



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

SENATE

STANDING COMMITTEE ON COMMUNITY AFFAIRS

ESTIMATES

(Budget Estimates)

MONDAY, 2 JUNE 2008

CANBERRA

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**SENATE STANDING COMMITTEE ON
COMMUNITY AFFAIRS
Monday, 2 June 2008**

Members: Senator Moore (*Chair*), Senator Humphries (*Deputy Chair*), Senators Adams, Allison, Boyce, Carol Brown, Lundy and Polley

Participating members: Senators Abetz, Barnett, Bartlett, Bernardi, Birmingham, Mark Bishop, Boswell, Brandis, Bob Brown, Bushby, George Campbell, Chapman, Colbeck, Jacinta Collins, Coonan, Cormann, Crossin, Eggleston, Ellison, Fielding, Fierravanti-Wells, Fifield, Fisher, Forshaw, Heffernan, Hogg, Hurley, Hutchins, Johnston, Joyce, Kemp, Kirk, Lightfoot, Ian Macdonald, Sandy Macdonald, McEwen, McGauran, McLucas, Marshall, Mason, Milne, Minchin, Nash, Nettle, O'Brien, Parry, Patterson, Payne, Ronaldson, Scullion, Siewert, Stephens, Sterle, Stott Despoja, Troeth, Trood, Watson, Webber and Wortley

Senators in attendance: Senators Adams, Allison, Bernardi, Boyce, Carol Brown, Colbeck, Conroy, Fielding, Heffernan, Humphries, Johnson, Lundy, Marshall, Moore, Patterson, Payne, Polley, Siewert and Webber

Committee met at 9 am

**FAMILIES, HOUSING, COMMUNITY SERVICES AND INDIGENOUS AFFAIRS
PORTFOLIO**

In Attendance

Senator Chris Evans, Minister for Immigration and Citizenship

Senator McLucas, Parliamentary Secretary to the Minister for Health and Ageing

**Department of Families, Housing, Community Services and Indigenous Affairs
Executive**

Dr Jeff Harmer, Secretary

Mr Geoff Leeper, Deputy Secretary

Ms Glenys Beauchamp, Deputy Secretary

Ms Robyn McKay, Acting Deputy Secretary

Ms Dianne Hawgood, Acting Deputy Secretary

Group Managers

Ms Amanda Cattermole, Group Manager, Indigenous Remote Services Delivery

Ms Julia Burns, Group Manager, Women, Children and Parenting Support

Mr Evan Lewis, Group Manager, Mental Health, Autism and Community Support

Mr David Hazlehurst, Group Manager, Families

Mr Bruce Hunter, Chief Financial Officer and Group Manager, Business and Financial Services

Mr Sean Innis, Group Manager, Social Policy

Mr Tony Kwan, Chief Information Officer, Group Manager, Information Management and Technology

Mr Anthony Field, Acting Group Manager, Legal and Compliance

Ms Kerrie Tim, Group Manager, Indigenous Leadership and Engagement
Ms Peta Winzar, Group Manager, Housing
Ms Donna Moody, Group Manager, Indigenous Program Support
Ms Lynne Curran, Group Manager, Office of Indigenous Program Coordination
Mr Matthew James, Acting Group Manager, Office of Indigenous Program Coordination
Ms Frances Davies, Group Manager, Disability and Carers
Mr Robert Knapp, Group Manager, Corporate Support
Ms Cate McKenzie, Group Manager, Program Performance and Network

Cross Outcomes

Mr Stuart Long, Acting Branch Manager, Public Law
Mr Steve Jenaway, Branch Manager, Budget Development
Dr Loucas Nicolaou, Branch Manager, Audit and Fraud
Mr David Fintan, Acting Branch Manager, Commercial and Indigenous Law
Ms Lesley Dunstone, Acting Branch Manager, Commercial and Indigenous Law
Mr John Shevlin, Procurement and Risk Management Branch
Mr Kurt Munro, Financial Accounting Branch
Mr Michel Lok, Branch Manager, Financial Management and Governance Branch
Mr Ben Wallace, Branch Manager, Social Security Relationships and Compliance
Ms Michalina Stawyskyj, Branch Manager, International
Mr Andrew Whitecross, Branch Manager, Research and Analysis
Mr James Rogers, Acting Branch Manager, Property and Security
Mr Andrew Lander, Branch Manager, Communication and Media
Ms Susan Black, Ministerial, Parliamentary and Secretariat Support
Mr John Lee, Acting Branch Manager, Indigenous Programs Investigations
Mr Bryan Palmer, Branch Manager, Strategic Policy
Mrs Lynette Maclean, Branch Manager, People Branch

Outcome 1—Greater self-reliance and economic, social and community engagement for Indigenous Australians**1.1 Whole-of-government coordination of policy development and service delivery for Indigenous Australians**

Major General Dave Chalmers, Operational Commander, Northern Territory Emergency Response Taskforce
Mr John Lee, Acting Branch Manager, Indigenous Programs Investigations
Mr Roger Barson, Manager, Northern Territory State Office
Mr Gavin Matthews, Ag Branch Manager, Income Management Implementation
Ms Caroline Edwards, Branch Manager, Land Policy and Development
Ms Joy McLaughlin, Branch Manager,
Ms Alison Smith, Branch Manager, Intergovernmental and Policy
Mr Bruce Smith, Branch Manager, Intergovernmental and Policy
Ms Kim Grey, Acting Branch Manager, Performance and Evaluation

1.2 Services for Indigenous Australians

Ms Megan Lees, Branch Manager, Indigenous Housing
Mr Robert Ryan, Branch Manager, Remote Delivery
Mr Greg Roche, Branch Manager, Native Title Services and Stakeholder Management

Ms Helen Board, Branch Manager, Strategic Projects
Mr Bernie Doman, Section Manager, Community Development and Employment Program Management
Mr Gregory Andrews, Branch Manager, Children and Parenting Support
Mr Simon Gordon, Acting Branch Manager, Indigenous Investment and NT Bilateral
Ms Fiona Smart, Branch Manager, Family Safety

1.3 Registration, regulation and capacity building of Indigenous corporations

Office of the Registrar of Indigenous Corporations

Mr Anthony Beven, Registrar of Indigenous Corporations

Outcome 2—Seniors, people with disabilities, carers, youth and women are supported, recognised and encouraged to participate in the community

2.1 Support for the aged

Ms Alanna Foster, Branch Manager, Seniors and Means Test

2.2 Support for people with disability

Ms Christine Bruce, Branch Manager, Disability Programs
Ms Helen Bedford, Branch Manager, Disability Policy and Coordination
Ms Vicki Brown, Branch Manager, Autism Spectrum Disorder
Mr Ian Boyson, Acting Branch Manager, Mental Health
Ms Lee Emerson, Branch Manager, Carers
Ms Robyn Oswald, Acting Branch Manager, Carer Payment Review Implementation Taskforce

2.3 Support for carers

Ms Lee Emerson, Branch Manager, Carers
Ms Robyn Oswald, Acting Branch Manager, Carer Payment Review Implementation Taskforce

2.4 Addressing youth homelessness

2.5 Support for women

Ms Janet Stodulka, Branch Manager, Office for Women
Ms Lee Emerson, Branch Manager, Carers
Ms Robyn Oswald, Acting Branch Manager, Carer Payment Review Implementation Taskforce

Equal Opportunity for Women in the Workplace Agency

Ms Anna McPhee, Director

Outcome 3—Families and children have choices and opportunities

3.1 Support for families

Ms Fiona Smart, Branch Manager, Family Safety
Ms Robyn Fleming, Branch Manager, Family Relationship Services
Mr Mark Warburton, Branch Manager, Family Payments and Policy
Mr Gregory Andrews, Branch Manager, Children and Parenting Support Branch
Mr Gavin Matthews, Ag Branch Manager, Income Management Implementation

