon Lewis from the Department of Defence. He is very expert in project management and logistics issues.

Senator FIFIELD: We are meant to be comforted by Department of Defence project managing logistics? I am sorry; I could not not say that.

Mr Pratt: In relation to Mr Lewis, yes, Senator.

Senator FIFIELD: No reflection on an individual.

Ms S Wilson: Ms Rosemary Huxtable from the Department of Health and Ageing and Mr Michael Manthorpe from the Department of Education, Employment and Workplace Relations.

Senator FIFIELD: Has this NDIS board been publicly disclosed before, to your knowledge? It may have been and I might have missed it.

Ms S Wilson: I am not sure.

Senator FIFIELD: You heard it here first—in community affairs!

Ms S Wilson: There are regular reports that go to the board. In addition, there is the joint task force that I mentioned. The joint task force is jointly chaired by Rebecca Cross, the deputy secretary of domestic policy group in PM&C, and me. As well, we have PM&C and FaHCSIA staff and a range of secondments from across the Public Service—so from Treasury; Finance; Human Services; Attorney-General's; Health and Ageing and Employment, Education and Workplace Relations. I think that is the full complement. That is to make sure we have a whole-of-government focus on the issues and that we are quickly able to engage on interactions with other service systems and the like.

Senator FIFIELD: When was the decision taken to establish the NDIS board?

Ms S Wilson: It was before the budget. I will have to find the exact date for you.

Senator FIFIELD: If you could. It does seem that it is sometimes possible to improve oversight arrangements. This is an instance. What are the parameters of the role of the NDIS board?

Ms S Wilson: I have its terms of reference. I will just find them. Essentially, it is strong governance and high level oversight for the NDIS. It has three main elements of high-level oversight and strategic assurance. It is looking at scheme design and implementation and Commonwealth-state negotiations. It meets regularly, approximately monthly, but it is more on an as-needs basis. It is not necessarily the same date each month but around sensible time frames. It briefs the Prime Minister, the Treasurer and the Minister for Disability Reform on a monthly basis consistent with its terms of reference.

Just to unpack the scope a bit, it will monitor critical issues of readiness and implementation based on updates from the task force and it will consider and agree advice on significant policy issues referred to it by the joint task force on a range of issues. They could
be Commonwealth-state negotiations, strategy, funding and costing issues of the launch and full scheme, scheme design and governance, including legislation, interaction of the NDIS with mainstream services and workforce strategy and sector capacity.

The additional area of assurance, which is probably worth identifying as well, is through the chairs of the select council—

Senator FIFIELD: Through the?

Ms S Wilson: Through the chairs of the select council—

Senator FIFIELD: Through the chairs?

Ms S Wilson: Through the chairs. The advisory group has been established to provide advice to the select council on readiness and scheme design and an independent view of how things are travelling and how well worked through issues are.

Senator FIFIELD: Will the chief executive of the transition agency report to the NDIS board or to Mr Pratt?

Mr Pratt: Formally he will report to me, but of course the CEO will provide advice through the task force or through the board.

Senator FIFIELD: Is it envisaged that the transition agency will separate at some point from the department and metamorphose into the National Disability Insurance Agency or is it purely a transitional vehicle for the task immediately at hand?

Ms S Wilson: I would not be able to speculate about it metamorphosing into the National Disability Insurance Agency, as envisaged by the PC report. Its immediate focus is certainly on launch, planning design and implementation. We anticipate that it is likely to separate from the department, depending on the form of governance that is agreed with states and territories. But it was necessary to establish it within the department so we could get it to commence the work. The exact form that it will take is something that we have to negotiate.

Senator FIFIELD: The states and territories should not feel neglected that they are not part of the NDIS board as it currently stands?

Ms S Wilson: It is a within-Commonwealth arrangement. The select council is the overseeing body and the senior officials working group is the Commonwealth-state officials overseeing body.

Senator FIFIELD: You mentioned that the NDIS board was established partly in response to identified risks. Are there any other responses to identified risks? I think you said there were a number.

Ms S Wilson: The advisory group is certainly one of them.

Senator FIFIELD: That is Dr Harmer's—

Ms S Wilson: That is correct.

Senator FIFIELD: Are there any others?

Ms S Wilson: We have a project management office which is doing detailed project planning and reporting, which goes to the board. It has been in existence for some time. It is clearly an important mechanism for providing status reports and updates and discipline and project management. As to the advisory group I mentioned, the work with states and territories clearly involves an element of planning and looking at risk. We have been doing
that in each of the building block streams of work, but also around funding and governance. The advice that goes from officials through to the select council is quite cognisant of risk.

Senator FIFIELD: Does bringing the launch sites forward by a year make the launch costs any more or less expensive?

Ms S Wilson: More or less expensive than what, Senator?

Senator FIFIELD: Than, say, sticking with the Productivity Commission's time line for—

Ms S Wilson: No.

Senator FIFIELD: Sometimes bringing things forward, doing things quickly, can incur additional costs. I am just asking whether—

Mr Pratt: Not by our assessment.

Senator McLucas: The Productivity Commission's description of what they thought a design agency might look like—not that they use that language—was very different to what we are doing. They were envisaging a much larger bureaucracy, whereas we have a lean and mean but very—

Senator FIFIELD: But not mean.

Senator McLucas: But not mean, no. We think we have got in place an agency structure, if we want to call it that, which will deliver the outcome. It is difficult to compare it with the PC model.

Senator FIFIELD: When do you think the first client will be assessed for the NDIS?

Ms S Wilson: The plan is to launch from July. We anticipate being able to assess clients at that point. We will need to validate assessment tools and processes and test them and train people with them ahead of that date. The potential to do some early assessments of people could be included in part of that training and validation exercise.

Senator FIFIELD: There may be some assessments before 1 July 2013?

Ms S Wilson: There may be. We have not worked through all of that detail because we have not finalised the assessment process.

Senator FIFIELD: Just in terms of what the game plan is.

Mr Pratt: It is not impossible that we might do assessments earlier than July next year.

Senator FIFIELD: I should put my state hat on for a second. Victoria has a number of safeguards in place to protect people with disability from abuse and neglect. There is a Disabilities Services Commissioner in Victoria, there are community visitors and there is the Victorian Civil and Administrative Tribunal for review. If there is a launch site in Victoria—I hope there will be—how do you envisage those current safeguards operating? Would they apply? I pick Victoria as a bit of a case study. Would they apply? Would there be alternative safeguards? Would these people fall under the equivalent Commonwealth protections, or a bit of both?

Ms S Wilson: There is a building block or a stream of work on the foundation for an NDIS that is addressing safeguards and quality. In fact, Victoria, Queensland and the Commonwealth are working together on that component of the work to come back to the multilateral group. You may be aware that the origins of this work and national approach to
quality were one of the foundation reforms or the reform directions under the National Disability Agreement. There are consultations happening currently around the quality framework. We will need to work through with jurisdictions as to whether we utilise the existing arrangements or whether they are replaced by a national arrangement in time for launch. Clearly, the intention would be that there is no diminution of those safeguards.

Review and appeals is another area of work that we are doing collaboratively with states and territories. In part, it depends upon the form that any legislation takes for launch and for scheme. My colleague has just reminded me that it is Victoria, South Australia and the Commonwealth that are doing the work on quality and safeguards—I beg your pardon—not Queensland.

**Senator FIFIELD:** Thank you. Can you give us a feel for the time line for necessary Commonwealth legislation? Is it too early to do that?

**Ms S Wilson:** I think it is a little early, in that we need to agree the form that it will take and whether it is Commonwealth-alone legislation or whether we need mirror complementary state-territory legislation change. If legislation is required then clearly it would need to be passed ahead of launch. We are working on legislative issues.

**Senator FIFIELD:** The chief executive of the transition agency has a two-year contract. Will the National Disability Insurance Agency actually be established and given effect to before the rollout of the launch sites? Will there be an overlap?

**Mr Pratt:** It is impossible to say at this stage.

**Ms S Wilson:** I would draw your attention, however, to the fact that COAG has agreed to consider funding governance and eligibility for an NDIS at its next meeting. The work is occurring on the full scheme at the same time as planning is happening on the launch.

**Senator SIEWERT:** When is the next COAG meeting?

**Ms S Wilson:** I do not believe that the date has been decided.

**Senator SMITH:** We have been talking about the $31,000 figure. That really is—please correct me if I am wrong—in regard to a mild to moderate disability, is it not?

**Ms S Wilson:** No, Senator. It is the estimated average cost across the group that would be eligible for what the Productivity Commission called tier 3, which is the significant and permanent disability which results in an impairment that has an impact on functioning.

**Mr Pratt:** The figure was just under $35,000.

**Senator SMITH:** There would be instances where the level of care required is significantly higher than that.

**Ms S Wilson:** That is an average. It assumes quite a significant continuum and it takes account of the PC modelling of that continuum, which has been uprated.

**Senator SMITH:** When we are talking about the launch sites we are talking about a spectrum of disabilities that would be covered rather than a—

**Mr Pratt:** That is right, Senator.

**Ms S Wilson:** We are talking about a population that will reflect—in terms of receiving individual care and support—the Productivity Commission's recommended tier 3 population in terms of the individual care and support funding. But there would be a diverse range of
disabilities within that population and a diverse range of functional impacts. Some people would have an impact or an impairment that was across several domains, whereas in others it might be very severe in one or two.

Senator SMITH: Thank you.

Senator FIFIELD: The $240.3 million allocated for IT: do any of the expert groups have coverage of IT issues at all? Is it too soon to be getting down to IT build?

Ms S Wilson: No, it is not too soon to be getting down to ICT build. That work has commenced. The expert groups that have been established are looking at workforce and sector capacity, assessment and eligibility, quality and safeguards and a national approach to choice and control. Certainly, eligibility and assessment will have implications for ICT, but in addition to those expert groups we anticipate having an ICT user group or advisory group that would comprise a range of people that might need to interface with the ICT system. We have already been obtaining some expert input from people outside the Commonwealth on these issues. We would need to continue to get advice about data needs that would be suitable for an insurance-type approach, about interface with providers and about usability for clients. It is certainly the case that we envisage a system where, if they decided that they wished to manage their own budget, a consumer would be able to look at their account and interface with the system as an individual. We will need to obtain a range of inputs from people about usability and functionality which they would be looking for.

Senator FIFIELD: Work has started on ICT already?

Ms S Wilson: Yes.

Senator FIFIELD: Does that involve the states at all?

Ms S Wilson: We have had a couple of discussions with the states and territories. We have had some bilateral discussions. We have been doing some workshopping around design, but we are now moving into a much more intensive period where we will be establishing this ICT user group, which will include state and territory representation.

Senator FIFIELD: Would the NDIS board take decisions in relation to the ICT work that is done?

Ms S Wilson: There is a first- and second-pass business case that is required within the Commonwealth on ICT, which we have to comply with. That is a series of gateway reviews to make sure that you identify any risk, that your costings are sensible and that you are looking at the right strategic choices or approaches. We need to work through those. The NDIS board will certainly consider issues as they come up in relation to ICT that require their consideration.

Senator FIFIELD: Is the $240 million for ICT—obviously there is money required for maintenance and running the system—the total amount that will be required for building and establishing the system?

Ms S Wilson: That is what we anticipate to support the launch period and scalability beyond to build a platform that can be scaled down.

Senator FIFIELD: I want to go back to the two lots of $10 million. One lot was announced, I think, in August 2011 when the PC final report was released and the other lot of $10 million was announced at the ALP national conference in December. Have those two
amounts of $10 million been subsumed to some extent into the $1 billion—where would I find those now?—or is it $1 billion and $20 million?

Ms S Wilson: It is $1 billion plus $19.5 million.

Senator FIFIELD: It is $1 billion plus $19.5 million?

Ms S Wilson: That is correct.

Senator FIFIELD: Not all of the $19.5 million is new payments. It is a minor point.

Ms S Wilson: It was new investment in the NDIS.

Senator FIFIELD: New investment; that is right.

Ms S Wilson: New investment in the NDIS is redirected from other purposes.

Senator FIFIELD: The component of the $19.5 million which is redirected is the only amount that is redirected. None of the $1 billion is redirected?

Ms S Wilson: No, Senator.

Senator FIFIELD: I like to ask these things three times.

Ms S Wilson: I beg your pardon—

Dr Hartland: It is fair to say that $19.5 million is new money. You might be referring to a discussion we had about the investment of $12.9 million.

Ms S Wilson: That is correct. The first announcement last year of $10 million—

Senator FIFIELD: Was to support technical work of one sort or another.

Ms S Wilson: No, it is not technical. There have been three tranches of funding.

Senator FIFIELD: The first $10 million was to support some things of that nature. The second $10 million was to help some organisations prepare—

Ms S Wilson: The second $10 million is a practical design fund. That was new money. I beg your pardon. I was getting confused about which 10 million you were talking about.

Senator FIFIELD: The two lots.

Mr Pratt: For the record, it is $1 million and $19.5 million in new money.

Ms S Wilson: Yes.

Senator FIFIELD: The practical design fund is now established and in existence?

Ms S Wilson: The money is available from July this year. Work is underway to configure the practical design fund. Advice is being sought from the advisory group about where they see the gaps that it needs to be directed to. As I have identified, it is funding that will be expended in the course of this next financial year.

Senator FIFIELD: The $3-odd million which I think was designated to assist ADEs: was that from this $10 million?

Ms S Wilson: No, Senator.

Senator FIFIELD: Where was that from?

Ms S Wilson: It was in the general budget process of managing the appropriation that we made those funds available.

Senator FIFIELD: That was not from the $10 million announced at the end of last year?
Ms S Wilson: No, Senator.

Senator FIFIELD: Thank you for that. Are there eligibility criteria yet for the practical design fund?

Dr Hartland: I do not think we have quite got to that stage yet. We are still in the process of briefing the minister on the design of the fund.

Ms S Wilson: We had a discussion with the advisory group quite recently and we are reflecting their advice into our advice to the minister about where it should focus.

Senator FIFIELD: Who will make the decisions about what is allocated under the practical design bundle? Will that be the chief executive of the transition agency or will it be Mr Pratt or the parliamentary secretary or the minister?

Ms S Wilson: In terms of the individual projects, the normal course of events would be that public servants would make the recommendations to the parliamentary secretary and/or the minister. So individual projects would be, as we do with all funding rounds, the basis of recommendations from the department/agency.

Senator FIFIELD: Say that last sentence again?

Ms S Wilson: Noting that the agencies in the department—so when I say 'department', I am encompassing the agency staff as well.

Senator FIFIELD: I will be interested to see the criteria used because one would hope that it fitted some sort of plan.

Senator McLucas: You can be assured it will.

Senator FIFIELD: I would hope so.

Senator McLucas: The tricky thing is that this fund is to prove up demonstration projects. But I expect they will be very different because the gaps in knowledge that we need to fill are very different. So it is slightly different from a normal procurement or competitive tender process that you would do for something like the Supported Accommodation Innovation Fund.

Senator FIFIELD: Could you give me some examples of the sorts of demonstration projects which might be supported?

Ms S Wilson: The sorts of things that have been envisaged include things like resource kits to help boards of management of organisations transition towards individualised funding. It is quite a different discipline in thinking about your financing flow when you are moving from block grant funding to individualised funding. That is one of the things that have been identified as requiring some sector adjustment and different skills. That could be an area to focus on in a practical, designed fund. Projects or resources that help individuals to develop capability to make decisions themselves about how to prioritise elements within their care and support and how to manage a personal budget are things that could be quite important. The advice from the advisory group was that they would like to see projects that focused on gaps and that also had an element of dissemination—so that would result in a product, a seminar, a training course or something that would have broader benefit than just the individual group that did the work. So we are looking for things that are able to have not scalability per se but be able to provide that broader guidance and broader benefit.
**Senator FIFIELD:** I could keep going for a while, and I probably will, but I do know that Senator Siewert has been patient, so I will yield to her.

**Senator SIEWERT:** We have obviously covered a lot of ground, so I will go on from there. Could we go back to the legislation; you have been talking about it briefly. Is it your assessment, or do I understand that you cannot tell yet, whether you are going to need legislation before you implement the launch sites—or are you envisaging some temporary process?

