

Chapter 3

Social Services Portfolio

Department of Social Services

3.1 This chapter outlines key issues discussed during the 2013-2014 additional estimates hearings for the Department of Social Services Portfolio.

3.2 The committee heard evidence from the department on Thursday 27 February 2014. Areas of the portfolio were called in the following order:

- Cross Portfolio/Corporate Matters;
- Seniors;
- Disability and Carers;
- National Disability Insurance Agency;
- Aged Care and Population Ageing;
- Aged Care Pricing Commissioner;
- Housing and Homelessness;
- Families;
- Australian Institute of Family Studies;
- Disability Employment Services and Working Age and Student Payments;
- Women;
- Community Capability and the Vulnerable;
- Settlement Services; and
- Multicultural Affairs.

Cross Portfolio/Corporate Matters¹

3.3 Proceedings commenced with Senator Moore leading an inquiry into the welfare reform review (the McClure Review) with questions regarding the terms of reference, membership of the McClure review team and approaches to consultation. The Department Secretary, Mr Pratt confirmed that draft terms of reference have not yet been publicly released. He described four pillars for reform around building individual and family capabilities, engaging with business, building community capacity and a simpler and sustainable income support system. Mr Pratt told the committee that the focus of the review at this stage was on working-age payments,

1 *Proof Estimates Hansard*, 27 February 2014, pp 4 – 21.

rather than the aged pension or the family tax benefit.² A number of less substantial payments, such as the Disability Support Pension (DSP), might be considered depending on its impact on workforce participation. Mr Pratt outlined some other processes underway that could potentially interact with the McClure review, including the government's Commission of Audit.

3.4 The committee heard the review team is being led by three core public figures – Patrick McLure, Wesley Aird and Sally Sinclair – supported by a team of 14 departmental officers. The Department confirmed no formal consultation process had been established, but that approximately thirty consultations had taken place by invitation only³, to help start framing the thinking of the McClure review team.⁴ The organisations consulted included a mixture of business, peak community organisations, academics and specialists.⁵ On whether consumers of these welfare payments would be approached, Mr Pratt suggested that at the moment the McClure review is largely internal to government but this would be considered if it became a public process.⁶ Other topics discussed included the cost of the McClure review, and whether the standard principles of indexation and maintaining welfare parity with cost of living changes have been taken into account.⁷ In response to a question about whether people on current payments would be 'worse off'⁸ as a result of the review, Minister Fifield described the objective as being to support people into work and ensure our welfare system is on a sustainable footing; 'the objective is not to be punitive'.⁹

3.5 Senator Siewert asked whether there had been any discussions by the Department and the government on increasing the retirement age. Mr Pratt acknowledged that the aged pension is an area the Department engages in an ongoing dialogue with the government.¹⁰

3.6 Senator Seselja asked whether the Department intended to remain based in Tuggeranong in southern Canberra. The Department replied it had received nine proposals for accommodation, which were currently being considered, with a decision expected to be taken prior to the budget.¹¹

2 *Proof Estimates Hansard*, 27 February 2014, p. 8.

3 *Proof Estimates Hansard*, 27 February 2014, p. 10.

4 *Proof Estimates Hansard*, 27 February 2014, p. 9.

5 *Proof Estimates Hansard*, 27 February 2014, p. 10.

6 *Proof Estimates Hansard*, 27 February 2014, p. 10.

7 *Proof Estimates Hansard*, 27 February 2014, p. 11.

8 *Proof Estimates Hansard*, 27 February 2014, p. 14.

9 *Proof Estimates Hansard*, 27 February 2014, p. 14.

10 *Proof Estimates Hansard*, 27 February 2014, p. 13.

11 *Proof Estimates Hansard*, 27 February 2014, p. 14.