3.2 Child Support

Ms Pamela Kinnear, Branch Manager, Child Support Policy Branch
Mr Ty Emerson, Branch Manager, Child Support Policy Branch

Outcome 4—Strong and resilient communities**4.1 Housing Support**

Mr Andrew Jagers, Branch Manager, Affordable Housing

Mr Simon Rosenberg, Branch Manager, Homelessness Taskforce

4.2 Supporting Financial Management

Ms Elizabeth Stehr, Branch Manager, Community Support Programs

Ms Jill Farrelly, Branch Manager, Community Support Programs

4.3 Community Recovery

Ms Beryl Janz, Branch Manager, Disaster Preparedness and Recovery

4.4 Community Partnership and Delivery

Ms Elizabeth Stehr, Branch Manager, Community Support Programs

Ms Jill Farrelly, Branch Manager, Community Support Programs

Ms Beryl Janz, Branch Manager, Disaster Preparedness and Recovery

Indigenous Business Australia

Mr Ron Morony, General Manager

Mr Craig Dalzell, Deputy General Manager Commercial

Ms Kaely Woods, Deputy General Manager Business Support

Mr Satish Kumar, Chief Financial Officer

Mr Colin Clements, Assistant General Manager Homes

Ms Sue McCormick, Assistant General Manager Enterprises

Mr Graeme Boulton, Assistant General Manager Partnerships

Ms Val Price-Beck, Assistant General Manager Corporate

Mr Chris Baseler, Assistant General Manager Constructions

Mr Peter O'Neill, Assistant General Manager Investments

Aboriginal Hostels Limited

Mr Keith Clarke, General Manager

Mr Russell Lane, Assistant General Manager, Operations

Dr Kamlesh Sharma, Assistant General Manager/Company Secretary

Indigenous Land Corporation

Mr David Galvin, General Manager

Ms Jodie Lindsay, Chief Operating Officer

CHAIR (Senator Moore)—I declare open this hearing of the Senate Community Affairs Committee. The Senate has referred to the committee the particulars of proposed expenditure for 2008-09 for the portfolios of Families, Housing, Community Services and Indigenous Affairs and Health and Ageing. The committee is due to the report to the Senate on 24 June 2008, and Friday 1 August has been set as the date for the return of answers to questions taken on notice.

The committee's proceedings today will begin with the examination of the Families, Housing, Community Services and Indigenous Affairs portfolio. I propose to call on the budget estimates in the order of the circulated program. Under standing order 26, the committee must take all evidence in public session. This includes answers to questions on notice. Officers and senators are well versed in the privilege protections and immunities and the scope of questioning for estimates. If you need reminding, the secretariat has a copy of the usual rules applicable to estimate hearings. I am not going to read them out now.

I welcome Senator Chris Evans, Minister for Immigration and Citizenship, representing the Minister for Families, Housing, Community Services and Indigenous Affairs, the departmental secretary, Dr Jeff Harmer and officers of the Department of Families, Housing, Community Services and Indigenous Affairs. Minister, do you wish to make an opening statement?

Senator Chris Evans—No, other than to say that it is great to be here, Madam Chair.

CHAIR—I knew that, Minister, and I am pleased that is recorded in *Hansard*. Before the committee commences with costs, outcomes and corporate matters, I suggest that we begin with any questions on the portfolio overview on pages 21 to 28 of the PBS. Senators, are there any questions on this area?

Senator HUMPHRIES—I would like to start with a question about employment in the department. The finance minister the other day talked about the Rudd government inheriting a budgetful of waste and inefficient spending. He said that of course there was a rapidly growing federal Public Service, including a 44 per cent increase in the fat cat brigade—the SES level of the Public Service. Can I have a show of hands of all the fat cats here? Would all the fat cats in the room put up their hand, please? Just you, Minister? Are there no other fat cats? Did you bring no other fat cats along to the hearing today?

Senator Chris Evans—No, my wife insists that I am going on a diet shortly. But I think I am the only one in the room at the moment.

Senator HUMPHRIES—That is very good. I rather think the minister was referring to others than you when he made that comment. How many SES officers are there in the department at present?

Mr Knapp—As at April we had 116 SES officers in the department.

Senator HUMPHRIES—Can you tell me at this stage how many there were a decade ago?

Mr Knapp—No, I would have to take that on notice.

Senator HUMPHRIES—Okay. Regarding the slated decrease in the size of the department that is indicated in the budget figures, I understand there are 269 positions to be removed during 2008-09 financial year. Is that correct?

Dr Harmer—I will get my chief finance officer to give an answer. Given your questioning on the SES and reference to percentages, which is where you may be going, there has been a slight reduction in the percentage of SES officers since the beginning of the year—just a slight reduction from 4.01 to 3.87 as of the middle of May.

Senator HUMPHRIES—That presumably suggests that you have a long way to go, as you might infer from Minister Tanner's comments. There is a 44 four per cent buffer to be removed over time. How many positions are to be removed under this announcement?

Senator Chris Evans—I want to make a general comment. One of the things that I think we need to recognise with this portfolio is that there has been a lot of change over the last 10 years, under the previous government largely, but there are also changes in this budget. While I am happy for the officer to give you current figures, and also historical figures if he has

them, we need to make the point that a lot of the functions went to DEWR under previous arrangements and the bits and bobs and child care have now gone to DEEWR, as it is now called, out of this portfolio. Clearly, historic figures in terms of the size of the department have changed dramatically. But the officer can give you the exact figures, I hope.

Mr Hunter—The 269 figure is from Budget Paper No. 1. That reflects slightly earlier information. We had some slight adjustments to measures after that with the portfolio budget statements. So there were some slight changes in ASL, which brought our reduction down to 260 rather than 269. That is part of our portfolio budget statements. The major driver with that is due to machinery of government changes to the Department of Education, Employment and Workplace Relations, which saw a net movement of 296 transferred to DEEWR under the machinery of government change. So the major movement is there. If you would like, I can give you a full reconciliation of how the movements are calculated but the major movement is that MOG change.

Senator HUMPHRIES—That would be good. Are you saying that the 260, as it now stands, is a reflection of a movement from out of the department? So there is effectively no reduction in the number of staff employed for the other functions that the department has retained?

Dr Harmer—A range of factors impact on the staffing numbers in the department. Mr Hunter has just talked about the biggest impact, which is the loss of some 260 staff net to DEEWR because of the transfer of the childcare function particularly. But of course we have had an efficiency dividend, which has impacted on the staff and we have new policy coming through the budget. So we are implementing a range of government commitments and for those government commitments we have been given some increased resourcing. So the picture is quite complicated—which is why I think it would be quite useful for Mr Hunter to give you a reconciliation—in terms of the staff transferring, staff coming in from DEEWR because we have had staff with the CDEP program coming in, childcare going out, new policy coming in, some savings and the efficiency dividend. But, with all of that—I have a bigger series of figures here if we need to go that route—in summary we will have a slight loss in 2007-08. But we have already provided our group managers in the department with a budget for 2008-09, which we are projecting is a balanced budget, and in the forward years it will be balanced. I am not anticipating having to have any forced redundancies in FaHCSIA.

Senator HUMPHRIES—When you say a ‘slight loss’ in 2007-08, are you referring to a financial loss?

Dr Harmer—Yes.

