

## Chapter 2

### Families, Housing, Community Services and Indigenous Affairs Portfolio

#### Department of Families, Housing, Community Services and Indigenous Affairs

2.1 This chapter outlines key issues discussed during the 2012-2013 budget estimates hearings for the Families, Housing, Community Services and Indigenous Affairs portfolio.

2.2 The committee heard evidence from the department on Monday 28 May and Tuesday 29 May 2012. Areas of the portfolio and agencies were called in the following order:

- Cross Outcomes/Corporate Matters
- Social Security Appeals Tribunal
- Seniors
- Women
- Equal Opportunity for Women in the Workplace Agency (EOWA)
- Disability and Carers
- Housing
- Families and Children
- Australian Institute of Family Studies
- Community Capability and the Vulnerable

2.3 The hearing began with an acknowledgement of the passing of Senator Adams, noting her contributions to this committee's estimates hearings.<sup>1</sup>

#### *Cross Outcomes/Corporate Matters*<sup>2</sup>

2.4 Proceedings commenced with Senator Fifield asking Mr Finn Pratt, Secretary of the Department of Families, Housing, Community Services and Indigenous Affairs about the existence and transmittal of a charter letter from the Prime Minister to the Minister and whether Mr Pratt had received that letter. Mr Pratt and the Parliamentary Secretary, Senator the Hon Jan McLucas, both declined to advise whether the Prime Minister had sent a charter letter to Minister Macklin or whether Minister Macklin had

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1 *Proof Estimates Hansard*, 28 May 2012, p. 3.

2 *Proof Estimates Hansard*, 28 May 2012, pp. 3–28.

provided that letter to Mr Pratt.<sup>3</sup> Neither Mr Pratt nor the Parliamentary Secretary made any claim for public interest immunity, but Mr Pratt and Parliamentary Secretary McLucas did undertake to provide an answer on notice.<sup>4</sup> Senator Fifield requested a private meeting to discuss the options available to the committee to ensure that an answer was provided.<sup>5</sup> Back in session, Senator Fifield indicated that he would move a motion in the Senate that the letters be produced.<sup>6</sup>

2.5 The committee also discussed the following items:

- The content of Government advertising for the Clean Energy Future package;
- Media and social media monitoring by the department;
- Funding for the Communities for Children program
- Whether the department had provided advice to the environment department about the social impacts of major projects;
- The portability of various Government payments following legislative changes due to begin on 1 January 2013.

### *Seniors*<sup>7</sup>

2.6 Senator Fierravanti-Wells asked about the pension advance payment option and a question was put on notice about the circumstances under which someone may be denied the advance option.<sup>8</sup> Proposed changes to the eligibility criteria for the Commonwealth Seniors Health Card were also discussed with further questions taken on notice.<sup>9</sup>

2.7 Senator Siewert raised the issue of portability (see also 2.4 above) as it related to people of pensionable age. The working life residency budget initiative, grandfathering provisions, exemptions, and the timeframes for the application of the new legislative changes were discussed. There was also discussion about the timing of a person's decision to go overseas for a period of greater than six weeks in light of the legislative changes due to begin on 1 January 2013. Ms Wilson, Deputy Secretary, explained that one of the factors influencing the rule changes was a desire:

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3 *Proof Estimates Hansard*, 28 May 2012, pp. 3–7, 43, 54–56.

4 *Proof Estimates Hansard*, 28 May 2012, pp. 7, 37, 56.

5 *Proof Estimates Hansard*, 28 May 2012, p. 55.

6 *Proof Estimates Hansard*, 28 May 2012, p. 56.

7 *Proof Estimates Hansard*, 28 May 2012, pp. 28–38.

8 *Proof Estimates Hansard*, 28 May 2012, pp. 29–30.

9 *Proof Estimates Hansard*, 28 May 2012, p. 30.