3.7 Senator Seselja inquired about costs incurred by the failure to have the Social Services and Other Legislation Amendment Bill 2013 passed last year. The Department estimated delayed revenue was in the vicinity of \$1 billion.¹²

3.8 Senator Seselja also asked what measures the Department had taken to meet its target of reducing staff by approximately 250 to 300 employees by the end of the 2013 – 2014 financial year. The Department informed the committee that it still needed to reduce staffing levels by 150 employees to meet that target and had approached the government for additional funds to manage those staff reductions. However, Mr Pratt warned that the complex machinery of government changes meant it was difficult to neatly compare the movement in headcount between the former Department of Families, Communities, Housing and Indigenous Affairs (FaHCSIA) and the new Department of Social Services.¹³ The Department confirmed it had engaged significantly fewer contractors and non-ongoing staff.¹⁴

3.9 Senator McLucas was told that a total of 1,221 people from the former Department of Health and Ageing had transferred to the Department of Social Services. The Department explained it had policy responsibility for dementia under the Aged Care portfolio, while the Department of Health retained core responsibility for palliative care. Senator McLucas inquired about formal arrangements for collaboration between DSS and Health, particularly on clinical issues. DSS responded it intended to have a formal discussion between senior staff shortly.¹⁵ Minister Fifield acknowledged there are shared interests for these two policy areas with Minister Dutton, and discussed measures his office took to ensure proper consultation occurred.¹⁶ Senator McLucas also inquired into the total cost the machinery of government changes for Aged Care, and to what extent this might impact on services delivered.¹⁷ Mr Pratt confirmed that the costs are primarily incurred by the corporate part of the Department and did not expect any impact on actual servicing.¹⁸

3.10 Senator Moore requested an update on the grants management system (FOFMS), and was informed that most grants would be updated on the system by 1 July 2014, including those within the aged care, settlement services and multicultural affairs portfolios.¹⁹

12 *Proof Estimates Hansard*, 27 February 2014, p. 28.

13 *Proof Estimates Hansard*, 27 February 2014, p. 16.

14 *Proof Estimates Hansard*, 27 February 2014, p. 17.

15 *Proof Estimates Hansard*, 27 February 2014, p. 18.

16 *Proof Estimates Hansard*, 27 February 2014, p. 19.

17 *Proof Estimates Hansard*, 27 February 2014, p. 19.

18 *Proof Estimates Hansard*, 27 February 2014, p. 19.

19 *Proof Estimates Hansard*, 27 February 2014, pp 20 – 21.

Seniors²⁰

3.11 Senator Brown requested information from the Department on what material had been covered in its meetings with the Commission of Audit, especially in relation to the aged pension. Mr Pratt responded that much of the discussions fell into the realm of deliberative matters, but indicated that consideration had been given to efficiency proposals, removing duplication, and Commonwealth-state arrangements.²¹ Without referring to any specific payments or programs, the Department indicated it had provided information on expenditure, participation, recipients of supports and assistance.²² The Department took on notice a question of how many people access the age pension broken down by age bracket, gender and state and territory.²³ Senator Moore also expressed interest in accessing information on the mobility of age pension recipients.²⁴

3.12 Senator Siewert inquired into the boundaries between the age pension and the disability support pension (DSP)²⁵, and in particular the issue of ineligibility for the DSP for people developing a condition, such as deafblindness, over the age of 65.²⁶ The Department indicated any overlap in payments could now be more effectively handled as responsibility for both was now held by DSS. The Department's priority is to ensure a new departmental structure consistent with its outcomes to enable better analysis of cross-payment issues.²⁷ The committee raised concerns about an apparently lower level of support offered by states to recipients of the age pension, as opposed to the DSP.²⁸

Disability and Carers²⁹

3.13 The Department told the committee that there are currently no new grant funding rounds open within the disability and carers area³⁰, or anywhere else in the

20 *Proof Estimates Hansard*, 27 February 2014, pp 21 – 28.

21 *Proof Estimates Hansard*, 27 February 2014, p. 22.

22 *Proof Estimates Hansard*, 27 February 2014, p. 22.

23 *Proof Estimates Hansard*, 27 February 2014, p. 23.