Senator HUMPHRIES—What I am trying to get at is: to what extent you are cognisant of the view of the finance minister that the Public Service as a whole is overburdened with positions. To put it more kindly than the Minister has perhaps, it is overburdened with SES positions that are not required, or not necessary, for the operation of the departments and therefore need to be trimmed to offset this explosion in numbers that occurred under the previous government. How many SES positions are likely to go in the next year to reflect the minister’s comments?

Senator Chris Evans—Senator Humphries, that question is not one the officer could respond to because it seeks opinion or commentary on what a minister said, but if you want the figures—

Senator HUMPHRIES—No, it does not.

Senator Chris Evans—If you want the figures then we will provide them. If you want to have a political discussion, we will have a political discussion.

Senator HUMPHRIES—It is not political; it is a question. Apparently there is a view that there are too many SES positions. That is a fair assessment of what the minister had to say.

Senator Chris Evans—That may be, but the officer is not going to comment on that, as you well know. So if you want the figures and then make a political argument, that is fine. If you want a political discussion with me and waste an hour, we can do that. I am happy for Mr Hunter to give you what he can and then you can issue your press release and out you go.

Senator HUMPHRIES—Okay. Can you tell me how many SES positions are slated to be removed in the course of 2008-09?

Dr Harmer—I do not anticipate a significant number. We are constantly looking to manage our budget. That means looking at priorities across the organisation. We have a very good record in FaHCSIA of managing our budget. We were within 0.05 per cent of our \$1.2 billion allocation last year. I anticipate being very close to the mark this year and a balanced budget next year.

Senator HUMPHRIES—That is great, but that is not my question.

Dr Harmer—I know, but it allows me to indicate to you that with regard to the judgement about SES officers I am cognisant of the need to make sure that we keep a balance in our staffing profile, and that if there are cutbacks in the lower levels then we have to have a very careful look at our SES to make sure that we are not getting the organisation unbalanced at the top with too many chiefs and not enough indians. Those decisions are made as we move through the budget.

I am not sure if we can get you this information, but we have had some tightening of our staffing to ensure that we can meet the budget requirements. I am not sure whether that has meant any reduction. I doubt that we have had a reduction in SES numbers. We lost a number in the move to DEEWR but we picked up some in the DEEWR move to FaHCSIA. I think that has probably led in part to the reduction in the proportion of SES positions.

Senator HUMPHRIES—Can you give me the figures on notice—how many SES positions there were as of 24 November and how many positions there are today.

Dr Harmer—We can certainly do that.

Senator HUMPHRIES—Okay. The point I am getting at is that clearly—

Mr Knapp—I can answer that question immediately.

Senator HUMPHRIES—Okay.

Mr Knapp—As at November 2007 there were 124 SES officers, that is a head count. As I indicated earlier, at the end of April there were 116. That change reflects that we had a net

impact of five reduction as a result of the machinery of government changes and the remaining changes are other factors.

Senator HUMPHRIES—How many of that reduction of eight were taken out with the transfer of child care?

Mr Knapp—That is the machinery of government changes, where six SES were transferred to—

Dr Harmer—Five of the eight reflected the MOG changes—it was not just child care. Five of the eight reflected the transfer of functions from FaHCSIA to DEEWR.

Senator HUMPHRIES—So is it fair to assume that the other three positions were reduced as a result of a desire to reduce the size of the department, perhaps to anticipate the efficiency dividend changes?

Dr Harmer—They were decisions taken by the executive management team to ensure that we could project a balanced budget for 2008-09. We have to make those decisions from time to time.

Senator HUMPHRIES—Looking at that figure of three out of, say, 120, it does not seem to indicate that FaHCSIA regards itself as an agency which is particularly burdened by an excessive number of SES positions.

Dr Harmer—We do not.

Senator HUMPHRIES—So you would not regard yourselves as being one of the agencies that the Minister for Finance was referring to when he talked about there being a massive increase in the fat cat brigade?

Dr Harmer—I cannot comment on the finance minister's statement.

Senator Chris Evans—Before the change of government they had 124 SES and now they have 116.

Senator HUMPHRIES—Some of those were transferred to other departments.

Senator Chris Evans—That is right.

Senator HUMPHRIES—So they have the fat cats instead.

Senator Chris Evans—It is a very confusing picture in terms of ins and outs, which makes comparison difficult.

Senator HUMPHRIES—It is clear that there has been a very small reduction in SES numbers in this agency.

Senator Chris Evans—As you know, you will have to look across the whole machinery of government changes. I am not trying to be difficult, but this is a very complex picture.

Dr Harmer—This portfolio has a large number of high priority initiatives for the new government, particularly in housing, Closing the Gap, and a whole range of areas. You will notice that we have also been given in the budget significant resources to implement these new government commitments. That is the other complication in trying to sort out the number of SES officers or staffing now compared to any time in the past.

Senator HUMPHRIES—I should make it clear that I think the department is now, and has been for some time, operating on a quite efficient and effective basis. I do not see any evidence that you are overburdened with SES positions. But then again that is true anywhere in the Public Service, with respect. What is the total number of permanent staff employed on a full-time basis in the department at the moment?

Dr Harmer—Are you talking about permanent ongoing, or total staff, including ongoing and non-ongoing?

Senator HUMPHRIES—Can I have both of those figures?

Dr Harmer—Sure.

Senator HUMPHRIES—But full-time, part-time and part-time equivalents.

Dr Harmer—Mr Knapp may have it. If he does not, while we are going to other questions he will be looking at it and will try to give you an answer as we go through.

Mr Knapp—I do have the information, Senator. As at May 2008, there were 2,701 ongoing employees; the non-ongoing figure was 244 and part-time employees 331. We had 203 contracted staff as at May.

Senator HUMPHRIES—How does that figure compare with November 2007?

Mr Knapp—I have the May 2007 figures, because we prepared them for 12 months earlier. Hopefully that is okay. The figures as at May 2007 equivalent were: ongoing employees 2,626; non-ongoing employees, 2830; and part-time employees, 400. I do not have a figure for contracted staff equivalent.

Senator HUMPHRIES—So total employment has gone up a bit?

Mr Knapp—That is correct.

Senator HUMPHRIES—A figure you provided as an answer on notice a little while ago said that the total number across all agencies in the portfolio was 3,996. But the figures you have given me just now are the department purely and the other figures include the other agencies like—

Dr Harmer—Indigenous Business Australia, the Indigenous Land Council et cetera.

Senator HUMPHRIES—Of those 2,701, you told me that at present 116 are SES positions.

Mr Knapp—That is correct.

Senator HUMPHRIES—Can you tell me what the base and top-level salaries of the APS level 1 to level 6 officers are? Obviously that is a question to take on notice.

Dr Harmer—We will take that on notice.

Senator HUMPHRIES—How many temporary positions exist or have been created since last year in the department?

Mr Knapp—There has been a reduction in non-ongoing employees in the data I just gave you from 280 to 244.

Senator HUMPHRIES—But that is not quite the question I am asking. How many temporary positions exist? You are talking about how many exist now, but how many have been created since November last year?

Mr Knapp—The issue is that it goes up and down as positions are created and old ones cease to exist. We have given an actual level at a particular point in time and that is as meaningful as we can get. We could give you information on the number of new positions and the number of people whose contracts have finished or whose temporary appointments have ceased, but we do not have that information available at the moment.

Dr Harmer—If you are looking for the detail of that, we will have to take it on notice. But the reduction in the non-ongoing and temporary staff is part of managing our budget. It is part of our strategy in terms of ensuring that we can project a balanced budget for 2008-09. One of the levers open to us in order to ensure we avoid impacting on the public and impacting too heavily on our permanent staff is to adjust our temporary staff.

Senator HUMPHRIES—Have you been given a target for the number of contractors or a dollar amount for contractors that you need to reduce across the department?