**Ms S Wilson:** We do not have a definitive answer to that as yet. My sense is that it is likely that legislation will be required but we are taking further advice on that. So it is an iterative process. It does depend also on where the launch sites are, in which jurisdictions, because some states have quite a different legislative approach to others in terms of how they manage their disability services. So we may well need complementary legislation and legislative change in both jurisdictions. We certainly anticipate that we will need legislation for the entity, for the agency, but whether we need it for the funding, the support for individuals, is something that we need to work through.

**Senator SIEWERT:** I want to explore briefly how far you have gone in terms of talking about that with the states. I understand the point about each state doing things differently. Would you foresee in the future that you would have a piece of uniform legislation or would you have a process where you do it individually with each of the states?

**Ms S Wilson:** We are talking currently with the states and territories about different legislative approaches. We have a funding in government subgroup of the senior officials working group which has considered one paper on legislation to date and has looked at different models. The models do go from uniform national legislation through to referral of powers, through to one jurisdiction moving legislation that others adopt by referral or by reference, through to national laws where all jurisdictions move the same legislation and enact it in their parliament. So there is a range of choices here. We have not firmed on a particular choice as yet; we are in that exploratory stage with our counterparts.

**Senator SIEWERT:** This is going to be discussed at the next COAG?

**Ms S Wilson:** COAG at its recent meeting indicated that it would discuss funding, governance and eligibility at its next meeting. It does of course intersect with all of those.

**Senator SIEWERT:** All of the above. Sorry; it is governance, eligibility—

**Ms S Wilson:** Funding and eligibility. I can find the exact words for you. COAG asked its select council on disability reform to undertake further work on funding, governance and the scope of eligibility in support as a matter of priority to enable COAG consideration at its next meeting in 2012.

**Senator SIEWERT:** We have established that we do not know when the next COAG is, but are we talking about next month, two months, three months?

**Ms S Wilson:** That is really a question for the Department of the Prime Minister and Cabinet. I am sorry to be unhelpful but it is not public. Our planning is that it would be early in the second half of the year, but I do not have an exact time frame for you. We have to have a notional time frame to work towards, so that is what we are working towards.
Mr Pratt: We think there will be a COAG midyear, but it has not been settled at this stage.

Senator SIEWERT: Obviously it is important for all of those issues, and I want to come back to funding; but in terms of the eligibility and scope, my understanding is that one of the experts groups is working on that, isn't it? So obviously they need a time frame to work to, to go to COAG. One of the big issues that I get asked about all the time is: who is in and who is out?

Ms S Wilson: We do anticipate that there will be an iterative process. Whether COAG is in a position to make definitive decisions at its next meeting is not clear yet, but we are working on a proposition around eligibility and scope with the states and territories. It is one of the building block streams of work and it is also covered off in the expert group's eligibility and assessment. So we are doing cooperative work with states and territories on those issues.

Senator SIEWERT: On the eligibility and who is in scope?

Ms S Wilson: Yes, that is correct.

Senator SIEWERT: I understood that. There is the process that you have just outlined. Is it anticipated that you would then go out to some form of broader consultation with the sector before or after COAG?

Ms S Wilson: I would anticipate that there will need to be engagement with people with disability, with providers and with peak organisations that represent those. There are a range of mechanisms that have been established in addition to the expert groups to provide a platform for that engagement. So the advisory group you are aware of, as well as the National Disability and Carers Alliance, have been funded to help the government in this area.

Senator SIEWERT: The carer alliance?

Ms S Wilson: The National Disability and Carers Alliance. They have been asked to include roundtable discussions, face-to-face meetings and stakeholder forums across the country.

Senator SIEWERT: They are funded to do that too?

Ms S Wilson: They are funded to do that, yes—$840,000, from memory, across—

Senator SIEWERT: I am sorry that I interrupted you.

Ms S Wilson: That is all right. We do anticipate that there will be product made available to support that engagement as the select council and COAG do their deliberations, but I cannot be more specific about the exact timing of that at this stage.

Senator SIEWERT: I appreciate that it is in development. What I am actually after is the commitment. Once there is a proposal, will there be an opportunity for input into that?

Ms S Wilson: Certainly it will be really important to engage. The Minister for Disability Reform and Senator McLucas have provided a commitment to engage. I believe state and territory ministers also are cognisant of the need for that engagement. I anticipate that there will be engagement but as to the exact form of that and the timing of it, I am unable to give you more information about it at this stage. We have also started some work on a co-design strategy—

Senator SIEWERT: I am sorry, a co-design—
Ms S Wilson: A co-design strategy. We want to make sure that, when we have an assessment process, for example, or have to design more elements of the client pathway, it actually works for people who are going to be participating in the scheme. The co-design strategy will give us advice about which design elements of the scheme ought to be subject to useability testing or focus testing. We want to make sure that is part of the strategy as well. So we are really conscious of the need to do it. It is a little bit chicken and egg; that is part of the challenge around it.

Senator SIEWERT: In terms of the timing, can you walk me through the time line that you are working on in terms of the first launch next year? How far out from that launch date are you anticipating that you need to have signed off on the eligibility criteria to make it functional for when we kick off next year?

Ms S Wilson: Certainly, well ahead of the launch, we would have to have agreement on the criteria. COAG has indicated that it wishes to discuss it at its next meeting, so we would assume that that would take us quite some step forward on eligibility and scope for individual care and support. If legislation were required, we would need to have that agreed by all governments to be reflected in legislation, so that would imply that legislation would need to be passed in the autumn sittings to be able to support—

Senator SIEWERT: That might help.

Ms S Wilson: A lot—from July, if legislation were required. We would anticipate that we would need to break the back of it in the next few months and then have a much firmer proposition.

Senator SIEWERT: And have done the co-design work at the same time, or are you anticipating that you can do that as it—

Ms S Wilson: I think the co-design work would come a little later because it is about taking it to that next level of unpacking how it works in the guidelines and how it works in an assessment process—what it feels like for a consumer. So co-design is at a more applied level. I think engagement is at a more conceptual and propositional level and then co-design is actually where you are working with people to make sure that the elements suit them.

Senator SIEWERT: In terms of the governance issues, is the carer alliance also having input into that? Are those proposals also going to be subject to the same sort of discussion with the sector—people with disability, carers—or is it envisaged that that will just be in-house, in-government discussion?

Dr Hartland: We would envisage that the carer alliance unique value-add would be around issues that touch on the community sector. The governance issue is primarily a matter for how governments organise themselves, establish reporting lines and make sure that the chain of authority is correct.

Mr Pratt: We are certainly getting lots of advice from stakeholders other than government around these issues.

Senator SIEWERT: Whether that is formal or informal, I suppose, is what I am asking. Would it be a formal process? I can appreciate that there is probably a lot of informal advice that you are getting. Is there going to be a formal process? That is what I am asking.
Ms S Wilson: I do not really have an answer for you—not that we are ruling it out or ruling it in. Ultimately, governments will have to agree between themselves about the form that governance of the scheme takes, and whether they desire to road test those ideas or not, I cannot predict at this stage. Governance is really about the form of entity and intergovernmental agreements. It goes to the legislative basis et cetera. We would anticipate that some elements of that would be of keen interest to people with disability, peak organisations and providers. So things like review and appeal mechanisms will be something that is of keen interest to them. But whether something is a CAC Act agency, an FMA Act agency or completely another beast is not necessarily of such interest to them, in our experience.

Mr Pratt: We cannot pre-empt how the government will want to handle these issues, but I can say that the government is very clear that its predisposition is to engage very heavily.

Senator SIEWERT: I may have missed this earlier: you had an intense funding discussion with Senator Fifield. In terms of the bigger picture, the ongoing funding debate, what is the time line for that?

Ms S Wilson: COAG has agreed to discuss funding at its next meeting.

Senator SIEWERT: All funding, not just the launch?

Ms S Wilson: Yes.

Senator SIEWERT: The whole thing?

Ms S Wilson: Yes.

Senator FIFIELD: I think there might have been a quick bit of discussion at one COAG, but I think on the actual agenda it is the—

Ms S Wilson: NDIS was discussed at the last COAG, but of course I was not there and you see what comes out in the communique. We have seen in the communique that COAG has agreed to discuss funding, governance, eligibility and scope of support at its next meeting. By inference there must have been some discussion or consideration of the principles, because COAG also promulgated the principles out of the last meeting; they have been under discussion.

Senator FIFIELD: I did not mean to interrupt.

Senator SIEWERT: That is okay.

Senator McLucas: Just on that, Senator Siewert, I am advised that PM&C confirmed last week that planning for the next COAG—they are planning for late July, early August.

Senator SIEWERT: Thank you. In terms of funding, are we talking about the full scope of funding on that agenda, the COAG agenda?

Ms S Wilson: Yes.

Senator SIEWERT: Earlier you were talking to Senator Fifield about—I think I wrote it down correctly—the $58.6 million for assessment?

Mr Pratt: Yes.

Senator SIEWERT: That will fund for the launch sites the assessment process; is that correct?

Ms S Wilson: That is correct.
Senator SIEWERT: All elements of assessment?
Ms S Wilson: Yes.

Senator SIEWERT: And local area coordinators will fund all the elements of local area coordinators for the launch site?
Ms S Wilson: Yes.

Senator SIEWERT: You have talked a little about what different states do already. If states decide that they do not want local area coordinators in their launch site, is it a requirement that they do have local area coordinators?
Ms S Wilson: I guess the intention with the launch sites is to try and replicate or launch the core elements of the scheme design, taking as a starting point the PC model. It is certainly very central to the Productivity Commission's model that there is something like a local area coordination function. Our work on design with states and territories has been looking at that sort of intake and local area coordination function. Whether or not it looks exactly the same in every state is something that we have to work out, but we need quite a degree of consistency to try and get that sort of consistent intake and then referral to an assessment approach. The things that might differ might be where they sit physically—where there are different arrangements in different jurisdictions where there are more natural relationships. So if they do not already have a LAC function, there might be another function where it makes more sense. Victoria at one stage, when we were talking to colleagues there, for example, suggested they would like to use their neighbourhood house network as the physical entry point for local area coordination functions in their jurisdiction. So we will have to work through that detail. But we certainly anticipate and desire to be able to launch something that is as national a design as possible and that holds true to the integrity of the high-level PC model.

Senator SIEWERT: In your discussions so far, have the elements of acceptance of having some—bearing in mind what you have just said—functionality of local coordinators been accepted in all those discussions?
Ms S Wilson: Pretty much, yes. We have been doing work on the client pathway, which includes an intake or a local area coordination ongoing support function. So it is part of one of the building block streams of work—the local area coordination function. I would reflect on that as being indicative of general support. Some jurisdictions have been a bit wary of the term; they have not found it as meaningful for them as perhaps other terms might be. But it is a working title currently, so it is the one we are using.

Senator SIEWERT: Can you clarify how much funding has been set aside for preparing the sector for the NDIS, for capacity building and for supporting the providers?
Ms S Wilson: In the budget measures—
Dr Hartland: Over four years it is $122.6 million.

Senator SIEWERT: I am just checking that I did have that right. So that is over the four years?
Ms S Wilson: That is correct.

Senator SIEWERT: For all the launch sites; is that correct?
Ms S Wilson: Yes. It is for capacity building in the disability services sector for addressing workforce issues and also for addressing capacity building for individuals, noting
that service providers and non-government organisations need to make transitions but so do individuals, families and carers.

**Senator SIEWERT:** How will individuals, families and carers access that allocation?

**Dr Hartland:** I think the agency will want to work through exactly how it uses those funds for individuals, but I do not think we would be envisaging an application process at this point. It might go to a range of services such as increasing capacity in local communities, if that was what was necessary. We have not got a definitive view on that yet.

**Senator SIEWERT:** I am sorry; what was that last comment?

**Dr Hartland:** We have not got a definitive view on how it will be used to support individuals yet.

**Senator SIEWERT:** Do I interpret that to mean that that is still being developed; how you target individuals is still being developed?

**Ms S Wilson:** Yes. I anticipate that it will fall out of the work that we are doing on how you help individuals to exercise control and choice and what some of the mechanisms are to put in place. So they can vary from doing planning with a person with a disability and their family in a workshop environment through to where you have a need for nominee or guardian arrangements and working with them alongside the person with a disability.

**Senator SIEWERT:** So where we have been talking about micro-boards and all of those things, and there are various forms at the moment—

**Ms S Wilson:** Yes.

**Senator SIEWERT:** There is Planning in WA. Those sorts of processes could be funded under this; do I interpret that correctly?

**Ms S Wilson:** Potentially some of them would be. I am not aware of the specifics that you have just mentioned, just the sort of generality. But potentially, yes.

**Senator McLucas:** I think the work we do with the practical design fund will inform some of that work too.

**Senator SIEWERT:** That is where the lights were going on for me. Have you allocated proportions for how much of that $122 million is for individuals and how much for—

**Ms S Wilson:** No.

**Senator SIEWERT:** Does that also address the issue for the equal remuneration case? Does that include the additional funds that will be required for providers for that, or does that come out of the $2.1 billion?

**Ms S Wilson:** The SACS award funding—and I am getting out of my area here—is for the whole sector in which we have an interest. In respect of wages and other impacts on price, the $35,000 has been up-rated to take account of movement in wages, in population and in general prices. So the actuary has done that up-rating work and it is reflected in the $35,000.

**Senator SIEWERT:** In terms of the time line for when you determine what you are doing with that fund, the $122.6 million, what is your time line for determining that? Presumably it is by the end of this year as well?

**Ms S Wilson:** Yes, absolutely. We are doing some work currently on looking at workforce and sector capacity issues, so we have got some work underway. We have also talked to
colleagues in jurisdictions that have done some previous investment as part of their reform approaches—New South Wales, for example, and Victoria—to learn from their experience. We propose to draw that together and work with the agency to come up with a plan, essentially, for how it will be expended, and informed by some early work through the practical design fund.

Senator SIEWERT: I have a couple more questions but—

Senator McLucas: Can I come back to a point that you were asking about earlier regarding individual choice and individuals accessing that?

Senator SIEWERT: Yes.

Senator McLucas: Do not forget that we have the choice and control expert group working on that as well. I think that is a real key, that we ensure that people are supported in their decision making. In some places they have never been allowed to make a choice in their life, so there will have to be considerable support provided. The way I put it is that if you do not know what is there, you cannot ask for it. Many people with disability have never been asked the question, 'What would you want to do?' or 'What is your aspiration?' which is a really big quantum leap for many people with disability.

Senator SIEWERT: You have just triggered another question that I had earlier and then I diverted myself. It gets back to this issue about who helps in advocacy and funding for advocacy groups. You have made a separate allocation of funding for that, haven't you, outside the NDIS?

Senator McLucas: The Productivity Commission's discussion of advocacy was that advocacy needs to be outside the NDIS.

Senator SIEWERT: But have you not already made some commitment—I am sorry if I have misunderstood one of the commitments that was made in the budget—for separate funding for advocacy, or is that yet to be determined?

Senator McLucas: It is certainly a piece of work that we will do in time but it is not part of the current deliberations.

Senator SIEWERT: I think I must have misinterpreted—

Senator McLucas: But it is certainly on the list of work to do.

Senator SIEWERT: So you have not committed additional funding for advocacy yet?

Senator McLucas: Related to the NDIS?

Senator SIEWERT: Yes.

Senator McLucas: No.

Dr Hartland: No.

Senator SIEWERT: In the short term, however, how do you see that? I understand what you are saying, in that people do not know what they do not know. How are you going to help people to do that? Surely they are going to need advocates. You do not want service providers being the people that—

Dr Hartland: There are a range of mechanisms in the funding that will work with people, so the local area coordinators and the transition agency will be working with people. We have asked the advocacy network to think about their vision for advocacy under an NDIS. They are
having a think about whether the role would change and what will be their role in the new system. There will certainly be resources to work with people to make sure that they are able to express choice and—

Ms S Wilson: The Productivity Commission also identified this role for what they call disability support organisations and they included brokerage, helping people to realise their plans. That is one of the pieces of work that is being done alongside the LACs, to look at—

Senator SIEWERT: I am sorry; I am not—

Ms S Wilson: Alongside local area coordination. In fact, colleagues from Western Australia are leading some of that work. So we will be looking at how you would operationalise a DSO and what implications it would have for advocacy.