24 *Proof Estimates Hansard*, 27 February 2014, p. 24.

25 *Proof Estimates Hansard*, 27 February 2014, p. 23.

26 *Proof Estimates Hansard*, 27 February 2014, p. 28.

27 *Proof Estimates Hansard*, 27 February 2014, p. 25.

28 *Proof Estimates Hansard*, 27 February 2014, p. 26.

29 *Proof Estimates Hansard*, 27 February 2014, pp 29 – 30.

30 *Proof Estimates Hansard*, 27 February 2014, p. 29.

Department³¹. It did confirm the Department's website as the central source of information relating to current grants, and those funded in the previous two years.³²

National Disability Insurance Agency (NDIA)³³

3.14 Senator McLucas asked questions of the Department and the National Disability Insurance Agency (NDIA) relating to changes to the National Disability Insurance Scheme (NDIS) since the election. The Deputy Secretary, Ms Wilson confirmed that no changes had occurred to the policy parameters of the scheme, but that continuous improvements were being implemented as a result of trial site experiences.³⁴ The Group Manager, Dr Hartland noted there had been a focus on quality, Tier 2 and workforce and sector development.³⁵ Minister Fifield confirmed there had been no changes to the budget or funding envelope position.³⁶

3.15 The committee heard that COAG had requested the COAG Ministerial Council on Disability Reform to report back in March 2014 on a range of issues, and cost drivers in particular.³⁷ Ms Wilson spoke about the importance of getting good individualised data and the CEO of the NDIA, Mr Bowen, commented on a number of changes as a result of a review of the process and operating guidelines.³⁸

3.16 A discussion occurred about differences in first and second quarter results, and Senator McLucas asked Minister Fifield whether envisaged a cap on supports, to which he replied he did not.³⁹ Minister Fifield also explained the role of the NDIS Board as his prime source of advice on whether milestones could be achieved.⁴⁰ Senator Smith made reference to a reduction in some of the higher costs of packages from 30 per cent to 15 per cent and the fall in cost of individual average plans from \$46,290 to \$40,466 between first and second quarter results. Mr Bowen stated he would not draw too many conclusions on the variations as they were more likely a factor of the phasing schedule.⁴¹

3.17 Mr Bowen noted some changes implemented since 6 January 2014 included the use of section 55 notices to speed up access, and the holding of NDIS readiness

31 *Proof Estimates Hansard*, 27 February 2014, p. 29.

32 *Proof Estimates Hansard*, 27 February 2014, p. 29.

33 *Proof Estimates Hansard*, 27 February 2014, pp 30 – 47.

34 *Proof Estimates Hansard*, 27 February 2014, p. 30.

35 *Proof Estimates Hansard*, 27 February 2014, p. 30.

36 *Proof Estimates Hansard*, 27 February 2014, p. 31.

37 *Proof Estimates Hansard*, 27 February 2014, p. 31.

38 *Proof Estimates Hansard*, 27 February 2014, p. 31.

39 *Proof Estimates Hansard*, 27 February 2014, p. 32.

40 *Proof Estimates Hansard*, 27 February 2014, p. 32.

41 *Proof Estimates Hansard*, 27 February 2014, p. 34.

workshops to assist people in considering plan options prior to their individual meeting.⁴² In response to a high number of access requests being driven by people whose support needs are best met in another system, further detail around eligibility and the determination of 'reasonable' and 'necessary' has been added to the operational guidelines.⁴³ Mr Bowen mentioned work around establishing an evidence base for what leads to good outcomes, and research projects underway.⁴⁴

3.18 A key aspect of the successful delivery of the NDIS will be to manage and meet the public's expectations in terms of adequate supports for participants while keeping scheme costs under control. Senator Smith asked about any 'expectation gaps' within the community. Mr Bowen cited the gap was a function of behaviour driven by how people previously had to access disability services but that attitudes are slowly changing.⁴⁵