Dr Harmer—No; we are given a budget and the government expects me and my senior team to manage within that budget. Therefore, I use the various levers I have to ensure that FaHCSIA maintains its very good reputation in financial management by adjusting temporary staff, contractors, and we look at supplier costs, we look to renegotiate contracts when we can to reduce costs and we look at travel and all sorts of things to ensure that we can keep within our budget.

Senator HUMPHRIES—About this time last year then shadow Minister Tanner said that it was the intention of a new Rudd government to reduce spending on contractors by \$400 million over three years. So you have not been given any particular target to meet within FaHCSIA to accomplish that goal?

Dr Harmer—We are not, I would think, a huge user of contractors in the Public Service overall. So our proportion is pretty modest. But, as I said before, we certainly look at that. I do not know the figures, but it is quite likely that in making decisions on our budget we have used that lever as well. It is quite likely—and we will take the figures on notice. But I would be surprised if we have not reduced our contractors a bit as well as our temporary staff. It is one of the levers we use.

Senator HUMPHRIES—You have mentioned that you have received additional funding in this budget to accomplish some goals. Just broadly, what are those particular goals?

Dr Harmer—I think the biggest injection of additional funds in the budget for us was to implement the range of housing measures, which means a significant boost to the department. Housing was a relatively small function previously. It has now been boosted because of the four or five commitments that the new government has come in with in relation to improving housing affordability. The implementation of the election commitments in the budget has meant that we have been given some additional resources—particularly for housing, but there are other areas that I will let Mr Hunter or Mr Knapp talk about in a little more detail. It is on page 32.

Senator HUMPHRIES—I do not need the detail. I am sure we will get to that in the course of the day's questioning. I assume that the additional two per cent efficiency dividend still applies to the department?

Dr Harmer—Yes, it does.

Senator HUMPHRIES—The agency did not seek an exemption from the application of that dividend?

Dr Harmer—No.

Senator HUMPHRIES—You mentioned there would be an operating loss this year.

Dr Harmer—There will be a small operating loss this year—somewhere between \$5 million and \$10 million.

Senator HUMPHRIES—But you feel you will be within budget next year?

Dr Harmer—We will be, Senator. We have already made decisions and allocated the budgets to each of the groups, and we are projecting balanced budgets for 2008-09, 2009-10 and 2010-11.

Senator HUMPHRIES—Have you actually presented to the Department of Finance savings measures within the agency in order to meet the efficiency dividend?

Dr Harmer—We are expected to manage our budget within the parameters applied. The efficiency dividend is just one of those parameters that we take into account in our budget. No, we do not need to go back to Finance and indicate how we are going to manage the two per cent efficiency dividend.

Senator HUMPHRIES—Has the department made any request for a regulation 10 authority from the Finance Minister in the past six months?

Dr Harmer—I do not think so, but I turn to Mr Hunter.

Mr Hunter—No, we have not.

Senator HUMPHRIES—Thank you. Can I ask you about media monitoring within the department. Does the department monitor the media?

Dr Harmer—We do.

Mr Knapp—Yes, we have a media monitoring service.

Senator HUMPHRIES—For the course of this year so far, how much has been spent on media monitoring?

Mr Lander—To date, up until 30 April, the department has spent \$466,206 on media monitoring.

Senator HUMPHRIES—Are any employees of the department actually engaged in media monitoring, or is that entirely outsourced?

Mr Lander—I have a number of staff who are in a media team. But we subcontract media monitoring to Media Monitors Australia.

Senator HUMPHRIES—When you say 'a number of staff', how many staff exactly?

Mr Lander—I have six members of staff in my media team.

Senator HUMPHRIES—Was there a staff allocation of that kind 12 months ago?

Mr Lander—Yes, there was—very similar.

Senator HUMPHRIES—Are any of those positions at the APS level?

Mr Lander—I have a senior public affairs officer grade 2, an EL2, a PAO3, an APS6, a PAO2 and a PAO1.

Senator HUMPHRIES—Are those positions all involved in supervising those arrangements with Media Monitors Australia, or are any of those staff also engaged in liaising with the media themselves?

Mr Lander—I have about one-and-a-half staff responsible for managing the contract with Media Monitors Australia. Probably about three of those staff are responsible for some form of liaison with the media—answering questions and the like.

Senator HUMPHRIES—What is the approximate budget for this unit within the department?

Mr Lander—The supplier budget or staffing budget?

Senator HUMPHRIES—Both, please.

Mr Lander—My staffing budget for that group this year is about \$450,000 and the supplier budget for that team is \$374,000.

Senator HUMPHRIES—That is the cost of the purchase of those services from Media Monitors Australia?

Mr Lander—Largely, that is right.

Dr Harmer—I stand to be corrected, but I doubt there has been much change in that allocation in your budget over the past 12 months.

Mr Lander—No, there has not; it has been very stable.

Senator HUMPHRIES—Can I ask about a different subject now? I refer to board appointments. What appointments have been made by the government through the Executive Council, or directly by ministers if they can do that outside the Executive Council, to statutory authorities, executive agencies and advisory boards since the beginning of the government?

Dr Harmer—I have some information on that here.

Mr Knapp—Appointments that have been made by our ministers and parliamentary secretary, there have—

Senator HUMPHRIES—When you say ‘by our ministers’, do you mean by the ministers directly or through the Executive Council?

Mr Knapp—I have them classified as ministerial appointments, so I am not sure whether that means they all go through the Executive Council. I can clarify that, but do you want—

Dr Harmer—We have a briefing note here with a detailed listing. There are about three pages of these appointments. I am quite happy to make that available to you. It has the body: for example, the Torres Strait Regional Authority; Minister Macklin appointed an acting

general manager on 7 January. With the Northern Territory Emergency Response Task Force, two new members were required to be nominated because of changes in staffing. The head of the Northern Territory Chief Minister's department was changed and, of course, Mr Peter Shergold is no longer the head of the Prime Minister's department. They were both members of that. They needed to be replaced by the new heads of those two departments, and so on. We have a range of these and we can make that available.

Mr Knapp—We will organise to get that table to you, Senator.

Senator HUMPHRIES—That would be very good. Is it possible to include in that table information about the appointees such as their credentials for being appointed to that position?

Mr Knapp—We will take that on notice.

Dr Harmer—That is quite a lot of additional work, as opposed to giving you—

Senator HUMPHRIES—Roughly how many appointees are we talking about?

Dr Harmer—Because some—for example, the Social Security Appeals Tribunal—had quite a number and because a number of councils have been set up have had a number of appointees, that gives you, in a sense, an indication of the CVs, and is quite a large task. Given the things we have on, I doubt whether I would be looking to divert the resources to do that, but we will certainly give you the names of the people.

Senator HUMPHRIES—All right.

Ms Beauchamp—Many of these appointments have been made by ministers over the past few months, and normally attached to the media releases are the credentials of all the appointees. We will try to coordinate that information; it is already publicly available on most of those appointments.

Senator HUMPHRIES—That sounds great; thank you very much. Perhaps you have a table of grants that have been approved by the minister within this portfolio since November.

Dr Harmer—That would be quite a task. We will need to take that on notice.

Senator HUMPHRIES—Okay, thank you very much. On a different subject again, have the ministers or parliamentary secretaries in this department travelled overseas on official business since their appointments?

Dr Harmer—I stand to be corrected, but I do not think Minister Macklin, Minister Plibersek or Parliamentary Secretary Shorten have travelled overseas since the government was elected.

Senator HUMPHRIES—If that is not the case, I assume you will let me know.

Dr Harmer—I am pretty confident that is the case.

Senator Chris Evans—Dr Harmer will correct the record later if need be.