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to bring us into line with other OECD countries, which generally require between 35 and 45 years working life residence to receive full pension overseas.<sup>10</sup>

2.8 Senator Furner sought evidence on how recent pension increases compared with the last five years of the Howard government and the relative levels of pensioners living in poverty compared to that period.<sup>11</sup>

### ***Women***<sup>12</sup>

2.9 Senator Cash questioned the Office for Women about the policy rationale behind the government's decision to exclude superannuation from the Paid Parental Leave scheme. It emerged that the Productivity Commission report on the Paid Parental Leave scheme recommended that superannuation be included. Mr Pratt would not be drawn on the policy rationale other than to say that:

The government does not always accept every recommendation from the Productivity Commission.<sup>13</sup>

2.10 The Office for Women took on notice several questions from Senator Cash about the financial literacy and management programs, the timeframes for the Status of Personal Safety Survey, the data tracking The Line campaign, and a breakdown of advertising spending on The Line.

2.11 Senator Rhiannon questioned the Office for Women about their input into affordable housing including the National Affordable Housing Agreement, the National Partnership Agreement, the National Rental Affordability Scheme and the Social Housing Initiative; the Productivity Commission's report *Caring for Older Australians*; and both the Rural Women's Alliance and the Empowerment of Rural Women.

### ***Equal Opportunity for Women in the Workplace Agency (EOWA)***<sup>14</sup>

2.12 The agency clarified that the Australian Standard on Gender Inclusive Job Evaluation and Grading is a voluntary standard and that the standard is being promoted and used by EOWA. Senator Cash placed several questions on notice around staff contracts and pay rates. The secretariat received a substantial number of written questions on notice from Senator Cash for the Office for Women and EOWA.

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10 *Proof Estimates Hansard*, 28 May 2012, p. 32.

11 *Proof Estimates Hansard*, 28 May 2012, p. 35.

12 *Proof Estimates Hansard*, 28 May 2012, pp. 38–49.

13 *Proof Estimates Hansard*, 28 May 2012, p. 42.

14 *Proof Estimates Hansard*, 28 May 2012, pp. 49–54.

### *Disability and Carers*<sup>15</sup>

2.13 The new National Disability Insurance Scheme was the prime topic of discussion under this outcome.<sup>16</sup> Parliamentary Secretary McLucas noted that the Government had made a commitment of \$1 billion over four years to begin a staged roll-out of the scheme with two launch sites ready to begin on 1 July 2013. Senator Fifield pointed out that the Productivity Commission envisaged \$3.9 being spent over four years.<sup>17</sup>

2.14 There was a lengthy discussion about the timeframes for the roll-out and the ongoing negotiations with the states and territories about the financial contributions that are being sought from them and the potential implications of departing from the Productivity Commission funding timeline. At various stages of the discussion, the Parliamentary Secretary and several departmental officers emphasised that they had been working intensively with the states and territories across numerous issues, but Mr Pratt did not divulge the rationale behind the \$1 billion budget figure for stage one.<sup>18</sup>

2.15 The potential need for complementary legislative change across jurisdictions was also traversed. The Department advised that while complementary legislation may well be necessary for the entity, they did not have a definitive answer as to whether it would be required for the launch sites.<sup>19</sup>

2.16 The committee also sought reassurance that the government was engaging with the full spectrum of disability organisations over the design of the scheme. The Parliamentary Secretary reassured the committee that the government is:

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 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.<sup>20</sup>

### *Housing*<sup>21</sup>

2.17 Senator Payne sought a progress update on the Social Housing Initiative. Mr Innes, Group Manager, Housing, indicated that the completion rate is above the original program expectations.<sup>22</sup>

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15 *Proof Estimates Hansard*, 28 May 2012, pp. 54–89.

16 *Proof Estimates Hansard*, 28 May 2012, pp. 61–89.

17 *Proof Estimates Hansard*, 28 May 2012, pp. 62–63.

18 *Proof Estimates Hansard*, 28 May 2012, p. 83.