3.19 Further topics of discussion included the need for mainstream housing efforts to continue outside of the NDIS,⁴⁶ discrepancies in numbers found in the bilateral agreements and the Scheme Actuary's analysis,⁴⁷ and support available for people deemed ineligible for the NDIS.⁴⁸ Senator Siewert inquired into progress being made in WA, and Dr Hartland confirmed the intergovernmental agreements were close to finalisation for the establishment of the trial later this year.⁴⁹ Senator Seselja had questions in relation to the ACT trial site. The committee was informed it would be based on learnings from other trial sites, including the best way to bring people into the scheme, whether by age, provider or another denominator.⁵⁰

3.20 Senator Moore inquired into what reviews had been commissioned by the government, DSS or NDIA. Mr Bowen discussed the Boston Consulting Group review on efficient delivery of the core and critical functions of the NDIA. A Board initiated capability review by Mr Jeff Whalan, Dr Jeff Harmer and Mr Peter Anston, had delivered its completed report to the Board for consideration.⁵¹ He also noted a review on mitigation strategies around full scheme transition that was soon to commence.⁵² Ms Wilson made reference to the independent KPMG review

42 *Proof Estimates Hansard*, 27 February 2014, p. 34.

43 *Proof Estimates Hansard*, 27 February 2014, p. 35.

44 *Proof Estimates Hansard*, 27 February 2014, p. 35.

45 *Proof Estimates Hansard*, 27 February 2014, pp 35 – 36.

46 *Proof Estimates Hansard*, 27 February 2014, p. 37.

47 *Proof Estimates Hansard*, 27 February 2014, p. 37.

48 *Proof Estimates Hansard*, 27 February 2014, p. 38.

49 *Proof Estimates Hansard*, 27 February 2014, p. 39.

50 *Proof Estimates Hansard*, 27 February 2014, p. 39.

51 *Proof Estimates Hansard*, 27 February 2014, p. 42.

52 *Proof Estimates Hansard*, 27 February 2014, p. 40.

commissioned by the Department to look at cost drivers and plan completion, as well as work on readiness for the next trials⁵³. The Department and the NDIA took several questions on notice related to funding and terms of reference for these reviews.⁵⁴

3.21 Senator Smith asked for clarification of statements made by parliamentarians in the media with reference to the privatisation of NDIS. Minister Fifield made a distinction between service delivery, which was always designed to be fulfilled by not-for-profit organisations and private organisations, and administrative functions, some of which is already being outsourced.⁵⁵ However, he declared there were no plans or intentions to privatise or sell the scheme as there was "nothing to sell".⁵⁶

3.22 The committee also discussed the variance in numbers in the bilateral agreements and those in the actuarial analysis in the second quarterly report, with South Australia accounting for the majority of these figures.⁵⁷ Dr Hartland emphasised that the re-estimate of trial sites does not affect full scheme costs, but average costs still do need to be watched and managed closely.⁵⁸

Aged Care and Population Ageing⁵⁹

3.23 The committee inquired into the reallocation of the \$1.1 billion Aged Care Workforce Supplement. Mr Pratt indicated the Department was looking at a range of options to advise the government on how the money could be disbursed in terms of its election commitments, and receiving input from a variety of stakeholders.⁶⁰ The Department informed the committee of transitional arrangements in place to maintain the supplement for providers who had signed up, with an allocation of approximately \$5 million.⁶¹ Senator Smith also asked about the conditions for receiving the supplement, and was told that in theory all providers of residential care, home care, HACC and the National Respite for Carers program would have been eligible. Despite this, the Department noted that only 15 out of roughly 1000 providers had made the required commitments.⁶²

3.24 Senator McLucas then inquired into the progress made on updating the imminent changes to Medicare on 1 July 2014. The Department noted the three main

53 *Proof Estimates Hansard*, 27 February 2014, p. 41.

54 *Proof Estimates Hansard*, 27 February 2014, p. 42.

55 *Proof Estimates Hansard*, 27 February 2014, p. 43.