Senator HUMPHRIES—I will have some supplementary questions if they have travelled. If they have not travelled, I will not bother to ask them.

Dr Harmer—I am pretty confident that they have not, but we will check during the morning and if I am wrong I will correct that.

Senator HUMPHRIES—That is good. Has the department received any advice from another department or agency or the Prime Minister's department or something like that on how to respond to FOI requests?

Dr Harmer—I will ask Mr Field to answer that.

Mr Field—I am not aware of any specific instructions in relation to responding to FOI requests from other departments, for example, PM&C.

Senator HUMPHRIES—So the rules that the department was operating under before presumably continue to be the case?

Mr Field—The same basic policy settings and the same legislative settings, of course, are still in place.

Senator HUMPHRIES—Can you tell me how many FOI requests have been received since November?

Mr Field—Since November, I cannot, but I can tell you in relation to requests received since 1 July 2007—since the start of the financial year.

Senator HUMPHRIES—Okay.

Mr Field—We have received 33 requests for access to documents. Twenty-five of those requests have been finalised, two have been transferred to other agencies and six are currently active.

Senator HUMPHRIES—How many of those have been denied either in whole or in part?

Mr Field—I do not have the figures with me but, from memory, in relation to a number of those, there have been documents or parts of documents exempted under the act and a number of those have also been subject to internal review decisions—sorry, seven of those have been subject to internal review decisions. Over that period, one has been the subject of an application to the Administrative Appeals Tribunal in relation to claimed exemptions.

Senator HUMPHRIES—Have any conclusive certificates been issued?

Mr Field—No.

Senator HUMPHRIES—Thank you for that. That is all I want to ask about that. How many departmental liaison officers have been allocated to each of the ministers and the parliamentary secretary?

Mr Knapp—There were initially two allocated to Minister Macklin—that was increased to three in March—and then one each to Minister Plibersek and Parliamentary Secretary Shorten.

Dr Harmer—Our ministers and parliamentary secretaries and we have remained firmly within the guidelines for departmental liaison officers in ministerial offices.

Senator HUMPHRIES—The last overview question I want to ask is about the community cabinet meetings that happened in January, March and April. Which of the ministers have attended those community cabinet meetings—I include the parliamentary secretary in that description—and what were the travel expenses of the attendances on behalf of the ministers?

Dr Harmer—I cannot tell you the latter one, but I do know that Minister Macklin is the only one of our three ministers or parliamentary secretaries in the portfolio who has attended the three community cabinets.

Senator Chris Evans—It is generally cabinet members only unless there is a specific reason. As a standing practice at the moment, only the 20 members of the cabinet go.

Senator HUMPHRIES—Can I assume that her expenses were simply the normal travel allowances provided and the airfares?

Dr Harmer—It would have been normal parliamentary travel.

Senator HUMPHRIES—Thank you. How many ministerial staff and departmental officers travelled with the minister for those meetings?

Dr Harmer—I do not know how many staff. I do know that in each case the minister, as is normal, would have one member of staff. I think, from memory, there was probably one member and a press officer. But, subject to the minister's being happy with me giving you that information, I can provide that to you. For the Perth community cabinet, I was the only departmental officer who attended. For the Brisbane community cabinet, I was also the only departmental officer who attended. In both cases the state manager in the relevant state was there, but there is no significant travel involved. The state manager is usually resident in the capital.

Senator HUMPHRIES—So it was you and the state manager?

Dr Harmer—Me and the state manager. At the community cabinet in Western Sydney, Ms Beauchamp, my deputy, attended along with the state manager in New South Wales.

Senator Chris Evans—The general practice is that the Prime Minister has invited the secretaries to attend as part of their keeping in contact with the community. They are all very keen. In addition, certainly in my department as well, the state manager generally comes along, because if people raise particular casework they can then follow up in the local office. That is the general operating procedure.

Senator HUMPHRIES—The only other thing I was going to mention in overview was that the figures published just over a week ago on questions taken on notice from this agency indicated that it had the largest number of outstanding questions of any agency, with 31 outstanding questions. Most other agencies had nil or maybe one or two. FaHCSIA has usually been quite good, so I hope that is not an indication of how heavily burdened you are these days with these efficiency dividends and you are finding it hard to respond to questions placed on notice by the committee.

Dr Harmer—I apologise to the Senate for not meeting the deadline. We did not meet the deadline this time. I understand from my people that today there is only one outstanding response. We have tried our best to get them to you before the hearings. As senators may know, the period between the February additional estimates hearings and the budget hearings in June is traditionally the busiest period for departments. It has certainly been very busy for FaHCSIA, particularly because we have had a range of the new government's election commitments to work on. Of course, there is the budget as well as adjusting to the machinery of government changes. In the past, if you look at it—and I did have a look at the record of

our responses—we have a pretty good record in responding to estimates questions. But, in looking back or over history, the period where we do worst is the period between the February hearings and the budget hearings, just because of the intensity of the period. That has been the case for the last few years.

Senator HUMPHRIES—Thank you very much.

CHAIR—Are there any other questions in the general area?

Senator PAYNE—I refer to community cabinet meetings. Dr Harmer, I think the minister in his intervention said it was preferred for secretaries of departments to attend community cabinet meetings for the purposes of engaging with the community. What do you actually do when you are in Perth, Penrith or wherever else it may be?

Dr Harmer—Because I have attended two out of three, I can tell you very precisely, Senator.

Senator PAYNE—That is what I was hoping you would be able to do.

Dr Harmer—I attend the plenary session, which is conducted by the Prime Minister and his ministers. We witness the various questions and answers from the floor. So we do get a feeling for the sorts of things that are on the minds of the constituents in the various capitals. Following that, with our ministers, there is an allocation of space, a desk and a nameplate—for Minister Macklin, for example; and I sit with Minister Macklin. We usually have something like five, six or seven people—depending on how many we can fit in—who have submitted that they want to speak with the minister, ask questions, seek guidance or provide information. I take notes, talk with them in the same way, help the minister with the responses and then coordinate the response. The minister writes back to everyone who has come to see her, providing answers, feedback et cetera.

Senator PAYNE—So individuals have to make a submission or an application, I assume including the name of particular minister with whom they wish to speak and the matters they wish to raise?

Dr Harmer—Yes. I am not sure of the precise process but that is broadly how it is done.

Senator Chris Evans—The Prime Minister's office, as part of the invitation, will ask whether people want to speak with someone in particular. Obviously sometimes you can cannot cope with the demand. I certainly have met everyone who has indicated they wanted to see me.

Senator PAYNE—You would be a very popular minister, Senator Evans. I am sure they would keep you very busy.

Senator Chris Evans—I am. I must say, I am popular as in 'in demand'; I am not always popular with the answers. That is one of the beauties of Immigration; you are very rarely popular. I know it has been good for my secretary and I am sure it has been for Dr Harmer. I am sure his exposure to this is well appreciated by our customer service officers, who are glad to see the secretary sharing the experience of what they go through on a daily basis.

Senator PAYNE—Like a retraining experience. Does the Prime Minister's office coordinates that process?

Dr Harmer—I am pretty confident that they do.

Senator Chris Evans—I think my list of appointments comes out of PM&C. I will check whether it is the PMO or PM&C. I think it is PM&C.

Dr Harmer—It is coordinated centrally.

Senator PAYNE—How are the individuals chosen? For example, if you were to have five or six if time is available and there were 20 people who wished to speak with Ms Macklin, how are the five or six narrowed down? Is your minister or your department required to give input to PM&C or the PMO—whichever organ of government it is that does this?