Senator SIEWERT: Is that something for which you can apply for funding under the practical design—

Senator McLucas: It is easy—PDF.

Senator SIEWERT: There are a whole lot of new acronyms to learn.

Ms S Wilson: Certainly a good area for a project to focus on would be to think about how advocacy would change potentially under an NDIS and what different approaches might be required. That could be something that would be quite beneficial to have the PDF focus on.

Senator FIFIELD: I have some more. Senator Smith has a few. I will come to mine after Senator Smith.

Senator SMITH: I have two questions. Going back to the discussion around governance and the examination of different legislative models, on a spectrum are you able to give me an indication of which jurisdictions, from a legislative point of view, might be a little more problematic, not unhelpful, and which ones would be easier to accommodate the legislative change that might be anticipated?

Ms S Wilson: Not until we have agreed what ideal form the legislation or any legislation should take. I anticipate that we will need to work through options. Then we will uncover—we are working through options—in that process where jurisdictions sit against those options. In the Productivity Commission report you will probably recall that its optimal approach was a single piece of national legislation. It did also explore the opposite end of the continuum, which was a federated model. There are possibilities in between. So we will be working through those options. As we do that work, we anticipate that views will emerge about where jurisdictions might have a preference for those options. It does ultimately depend on the preferred approach that the Select Council and COAG agree on. I am sorry I cannot be more definitive at this stage.

Ms S Wilson: My second question goes to the National Disability and Carer Alliance. One of the themes that I have been picking up in speaking to people is a concern that the physical disability sector or voice might be getting a louder share of the attention than the intellectual disability voice. I just want to be satisfied that we are being very conscious that the needs are quite different and the expenses incurred around those different sorts of care options are different as well. I am curious to know: what is the membership of the National Disability and Carer Alliance? Are the intellectual disabilities part of that? I want some
satisfaction from my point of view that some of the differences between the physical disability sector and the intellectual disability sector are being heard.

**Dr Hartland:** Carer alliance is, if I am correct, AFDO, NDIS and Carers Australia. We would trust AFDO to have a good knowledge of and links with all of the disability groups.

**Ms S Wilson:** You know Carers Australia has a constituency that encompasses caring across a range of types of disability and of course National Disability Services represents providers who support the spectrum. In addition, the constituent members of the alliance have been asked to ensure that they interact with, engage with, and gather feedback from grassroots organisations within the sectors that they represent. We are trying to do it in two ways, both through the peaks which have this broad representation but also asking for that more grassroots engagement. In terms of the expert group process, then we are making sure that we have broad representation across different areas of disability. Whilst the members of the advisory group are not representing a particular constituency, the expertise across that advisory group is quite broad as well.

**Senator SMITH:** They are covering the full spectrum.

**Ms S Wilson:** Yes. The issues that you have raised have been of concern from time to time. It is important also to know that the Productivity Commission actually changed the draft and the final report and provided, in response to feedback, more emphasis on the needs of people with intellectual disability and their care and in fact changed the potential coverage of the scheme between the draft and final report to reflect that feedback that they had about a concern that they were not fully recognising some areas of self-management, that people with intellectual disability need more support than, if you like, personal care and so are in different domains.

**Senator SMITH:** Thank you.

**Senator FIFIELD:** I might launch off from where Senator Smith finished. Until—and I cannot really comment since—the point that the expert groups were announced, there was growing concern amongst a number of people with disability that the voice of people with disability was not being heard in relation to design issues; while representative organisations and peak bodies had a seat at the table, it was not readily apparent where and how people with disability could have their particular concerns in relation to design and coverage issues registered. In particular, we have touched on people with physical impairment and people with intellectual impairment. If I can put it this way: for people who have a sensory impairment—people who are blind or with low vision, people who are deaf or with a hearing impairment—there was a growing concern and still is a concern that they are not having adequate input. The ultimate concern is that they will not necessarily be better off under an NDIS than they are under current arrangements. While we can all see how certain people with a physical impairment, certain people with an intellectual impairment, who have high-care needs would benefit under an NDIS, there is a concern on behalf of people with sensory impairment. I pick two examples: probably the man or woman in the street when thinking of an NDIS would think an NDIS would have to cover hearing aids or an NDIS would have to cover a guide dog. I know those issues have not been resolved but your response to those concerns and how—
Ms S Wilson: I have heard those concerns too. I have interacted with some of those groups. I represented the Parliamentary Secretary last year at a meeting of Blind Citizens Australia at their National Congress. Dr Hartland has also met with some of the peaks, including—

Dr Hartland: Both the sensory groups. NDS helpfully organised a couple of forums, one I think in Canberra and one in Sydney, for both the deaf and the blind groups. We are keen to reach out where we are able to.

Ms S Wilson: Certainly the advisory group has also met recently with the peaks, including—

Dr Hartland: I will find that out.

Ms S Wilson: There has been ongoing interaction and engagement. They are members of AFDO, the Australian Federation of Disability Organisations, and so have that conduit for ongoing engagement and feedback. I note that the Productivity Commission did identify that a range of the supports about which they are concerned, they believe, should be covered by a National Disability Insurance Scheme.

Dr Hartland: Certainly while we are working with the states on design issues, aids and equipment, which would include equipment that would be of assistance to people who are blind or deaf, are very much part of that work. The advisory group is going to soon be reaching out more broadly to get some web-based forums up. Also the co-design strategy is at a time to start to think about how you make the system work to make sure that it works for different groups. Certainly in the ‘what’ of the system and what people get, things that are of benefit to those groups are front and centre of the design work.

Senator McLucas: Senator, I can assure you and those who are reading the Hansard or listening to this, we are very aware of the need for people with disability, and the range of disabilities that are existing in our community, to have a place in the process, not only in the expert groups and in the advisory group but in our engagement strategy. Through the National Disability and Carer Alliance, we will include everything that is absolutely essential.

Senator FIFIELD: I think it is important. I am sure Senator Siewert would agree, knowing her interest and involvement, that it is hard to underestimate the level of concern that there is.

Senator SIEWERT: Yes.

Ms S Wilson: I think sometimes change is very threatening. That is part of the dialogue that we have been having.

Senator SIEWERT: According to impaired people, it is not change that they find threatening; it is not being included in the change that they find threatening

Senator FIFIELD: I felt it important to register that.

Senator McLucas: And I think they are.

Senator FIFIELD: We would be remiss if we did not take the opportunity to register that. I should also add the states have been feeling a little neglected. So I think it is important to register that as well in relation to—

Senator McLucas: We have been working very closely, bureaucracy to bureaucracy, with the states.
Senator FIFIELD: I am just reflecting what some of the jurisdictions tell me; that is all.

Ms S Wilson: I can—

Dr Hartland: You can tell them that we love them.

Ms S Wilson: You might be interested in how frequently we have been meeting with the states and territories. We have had 10 meetings with the senior officials working group and a range of subgroups, some workshops, over the recent months. There would not be a fortnight that goes by, and probably not a week, where we do not have a Commonwealth-state engagement of one sort or another. We are working very intensively with the states and territories throughout this design process. We have identified the desire, and that has been very welcomed by a number of them, to second state and territory officers to the agency. We intend to continue to work very closely in the coming months as well.

Senator FIFIELD: Again, it cannot be emphasised too much the extent to which the states as partners need to feel that they are fully and completely part of this.

Ms S Wilson: Absolutely.

Senator FIFIELD: I just make that point.

Mr Pratt: Could I say that, in the case of states and territories—and hopefully the ultimate beneficiaries of the scheme—we are very conscious of their interest in this and their need to be involved in it heavily.

Senator FIFIELD: I am putting it much more softly than I put it to Senator Wong in finance estimates, which brings me to this point: with the billion dollars, which way round did it come to be? Was it that government, central agencies, however you want to describe it, said to FaHCSIA, this portfolio, 'We can come up with a billion dollars. That is the parameter, that is the envelope, you have to work in,' or was it the other way around? Was it FaHCSIA, the portfolio, who put a bid up and said, 'We can come up with launch sites, we can bring it on a year earlier and we can do it for this much'? Which way around was it?

Ms S Wilson: I do not believe we can divulge the details of the consideration of the budget process. What government decides is reflected in the budget papers.

Senator McLucas: Senator, you did work, I recall, for former Treasurer Costello and you would have been very close to those sorts of discussions and would have been horrified if a senator at an estimates committee answered such a question.

Senator FIFIELD: Not that horrified.

Mr Pratt: You can be assured there was comprehensive interaction between central agencies and interested policy agencies and ministers.

Senator FIFIELD: It is your opportunity to say you wrestled hard, fought hard and had a stunning victory.

Mr Pratt: Certainly we had a stunning victory.

Senator FIFIELD: It would be interesting to know. There is a serious point to the question, and that is: what was the rationale behind the billion dollar figure? Was it the envelope that there was to work in or was that a preferred path for the second stage to progress?

Mr Pratt: We are certainly not in a position to talk about cabinet workings.

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COMMUNITY AFFAIRS LEGISLATION COMMITTEE
Senator FIFIELD: We will have to wait for 30 years to pass to find out—or maybe less. The people who will do assessment with local area coordinators do not necessarily have to be employed by the National Disability Insurance Agency. Has thought been given to whether the people who fulfil those gatekeeping roles may be people who are actually employed by other organisations, maybe not-for-profits?

Ms S Wilson: We have not settled that yet. We have assumed the cost of those functions being performed. The Productivity Commission did recommend that assessors and LACs—local area coordinators—be employed by the agency. In respect of the Launch Transition Agency and the launches, we are very concerned that we find a mechanism for employing or contracting those functions in a way that gives us good quality assurance and consistency—a consistent assessment process that is, nevertheless, individualised and takes account of a person's goals and their own circumstances but delivers an equitable outcome for people with similar levels of disability and similar need. We are talking through the detail of that with the states and territories currently.

Senator FIFIELD: In Tasmania their area coordinator equivalents are people who work for not-for-profit organisations?

Ms S Wilson: That is correct.

Senator FIFIELD: There are models there?

Ms S Wilson: There are different models in each jurisdiction. It is really hard to ensure there is the right culture, the right orientation towards individuals, that they are all well trained in the assessment process, that there is an ability to ensure quality and to moderate the outcome of assessments so that you are getting equitable outcomes. The LACs will be absolutely fundamental for supporting individuals for, if you like, triaging in the first instance and testing whether someone needs to go for a full needs assessment or not. Again, getting the right culture, the right approach, with enough confidence that you are overcoming jurisdictional differences to deliver equitable outcomes, will be really important.

Senator FIFIELD: The other issue with the trials is that the boundary issues literally—

Ms S Wilson: The geographic ones.

Senator FIFIELD: The geographic boundary issues. I assume you would have to say that someone has to be resident in an area as of a certain date to be eligible to take part in the launch. I am just interested in the thinking you have. Obviously there are people who feel they have to wait long enough for additional help and would think, 'If that is where I can get better support, then that's where the family will move.'

Ms S Wilson: There is potentially that. We have been talking through it with our state and territory counterparts. We are looking for launch sites that have fairly defined geographic boundaries as a preference in order to manage the catchment issue. You can think about the risks, if you like, of people migrating to an area because they think they will get a better service. It does happen now that people will move to a large regional centre or an urban area because they think they will get better access. It is not that easy for people generally to pack up house and home and move jobs etcetera. It remains to be seen whether a launch in a location will provide a significant incentive for people to do that. We will be exploring whether there needs to be a test residence date. Clearly you have to take into account children
being born in a launch site. We are alive to that as an issue. We do not believe it is an insurmountable issue.

**Senator FIFIELD:** Coming back to something Senator Siewert touched on before, which is the increased staff costs as a result of the Fair Work decision for community sector workers, the Australian Government Actuary was tasked, I am not sure whether it was by the Ministerial Council or COAG, to look at the cost implications for the NDIS as a result of that decision. That is right, is it not?

**Ms S Wilson:** I would not characterise it in that way. The Actuary was requested, arising out of discussions with the states and territories in a subgroup of the senior officials working group, to do an assessment of the Productivity Commission's costings. The Productivity Commission itself, in its report, noted uncertainty about a range of things, including future movements in wages. The Actuary took account of a range of factors, including wage movements, in coming back with a paper that went to the Select Council. It looked at wage movements, looked at population growth and looked at other price movements to provide advice to the Select Council about the likely costs of a National Disability Insurance Scheme.

**Senator FIFIELD:** That has been provided to the states and territories?

**Ms S Wilson:** Yes, it was. It was a paper for the Select Council.

**Senator FIFIELD:** Is that paper public?

**Ms S Wilson:** No. It was a paper for the Select Council and the Select Council would have to agree to make that public.

**Senator FIFIELD:** Even though the paper was not commissioned by the Select Council?

**Ms S Wilson:** It was commissioned by officials providing advice to the Select Council. Select Council papers are the province of the Select Council unless they agree to provide them.

**Senator FIFIELD:** After the paper was provided to the Select Council, there was a figure bouncing around that the staffing costs would increase the annual cost of an NDIS by in excess of a billion dollars as a result of the Fair Work decision. Is that right?

**Dr Hartland:** The actuaries did a costing paper to validate the PC costs. It came up with the figure that you have seen bouncing around, which was at the higher end of the range.

**Senator FIFIELD:** Was it $1.8 billion?

**Dr Hartland:** It was about $1 billion, I think.

**Senator FIFIELD:** It was about a billion?

**Dr Hartland:** Yes, it was about one billion high.

**Ms S Wilson:** From a range of figures.

**Dr Hartland:** Certainly wage costs were one element of that but there were other elements that contributed to that slightly higher estimate. It was an estimate within the range that the PC had originally envisaged.

**Senator FIFIELD:** That billion is not just staffing costs but a range of other things?

**Dr Hartland:** That is right.

**Ms S Wilson:** There are a range of—
Senator Fifield: That was the actuary's overall assessment.

Dr Hartland: When we looked at it again we thought it was reasonable, yes.

Senator Fifield: I will hand back to Senator Siewert.

Senator Siewert: Could I go back to the money that has been provided to the carer alliance. Over what—

Senator McLucas: Could I ask us all to talk about the alliance by its full name. It is not just the carer alliance; it is the National Disability and Carer Alliance. I think it is really important that we use the full name. I am sorry to be pedantic.

Senator Fifield: The Carer Alliance Party comes to mind.

Senator McLucas: That was not my thinking but you are quite right.

Senator Siewert: Do they have an acronym?

Senator McLucas: NDAC. I do not want another ND-something

Senator Siewert: Over what time frame is funding available; that is the funding that has been provided or made available?

Ms S Wilson: It has been provided to them for work to be undertaken, so it is—

Dr Hartland: It will be a grant.

Ms S Wilson: A grant.

Senator Siewert: Over how many years, is what I am asking? Over which financial year?

Dr Hartland: We anticipate that the work will go certainly in this financial year and it may well be that there is some work that goes into the next.

Senator Siewert: I am trying to look at: are they going to be then funded into the rollout of the broader scheme as well? Is that the claim?

Ms S Wilson: We would need to consider separately what the ongoing engagement should look like, yes.

Senator Siewert: Is it anticipated that they will also be involved in monitoring of the rollout of launches and ongoing progress of the launches?

Dr Hartland: I would not say that their role is monitoring.

Senator Siewert: Let us think of a better term: 'engagement'.

Dr Hartland: Yes.

Senator Siewert: Engagement—

Ms S Wilson: Ongoing engagement for a natural rollout and experience of launch will be really important. I would anticipate that they are one of the groups that governments would wish to continue to engage with. We have not designed that sort of strategy yet.

Senator Siewert: There is the rollout of the national process but also an ongoing—and I do not care whether you call it monitoring or engagement—process of how the launches are progressing so that you are getting it right or where the areas of further work are required. Is it envisaged that they will have a role there?
Ms S Wilson: I would envisage that stakeholder groups like the alliance would have a role, yes. As part of any—I do not want to call it an evaluation in a sense, because it—

Senator SIEWERT: It implies it is not going to be ongoing.