56 *Proof Estimates Hansard*, 27 February 2014, p. 43.

57 *Proof Estimates Hansard*, 27 February 2014, p. 45.

58 *Proof Estimates Hansard*, 27 February 2014, p. 45.

59 *Proof Estimates Hansard*, 27 February 2014, pp 47 – 62.

60 *Proof Estimates Hansard*, 27 February 2014, p. 47.

61 *Proof Estimates Hansard*, 27 February 2014, p. 49.

62 *Proof Estimates Hansard*, 27 February 2014, p. 53.

changes occurring are to the financing arrangements for both home care and residential care, legislative change focussing on subordinate legislation and the means testing arrangements.⁶³ The Department noted that the primary ways these changes would be communicated was through the MyAged Care website and the contact centre.⁶⁴

3.25 Senator Peris directed some questions on funding for aged care in the Northern Territory. The Department undertook to provide Senator Peris with information on financial contributions made over the past four years, applications to establish or build new aged care facilities, and numbers of aged care patients in hospital due to shortages in adequate facilities.⁶⁵

3.26 The committee had a discussion on the new Home Support Program, which it was told was a consolidation of the National Respite for Carers Program, day therapy centres, assistance with care, housing for the aged and the Commonwealth HACC programs into a single program from 1 July 2015.⁶⁶ Consumer directed care was still observed as a critical focus driving the program.⁶⁷

3.27 The committee inquired into the government's progress in fulfilling its election commitment to develop a high level steering committee in agreement with the aged care sector to work on priorities for further reform and the red tape reduction agenda.⁶⁸ Minister Fifield indicated the announcement on membership of the steering committee was forthcoming, but it was broadly representative, including of consumer groups.⁶⁹ The committee heard the funding for this group was provided as part of the *Living Longer. Living Better* package and not the workforce supplement.⁷⁰

3.28 The final session in this outcome concerned the Torres Strait aged care master plan.⁷¹ The Department informed the committee the tender for a consultant for the master plan had been set up. Some discussion also occurred around the relocation of the Star of the Sea, an aged care facility located on Thursday Island.⁷²

63 *Proof Estimates Hansard*, 27 February 2014, p. 51.

64 *Proof Estimates Hansard*, 27 February 2014, p. 51.

65 *Proof Estimates Hansard*, 27 February 2014, pp 53 – 54.

66 *Proof Estimates Hansard*, 27 February 2014, p. 56.

67 *Proof Estimates Hansard*, 27 February 2014, p. 57.

68 *Proof Estimates Hansard*, 27 February 2014, p. 57.

69 *Proof Estimates Hansard*, 27 February 2014, p. 57.

70 *Proof Estimates Hansard*, 27 February 2014, p. 58.

71 *Proof Estimates Hansard*, 27 February 2014, p. 60.

72 *Proof Estimates Hansard*, 27 February 2014, p. 61.

Housing and Homelessness⁷³

3.29 The Department confirmed that a transitional National Partnership Agreement on Homelessness (NPA) was in place until the end of June 2014, but it was classified as a terminating initiative as it had not received ongoing funding.⁷⁴ A decision had still not been taken by the government as to its future.⁷⁵ Senator McLucas also inquired about any discussions or negotiations that had taken place between Minister Fifield and his state and territory counterparts to extend the funding under the NPA.⁷⁶ There was a discussion about the commitment of both opposition and government parties to addressing homelessness.⁷⁷ The Department indicated the government does not favour a target based approach to homelessness but rather one that is broader than social and low income housing, and based on mapping the supply.⁷⁸

3.30 The committee raised concerns about the delay in processing applications for the National Rental Affordability Scheme and discussed consultations informing potential changes to the scheme.⁷⁹ The National Affordable Housing Agreement (NAHA) was also mentioned and the Department outlined the areas the Minister was interested in addressing, including the failure of the NAHA to deliver a growth in the supply of dwellings.⁸⁰

3.31 Senator McLucas asked about what formal processes there are for a state, territory or Commonwealth minister to raise issues around housing and homelessness. Mr Pratt suggested an exceptional meeting could be organised. The Department also addressed concerns about engaging with the housing and homelessness sector with reference to a new Social Services Ministerial Advisory Council.⁸¹ The committee was informed that to avoid duplication, the government had decided the Commonwealth would no longer be participating in the National Regulatory Council or contributing funding for its establishment.⁸²

73 *Proof Estimates Hansard*, 27 February 2014, pp 62 – 75.