Dr Harmer—I will need to check this, but I think we do have some input into the central sorting process. I think the criteria are basically: the relevance of it, a spread of issues—giving people across disability and housing a chance to interact with the minister. Those sorts of things I think are—

Senator Chris Evans—I think some people often indicate that they want to see two or three minister as well. Sometimes they have to juggle them a bit. Certainly, I have taken the policy that, if anyone wants to see me, I try to see them all, even if it means we are there late into the evening.

Ms Beauchamp—Could I also add that we follow up on those who do not get to see the ministers face-to-face, where they have raised issues relevant to the portfolio.

Senator PAYNE—Thank you very much. Does the local member have any engagement in the process of the selection of those who meet with the ministers?

Dr Harmer—Not that I am aware of.

Senator PAYNE—Could you check that, please, Dr Harmer?

Dr Harmer—Sure.

Senator Chris Evans—We will take it on notice. I do not think so.

Mr Knapp—The answer is no.

Dr Harmer—We can confirm that. Mr Knapp knows that the answer is no.

Senator PAYNE—Thank you very much.

CHAIR—Who actually vets the initial applications that come through?

Dr Harmer—As I indicated before, it is a central process. I think it is the Prime Minister's department. It is a question I will take it on notice.

CHAIR—Secondly, what is the response for those who do not meet the criteria?

Dr Harmer—Our minister has very broad responsibilities across a very wide range of sensitive government activities—many of them sensitive, like Senator Evans's portfolio is sensitive—and we respond to all requests in some form, usually with a ministerial response.

Senator ADAMS—Just to make it a little wider, for a person to actually apply to attend the community conference—

Senator Chris Evans—That is handled by PM&C; it does not go to the department. It is done centrally; it is coordinated through PM&C. In terms of responsibility for vetting and

allocating places, that is all done by PM&C. The only involvement of the department is in consultation with people seeking individual appointments following the broader consultation with the individual minister, but the actual acceptance of applications is done centrally through PM&C.

Senator ADAMS—So the department has no idea about the numbers who have actually applied and not been successful.

Dr Harmer—We do.

Senator Chris Evans—They would have an idea about the numbers who have asked to see their minister. That is the difference I am trying to point out. They would only be consulted about the applications from people who go into the forum and who then seek to meet the minister. If you like, they are a subset of the broader organisation.

Senator ADAMS—I realise that.

Senator Chris Evans—They are consulted about those seeking to meet Ms Macklin, but they are not consulted about those seeking to meet me or the Prime Minister.

Senator ADAMS—Or to actually attend. Thank you. Dr Harmer, you spoke about travel being part of your efficiency dividend. Could you just go through the process of how you are actually trying to reduce your travel?

Dr Harmer—Sure. We are doing a couple of things. One is just messaging the senior people in the department about the challenge we have in meeting the efficiency dividend. It is obvious to them and it is part of their budget, but we point out that they ought to be taking a very careful look at travel and the need for travel. We have invested in some upgrading of our videoconferencing facilities and are using that more. We have also done some things with the SES setting examples. The SES are not travelling to Sydney in business class, for example, which they are entitled to and have been for some time; they have moved back to economy. So there are things like that that we are doing which are relatively painless but which are still making a contribution to us meeting our budget.

Senator ADAMS—Are you insisting that your staff use Frequent Flyer points rather than going the normal way and using the budget?

Dr Harmer—I will need to check with people who know the detail of this, but I think our contract, which is with Qantas Travel, does not include the use of Frequent Flyer points. I am told that is correct. We do not earn Frequent Flyer points from business travel.

Senator ADAMS—Okay, thank you.

Senator FIELDING—How much feedback has the department had from the public generally on pensions—not in one area but across the board? It could include disability, the aged or carers? I am covering this here because it is a general question. How much feedback has the department had?

Dr Harmer—That is a particularly difficult question to answer in terms of an amount. We have a lot of interaction with groups that represent pensioners. We have quite a lot of interaction with broader groups where pensioners are part of their constituency. We respond to or assist the minister in responding to a range of ministerial correspondence. There has

certainly been an increase in the amount of ministerial correspondence in most areas of the department, frankly, in the last six months or so. I would think—and I am looking around for confirmation—that that would be the case also in the pensions area. I am told that is correct.

Senator FIELDING—Generally speaking on the issue of pensions across the board, what research has the department done in that area? I again ask generally, because it is obviously part of the departmental structure.

Dr Harmer—The pension, in terms of financials, is the biggest program—\$24-plus billion—we have policy responsibility for, so it is a very significant element of our department's activity. We are constantly using our data sources, our research, our contact with the public et cetera to keep abreast of issues in relation to pensions.

Senator FIELDING—The last numbers that I have indicate that about 3.4 million people are on pensions of some sort. Would that be right—just roughly?

Dr Harmer—I will be able to give that pretty closely. I think that is about right.

Mr Innis—We will check and give you an answer straightaway, because it is a matter of adding up all the various payments. I do not have that.

Dr Harmer—You are you speaking about the age pension, Senator?

Senator FIELDING—Generally.

Dr Harmer—So including the disability support pension?

Senator FIELDING—Yes, the disability support pension—

Dr Harmer—We can give you that figure precisely.

Senator FIELDING—Do you know the proportion of people who are on a pension who are in financial stress? Would you know that as a department?

Dr Harmer—I do not think we do a categorisation of 'under financial stress'. Those pensioners, for example, who are renters—we do not necessarily accept a benchmark of what represents housing stress—who are paying a high proportion, particularly over 50 per cent of their income in rent, we would say are probably in some stress.

Senator FIELDING—I go back to the specifics. Do you know the proportion, roughly, of people receiving a pension from the federal government in one form or another that are under financial stress?

Mr Innis—We do not have a precise measure of financial stress within the pensioner group. Financial stress is a somewhat difficult concept to measure precisely. There are general measures of financial stress that we do track. I can get you some information about self-reported financial stress in people over 65, for example. I do not have it with me but I can get that information to you.

Dr Harmer—Ms McKay might be able to find it in her folder. But as you would be aware, the government coming in had a range of commitments in relation to pensioners around indexation, continuing with lump-sum bonuses and increasing various allowances. We have been busily implementing that. As you would also be aware, there is a taxation review, which is going to look fundamentally at the tax transfer system. That will include a look at pensions,

carers et cetera, under Ken Henry. I am on that review. I am being asked to report to government by the end of February next year on measures associated with pensions, carers et cetera, as part that review.

Senator FIELDING—Mr Innis, could you provide that information that you just referred to?

Mr Innis—I will might have to take it on notice. I will go back and see if we have it handy.

Senator FIELDING—So we really do not know, even roughly, the proportion of people under financial stress who are receiving a pension from the federal government?

Mr Innis—What I can say, Senator, is that, if you are looking at the group of people over 65 as a general proposition—and I am speaking very broadly—self-reported financial stress in that group is a little lower than in other groups. It is a very big population, so it depends a bit on who you are talking about. As Dr Harmer said, there are certainly subgroups within the over 65s who are facing much higher financial stress than others.

Ms McKay—A lot of these issues were aired in the Senate inquiry into cost of living pressures on older Australians, which reported in March and to which the government will respond in due course. In the meantime, there are actually quite a number of features of the pension system that have been put in place to ensure that people are not in financial stress: the benchmarking of the single-rate age pension to 25 per cent of male total average weekly earnings, indexation that provides the higher of that benchmark or increases in the CPI. The government made an election commitment to further indexation and benchmarking the average living cost index for older Australians. There have been a number of increases in the budget, that you will see in these budget papers, to the seniors' concession allowance, utilities allowance, bonus payments and so on.

Senator FIELDING—You raised the 25 per cent of average—

Ms McKay—Male total average weekly earnings.