Ms S Wilson: That is right. There will need to be evaluative and assessment work, including monitoring work, and, as part of that, good practice would suggest—and we would intend, and I am sure that the Parliamentary Secretary and the minister and the members of the Select Council indeed would want to have—continuing engagement with stakeholders through the experience of the launch period.

Senator McLucas: There is also $5.2 million out of the billion that is allocated for evaluating outcomes in a formal sense.

Senator SIEWERT: I presume, therefore, that there is a process in train for working out how that evaluation is going to occur?

Ms S Wilson: Yes, there is.

Senator SIEWERT: Do I interpret that to mean that there would then be funding for engagement from—

Ms S Wilson: Whether we fund it through a grant or whether we find another mechanism, I think, remains to be seen. We would need to continue engaging. We would also want to know about the experience of people with a disability, the families and carers, in the site. So we would need things like client satisfaction surveys, focus groups and those sorts of things to get their live experience, and of course providers or others who are interacting in launch sites.

Senator SIEWERT: That process for planning is ongoing now?

Ms S Wilson: It has started.

Senator SIEWERT: It is in place as—

Ms S Wilson: It has started but it is not completed.

Senator SIEWERT: Which group is responsible for that?

Ms S Wilson: It will be done as a proposition within the Commonwealth in the first instance and then we will take it to the advisory group and then to other interested stakeholders. So we need to do some design work on it. It will pick up things like the ICT work and what we can capture in terms of data. We will need to also be informed by insurance experts about what is really important to capture in terms of the modelling work arising out of the launch experience. We have some in-house expertise within the department.

We have commenced thinking about and doing some early work on what the approach to, for want of a better term, an evaluation should look like, but we will then interact with others around that before we have a final proposition, including the states and territories.

Senator SIEWERT: I want to go back to a comment that Senator Fifield made in terms of the level of engagement with people, with disability carers. There was a lot of criticism, and I appreciate you are dealing with that. We have been talking a lot about that. One of the issues that are still being put to me is the lack of access to information if you are not actively engaged in the consultation process at the moment. Are you anticipating that there will be regular updates from the various expert groups, advisory bodies etcetera through the website?
Ms S Wilson: I anticipate there will be regular updates for the website. When stuff gets to an output that ministers are happy to have promulgated, then the website will be a mechanism for doing that. It is the balance between a deliberative process and when you have got something that you need to road-test or inform people about. I cannot give you the exact timing around that. But the website is a mechanism that the Commonwealth is using quite heavily for regular updates for the parliamentary secretary and the minister.

Senator SIEWERT: Let us take someone with a hearing impairment as an example of one of the areas that people are very nervous about in terms of eligibility. If people want to know where something is at, where would be their first port of call to find out where their eligibility process is up to?

Dr Hartland: I think the website will be a mechanism to get information out to people to tell them what is going on. It does not have specific propositions about eligibility on it at the moment because the work has not quite got to that phase. We would expect that the alliance would also be taking material out and discussing it with other peaks and their networks, and the people on the expert group that is looking at eligibility and assessment will also have networks that they can draw on to inform their views. As this work progresses, there will be quite a few tentacles reaching out into the community, if you like.

Ms S Wilson: It is probably worth noting—I do not know whether you are aware—that, as well as the COAG principles being released, there was a short progress report released.

Senator SIEWERT: Yes.

Ms S Wilson: That was to give people some visibility of the work over the coming months and what things are being discussed and considered.

Senator SIEWERT: I am sorry; I missed a question on advocacy when we were talking before about advocacy. Is there expected to be an announcement at some later date on funding for advocacy?

Dr Hartland: That would be a matter for the government.

Senator SIEWERT: Is that something that you would be expecting to make at some stage? What would be your time line?

Senator McLucas: As I indicated earlier, we know that we have to do some work on advocacy and we have asked DANA to do some work.

Dr Hartland: Yes, I have asked DANA—

Senator SIEWERT: To consider?

Senator McLucas: Yes.

Dr Hartland: To consider, and I understand that they had a meeting very recently in Canberra where they discussed this issue; and we have been promised a report, which we are eagerly awaiting.

Senator SIEWERT: So you have asked them for advice on how they would see advocacy?

Dr Hartland: How they see the role, yes.

Senator FIFIELD: Can I jump in on advocacy? Senator McLucas said before that you would not envisage that advocacy would be funded via the NDIS. While that is almost
certainly true of systemic advocacy, for individual advocacy there could be a component of
someone's package which they chose to direct that way?

Senator McLucas: This is the sort of discussion that we are having at the moment.

Senator FIFIELD: I just wanted to check that that was in the scope of what is being
discussed.

Senator McLucas: That is why we are talking to DANA.

Senator SIEWERT: Do you have a time line for when you expect that issue to be
resolved?

Senator McLucas: I do not have a time line at the moment, but please be assured that it is
going to happen; it has to happen.

Senator SIEWERT: We will watch this space and, if it does not happen before October, I
am sure we will be asking the same question in October.

Senator McLucas: What we have had to do is order the work we are doing, starting with
the four pieces of work that we are doing around the building blocks. They have been
prioritised. That does not mean that others are not as important; we just have to get some
things done earlier than others.

Senator SIEWERT: I have two more questions. One is around the other tiers and when
you would expect work to start being done with people that fall into the other tiers under the
scheme. When do you expect that work will be done?

Dr Hartland: The design work at the moment encompasses all of the tiers.

Senator SIEWERT: It covers all the tiers. We tend not to talk about all the tiers.

Dr Hartland: No. We tend to talk about the—

Ms S Wilson: Individual care and support.

Dr Hartland: What we call individual care and support, which we think of as tier 3,
because that is clearly where the greatest financial—

Senator SIEWERT: Yes, that is where the focus has been. So the launch next year will
include all the tiers?

Dr Hartland: We are looking to include a full—

Ms S Wilson: Test.

Dr Hartland: A test of the full system, so the launch will need therefore to perform all of
the functions that the PC envisaged for the whole thing.

Ms S Wilson: In the sites we will need to understand what happens in terms of general
information provision, if you think of tier 1 for the broad community, tier 2 being mainstream
support and focusing on people with disability and carers, and tier 3 being individual care and
support. I do not want to give the impression that we will be doing the whole PC shebang in
terms of the sequence they had with the big national agency.

Senator SIEWERT: So the design will incorporate it but not the whole shebang—a
technical term!

Senator FIFIELD: I look forward to seeing that in Hansard.

Ms S Wilson: I am sorry; that probably was not very articulate.
Senator SIEWERT: No, you got the point across. I understand, thank you. One other question I want to ask is in regard to the independent disability insurance agency and the process for that. When do you see the time lines for that?

Ms S Wilson: For the long-term entity?

Senator SIEWERT: Yes.

Ms S Wilson: It depends upon the decisions and the progress of work on funding and governance for the overall scheme, and legislation. I cannot predict. At this stage we have a first stage, which is the investment in the launch transition agency that we anticipate will govern and manage the launch period. We are continuing to work on a full scheme in parallel with the states and territories, and COAG will have its first discussion about governance issues, which includes the role of an NDIA or like entity.

Senator SIEWERT: Presumably that is tied up with the funding discussion as well?

Ms S Wilson: They are all closely linked. That is one of the reasons that COAG agreed that the work should occur in parallel, and funding, governance and design are all very closely linked to each other.

Senator FIFIELD: The questions on the NDIS, or more particularly questions that go to the work that I think Minister Shorten had carriage of—

Mr Pratt: That is right.

Senator FIFIELD: I do not think it has transferred to Minister Bradbury; it is still with Minister Shorten. Are questions on that—

Ms S Wilson: Treasury.

Senator FIFIELD: They are best asked in Treasury; I thought so. I thought I would ask you first. With the NDIS website, how many hits have there been to date?

Ms S Wilson: We do not have our communications colleague with us. I will check whether we have it in our folders. If we have not, we may have to take that on notice.

Dr Hartland: We have had 21,760 visits. Since 23 August, 11 NDIS updates have been sent to the subscriber list, and we have 2,413 subscribers as at 11 May.

Senator FIFIELD: I would not have been surprised if there were more subscribers than that.

Dr Hartland: I thought that sounded like quite a fair constituency.

Senator FIFIELD: Is the responsibility for the management of the website something that will transfer to the transitional agency?

Ms S Wilson: To be frank, we have not worked through that detail, but I anticipate that it may. The agency will need an external communication mechanism. Whether it takes over that website remains to be seen, so we have not worked through that detail yet.

Senator FIFIELD: Are there associated Facebook or tweeting activities?

Dr Hartland: Social media?

Ms S Wilson: Social media. You have got me, Senator. I am too old; I am sorry.

Senator FIFIELD: I am too; that is why I did not quite know how to frame my question.

Dr Hartland: I do not think we have set that up at this point.
Senator FIFIELD: That is something that the transitional agency might look at?

Ms S Wilson: Yes. Working out the effective way to engage with people will be extremely important.

Senator FIFIELD: I know how much social media is used by a number of people in the sector, so that is clearly a way to get some penetration. I have a suggestion which is probably on your radar already. As we get further along the path of coverage and eligibility criteria, people find cameos of particular individuals and particular circumstances very useful. I think that is what people will be looking at to try to get a handle on whether they have coverage, whether they qualify and the extent to which they do.

Ms S Wilson: Yes.

Senator FIFIELD: There are dry eligibility criteria, but cameos are—

Ms S Wilson: I think that is a very important point, and also trying to depict the very diverse ways in which people might be able to fashion, shape and design these supports so that it is not seen as the limited menu that many have had experience with to date. I think making the stories or the experience live through examples that are meaningful to people will be really important, and I absolutely take your point.

Senator FIFIELD: That would be very worthwhile. I might take you up, Ms Wilson, on an offer that you made earlier, in relation to the extent of the Commonwealth-state engagement. Obviously, if it is something that would be a laborious exercise, let me know, but could you document the officer-level engagement that there has been between the Commonwealth and the other jurisdictions. Also, could this be taken on notice: the number of times—and I know that you might not have full knowledge of this—that Minister Macklin has engaged with the state disability ministers. Obviously, it will certainly cover the select council on disability reform, but—

Mr Pratt: Are you talking about formal engagements as opposed to informal ones?

Senator FIFIELD: Yes, formal.

Mr Pratt: The minister and Senator McLucas are doing this nearly constantly.

Senator FIFIELD: Obviously you do not know every time Minister Macklin buzzes Minister Wooldridge on her mobile phone, for instance, but with the formal engagement that there has been—correspondence and formal meetings at which the department has been in attendance—that would be helpful.

Senator McLucas: Did you say where the department has been in attendance?

Senator FIFIELD: Yes—obviously only those meetings which are within the knowledge of the department. They cannot talk about those that are not within their knowledge.

Ms S Wilson: That is correct. We can certainly give you the select council dates and other meetings that we are aware of where we have had officials in attendance or we have been asked to provide support, but there are a lot of informal interactions that the minister would have of which we have no visibility, nor have we been requested to provide formal support.

Mr Pratt: For this financial year?

Senator FIFIELD: This financial year—that would do nicely, thank you.
**Senator McLucas:** Just know that there have been many more than the ones that the department would be aware of.

**Senator FIFIELD:** I am sure that state disability ministers can barely answer their phones without receiving a call from you or Minister Macklin. Chair, thank you.

**CHAIR:** We are right on time. There will be more questions, I am sure, on notice for outcome 5. Thank you very much to the officers. We will suspend until 7.45, when we will come back with outcome 2.

**Proceedings suspended from 18:44 to 19:45**

**CHAIR:** I will now reconvene. We will move into outcome 2, housing.

**Senator PAYNE:** I want to start with the budgeted expenses in this program. This question may have to be answered on notice, but you can break down the items within the housing assistance and homelessness prevention program.

**Mr Innis:** We would need to take that on notice.

**Senator PAYNE:** Thank you. If you can come back to us on that, that would be helpful. What is the return date for answers to questions on notice?

**Mr Innis:** The bulk of the expenditure is on the Reconnect Program.

**CHAIR:** The last date for submission is 12 June. Responses are due by 27 July.

**Senator PAYNE:** In the figures released in the budget, we had a couple of small increases from $31 million in the 2011-12 additional estimates forecasts to almost $36 million in administered expenses and from $22.5 million to $25.4 million in program support. What do they relate to? Have there been changes in the work done under the program that have increased the funding in the current financial year by that amount?

**Mr Innis:** There has not been any great change to those programs. They would be normal adjustments to the figures. This is program 2.1, isn't it?

**Senator PAYNE:** Yes. In terms of increased expenditure factored into the forward estimates budgeting after the last financial year budget—the 2011-12 budget—before the additional estimates update from this year, the 2011-12 papers indicated that from 2011-12 program support would be, respectively, $22.7 million, $19.5 million, $20.2 million and $18.6 million over the forward estimates. Then the 2011-12 additional estimates indicated that each of the years from 2012-13 to 2014-15 would have increased program expenditure of around $5 million per year. But the administered expenses were projected to stay the same. Can you explain those numbers for me, Mr Innis?

**Mr Innis:** I am not sure that I have exactly the same numbers as you do.

**Senator PAYNE:** We need two sets of papers. That is probably the challenge in that space. The page is 56. Perhaps if I put those numbers together on notice and then you can come back to us on that.

**Mr Innis:** Certainly.

**Senator PAYNE:** I could hand it all over, but I suspect that that will take longer than you answering it on notice in the end. I want to ask some questions in program 2.1 around the deliverables. I am looking at the figures on page 58 of the budget statement. The numbers that are targeted in the deliverables there are 5,500 cases both in the current budget and across the
forward estimates for the homelessness prevention services and 400 cases for families being assisted through homelessness services also. Are those targets on track to be met in the current year?

Mr Innis: I believe so. I do not have any figures to hand on progress. The main program is the Reconnect Program, which has been delivering strongly throughout its period. I would expect that we are on target.

Senator PAYNE: Is there someone here who would have those figures?

Mr Innis: I would need to take it on notice. The branch manager, Mr Leon Donovan, is expecting his first child so he is not here tonight.

Senator PAYNE: I am really hoping that his wife is expecting her first child, but I understand what you mean.

Mr Innis: I think that he is expecting as well. I am not sure that he is doing any of the work.

Senator PAYNE: I am sure that is very expectant. Please pass on our congratulations to Mr Donovan and his family. It is a really good excuse for him not being here. Can you indicate in general terms—and I will go to the general questions and perhaps put the more specific ones on notice—whether progress towards those targets and data for each year as to whether they are met or not is data that is publicly available?

Mr Innis: We report on these targets in each annual report, so we certainly—

Senator PAYNE: So it is embedded in the annual reports?

Mr Innis: It is embedded in the annual reports.

Ms Carroll: In 2010-11, there were 6,133 cases of support provided. There was an average dollar figure of about $3,833 per case.

Senator PAYNE: Thanks very much. Is there any particular methodology by which those targets are chosen?

Mr Innis: It is based on a combination of things. There is program experience. The Reconnect Program in particular is a long-running program, so we set the targets in relation to what we think are challenging but reasonable expectations of the program deliverers. We also take into account things like general demand conditions et cetera.

Senator PAYNE: Regarding the KPIs around homelessness prevention and the other KPIs for program 2.1, do you update that data publicly and regularly or just through the annual report?

Mr Innis: As I understand it, it is through the annual report. To do so very regularly would clearly require us to place an extra burden on the service providers, so there is a balance between reporting numbers and allowing service providers to deliver rather than report to government.

Senator PAYNE: Although if you had a year in which demand for homelessness services was high—and there might be a number of reasons: for example, a period of increasing unemployment or people unexpectedly finding themselves out of work, which appears to be an issue of currency today that led to challenges including homelessness—would you seek
data perhaps mid year to see how things were tracking? You mentioned demand in your previous answer.

Mr Innis: We would not necessarily seek data. We have regular contact with our service providers. That sort of thing would come to our attention because of our ear being to the ground. We had a Reconnect forum recently in which we brought service providers together. It is that sort of communication that we would expect the information to come through.