19 *Proof Estimates Hansard*, 28 May 2012, pp. 73–76.

20 *Proof Estimates Hansard*, 28 May 2012, p. 82.

21 *Proof Estimates Hansard*, 28 May 2012, pp. 89–110.

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2.18 Senator Ludlam inquired about the schedule for the renegotiation of the National Affordable Housing Agreement (NAHA). The department advised that there was no specific schedule, but that the Minister was negotiating with key stakeholders.<sup>23</sup>

2.19 Senator Ludlam noted that the National Rental Affordability Scheme (NRAS) had 'achieved a pretty high level of energy and water efficiency and other kinds of household sustainability initiatives in the NRAS build'. Senator Ludlam sought to establish, on notice, the magnitude of the energy and water savings for rental tenants under the NAHA and NRAS schemes.<sup>24</sup>

### *Families and Children*<sup>25</sup>

2.20 Senator Bernardi questioned officers about the decision to provide early funding to Communities for Children service providers.<sup>26</sup> There was also discussion about the decision to bring forward \$90 million in funding from the 2012-13 financial year to the 2011-12 financial year.<sup>27</sup> The additional funds are contained in the Portfolio Supplementary Additional Estimates Statements 2011-12.<sup>28</sup>

2.21 The committee discussed changes to Family Tax Benefit and established that an estimated 43,000 young people under the age of 21 who have completed secondary school will no longer be eligible for either Family Tax Benefit or Youth Allowance. The officers explained that the primary income support would be from their families and that details on the income test would be better directed to the Department of Education, Employment and Workplace Relations.

2.22 Senator Bernardi raised concerns about the schoolkids bonus and its relationship to school attendance. Parliamentary Secretary McLucas expressed the view that money given to families to prepare for school would be likely to increase school attendance, particularly amongst vulnerable families.<sup>29</sup>

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22 *Proof Estimates Hansard*, 28 May 2012, pp. 92–93.

23 *Proof Estimates Hansard*, 28 May 2012, pp. 93–96.

24 *Proof Estimates Hansard*, 28 May 2012, p. 97.

25 *Proof Estimates Hansard*, 29 May 2012, pp. 2–38.

26 *Proof Estimates Hansard*, 29 May 2012, pp. 3–6.

27 *Proof Estimates Hansard*, 29 May 2012, p. 7.

28 Families, Housing, Community Services and Indigenous Affairs, *Portfolio Supplementary Additional Estimates Statements 2011-12*, p. 9.

29 *Proof Estimates Hansard*, 29 May 2012, p. 22.

***Australian Institute of Family Studies***<sup>30</sup>

2.23 The Institute explained key areas of their research including adoption, child support, separation and divorce. Professor Hayes, Director of the Australian Institute of Family Studies undertook to provide on notice research and statistics about the family impacts of mental health problems, substance abuse, family violence, gambling and money management problems.

***Community Capability and the Vulnerable***<sup>31</sup>

2.24 Senator Bernardi queried officers about the proposed mandatory precommitment poker machine trial in the ACT. Questions were raised about the progress of negotiations with ClubsACT.<sup>32</sup> The officers also took questions on notice from Senator Di Natale about the relative costs of being precommitment ready compared to making all machines dollar bet ready by 2016.<sup>33</sup>

2.25 Senator Siewert sought further information on child protection measures and compulsory and non-compulsory income management. Senator Edwards asked for a breakdown of the Playford income management trial in terms of people referred by child protection, people assessed by Centrelink and people who are volunteers.<sup>34</sup>

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30 *Proof Estimates Hansard*, 29 May 2012, pp. 35–38.

31 *Proof Estimates Hansard*, 29 May 2012, pp. 38–51.

32 *Proof Estimates Hansard*, 29 May 2012, p. 44.

33 *Proof Estimates Hansard*, 29 May 2012, pp. 45–46.

34 *Proof Estimates Hansard*, 29 May 2012, pp. 49–50.