Senator FIELDING—I do not know and I do not want to ask the cheeky question about whether you could live on that amount, but—

CHAIR—It is a good thing you are not asking that question, Senator Fielding.

Senator FIELDING—Do you know how many years they could survive on that if they did not have any other income coming through?

Senator Chris Evans—That is not a fair question for the officer. You well know that; you have been around long enough to know that. The government shares your concern that pensioners are under enormous financial pressure as a result of inflation and general cost of living pressures. That is why there are a number of measures in the budget that go to trying to help alleviate those pressures. We still concede that it is very difficult for people making ends meet on those incomes. I have always been concerned about that. The indexation measure has been improved as part of the budget measure, while we paid the \$500 bonus, while we met all our election commitments and increased the utilities allowance to \$500, paid quarterly, so that there was new money and extra money for pensioners in the budget. You made the point that people are still finding it tough and that is dead right, and the government accepts that. We have indicated that after six months in office we have not solved that, but we have made a

significant financial commitment to pensioners and have set in place the policy measures to try to work through fundamentally any reform we can make to the transfer and pension systems. But, if your point is that people are still doing it tough, are you right—the government agrees with you. I think that is now well recognised. The Senate did good work in its report helping to highlight those issues. I see a number of pensioner groups are getting organised and giving voice to their concerns, and that is a good thing in a democracy. If you are silent you do not get noticed. All of that is a good thing, but clearly at the last election we understood that and that is why we made the commitments that we did and that is why every one of them was honoured to the letter in the budget, but more needs to be done for pensioners.

Senator FIELDING—Would I be right in saying—and I am happy to hear the contrary—that there is a general feeling that the base pension rate is too low?

Senator Chris Evans—What we have said is that through the tax and transfer payments review we are going to have a look at those issues. It has been indexed and we have improved what we think are the indexation arrangements. We have made a series of one-off payments; we continued the previous government's bonus and increased the utilities allowance. For many pensioners that is \$900 a year on top of the pension. Of course, one of the policy questions is: do you build that into the base or do you make other changes to the base? These are all live questions and that is what the review will consider: whether or not there are better ways to assist pensioners and, going forward, what are the appropriate arrangements? Those are live issues and will be part of the policy debate leading up to the reporting of the review. Obviously they are measures that the cabinet will have before it before finalisation of the next budget. As always, tough decisions will have to be taken to the budget. But the issue of the adequacy of the pension, I think, is very much on the public policy agenda in Australia now, and so it should be.

Senator FIELDING—I will just feedback something that may be missed in the debate. There are many Australians who did not work in the Public Service and therefore did not have superannuation or retirement savings plans or perhaps they were not executives of companies that had a defined benefits program. That was changed in 1992, but there are a lot of Australians who for many years were informed that the pension would look after them. Australia has failed those pensioners for the past 10 or 12 years, maybe even longer, and for the next 10, because the average retirement savings that people have is quite low. There are quite a few Australians who were not captured by the good plan to have at least their superannuation guarantee. That was under Labor—I understand that. But I think the argument is being missed a fair bit. Did the department put this up to the previous government or this government in any budget submissions or reviews? I will ask you, Dr Harmer; you have been around for a long time.

Senator Chris Evans—Dr Harmer cannot provide advice on what advice he gave to previous governments, Senator Fielding, as much as I would like him to indicate some of that advice and how it was ignored for 11 years. But that is not proper process and we are not going to open that can of worms; we will follow proper process. In terms of Dr Harmer's role here, it is obviously not appropriate. Your general point is well made. I think there has been—and this is a personal opinion—too much focus on superannuation in a sense, too much focus

on those seeking to live on superannuation and not enough recognition that still millions of Australians rely solely on the pension and will continue to rely solely or partly on the pension for years to come. I have not seen the recent figures, but it is a core part of retirement income for many Australians and will be for many years until the superannuation system really flows through. It is appropriate there be better focus on that.

Senator FIELDING—I think that the research and understanding of the proportion of people on the pension are under financial stress is critical to forcing change. If we do not understand the percentage of people who are really on the line, then I do not believe a government or a department can really service those 3.4 million Australians well and understand what changes really need to be made, other than saying, ‘Yes, we agree. How do we solve it?’ I think you really need to fully understand that. That is my comment. I think you are feeling a fair bit of anger out there from pensioners—people on pensions across the board, whether it is carers, the disabled or those who are aged. Realistically, it is something that I urge the department to do. Is there any planned further research? I think Mr Innis is taking on notice the general stuff. Is there anything more?

Dr Harmer—As the minister said, the review of the tax system and the transfer system has as its first deliverable a report on the appropriate level of income support and allowances, including the base rate of pension with reference to the stated purpose of the payment, the frequency of payment, including efficiency of lump-sum payments et cetera. The terms of reference for the first tranche of this tax transfer system review goes to the heart of, as the minister said, the nature of the pension and the amount of the pension. To do a reasonable job of that, my team and I are working through Ken Henry’s overarching review and will need to collect a lot of data. We have some very good data, some good information from our various household expenditure surveys and various data to input into that.

We are also setting up, as part of the terms of reference, a reference group of representatives from carers’ and seniors’ groups. We will be making sure that in the next few months we start a process of detailing intensive interaction with pensioner groups and we will be inviting them to provide us with information about exactly those sorts of things that will feed into the review. We already have a good information base, but we will be looking to significantly improve the information base with more interaction with pensioner groups and more data analysis so that we can properly inform the government so that they can take decisions following the review report on this issue at the end of February.

Senator FIELDING—It is good to see the focus on that. Sadly, it could be too late for quite a number of people on pensions, though. Thank you, Chair.

Senator CAROL BROWN—You talked about consultations that you will be having with seniors and carer groups. Do you have a time line of when you will be starting that and end dates? Will you be going out to the community or will it just—

Dr Harmer—We are currently planning that. We have the first meeting of the reference group, chaired by Ken Henry, this Thursday. One of the issues we will be talking about is exactly the time frame, the timetabling of these sorts of things. But, clearly, with a requirement to report to government by the end of February, we will need to get started very

quickly and very soon on the consultation. I would expect that we will be kicking that off in the next few weeks.

Senator CAROL BROWN—We are all aware of the concern in the community. There is has been some discussion about people representing pensioners and seniors having direct input into the Henry review. Would you be envisaging actually going out to communities and having consultations with FaHCSIA or would it be run under the Henry review?

Dr Harmer—We have not decided precisely yet how we are going to deliver on the government's commitment that we will convene reference groups of representatives from carers and seniors. We are planning that at the moment. Clearly, we will be having meetings with them. As to whether that involves us going out to the community more broadly, the minister and the group will have to decide that.

Senator CAROL BROWN—Thank you.

Senator PAYNE—Are you planning a review of the DSP, Dr Harmer?

Dr Harmer—Yes. Because the base rate pension is so fundamental to the architecture of the DSP, it will be included.

CHAIR—Any further questions?

Senator HUMPHRIES—I want to ask about the indexation rate for pensions paid to Commonwealth superannuants.

Dr Harmer—The broader tax review may look at that, but the first part of it will not.

Senator HUMPHRIES—Will not?

Dr Harmer—No. The first part of it focuses on the age pension. I will be specifically looking at that.

Senator Chris Evans—The taxation arrangements will be picked up.

Dr Harmer—Yes.

Senator Chris Evans—We can take on notice the exact—

Dr Harmer—As I said, we still have to have the first meeting. It will be this Thursday. We will be gearing up. We have what might seem to be a relatively long period for this, which is to the end of next year, but it will be a very comprehensive review. There will be a lot of intensive work and it will take us 18 months.