Senator PAYNE: I was going to ask you about the forum. Can you provide the committee with some details of the providers who attended that forum?

Mr Innis: Certainly. Obviously, we would have to take that on notice.

Senator PAYNE: Sure. Could you also provide the cost of holding the forum, the number of providers who were invited compared to the number who were able to attend and whether the results of the forum will be made public or not.

Mr Innis: Certainly.

Senator PAYNE: I want to go to a slightly different issue now if I may. It is still in relation to housing budget measures. On page 28 of the FaCHSIA PBS, there is a reference to a project in Queensland to provide $4.7 million in this financial year to build eight purpose built housing units for senior residents of a town called Julia Creek. Why was Julia Creek chosen for this particular project?

Mr Innis: It was a decision of government.

Senator PAYNE: Can you indicate what representations were made in relation to providing this specific program—which I am sure is a very valuable one that will be very welcome in Julia Creek by the seniors who benefit—and by whom, either from within the community or members of parliament?

Mr Innis: The information that I have is that it is based on a submission from the McKinlay Shire Council. I am not aware of any other representations. I have no information about that. But the submission was made by the shire council.

Senator PAYNE: Are similar submissions often made by other shire councils?

Mr Innis: I imagine that they are made from time to time.

Senator PAYNE: Could you provide us on notice with information about whether any other similar submissions seeking a similar sort of project for shire council areas were made in this budget period and by which shire councils.

Mr Innis: I could take on notice whether the department received any other submissions for this budget period.

Senator PAYNE: Thank you. Was the submission from the McKinlay Shire Council made to your department or someone else?

Mr Innis: I do not have the information about whether it was made directly to the department or not.

Senator PAYNE: Could you take on notice, then, whether it was made to your department and, if not, then to whom. Was this the only project of this nature considered for construction in this particular budget period?
Mr Innis: I am not aware of what other projects may have been proposed to government generally. But, in terms of what FaCHSIA has looked at, it is the only seniors accommodation project as far as I am aware.

Senator PAYNE: McKinlay Shire Council would have to be pretty happy that they had a 100 per cent success rate out of one application, I would have thought, Mr Innis.

Senator McLucas: McKinlay Shire Council have been asking for this for a very long time.

Senator PAYNE: Could you provide the committee with a breakdown of how the $4.7 million is to be spent.

Mr Innis: I would have to take that on notice.

Senator PAYNE: Could you give me a general idea of how it will be spent.

Mr Innis: Certainly. There are a couple of components to the proposal. The first component is eight as a minimum purpose built seniors houses to house ageing residents who are in accommodation that is below standard. The second element is the development of a purpose built community activities centre, which will be co-located with the housing. Both developments will be within proximity of the local hospital and ambulance centre.

Senator PAYNE: So I read. Can you indicate when the project is expected to be completed?

Mr Innis: I would need to take that on notice.

Senator PAYNE: Nobody can give me an indication of when it is expected to be completed?

Mr Innis: We have not completed the draft agreement as yet. I would need to check.

Senator PAYNE: Is that agreement with the McKinlay Shire Council?

Mr Innis: That is my understanding, yes.

Senator PAYNE: So the money is being spent in this financial year, of which approximately 33 days remain, and the draft agreement is yet to be completed. Has it been commenced?

Mr Innis: I will check on that fact for you with the relevant branch manager. This project will be handled under program 2.2, so I will just need to check.

Senator PAYNE: Do you know whether the draft agreement has been commenced?

Mr Innis: A draft agreement has been discussed with the council. We expect it to be completed shortly.

Senator PAYNE: Can you indicate to the committee how many community activities centres, either co-located with housing or otherwise, have been funded by your department previously and when?

Mr Innis: I would need to take that one on notice.

Senator PAYNE: Are there very many, do you think?

Mr Innis: I would need to take that on notice.

Senator PAYNE: Is there more than one?

Mr Innis: I do not know the answer to the question.
Senator PAYNE: Am I correct in my understanding that what we have here is a self-contained budget measure which is effectively outside the existing range of Commonwealth housing programs and incentives, as I understand them and as the budget papers would indicate, which is confined to one location and whose spending is allocated to the two months before the current financial year expires? Is that a correct understanding?

Mr Innis: This was funded as a specific project in the budget, yes.

Senator PAYNE: Was the $4.7 million taken from somewhere else or is it an additional $4.7 million for 2011-12?

Mr Innis: It is an additional $4.7 million. That is my understanding.

Senator PAYNE: Additional, Ms Mandla?

Ms Mandla: That is additional funding, I understand, yes.

Mr Innis: Yes.

Senator PAYNE: Mr Innis, if I were to find a shire council in New South Wales who would like to advance a similar proposition for purpose-built housing units for seniors, with a co-located community activities centre near their ambulance station and hospital, how would you assess their chances of obtaining such funding with a one-off application?

Mr Innis: That would be a decision for government.

Senator PAYNE: I am sure it would. Can you indicate—and not in relation to content in any way, shape or form—whether a briefing was actually provided on this development to either the Prime Minister or the minister?

Mr Innis: My understanding is we did provide some advice on this project.

Senator PAYNE: To the minister or the Prime Minister or both?

Mr Innis: We would not normally provide advice to the Prime Minister.

Senator PAYNE: Thank you. I want to ask some questions around the Social Housing Initiative and construction and so on. Is this the right place?

Mr Innis: Yes.

Senator PAYNE: I think we are all familiar with the process, but what I would like to know is where we are up to in terms of completions and commencements, by jurisdiction.

Ms Pickering: Starting off with New South Wales: new construction dwellings commenced, 6,329; new construction dwellings completed, 6,146. Victoria: dwellings commenced, 4,630; dwellings completed 4,004. Queensland: dwellings commenced, 4,034; dwellings completed, 3,416. Western Australia: dwellings commenced, 2,083; dwellings completed, 1,798. South Australia: dwellings commenced, 1,470; dwellings completed, 1,112. Tasmania: dwellings commenced, 530; dwellings completed, 530. ACT: dwellings commenced, 421; dwellings completed, 421. Northern Territory: dwellings commenced, 208; dwellings completed, 163.

Mr Innis: The totals are: 19,705 dwellings commenced and 17,592 dwellings completed. I can also indicate that the completions are above the original expectations for the program when we were scoping it. We expected to achieve 17,460 dwellings and we are now at 17,592 dwellings.
Senator PAYNE: That is good to hear. Do we have any jurisdictions who are going to miss the 30 June deadline?

Ms Pickering: There will be some. We have about 92 projects yet to be completed. Approximately 50 per cent of those will be completed by June, with the balance through the remainder of this calendar year.

Mr Innis: What the jurisdictions are reporting to us is that about one per cent of the total projects will be overdue, representing about three per cent of the total dwellings based on our revised expected completions.

Senator PAYNE: And the 46 or so that will not be completed by June—what jurisdictions are they in?

Ms Pickering: New South Wales, Victoria, Queensland, Western Australia, South Australia and Northern Territory.

Senator PAYNE: I should have asked what jurisdictions aren’t they in! Can you break those down by number for me?

Ms Pickering: New South Wales: one project; Victoria, 14; Queensland, 11; Western Australia, one; South Australia, 17; and Northern Territory, one.

Mr Innis: I think it is true to say that, in all cases, jurisdictions are advising that they will complete the projects generally shortly after June and certainly in this calendar year.

Senator PAYNE: I would imagine those jurisdictions with one are effectively at completion point but are not quite going to make it.

Ms Pickering: That is right.

Senator PAYNE: Can we go to the review that we discussed briefly on the last occasion, the review of the social housing initiative. You indicated at the time that the draft report was due to be done in April, I think. Has that been completed?

Ms Pickering: That interim report is not completed as yet. We are expecting it in June.

Senator PAYNE: What caused the shift in time frame are there?

Ms Pickering: Just the initial establishment, touching base with stakeholders and having those conversations, which KPMG are finalising at the moment.

Senator PAYNE: Based on that shift in that time frame, when would you expect the final report to be available?

Ms Pickering: Still in August.

Mr Innis: To ministers in August.

Senator PAYNE: Do we have any indication of when whether the final report after it has been considered by ministers will be available for public release?

Mr Innis: I think you asked that question at the last estimates and the answer is still the same. It is a matter for the ministers to consider when they receive the report.

Senator PAYNE: Is it the view of the department that the report is likely, given its breadth, to contain some useful information about large-scale community housing or social housing construction?
Mr Innis: We expect the report will provide information that will inform the Commonwealth government as well as state and territory governments, yes.

Senator PAYNE: I do not think I would be the only one to say that there would be a great deal of interest in being able to learn from the initiative and to see that review. I point that on the record before and I will keep on doing that.

Senator LUDLAM: Unless you covered this in the time when I was not here, I wanted to ask some overview questions about NAHA and how negotiations are coming along. Can you describe, preferably even table the actual schedule timeline for NAHA negotiations as far as you are aware?

Mr Innis: There is no specific schedule for renegotiation of the NAHA. As a national agreement there does need to be a review of funding, which will be led by treasuries. Unless jurisdictions all agree to renegotiate the terms of the agreement, the agreement continues on.

Senator LUDLAM: That is interesting. So it will just roll over exactly as it is now unless there is renegotiation of terms.

Mr Innis: There is a review of funding. But as with all other national agreements, unless there is an agreement to renegotiate, the terms continue.

Senator LUDLAM: That is scheduled to roll over at the end of next financial year.

Mr Innis: As in 2014.

Senator LUDLAM: Should we not be expecting a bit more activity by now? I guess I was not too surprised when I was asking these questions last year and was told it is very preliminary, there is nothing on the go yet, but it is nearly June 2012. Will there be formal negotiations and will you be part of that, or is that all Treasury led?

Mr Innis: It is certainly open to the government to suggest a renegotiation of the agreement. Decisions about that are a matter for government and we are constantly providing advice on issues around how to make the most out of Commonwealth expenditure.

Senator LUDLAM: Okay. Are you aware of whether or not the Commonwealth housing minister is planning on proposing renegotiation of the terms, or who would lead that?

Mr Innis: It is probably not for me to predict the ministers mind on this.

Ms Carroll: I could just add that at the standing council of community housing and disability services ministers on 30 March ministers talked about the current NAHA and how the reforms were going within that current agreement. There was broad interest around the table about what would happen into the future. Obviously there is significant work going on still around the current agreement but ministers were aware of what might happen into the future.

Senator LUDLAM: I am trying to disentangle where Treasury fits in as to whether the housing minister fits in as the kind of lead authority, if you will, on the renegotiation of terms. I have not had the opportunity to meet the current minister because for a while they were turning over every other week. I met with the previous one and he had indicated that there was potentially a will to renegotiate. There are some big picture issues, things we have learned from the social housing spending, for example. When will be the appropriate time to find out those things, if any of that has been initiated?
Ms Carroll: As Mr Innis said, we would not want to speak on behalf of the minister, but Minister O'Connor is interested in what is possible looking at the issues going forward and has been out talking to key stakeholders on the issues around housing and homelessness.

Senator LUDLAM: On NAHA renegotiation in particular?

Ms Carroll: That would have come up in his discussions with different people.

Senator LUDLAM: It would be a bit odd if it had not. Are you able to provide for us the list of who has been consulted thus far?

Ms Carroll: I think it is not so much consultation around NAHA but he has met with key people since he became minister.

Senator LUDLAM: Can you tell me how the non-government and community housing sector is likely to be involved in that, if at all, if and when renegotiation kicks off?

Ms Carroll: We would not be in a position to talk about that until there is an agreement with state ministers. As Mr Innis said, it is not just for the Commonwealth to start a renegotiation.

Senator LUDLAM: When is the next opportunity when all the relevant ministers are together in a room?

Mr Innis: August is when the next housing ministers meeting is scheduled.

Senator LUDLAM: It is interesting that it appears to be lagging. What is the department's view on the next NAHA including a growth fund for the community housing sector?

Mr Innis: We are providing advice to the minister on a range of matters. We are well aware that a number of stakeholders have proposed a growth fund as well as comment on things like the National Rental Affordability Scheme. We are aware of those stakeholder views and they form part of our considerations in providing advice to government.

Senator LUDLAM: Something I was quite impressed with in our WA housing department is that it has gotten innovation unit with six FTEs in it, I understand. It is one of only two states with a state affordable housing strategy. It is such a unit within your department looking at models for innovative delivery of affordable housing?

Mr Innis: We have policy capability within my group and they look at a range of models and pick up on what other people are doing as well. As it happens, I am speaking to the head of the WA housing department in Perth later this week and I would certainly be happy to take up a question about what his innovation unit is up to.

Senator LUDLAM: I have been at a number of housing conferences nationally when they are cited as leading the field. In that vein, is there an opportunity to reward or to tie funding to states with actual strategies or the completion of a housing need analysis, for example, at the state or local government level, as I understand happens in the UK? Can we prioritise and reward that kind of innovation when we find it, from the Commonwealth level?

Mr Innis: There are a range of types of agreement that we would be interested in looking at. One type is where payments are based in part on activity taken, including reforms completed. So the model would be of interest.

Senator LUDLAM: Are you speaking of a particular unit or a branch or subbranch within your department?
Mr Innis: Mr Groth's branch is responsible for our housing policy.

Senator LUDLAM: How many FTEs are there?

Mr Groth: It moves a little bit, but around 20.

Senator LUDLAM: While we are on the subject of innovation, can I pitch to you our convert to rent proposal, which I think I have probably shopped to you across the table more than once. If you are in the market for innovation, there is one that licence free.

Mr Innis: Thank you, Senator. You will not be surprised that we have looked at that model and provided some advice to the minister on it.

Senator LUDLAM: I understand the First Home Owner Grant is an expense out of the Treasury portfolio.

Mr Innis: That is correct.

Senator PAYNE: In the preparation of the current NAHA, can you indicate to the committee what engagement, formal or otherwise, there was for external stakeholders? Were there consultation forums or processes like that?

Mr Innis: It was a little bit before my time in the group so I do not have any specific awareness.

Ms Carroll: I think it was for a discussion between the Commonwealth and states around the negotiations of the NAHA.

Senator PAYNE: So, in response to some of the questions that Senator Ludlam asked—and I have a similar interest—would there be more intention on this occasion to engage external stakeholders to seek their input about the content and funding for the next agreement?

Mr Innis: You may recall that Minister Arbib established an advisory committee with a range of stakeholders chaired by Jeff Harmer. Our expectation is that committee will continue and will be a source of external advice to government on the future of housing policy generally. Clearly the NAHA is a key component of housing policy.

Senator PAYNE: Can you refresh my memory about the membership of that advisory group.

Mr Groth: As Mr Innis said, Dr Harmer is the chairperson. This is the membership that has existed up to now—obviously it is up to the minister—

Mr Innis: Senator, I expect that the new minister will have a think about the membership and whether it is exactly what he thinks is needed to provide the advice in the areas he is interested in. Given Minister O'Connor's broader housing responsibilities, issues of broader financing including private financing are of greater interest, so it may be that some adjustments to the committee in terms of terms of reference and membership might occur.

Senator PAYNE: It has not met since Mr O'Connor became the minister?

Mr Innis: It has not met.

Senator PAYNE: Mr Groth, is there anyone else after Dr Harmer?

Mr Groth: I am happy to say that the group that did meet was Ian Winter, who I am sure you are familiar with, Ross Jordan, Tim Williams—they are all special advisers—and other members are Owen Donald, from the supply council, Chris Lamont, Carol Croce, David Cant,
Nigel Satterley, Nazha Saad, Julian Disney, Michael Lennon, Sam Jeffries, Adrian Pisarski, Carrie Hamilton and Daniel Grollo.

Senator PAYNE: Finally, in terms of the consultation process for external stakeholders around the NAHA, is there any interest in encouraging stakeholders from regional, rural and remote locations to be engaged in the process? Is that input the department would seek?

Mr Innis: Clearly it is important that we get a broad range of advice. A number of the people on the committee are leaders of organisations that are representative of broader constituencies, including constituencies from regional areas. It is a matter of how you get that balance.