74 *Proof Estimates Hansard*, 27 February 2014, p. 62.

75 *Proof Estimates Hansard*, 27 February 2014, p. 63.

76 *Proof Estimates Hansard*, 27 February 2014, p. 65.

77 *Proof Estimates Hansard*, 27 February 2014, pp 66 – 67.

78 *Proof Estimates Hansard*, 27 February 2014, p. 69.

79 *Proof Estimates Hansard*, 27 February 2014, p. 70.

80 *Proof Estimates Hansard*, 27 February 2014, p. 71.

81 *Proof Estimates Hansard*, 27 February 2014, p. 73.

82 *Proof Estimates Hansard*, 27 February 2014, p. 73.

Australian Institute of Family Studies (AIFS)⁸³

3.32 Senator Brown inquired into the forced adoption support services scoping study and was informed that the report was near finalisation.⁸⁴ Dr Higgins gave a comprehensive overview of the methodology employed, which included workshops and inviting written submissions. Professor Hayes noted the AIFS was currently undertaking 54 studies and undertook to provide the committee with a list of the projects it was involved in.⁸⁵ Specific mention was made of the Australian Temperament Project, Pathways of Care, Beyond 18, Footprints in Time and Family Pathways.

Families⁸⁶

3.33 The first discussion under this outcome focussed on the Department's role in the drought assistance efforts through the Family Support Program and Targeted Community Care Program which has funding of up to \$10.7 million for the provision of services to 4,000 to 5,000 people through existing providers.⁸⁷ Senator Brown requested information on any contracts that had been entered into, but was told there were none.⁸⁸ Senator Siewert sought clarification on the division of responsibilities between the Department of Social Services, the Department of Agriculture and the Department of Human Services.⁸⁹

3.34 The committee asked about the review of the current paid parental scheme and its expected completion date, which was confirmed to be near finalisation.⁹⁰ The current budgeted expenses for paid parental leave were noted as \$1.579 billion for 2013 – 2014, but the Department could not provide the figure for how much the new scheme was expected to cost.⁹¹ The Department indicated the government was still considering some key parameters of the scheme, including the definition of base salary and replacement wage⁹² and work around costing the scheme and drafting legislation were currently taking place.⁹³ Senator Smith asked about whether businesses had expressed concerns about the administration and operation of the

83 *Proof Estimates Hansard*, 27 February 2014, pp 75 – 78.

84 *Proof Estimates Hansard*, 27 February 2014, p. 76.

85 *Proof Estimates Hansard*, 27 February 2014, p. 77.

86 *Proof Estimates Hansard*, 27 February 2014, pp 78 – 93.

87 *Proof Estimates Hansard*, 27 February 2014, p. 79.

88 *Proof Estimates Hansard*, 27 February 2014, p. 80.

89 *Proof Estimates Hansard*, 27 February 2014, p. 81.

90 *Proof Estimates Hansard*, 27 February 2014, p. 81.

91 *Proof Estimates Hansard*, 27 February 2014, p. 82.

92 *Proof Estimates Hansard*, 27 February 2014, p. 82.