Senator LUDLAM: That is a pretty well-credentialled group of people. Would you acknowledge that since the first NAHA came into being the sector is structurally different from how it was, partly as a result of successful policies that we have, with the social housing sector and community housing sector having a much larger role and a much larger capacity than it had before. When you say the current minister is contemplating changing the make-up of the group—am I misinterpreting that?

Mr Innis: He is thinking about what issues the group needs to cover, and therefore what might be the best membership.

Senator LUDLAM: When is that likely to be finalised?

Mr Innis: I do not have a time frame for you.

Senator LUDLAM: You would imagine that this would be a fairly important group to be advising the minister if we are about to open negotiations or renegotiations on the terms of the NAHA that will carry us through the next several years. If there is anything you can provide us with that gives us an indication that there is a sense of urgency out there to reconvene this group and get it working, that would be great. I now move to the First Home Owner Grant, which I understand is a Treasury matter and I will raise it with them. My understanding is that to date it has cost at least $13 billion. While that might be expenditure that comes out of Treasury and it has come largely from the states and territories, firstly were you aware that this is the level of expenditure on the First Home Owner Grant, and has this department ever evaluated the effect of that program, given that it is pretty central to your mission?

Mr Innis: The answer to the second question is no. The answer to the first question is that I am sure I have certainly been broadly aware of the cost of most elements of housing policy.

Senator LUDLAM: But the department has not evaluated the effect of the program. Would you be a bit surprised if I told you that Treasury has never evaluated its effectiveness either—or its inflationary impact? Have you been asked, or is it within your remit, to conduct an evaluation of the First Home Owner Grant or the First Home Owners Boost program?

Mr Innis: It would be very unusual for one department to do an evaluation of another department's programs.

Senator LUDLAM: Even though the expertise resides largely with you folk, in housing policy broadly?

Mr Pratt: It would certainly be open for the government to ask us to do such a thing or for Treasury to ask us to provide support or second assistance, but we would never do such a thing in the absence of those requests or directions.
Senator LUDLAM: What about NRAS? Are you working with them or with anybody else on an evaluation of the effectiveness of NRAS?

Mr Innis: NRAS is now a FaCSIA program, and certainly as the program manager we are constantly monitoring the program to make sure it is delivering what is intended by government.

Senator LUDLAM: Last estimates I asked if the minister was aware of the rental affordability crisis and whether private rental affordability reforms of any kind of the current rental market would be a significant focus of the new minister. I got a response, from question on notice No. 125, and it said that the government has a number of major programs targeted at rental affordability, including CRA and NRAS. Are there any others? When it says 'including' it sounds as though there is a whole range of things out there apart from CRA and NRAS. What else does the Commonwealth have targeting rental affordability?

Mr Innis: Those programs are obviously very directly targeted at rental affordability. Other programs such as the HAF program and the Building Better Regional Cities program—

Senator LUDLAM: Is that a rental affordability measure?

Mr Innis: It is not a direct measure. Our response indicated the direct measures the government has, but there are a range of other programs that have an indirect effect on rental.

Senator LUDLAM: I reckon that one is a bit of a line ball. Do you know when there will be a decision on extending NRAS and when we will start to see it popping back up in the forward estimates again?

Mr Innis: Remembering there are still a number of incentives to be offered under NRAS, there is a profile of funding in the budget which indicates when we expect those incentives to be released.

Senator LUDLAM: Would you agree that the NRAS scheme, by and large, has been successful?

Mr Innis: It is certainly picking up speed and we are seeing an increasing amount of interest from the private sector and larger investors, so I think the program is starting to pick up.

Senator LUDLAM: That was kind of a cautious or guarded yes.

Mr Innis: It is a yes, but saying that it is still very early days for this type of program.

Senator LUDLAM: Some of the big funds have put to us that, if it is shaky or if it has not gone completely berserk, it is partly because of the uncertainty that the government has created by not announcing whether or not there will be, for example, another 50,000 incentives put onto the market. I think in one of the very early announcements it was mooted that, if the scheme were successful, there would be another 50,000 incentives put out there. That then gives the large-scale institutional investors that you are looking for the confidence to really dig in. Are you concerned that the very uncertainty you are putting to us tonight about 'we're not sure where it's going from here' is actually a factor in its take-up?

Mr Innis: Senator, please do not take my comments as uncertainty about where the program is going. What I was trying to convey is our early experience with the program, and forgive me as a public servant for always being reasonably cautious before jumping through a finish line.
Senator LUDBLAM: I am pretty used to it. This is day five.

Ms Carroll: Part of it goes towards the fact that, at the moment, we have about 7,900 incentives allocated. That means the dwellings have been completed and are available for rent. We have about 32½ thousand that are reserved and, therefore, they are dwellings to be constructed or under construction. As the tide turns and more incentives are finalised, that is when we will be able to understand the program a bit better.

Senator LUDBLAM: Have you heard from the kinds of people I am hinting at—that is, the super funds or other institutional investors—that the Commonwealth has inadvertently created uncertainty in what has otherwise been a pretty successful program, in my view, in that you have created supply in quite a cost-effective manner compared with just going out and building houses? Have they put to you the uncertainty I have posed that, in the absence of a commitment for another 50,000 incentives, for example, the scheme's future is uncertain, that there is not yet a decision as to whether this will roll out for another 10 years, for example?

Mr Innis: Every investor group I have ever dealt with in every area of government has sought more certainty than is currently available. Yes, investors do seek certainty and remind the government of the importance of that constantly in all areas.

Ms Mandla: In the time I have been looking after the programs this year, I have noted that we are getting increasing interest from large-scale investment bodies and so forth. I think we have to look at the broader general environment. There has been a lot of uncertainty with the economy, but we are getting quite a bit of interest now as the program matures and people become more aware of the scheme.

Senator LUDBLAM: I will put in a bid for its continuity. You have shot for and, I understand, achieved a pretty high level of energy and water efficiency and other kinds of household sustainability initiatives in the NRAS build; is that correct?

Ms Mandla: Yes, we have. As part of the assessment process for the allocation of NRAS incentives we look at things like energy efficiency and sustainable design.

Senator LUDBLAM: Has anybody gone back and taken a look at how much money those initiatives have saved for your residents? That is sometimes hidden. We sometimes hear upfront whingeing, not as much as we used to but sometimes we do, about sustainability initiatives and energy efficiency making the build more expensive. Has anybody worked out how much you have saved your rental tenants?

Ms Mandla: Not that I am aware of.

Senator LUDBLAM: Can somebody do that?

Mr Innis: It would be a reasonably large and difficult project.

Senator LUDBLAM: Just an order of magnitude that, if you have not done that, what would your tenants have been spending on energy and water? I am not trying to create homework for you but would that not be an interesting metric? I am going to ask you the same when we come to social housing, to the stimulus spending.

Ms Carroll: We could look at the work involved in that. I could not make you any promises, but we will have a look to see whether there is a simple way to do it.

Senator LUDBLAM: Heaven forbid!
Senator PAYNE: Ms Carroll, I know you threw some numbers out there in terms of completed and reserved housing. Can you please give us an update on the number of incentives that have been allocated by jurisdiction—the number completed and tenanted, for starters? Or it can be Ms Mandla, whoever wants to jump in at this point.

Ms Mandla: The status of NRAS allocations we have in our monthly report, which is available on our website. I will just see whether I can quickly find them now. Do you want them for this financial year?

Senator PAYNE: You are not going to be able to give them to me for next financial year, but I will be impressed if you can—a promotion for that lady, Mr Pratt.

Ms Mandla: I am sorry. We do have projections for other years coming up.

Senator PAYNE: Sure.

Ms Mandla: For the ACT, there are 1,259 for 2011-12; for New South Wales in the same year, 2,437; Northern Territory, 1,030; Queensland, 5,422; South Australia, 1,616; Tasmania, 382; Victoria, 2,430; and Western Australia, 1,029.

Senator PAYNE: When you say 'actual', they are incentives allocated?

Ms Mandla: These are incentives that are allocated and reserved.

Senator PAYNE: Okay. How many dwellings completed by jurisdiction of those allocations?

Ms Mandla: Of the incentives allocated by state, 1,247 for the ACT; New South Wales, 1,251; Northern Territory, 14—

Senator PAYNE: I am sorry, but I think I am having a terminological crisis, which is entirely possible. Let me take the ACT, which is pretty simple. You told me before that there were 1,259 actual. Is that not allocations?

Ms Mandla: I have 1,259. These are the actual incentives by NRAS year, the cumulative figure that we have to date. I would have to check for you on that.

Senator PAYNE: So what does 'actual' mean if it does not mean allocated?

Mr Innis: I understand that Miss Mandla has a table with our April data on active incentives, so they are the incentives that have been allocated and are functioning. Maybe if Miss Mandla went through that list, which was the second list she was giving you.

Senator PAYNE: So I have 'actual', 'allocated' and now 'active'.

Ms Mandla: The list I can give you are those incentives that actually have been allocated, those that are currently being rented or are now available for rent if the dwelling is completed and ready.

Senator PAYNE: Okay, so that is a second set of figures; that is what 'allocated' means?

Ms Mandla: For the ACT, 1,247; New South Wales, 1,251; Northern Territory, 14; Queensland, 2,025; South Australia, 1,055; Tasmania, 372; Victoria, 1,467; and Western Australia, 477. That leads to a total of 7,908. Those were the figures as at 30 April.

My apologies. This is probably an easier table to quote. In relation to the incentives actually reserved I have for the ACT 1,448; for New South Wales 5,521; for the Northern Territory 1,682; for Queensland 9,259; for South Australia 2,736; for Tasmania 1,091; for Victoria 5,367; and for Western Australia 5,551. That is a total of 32,655.
Senator PAYNE: What does reserved mean in your terms?

Ms Mandla: Reserved is where we have gone through the funding rounds. We have had four rounds to date, and these are the ones that have been reserved for that jurisdiction. It does not necessarily mean that they have been delivered yet.

Senator PAYNE: Are the numbers of actuals within that reserved figure or are they different?

Ms Mandla: To get the total number of incentives for each jurisdiction we add the incentives allocated plus the incentives reserved, which will give you the total. I can give you that now, if you like.

Senator PAYNE: It is about 40,000 or thereabouts, isn't it?

Ms Mandla: It is 40,563.

Ms Carroll: Allocated means that the dwellings are completed and available for rent and reserved means that the processes have gone on and they have been reserved for particular projects but are still in construction or whatever.

Senator PAYNE: In relation to the actuals, the ones which are completed and ready for rent or tenanted, can you tell me on notice: by jurisdiction, how many are tenanted and how many are awaiting tenants? I do not want to run through those numbers again.

Ms Mandla: For those that are tenanted and those that are awaiting tenancy, we get data provided by our proponents throughout the year onto our system, and we rely on them to update.

Senator PAYNE: I understand. You obviously cannot create the material you have out of nothing.

Ms Mandla: It is not necessarily day-to-day current.

Senator PAYNE: In terms of the funding profile, as I understand it the original commitment—and we were talking to Senator Ludlam about this—was for 35,000 dwellings by 30 June 2014. Is that correct?

Mr Innis: That is correct.

Ms Mandla: That is the funding profile we have now, Senator.

Senator PAYNE: But we have 40,563 in this current total of four rounds. Given that is an allocation 5½ thousand higher than the stated 35,000, where is that extra money source? Where does it come from?

Ms Mandla: We have a funding profile for the NRAS program. Given we have so many dwellings in the system, we project how many dwellings are going to be delivered each year. Some of those 40,000 may be delivered in the out years, depending on the proponents' development plans. For example, with large-scale developments it can take two years to get all those dwellings up and running and get through all the various approval construction stages. Our current funding profile has us aiming to be on track, with 35,000 by June 2014 and for the remaining incentives to get to 50,000 by June 2016.

Senator PAYNE: What numbers of incentives do you see either withdrawn or rejected in that profile?
Ms Mandla: I have some figures on that. To date we have about 2,449 incentives, which includes 2,200 reserved allocations and 249 allocations. They have been withdrawn over the life of the scheme. This figure is correct as at 26 April 2012.

Senator PAYNE: And the Commonwealth withdraws them?

Ms Mandla: In relation to participants who make up that profile, I understand 36 participants in the scheme have voluntarily withdrawn their acceptance of offers for incentives, for a range of reasons. The department has withdrawn incentives from only four participants. They are around issues where land deals have fallen through and participants are having difficulty securing other land and getting the approval of the relevant state or territory governments.

Senator PAYNE: Regarding the remaining 15,000 incentives, when do you start the next round for the post-2014 incentives?

Ms Mandla: That is obviously a decision for government. As Mr Innis alluded to previously, we are having discussions and getting feedback from stakeholders about the scheme and using that information to inform our discussions with our minister.

Senator PAYNE: In the initial figures that you gave me, in the Northern Territory, for example, there were 1,030 actual incentives, of which 14 were completed and tenanted. What is the department's analysis of those figures? Is there concern about the delay in that process? Where are the biggest gaps in construction?

Ms Mandla: We have been having close consultations with the Northern Territory government and the key proponents who are delivering in the Northern Territory around the progress of delivering incentives into the scheme. We are working very closely with both parties to try to maximise performance in the Northern Territory.

Senator PAYNE: What is the problem? It is a pretty significant problem, at least numerically.

Ms Mandla: There is quite a range of issues in delivering in that jurisdiction. As I said, we are working very closely with the Northern Territory to overcome them.

Senator PAYNE: Can you indicate what some of those issues are?

Ms Mandla: As I said, the issues are quite broad—issues around securing land and, on construction of dwellings, the rate of progress. I think there have been some capability issues.

Senator PAYNE: Whose capability?

Ms Mandla: In the construction industry. We have been able to deliver on the ground.

Senator PAYNE: Why would the department put itself in the position of allocating 1,030 incentives into a jurisdiction which clearly has such significant issues around delivery?

Ms Mandla: As part of the process of reserving incentives within jurisdictions, we work very closely with state and territory governments. Because they contribute 25 per cent of the incentive, they advise us about the incentives that they are willing to support. At the point of time when we make the decisions, as part of that assessment process we work very closely with and rely on the advice we get from state and territory governments, from our proponents and from those people submitting applications on what they can deliver.
Senator PAYNE: If I could cut to the chase there, you allocate 1,030 incentives because the Northern Territory department of housing tells you they can handle it. Is that right?

Mr Innis: That is not entirely correct. We do make our own judgments about each project, but clearly we also rely in part on advice from state governments, who are closer to the ground and closer to understanding. It is worth saying that these are often significant construction projects. While the NRAS incentive is significant, it is only part of what needs to be brought together for a project to be successful. If we contrast it with the Social Housing Initiative, where the government has put in a significant amount of the finance, we are a much smaller component in NRAS. A lot more commercial factors come into play, which affects the underlying confidence interval we play with.

Ms Mandla: The other factor is that we have had four rounds, and we have had quite a large jump in incentives reserved in the Northern Territory in round 3—there were 1,200. We are still waiting for those dwellings to be delivered.

Senator PAYNE: Did you say: 1,200 incentives reserved in round 3?

Ms Mandla: That is right.

Senator PAYNE: By the time of round 3, how many incentives in the Northern Territory had been completed?

Ms Mandla: I will have to take that on notice. I do not have that information to hand.

Senator PAYNE: I understand that you might have to take that on notice, but even my basic skills in mental arithmetic indicate to me that it is likely to be less than 14.

Ms Mandla: I suspect you are right.

Senator PAYNE: So on a completion rate of less than 14 we allocated 1,200 more. Is that correct?

Mr Innis: I stand to be corrected, but there is more than one project involved. It is not simply a matter of idly running through that.

Senator PAYNE: I absolutely realise that, but I am not alone in this room in being someone who has enjoyed the experience of discussing the Strategic Indigenous Housing and Infrastructure Program as administered by the Northern Territory government. What concerns me on the face of it—I say on the face of it because I did not have any more detail, which I will be seeking—is that the Northern Territory department of housing might be delivering exactly the same level of service that it delivered to the SIHIP early in its life.

Mr Innis: I understand the concern. Clearly, we want to make sure that the incentives are delivered through to tenants as quickly as possible.