93 *Proof Estimates Hansard*, 27 February 2014, p. 83.

current scheme.⁹⁴ Minister Fifield confirmed the government's commitment to deliver the scheme by the same date and within the same scope as what it promised at the election.⁹⁵

3.35 Senator Brown sought information on new funding agreements under the Family Support Program. The Department indicated the initial work was focussed on reducing red tape in all grant funding programs, leading to a process of re-negotiating agreements.⁹⁶ The new agreements would be for a longer term of five years.⁹⁷

3.36 Senator Siewert inquired into the business reallocation of disability management services process. The Department noted the outcomes of the star rating system for service providers were announced on 28 November 2013 and the complete transition was to take place on 3 March 2014. The committee heard that 8,000 people were impacted by the process, and the changes to their provider were communicated to them through a letter at the end of January.⁹⁸ The Department confirmed that around 15 per cent of contracts were re-allocated around the country to high performing providers.⁹⁹

Women¹⁰⁰

3.37 Senator Moore led the discussion by inquiring into the current arrangements for the sharing of policy responsibility between the Office for Women and the Department of Social Services, particularly the second action plan for women. The Department emphasised that Minister Andrews and Minister Cash were approaching this in a collaborative way, but the Office for Women was taking a leading role in some of the high-level women's issues more broadly speaking.¹⁰¹ The Department explained the relationship between the first action plan and the second action plan, which it expected would be ready by June 2014.¹⁰² The second action plan was intended to set future directions and priorities by building on the work of the first action plan.¹⁰³ The committee heard of international experiences relating to violence against women, and how Australia had participated in roundtable discussions on this

94 *Proof Estimates Hansard*, 27 February 2014, p. 84.

95 *Proof Estimates Hansard*, 27 February 2014, p. 85.

96 *Proof Estimates Hansard*, 27 February 2014, p. 85.

97 *Proof Estimates Hansard*, 27 February 2014, p. 86.

98 *Proof Estimates Hansard*, 27 February 2014, p. 89.

99 *Proof Estimates Hansard*, 27 February 2014, p. 90.

100 *Proof Estimates Hansard*, 27 February 2014, pp 93 – 99.

101 *Proof Estimates Hansard*, 27 February 2014, p. 93.

102 *Proof Estimates Hansard*, 27 February 2014, p. 94.

103 *Proof Estimates Hansard*, 27 February 2014, p. 94.

topic.¹⁰⁴ An evaluation of the framework was being developed for the 12 years of the national plan.¹⁰⁵

3.38 The final part of the discussion related to one-off grants for respectful relationships and community action, and the ongoing responsibility of the Department for education programs within schools.¹⁰⁶ The Department also emphasised the Commonwealth did not hand money over to a particular state but rather funded national initiatives of value to most or all jurisdictions.¹⁰⁷

Community Capability and the Vulnerable¹⁰⁸

3.39 Senator Seselja inquired into applications the Department had received for exemption from the ATM limit measure, and specifically, how much staff time was being dedicated to considering these applications. The Department informed the committee it had received 3,500 applications and there were seven staff members currently assessing these.¹⁰⁹ It could not indicate the rationale behind the majority of these exemption applications but did discuss the legislative grounds which they may be based on.¹¹⁰ Senator Seselja also made reference later in the outcome to an online *Guardian* story regarding comments made by the director of an ATM operator which indicated a misunderstanding of a ministerial directive.¹¹¹ The Department declined to comment on this case specifically, or any others when pressed, but confirmed the process of responding to reports of potential non-compliance was ongoing.¹¹²

3.40 Senator Stephens requested an update on the National Secretariats Funding Program. The Department noted that this program was being considered in terms of a grant reform process currently underway. The main features of this reform included the reduction of red tape, longer term agreements with organisations, simpler arrangements, one contract per organisation and reduced reporting requirements for organisations.¹¹³

104 *Proof Estimates Hansard*, 27 February 2014, pp 96 – 97.

105 *Proof Estimates Hansard*, 27 February 2014, p. 99.

106 *Proof Estimates Hansard*, 27 February 2014, p. 97.

107 *Proof Estimates Hansard*, 27 February 2014, p. 99.

108 *Proof Estimates Hansard*, 27 February 2014, pp 100 – 111.

109 *Proof Estimates Hansard*, 27 February 2014, p. 101.

110 *Proof Estimates Hansard*, 27 February 2014, pp 101 – 102.