Senator PAYNE: I understand that, thank you. That is why I say that if 1,200 more incentives were allocated at the end of round 3 or, here in our discussion, at the completion of round 4, and at the end of April there have been 14 completions it raises in my mind the question: why would the Commonwealth continue to make allocations, if that was the rate of completion?

Mr Innis: It is worth noting that if a project is not ultimately delivered the funding goes back into the pool and can be reallocated.
Senator PAYNE: I appreciate that, but I would have thought there would have been a bell or a whistle that would have indicated along the way that there was a problem. I will pursue that with some further questions on notice.

Ms Mandla: For rounds 1 and 2 of NRAS we did not allocate any dwellings to the Northern Territory.

Senator PAYNE: You allocated 1,200 in round 3.

Ms Mandla: That is right.

Senator PAYNE: I am not actually feeling better, now.

Mr Pratt: While this is an issue that we will discuss on Friday at the Indigenous estimates, the number of dwellings being built in the Northern Territory under SIHIP has of course accelerated enormously since the early years. The experience there now is actually a positive one.

Senator PAYNE: That is probably true. It did take us a while to get there. Your predecessor spent many painful hours discussing those issues. I am sure it will be in his book one day. That is why I would be exercising a significant degree of caution in any allocation to the Northern Territory. Previously, when the portfolio was split between SEWPaC and FaHCSIA, I asked a question, which was numbered 62 then, about the difference, number and size of dwellings under NRAS by jurisdiction and about the discrepancy and incentives approved compared with the population of the states. You came back and said, or in fact probably SEWPaC did:

The assessment … is undertaken jointly between the Commonwealth and state and territory governments, with state and territory governments determining the number of dwellings to be supported in each area, based on their local needs and their priorities for affordable housing.

According to the figures Ms Mandla gave me earlier, Queensland was allocated 5,422 but the far more populous states of New South Wales and Victoria were allocated 2,437 and 2,430, respectively. Is the difference in the numbers due to the more populous states not seeking more allocations or incentives, which ever is the right term?

Mr Innis: That would be a major part of it, yes.

Senator PAYNE: Is there any feedback from the states and territories which indicates that that is a problem around their own budgetary environment or is there another reason that provides an explanation?

Ms Mandla: I have not received any feedback to date around that. NRAS is one program; state and territory governments have a range of priorities for housing. It would depend on their particular priorities and needs.

Mr Innis: It has been obvious that a number of states have released their budgets recently and most of them have involved a tightening of expenditure in some way, shape or form.

Senator LUDLAM: I understand that there is a KPMG review of the Social Housing Initiative.

Mr Innis: That is correct.

Senator LUDLAM: Can you give us some background on where this review came from and who was consulted. Has the review concluded?
Mr Innis: It has not concluded; we received a number of questions from Senator Payne on it. My recollection is that it was a decision by housing ministers to examine the Social Housing Initiative and provide advice back to those governments.

Senator LUDLAM: Can that be fed into any subsequent renegotiation of NAHA that comes up?

Mr Innis: Of course. We will certainly be looking to that report to help us provide advice to government.

Senator LUDLAM: We had better metrics on the timetable, fine-grain locations, sustainability and so on—better data than we have had for any previous Commonwealth housing spend that I am aware of.

Mr Innis: We certainly do have good data.

Senator LUDLAM: I will put to you the same question that I put on NRAS: do we know what for that substantial, billions of dollars of spending on social housing we have saved the tenants, given that we went the extra mile a little bit in energy and water efficiency?

Mr Innis: No, we do not have that information. We do have good information about the energy efficiency ratings of buildings and what measures were put in place, but there has been no calculation in terms of any cost savings to tenants.

Senator LUDLAM: If there is a way of doing that without creating a gigantic amount of homework for somebody, it would be really good to know.

Mr Innis: Ms Carroll offered that we would go away and have a look at that. It sounds like we are going to go away and have a look.

Senator LUDLAM: That would be excellent, because as soon as you give me that number I am going to chuck it back at you whenever we propose new social housing schemes.

Senator PAYNE: In the nicest possible way.

Senator LUDLAM: You know I am nice.

Mr Pratt: We have an incentive!

Senator LUDLAM: Shooting myself in the foot. Have you done any research or cost-benefit analysis of installing photovoltaics on all social housing as the best form of subsidy to the carbon price and particularly to the cost of living, just to eliminate people's electricity bills?

Mr Innis: We would not normally do that sort of analysis. Social housing stock is generally owned by either state government instrumentalities or the community housing sector. We have not done that. I am unaware of whether the state governments have looked at the benefits of the range of energy efficiency devices that can be used.

Senator LUDLAM: I invite you to. I know it sounds a bit crazy. I would have thought that it is getting to the point where the payback period on photovoltaic, given the long-term benefits for low-income residents, is bringing it into the range of your being able to install it as standard. I invite you to contemplate that for future Commonwealth housing spending. I have asked in previous estimates about government owned land and the potential for Commonwealth government owned land in particular to be used for affordable housing. I think you have indicated that that policy comes under the Department of Finance and
Deregulation. Do you work with that department at all on improving the surplus land disposals policy to ensure better delivery of Commonwealth land—so that it can be used for affordable housing?

Mr Innis: We have been involved in the past with the Department of Finance and Deregulation. The division of responsibility for that issue, in a policy sense, is that Finance is responsible for the Commonwealth government assets side and Treasury is responsible for the broad housing supply policy. The question might be better directed towards Treasury. We do not have a direct involvement.

Senator LUDLAM: Please remind me why that quite important component of what would otherwise be your work resides with Treasury? Why does Treasury do housing supply while you are stuck with housing affordability?

Mr Innis: The arrangements are made by government rather than by us. We work very closely with Treasury on a range of issues and the supply issue fits very neatly with their broader economic responsibilities.

Senator LUDLAM: Is there any method in Australia by which affordable housing providers can have first option on government land when the Commonwealth is disposing of or putting land onto the market? I understand there is a mechanism in the UK where that occurs. Has that ever been contemplated here in Australia?

Mr Innis: I am not aware of any such mechanism at any level of Australian government.

Senator LUDLAM: How easy would it be to—and maybe this will have to be taken on notice—report back to the committee on the latest audit of Commonwealth land and the proportion of it over, say, a 12-month or 24-month period, that went to affordable housing providers?

Mr Innis: Can I suggest that that question be directed to Treasury? We would be happy to pass it on to Treasury if that would be helpful.

Senator LUDLAM: No, I will talk to them directly. That is the reason the housing department does not manage the Commonwealth surplus land disposals—it is just that it is under another minister, another portfolio?

Mr Innis: It is under the same minister. He is just supported by the Treasury Department on that issue rather than—

Senator LUDLAM: I am sorry—you mean Finance?

Mr Innis: Treasury and Finance are both involved.

Senator LUDLAM: So it is splattered across three portfolios—basic land supply?

Mr Innis: Land supply, as a general issue, is a Treasury responsibility. Supply policy is a matter for Treasury. Obviously the rules of engagement about the sale or otherwise of Commonwealth land has a Department of Finance and Deregulation component to it.

 Senator LUDLAM: That sounds inordinately complex. It really does. I would be interested, next time we speak, to know whether you have had a real headache trying to get figures for us on how much land eventually went to affordable housing providers. I suspect it must be inordinately difficult to coordinate such a policy across three different ministers and three different portfolios. I am not sure we can go much further with that.
My next question is on the homelessness bill. You have given me the template answer—'the timing of the introduction of legislation is a matter for government'—but I understand we actually have a bill pretty close to presentation to parliament. Is that correct?

Mr Innis: We have been continuing to work on the issue, but issues of timing are a matter for government.

Senator LUDLAM: Yes, issues of timing are. Are you able to provide a more specific time line for the introduction of legislation? I have even seen a bill title—I did not have that last time.

Mr Innis: I cannot give you a time line. That is a matter for the minister. But I can assure you that we have been working on the issue.

Senator LUDLAM: I thought we might be able to push this a little bit further along. You are aware there is a bill—'homelessness recognition', I believe they are calling it.

Mr Innis: I am aware of that, yes.

Senator LUDLAM: Is there a reason we are not calling it the homelessness abolition bill? These people are not seeking to be recognised; they are seeking to be housed. Do you know what the thinking is behind the title of the bill?

Mr Innis: Titles of legislation generally are designed to reflect the legislation. Beyond that, I cannot—

Senator LUDLAM: It sounds like a bit of a worry. The Housing the homeless report by the House of Representatives Standing Committee on Family, Community, Housing and Youth—can you report back to us, if you do not have this information at the table, how many of the recommendations of that committee have been adopted?

Mr Innis: The government has been working on its response to that inquiry and I expect its response will explain what the government has picked up.

Senator LUDLAM: They generally do. Any idea when we will see that?

Mr Innis: Again, it is wrapped up with the legislation and the timing is for the minister.

Senator LUDLAM: Good—there is some attempt at coordinating the outcomes of that committee's work with the introduction of the bill. They are at least being considered at the same time.

Mr Innis: Certainly the committee's report was an important contributor to the government's consideration.

Senator LUDLAM: One particular recommendation I was interested in was recommendation 10:

That the Australian Government, in cooperation with state and territory governments, conduct an audit of laws and polices that impact disproportionately on people experiencing homelessness.

Are you aware if any work been done in that area?

Mr Innis: I am not in a position to pre-empt the government's response to the report.

Senator LUDLAM: The last questions from me are around the ageing population and affordable housing for ageing people.

Senator PAYNE: Move to Julia Creek. That is my strong advice.
Senator LUDLAM: Julia Creek?

Senator PAYNE: It is on page 28.

Senator LUDLAM: Some 27 per cent of us will be over 65 by 2050. I guess that includes everybody in the room. I have asked before whether there is room for a housing affordability strategy for older Australians. Senator McLucas, you told us at the time, 'I am very happy to take that up with the minister, who, I am sure, would like to provide information to the committee.' That came back as part of question on notice No. 124, which provided us with some proportions of the various affordability measures that had been targeted for people over 65 years, in the case of NRAS, and 55 years, in the case of national partnerships. You reported nearly 7,000 older Australians housed. What I am interested to know is whether you could take on notice—because we are short of time—the housing gaps for older people that currently exist in social and private rental in the different breakdowns you provided to me in question on notice No. 124. Do you know if that would be possible?

Mr Innis: I am sorry, but I missed your question. Could you repeat it?

Senator LUDLAM: The gap. You have given me some actual numbers of people tangibly housed in affordable housing in these age brackets. I do not know if you have the question in front of you, but I am happy if you take it on notice.

Mr Innis: I do have the question in front of me, but I am not entirely sure how we would go about calculating the difference in a gap.

Senator LUDLAM: I guess I am asking for unmet need, or a proportion of what you have housed as a measure of unmet need.

Mr Innis: I appreciate that. I do not have a very good measure to hand of unmet need for specific cohorts.

Senator LUDLAM: Is there anything you can provide us with—I was asking last time, in February—about the proposal to draw up a national strategy for affordable housing for older Australians? Is any such document in the wings—is someone looking at the resources and the amount of time it would take? Is it being contemplated to create such a strategy?

Mr Innis: Whether or not there is a strategy is a matter for government. Your first figure—the high proportion of older Australians who will need housing as time goes on—is a key consideration in all of our housing work. It is part and parcel of the way we think about the housing challenge of the future.

Senator LUDLAM: I think that is a no. It is going to be embedded in our overarching housing affordability work.

Mr Innis: It is a matter for government.

Senator McLucas: If the minister has any information for the committee, I am sure he will happily provide it.

Senator LUDLAM: Total deja vu. I will leave it there.

Proceedings suspended from 21:09 to 21:22

CHAIR: We will go to Senator Payne for questions.

Senator PAYNE: I want to follow up on a couple of issues that we looked at in the last estimates, one being regulation of the community housing sector. I was advised that the
consultation phase was completed, that advice would go to ministers in March and that New South Wales, as the directorate state, would be looking to put legislation in by 1 July. Is that on track?

**Mr Groth:** It is on track. As I understand it, New South Wales still intend to put in legislation in July. We are moving toward an intergovernmental agreement; we are working toward that for mid this year. The jurisdictions are saying that they will be looking to follow New South Wales with legislation—either mirror legislation or by reference—by late 2012 into 2013. So, yes, it is on track.

**Senator PAYNE:** So the next steps are basically getting the other jurisdictions to get their legislation up and happening. And do they have to wait for New South Wales to produce the first iteration before that happens?

**Mr Groth:** If they are doing it by reference, yes. Some are still thinking about the exact form of the legislation, but I think New South Wales are in a good position to put that in. As far as I know, there are no other jurisdictions who are contemplating going earlier than that.

**Senator PAYNE:** Once all of the legislation in the jurisdictions is passed we should basically have common regulation. Is that right?

**Mr Groth:** That is the intention of the legislation. There is other work going on concurrently around operational guidelines and the detail of how the system would actually work.

**Senator PAYNE:** And where is that being done?

**Mr Groth:** It is being led by the secretariat out of New South Wales housing department; all jurisdictions are contributing.

**Senator PAYNE:** Do the sector themselves get an opportunity to contribute to that process?

**Mr Groth:** They have. They have been part of the consultation that you have referred to already. There was quite extensive consultation that led to a public report that is available. I can certainly provide the website for that later. That happened mainly over December-January. There is also another raft of consultation being planned I think for the period June through till September. I cannot remember the exact date, but I think on or about 8 June in New South Wales there will be a consultation meeting with peak groups and those with particular interests, including Community Housing Federation and some others. Then I think all of the jurisdictions are planning their own further consultations over that period.

**Senator PAYNE:** In New South Wales is it Minister Pearce or Minister Goward who has carriage of this?

**Mr Groth:** Minister Goward, would be my understanding.

**Senator PAYNE:** We also talked previously about the bulk verification of community housing rent issue and the progress with that plan. In the additional estimates you were up to just over 2,000 customer updates, I think, and 30 community housing organisations were taking it up. Where are we up to with both customers and organisations and, specifically, Indigenous organisations, taking up the bulk verification approach?

**Mr Groth:** Since February estimates the number of updates has increased from 2,300 to 4,000 or thereabouts, so about a 73 per cent increase. The number of organisations involved in
the update has increased by 80 per cent, from 20 to now 36. We expect that to continue to increase as Centrepay staff of Department of Human Services get around in their review and the information goes up. We are still sitting on one Indigenous community housing organisation, which is the same as it has been for a couple of estimates now. I have had some initial discussions with DHS as to why that might be the case, and they are largely speculative. It is a voluntary system. There may be IT issues. It might be just the nature of the work routine that they have got. I have indicated that we may be interested in having a look at whether the communication and their work profile could be looked at to try to test that a bit more to try to get a few more IHOs at least aware of it if that is a problem, in the system ideally.

Senator PAYNE: Would it be worth getting some of the 36 organisations that have taken it up already to act as mentors or encouragers of IHOs to go down the same path?

Mr Groth: That is certainly an idea we could look into and we could talk to the sector about. I really do not have much visibility as to the reasons they are not engaging but, as with many things, if they can talk to people from the same sector, whatever reservations there may be may dissipate.

Senator PAYNE: I find it to be a highly collaborative sector which enjoys the opportunity to share information and to work together and to be on the same page, basically. So I would have thought that that would be a definite opportunity.

Mr Groth: I think there are some real benefits for the community sector in this.

Senator PAYNE: Does the department have a time frame in which you would like to get to the end of this process? Are you looking at continuing it over another six months, a year, 18 months?

Mr Groth: It may be my ignorance but I am not aware of there being a target. If it is working well we would look to keep it available and would hope that it expands. And if it is not expanding to particular sectors, as we have just identified, we can find the reasons why.

Senator PAYNE: Do we now have a timetable for the public housing Rent Deduction Scheme, or is it still before ministers?

Mr Innis: We are continuing to work on it. We expect that it will be discussed by senior officials in the next few months.

Senator PAYNE: That is almost progress. I think the last time we spoke the matter was still only being discussed at Commonwealth level. Has it gone down to the states and territories yet?

Mr Innis: We are intending to engage with state and territory senior officials, as I said, in the next couple of months.

Senator PAYNE: So I can come back and ask you again, Mr Innis—is that what you are saying?

Mr Innis: You most certainly can.

Senator PAYNE: I would have nothing to do if ministers actually progressed these things, would I? I know that Senator Ludlam discussed a few issues around homelessness but I would be grateful if we could go back to that briefly. I think COAG, in light of the mid-term review, approved a revised NPA on homelessness. From what I could see, the recommendations
around the changes to or the maintenance of the provisions of the NPA were acted on. But we
could not really see particular changes leading from the recommendations which improve the
ability to assess programs.

Mr Innis: The changes to the performance measures?

Senator PAYNE: Yes, that is right.

Mr Innis: There is a working group that is responsible for implementing those changes.

Senator PAYNE: Where are they up to in their work?

Mr Innis: We can take that on notice.

Senator PAYNE: I would appreciate information on improved annual reporting
arrangements and what work might be done in that regard, to have progress updates in 2012
and 2013 which would be based on data that was not available to the review at the time—so
the census data and the specialist homelessness services data collection framework,
architecture or whatever the word is. And can you also take on notice to indicate whether
there were any other recommendations that were not implemented and the reasons for not
pursuing those?

Ms Pickering: Yes.

Senator PAYNE: Senator Ludlam also asked some questions in relation to the first home
owners grant. I was intending to put questions in relation to that matter to Treasury. I am
hoping that that is still—

Mr Innis: Yes.

Senator PAYNE: Let us look at the 2012-13 budget statement for program 2.2. In the
previous additional estimates, forecast expenditure for the HAF in 2012-13 was
$111,250,000. In the new budget papers on page 61 for the 2012-13 year it is $101,250,000.
Is there a reason for that $10 million reduction? Is it a cancelled project or has the money
gone elsewhere?

Ms Mandla: It is. The government has reduced the 2012-13 HAF appropriation by $10
million because of the withdrawal of Ipswich City Council from the program.

Senator PAYNE: Senator Moore would be interested. Why did they withdraw?

Ms Mandla: Ipswich City Council advised the department that due to transfer of
ownership and responsibility for sewerage infrastructure, which was the subject of the project,
to the newly created Queensland Urban Utilities, it would no longer be able to execute the
funding agreement.

Senator PAYNE: I assume that is a state government agency that it is transferred to—the
sewerage infrastructure.

Ms Mandla: I am not sure.

Senator PAYNE: Was the $10 million just removed completely or was it shifted
somewhere else?

Mr Innis: It was returned to the budget.

Senator PAYNE: Does that mean that the project no longer needs to be done or that—I
am not sure I am following you, Ms Mandla. Maybe you want to take it on notice. Does it
mean the project no longer needs to be completed or will it be completed by someone else?

Does the Commonwealth have any engagement in that process?

Ms Mandla: I will take that on notice.

Mr Innis: The council withdrew. Whether they intend to do anything else with the project, we do not know.

Senator PAYNE: That is not something you would be aware of?

Mr Innis: No.

Senator PAYNE: Okay. I would like to know if there was any further information on the council’s withdrawal process that they indicated to you. If the Commonwealth merits a program to the tune of $10 million, it would be interesting to know whether it just falls by the wayside. If council has not indicated then obviously you cannot tell me. Let us go to funding for program support for program 2.2. In the 2011-12 additional estimates papers, that was up at around $6.8 million. In the 2012-13 budget, on page 61, it is around $6 million in the 2012-13 year but then it drops to less than $3 million in the forward years to 2015-16. What is the reason for such a significant decrease in the level of program support?

Mr Innis: I would expect it is to do with the ending of the HAF program.

Ms Mandla: And the beginning of the Building Better Regional Cities program. So it reflects the program funding profiles.

Senator PAYNE: I think, though, we always knew that HAF was going to end in 2012-13. That was its natural life. But the figures in the papers for additional estimates, even so, did not indicate that. They were still keeping the program support up around $6.8 million or $6.7 million. I do not understand how you can use the HAF to explain that $4 million or thereabouts reduction when that was already the case.

Mr Innis: I would be happy to take that on notice so we can provide you with a more detailed response.

Ms Mandla: And the beginning of the Building Better Regional Cities program. So it reflects the program funding profiles.

Senator PAYNE: I think, though, we always knew that HAF was going to end in 2012-13. That was its natural life. But the figures in the papers for additional estimates, even so, did not indicate that. They were still keeping the program support up around $6.8 million or $6.7 million. I do not understand how you can use the HAF to explain that $4 million or thereabouts reduction when that was already the case.

Mr Innis: I would be happy to take that on notice so we can provide you with a more detailed response.

Senator PAYNE: All right. Can you indicate whether there is any change in the number of staff—whether staff will be removed and if that is how expenditure is going to be reduced and, if not, how it is to be reduced by that amount. If I want to put any more detail on notice in relation to that I will, if that is okay.

Mr Pratt: We will take this on notice but I am just wondering whether that might in fact be to do with machinery of government changes between SEWPaC and—

Senator PAYNE: Between the departments? Okay. If that is the answer then—

Mr Innis: Certainly the 2011-12 figure is, yes.

Senator PAYNE: Okay. If that is the answer then I would just be grateful for a clarification, Mr Pratt. Let us go to page 62 and the affordable housing deliverables targets. If we compare those numbers to table 2.2.2 on the previous page, the budgeted expenses for affordable housing, we see some different numbers—NRAS here is $92.193 million rather than $85.193 million and HAF is $111.25 million instead of $101.25 million. Why is there a discrepancy between those—or am I not reading it correctly?

Ms Carroll: There is a mistake in the PBS. The HAF figure should actually be the figure that is on the previous page, which is $101.250 million.
Senator PAYNE: Was there an erratum issued to that?

Mr Innis: We intend to update these figures in additional estimates. As these programs came to FaHCSIA during the course of the financial year, we want to take the opportunity to have a look at the performance information and make sure that it is appropriate moving forward.

Senator PAYNE: So the NRAS figures should be the same as the figure on page 61—is that right?

Mr Innis: If you are using dollar figures, that is right.

Senator PAYNE: But you are not going to issue an erratum; you are going to just wait until—

Ms Carroll: The key issue here is that the table on page 61, which is the financial table, is correct. It is the deliverables targets and—

Senator PAYNE: Which is not correct.

Ms Carroll: Yes. And it is quite unusual to have deliverables targets as dollar figures. You would normally have them as other things. As Mr Innis said, we would like to have a look at this. This is a bit of the history of the program coming over to us, so we are going to have a look at that and see if there are more appropriate deliverables targets.

Senator PAYNE: No wonder I was confused. Is this the right area to ask about Building Better Regional Cities? When I asked a question on notice on this in additional estimates I was told that I could not be provided with that information because proposals were currently being assessed. Can you give us an update on that program? What information can you give us now? I would be interested in knowing the names of the councils that applied, any approved applications, the quantum of funding for those and the types of proposals that were applied for.

Ms Mandla: We have completed the assessment process, and the decision-making process is well underway. We are expecting an announcement soon.

Senator PAYNE: Can you give me a ballpark on soon—this financial year?

Ms Mandla: This financial year, yes.

Senator PAYNE: Can you give me any idea of how many proposals we are looking at being announced?

Mr Innis: That would be a matter for the minister to announce.

Senator PAYNE: This is Minister O’Connor?

Mr Innis: Yes.

Senator PAYNE: So if I have questions about the applications and approvals process—how applications are selected and so on—and I place those on notice, will you be able to answer them in the time frame by which questions have to be answered, which is 27 July or something? That should give you enough time after the announcement period, shouldn’t it?

Ms Mandla: It should.

Senator PAYNE: And if I ask tonight you will not be able to tell me, will you?

Ms Mandla: No, I will not.
Mr Innis: Not beyond indicating that there were guidelines that were followed in the decision-making process, and my understanding is that those guidelines were publicly available.

Senator PAYNE: I know that, thank you. We will put those on notice, and if you could respond on notice that would be helpful. Those last few HAF projects that we discussed on the previous occasion—we had four funding offers that were not yet signed. One of the four, which I think has since been withdrawn, was the City of Rockingham. Can you update the committee on the status of those three projects please?

Ms Mandla: We still have three projects that have not yet signed funding agreements. We are trying to finalise negotiations to make a decision on those shortly.

Senator PAYNE: Are those the three projects that received their funding offers in June 2010?

Ms Mandla: I cannot verify exactly but it would have been around that time.

Senator PAYNE: That seems to me to be a very long period of time between the receipt of funding offers and the signing of funding agreements. What has the delay been in relation to those, which is almost amounting to two years?

Ms Mandla: I understand that for some councils the circumstances have changed. There have been issues in relation to circumstances that were around at the time when the applications were made, with changes in land availability and intentions.

Senator PAYNE: Where is the point at which you draw the line? If you are waiting two years to sign a funding agreement, that seems to me to be excessive. Is there no guideline or time frame in which you are prepared to operate? If I ask again in October, will we still not have an agreement signed?

Ms Mandla: I think that by October we will have made some very definite decisions. When we consider where we draw the line, as you say, we look at the actual project—the time indicated in the application for the project to be delivered—and we look at the viability of that project to be able to be delivered within the life of the program.

Senator PAYNE: In terms of delivery and the life of the program, we have the program’s natural life expiring—we discussed that earlier. How is it possible that these projects—in Kingaroy and Palmview, I assume, in Queensland and Rockingham in Western Australia—will be delivered in time if they have not had funding agreements signed?

Ms Mandla: As I indicated earlier, Senator, we are in the process of finalising decisions and negotiations in relation to those remaining projects with that in mind.

Senator PAYNE: The City of Rockingham funding offer was, as I understand it, withdrawn in April. Why was the funding offer withdrawn?

Ms Mandla: The information I have at hand is that despite continuing negotiations the council was unable to comply with requirements necessary to accept the offer. As the funding for the program expires on 30 June 2013, there no longer appeared to be any likelihood that the project could be completed in the next year.
Senator PAYNE: What was the nature of the project?

Ms Mandla: It was the Baldivis town centre affordable housing precinct. That is the only information I have at hand at the moment.

Senator PAYNE: The other three projects are Kingaroy and Palmview in Queensland and Palmerston in the Northern Territory. What is the nature of the projects in Kingaroy and Palmview?

Ms Mandla: I will see if I have it in a document that I am actually able to read. I have a little chart but my eyesight is a bit challenged by that one.

Senator PAYNE: I can lend you my glasses.

Mr Innis: I have seen the chart—no glasses will help.

Ms Mandla: I can take that on notice, Senator.

Senator PAYNE: Is the Palmerston project on the same chart?

Ms Mandla: Yes.

Senator PAYNE: All right. Would you please identify the nature of the projects at Kingaroy, Palmview and Palmerston, the value of the projects and, more specifically, any information you can provide about the extended delay in signing the funding agreements—which will be two years, I suspect, by the time you get a chance to provide the answers. Can you also indicate how the department made the assessment that the project for the City of Rockingham was not able to be completed within the required time frame before the exhaustion of the program and these other three are—what the difference is. That would be helpful. We discussed the National Affordable Housing Agreement and the renegotiation process when Senator Ludlam was here. I have a couple of questions about the NPA on Homelessness. As I understand it, it is not like the NAHA—it does not have the same ongoing nature. Is that correct?

Mr Innis: Yes.

Senator PAYNE: Given the speed with which the wheels of government turn, a year is not a particularly long time in that agreement’s life. Have discussions been started yet with the minister, other agencies or Treasury about the NPA on Homelessness?

Mr Innis: Yes.

Senator PAYNE: When did that commence?

Mr Innis: I would hate to give a very precise date. We have certainly been alive—

Senator PAYNE: Broadly.

Mr Innis: to the end date of the national partnership from day one and have always been planning towards putting government in a position to take a decision about its future and allow for a negotiation if that is to pass.

Senator PAYNE: As I understand it, about 190 programs and services are funded under the NPA. How do you deal with the services and the people who are delivering on behalf of the government, when they probably have some concerns about the future of their operations? Are you talking to them as well?
Mr Innis: The way the national partnership works is that the direct relationship with the service providers is a matter for the states. We do not have direct relationships with the service providers. Each state and territory is certainly working with its service providers.

Senator PAYNE: Are you sure of that?

Mr Innis: That is certainly my understanding from the discussions I have had with our state and territory colleagues. We are certainly alive to the fact that the sooner we can provide certainty the better, but this is a significant decision for government to take.

Senator PAYNE: I understand what you have said about relations with the service deliverers. I think some of them with whom I have had contact would appreciate reassuring words from the Commonwealth level. But is there any process by which external stakeholders such as service deliverers can have input about the content and funding of the agreement? And what is that?

Mr Innis: We are having discussions with the states and territories about what their visions for the future are. This is, unsurprisingly, an issue that the Prime Minister’s Council on Homelessness from time to time discusses. It has views about the future for homelessness generally, of which the national partnership is one. A number of the key organisations are certainly not backwards in telling us their views, including—

Senator PAYNE: Or anyone else—they tell everyone.

Mr Innis: Yes. So we do think we have pretty good connections to the sector generally and that we are pretty alive to the issues as they see them.

Senator PAYNE: Do you expect that there will be formal consultation forums in which people can participate?

Mr Innis: That is really a matter for the minister and the government to decide.

Senator PAYNE: No decision has been made around that yet?

Mr Innis: No. Obviously the Prime Minister created the Council on Homelessness, which has been providing advice throughout its life on homelessness issues.

Senator PAYNE: Interestingly in the last month or so there has been a lot of news reporting about the Homestay Network, which the department of immigration is looking at for asylum seekers. You may or may not be surprised to know that members’ and senators’ offices have received quite a deal of correspondence about whether a similar operation could be used to assist homeless Australians. I think one of the nightly news magazine television programs did a review on that recently, looking at Australians who are living in motels and emergency accommodation because of a lack of stable housing. So we have been receiving approaches—and I think it goes across the parliament—from constituents who are interested in knowing whether the government or the department would consider using a home stay network that would assist homeless Australians as well. Has there been any contemplation of that?

Mr Innis: We have been involved in a committee around the asylum seekers and their accommodation. So we are aware of the proposal and how it has rolled out. It is certainly something that can feed into the advice we provide the minister as we think about the next steps in homelessness. How well it translates to the circumstances of homeless people is something that we would need to consider in terms of the type of accommodation, the
longevity of the accommodation et cetera and the needs of homeless people, who generally require—at the more enduring end—a package of support, not just safe, secure accommodation. That is a longwinded way of saying that, yes, it is one of the things that are around but there are a range of issues we would need to think about.

Senator PAYNE: Has it been raised with the department or in the context of that committee by any of the homelessness services providers?

Mr Innis: The absent Mr Donovan was our representative on the committee. Dare I say it was Donovan’s baby, as it were.

Senator PAYNE: Is there any news on Mr Donovan’s baby?

Mr Innis: I am afraid I do not have that here.

Senator PAYNE: Perhaps I can leave that on notice for when Mr Donovan returns to duty. If there is any further information that can be supplied on notice on that matter I would be grateful.

Senator CAROL BROWN: I have a question about rental freeze. When the 2009 increase in the pension came about there was a request to states and territories to quarantine that rise from rent increases for public housing pensioners. I just wanted to get an update as to which states and territories still have a rent freeze in place.

Mr Groth: In terms of the 2009 pension increases there was—

Senator CAROL BROWN: And subsequent increases as well.

Mr Groth: For the household assistance payments New South Wales has made no decision, Victoria has made no decision, South Australia has agreed to exempt, Western Australia has agreed to exempt, the Northern Territory has agreed to exempt, Tasmania has agreed to exempt and there has been no decision as yet from the ACT. We are seeking to confirm Queensland’s position at this point.

Senator CAROL BROWN: Where there has been no decision, when can we expect a decision?

Mr Innis: Minister Macklin wrote recently. We are waiting on responses to those letters.

Senator CAROL BROWN: So you do not know when we might—

Mr Innis: I do not have a specific time frame.

CHAIR: There being no further questions, we are finished. We will now adjourn until tomorrow morning. I thank the officers from outcome 2, Housing. Tomorrow we start with outcome 1, Families and children.

Committee adjourned at 22:01