111 *Proof Estimates Hansard*, 27 February 2014, p. 110.

112 *Proof Estimates Hansard*, 27 February 2014, p. 111.

113 *Proof Estimates Hansard*, 27 February 2014, p. 103.

3.41 The committee sought information on the re-establishment of Community Business Partnerships. The Department indicated that this would occur by the end of March 2014.¹¹⁴

3.42 Senator Siewert focussed attention on the government's proposed abolition of the Australian Charities and Not-for-profits Commission (ACNC) and asked for detailed information on stakeholders that had been consulted on any future processes to transfer its functions.¹¹⁵ The Department noted the government's intention to create the National Centre for Excellence which would have an educational, support and broad research function rather than a regulatory one.¹¹⁶ Senator Smith questioned the purpose of a register of charities, to which the Department responded it was to allow the public to determine the bona fides of a charity.¹¹⁷ The Department noted the importance of balancing regulation with reducing the imposition on organisations, in light of a discussion about the ABC's *7.30 Report* about Care4Kids.¹¹⁸

3.43 The committee then heard about the evaluation of place-based income management, currently being undertaken by Deloitte Access Economics.¹¹⁹ The final report for the longer term Northern Territory evaluation is expected in June 2014.¹²⁰

Settlement Services and Multicultural Affairs¹²¹

3.44 Senator Moore inquired into the date for when new settlement grant applications would open. The Department responded that any such grants were currently being considered in the reform process.¹²² The Humanitarian Settlement Services program, however, was to continue as it was a procured arrangement rather than a grant. An allocation of \$105 million had been given to this program, which includes the Complex Case Support program for entrants requiring specialised services.¹²³ The committee heard this was to be reduced to \$81.7 million for the following year, to reflect the new government reverting to a program accepting a lower number of humanitarian entrants, than what was committed to by the previous government in its final year.¹²⁴

114 *Proof Estimates Hansard*, 27 February 2014, p. 101.

115 *Proof Estimates Hansard*, 27 February 2014, p. 105.

116 *Proof Estimates Hansard*, 27 February 2014, p. 104.

117 *Proof Estimates Hansard*, 27 February 2014, p. 107.

118 *Proof Estimates Hansard*, 27 February 2014, pp 107 – 108.

119 *Proof Estimates Hansard*, 27 February 2014, pp 108 – 109.

120 *Proof Estimates Hansard*, 27 February 2014, p. 109.

121 *Proof Estimates Hansard*, 27 February 2014, pp 111 – 117.

122 *Proof Estimates Hansard*, 27 February 2014, p. 111.

123 *Proof Estimates Hansard*, 27 February 2014, p. 112.

124 *Proof Estimates Hansard*, 27 February 2014, p. 113.

3.45 Senator Smith made inquiries about the progress of the National Settlement Framework and interactions with migrant resource centres.¹²⁵ The Department clarified that the government may fund programs run out of migrant resource centres, rather than the organisation per se.¹²⁶

3.46 The final part of the outcome covered questions on the Building Multicultural Communities Program and the reduction of the original allocation for the program by \$11.5 million in the MYEFO.¹²⁷ Senator Moore requested clarification on decisions to cut funding to organisations who did not return paperwork in time, and how such decisions were communicated.¹²⁸ The Department took a question on notice about whether a month turnaround to return paperwork was standard practice in terms of funding streams.¹²⁹ The Department also agreed to provide the committee with information on arrangements for the management of grants through the newly established program office.¹³⁰

125 *Proof Estimates Hansard*, 27 February 2014, p. 114.

126 *Proof Estimates Hansard*, 27 February 2014, p. 114.

127 *Proof Estimates Hansard*, 27 February 2014, p. 115.

128 *Proof Estimates Hansard*, 27 February 2014, p. 115.

129 *Proof Estimates Hansard*, 27 February 2014, p. 116.

130 *Proof Estimates Hansard*, 27 February 2014, p. 117.