CHAIR—Are there any other general questions? I think we have completed one whole thing, which is very good. The next one on the agenda is output 4.1, on housing support. I intend to take a break now for the turnover of officers.

Proceedings suspended from 10.09 am to 10.26 am

CHAIR—Dr Harmer, we will move on to output 4.1, Housing support. I welcome Senator McLucas, the parliamentary secretary, who will be representing the minister for this session.

Senator PAYNE—I will start with the Housing Affordability Fund and the details around it, which obviously are confirmed through the budget process. Where are we up to in the negotiations with both state and local governments in the plan to speed up the development

application process which, of course, is one of the areas that is regarded as leading to higher costs, in particular to higher holding costs for developers?

Dr Harmer—Senator, as you would be aware, the government provided in the budget \$512 million over five years for this election commitment—the Housing Affordability Fund. Through a COAG working group we have been working with the states and the minister to ensure that we have a robust process in place and to ensure that we get the results we are looking for out of this program. I will hand over to Mr Jagers.

Mr Jagers—Senator, a consultation paper is being developed on the Housing Affordability Fund. We hope to have that consultation paper publicly released within the next two weeks. As the secretary mentioned, under the housing working group discussions have been taking place with state and territory governments. This week we are bringing in officials from state and territory governments and from the Australian Local Government Association to have a more in-depth discussion about the mechanics of how the fund will operate.

Senator PAYNE—What is the nature of the consultation paper, Mr Jagers?

Mr Jagers—The consultation paper will outline the proposed operating arrangements for the fund. Some of the published decisions will be made into selection criteria, for example who is eligible to apply for funding? I guess that it covers the key design features of the fund. That consultation paper will go out for local and state governments and other interested parties to provide feedback. As I said, we are expecting the paper to go out in the next two weeks, with feedback due around the end of July.

Senator PAYNE—So feedback is due at the end of July. I understand that the fund is marked to commence on 1 July?

Mr Jagers—The fund becomes operational from the start of July, but we will be calling for the first expressions of interest once the design features are settled.

Senator PAYNE—So it will not really commence on 1 July, does it?

Dr Harmer—It will commence as close as it can to 1 July. We have already had some discussions with the Australian Local Government Association, which will be quite important in this process, given the nature of the program. They are involved in the housing working group. Minister Plibersek has had separate meetings with them as well in terms of the implementation of this program. One element of this program is already under way.

Senator PAYNE—What is that?

Mr Jagers—The Prime Minister announced that the electronic development assessment process will be funded from the Housing Affordability Fund—of the order of \$30 million over the next two years. Electronic development assessment is a proposal to streamline development assessment processes in local and state governments. We have already started having discussions with state and territory governments about how that \$30 million will be used and we are about to provide advice to the minister.

Senator PAYNE—How far advanced are those discussions? Mr Jagers, you said that the consultation paper would outline proposed operating arrangements, criteria of operation and, I assume, eligibility for applications and so on. How can the EDA side of things already be underway if you have not determined those aspects of the program?

Mr Jagers—The \$30 million has been taken out of the first two years of the allocation of the fund. In the first two years of the fund we are expecting to allocate \$125 million. Of that \$125 million, \$30 million has been earmarked for electronic development assessments. That will be dealt with quite separately from the rest of the fund, which will be allocated to individual projects on a competitive basis.

Senator PAYNE—How is it allocated if it is not a competitive process? How is that \$30 million allocated if not competitively?

Mr Jagers—We are about to advise the minister on proposed arrangements for allocating that \$30 million, but we have not done so yet.

Senator PAYNE—I understood you to say that my concern about the fund being advertised as commencing from 1 July 2008 is ameliorated by the fact that I can be reassured that the EDA process is already underway but you have not yet provided the advice to the minister about that side of the process. How will organisations know how to make applications, if not competitively?

Ms Winzar—Senator, we have quarantined the \$30 million, as Mr Jagers has indicated. We have sought proposals from the states and territories and I believe that all of them have now provided us with a proposal that they would like us to consider. They range in nature, depending on the current state of planning and electronic development implementation in their own jurisdiction. Based on the proposals that we have from the states we will make some recommendations to Minister Plibersek about the cost benefit and how much leverage we would get from investing in various proposals. Understandably, they range in scope and in price. At the moment—Mr Jagers can correct me if I am wrong—I think the total bids from states for some assistance under the EDA component exceed the \$30 million that we have put aside. So we are in the process of going back to each jurisdiction and saying, ‘Were we not to meet your full request, how much would you be able to achieve with the funds that we might allocate to you?’

Senator PAYNE—If you have already sought proposals, what criteria were used for that process? I understood that the criteria were still in the machinery, as it were.

Ms Winzar—The short answer to that question is that there was no explicit criteria beyond seeking from the states proposals for embedding electronic development application processes in their planning arrangements with a view to speeding up the planning process and making it more transparent.

Dr Harmer—It is a quite specific and well-defined subset of the purpose of the Housing Affordability Fund. It is to improve the tracking and to streamline the development process. The government has already decided that it wants it to be electronic. The proposals that we have been asking for from the states—and they already all have systems—will be quite specific about how they are going to use these funds to ensure they are electronic and they keep the tracking system, et cetera. So this element is not a broad scope; it is a very narrow scope.

Senator PAYNE—Given that you have advised the committee that this part of the Housing Affordability Fund is part of the process that is underway, I assume that you have established

benchmarks to measure how much faster development applications are being processed? What are those benchmarks, and can you make them available to the committee?

Ms Winzar—We have not as yet set benchmarks. The broad guidance for the electronic development application process sought from the states information about the extent to which they currently had electronic development application processes embedded in their jurisdictions, particularly quantifying the number of local government areas that have fully or partly moved to that space. It sought their suggestions on possible ideas for fast-tracking electronic development applications and planning approvals and, in particular, it asked how they would quantify the benefits of the move. Just to give you an idea, one of the proposals in a jurisdiction that I cannot recall suggested that implementing electronic development applications across the jurisdiction would save the home purchaser of the order of \$5,000.

Senator PAYNE—For each development application?

Ms Winzar—Per development application, yes.

Senator PAYNE—So that is their prediction, or their estimate I suppose, at the state level. What is the Commonwealth's expectation of how much faster local governments will be able to process development applications?

Ms Winzar—We have not set a target as such, but all jurisdictions have agreed that there is a need to focus on reducing holding costs and development times. They agree in particular that there must be a nationally consistent approach and that some benchmarking will emerge from it.

Dr Harmer—Senator, I can assure you that we will be watching this fund very carefully. This fund was set up to reduce the costs. There are lots of different ways in which that can be done. The government will be expecting us to be collecting good information and to ensure that the funds are going towards reducing costs for homebuyers. We are aware, as are other states, that because of the nature of the program we will have to collect quite good information to ensure that there is no leakage of funds and that the funds are delivering on cheaper purchase prices. An important part of the design element of the program is that the data and information will lead to ensuring that that is the case.

Senator PAYNE—Dr Harmer, over what period do you expect to be able to identify that the fund is delivering on cheaper purchase prices?

Dr Harmer—It is a five-year commitment. I think that the government would be expecting us to confirm that after the first set of approvals.

Senator PAYNE—The first set of approvals?

Dr Harmer—The first set of approvals.

Senator PAYNE—So that is quite soon?

Dr Harmer—Sorry, when we have implementation of the first tranche of proposals. I am looking at Mr Jagers and Ms Winzar to correct me.

Senator PAYNE—Mr Jagers is looking intently at you.

Dr Harmer—On the basis of the details provided in the application I assume that we would have to defend that the funds were allocated to proposals that can demonstrate that they will lead to a reduction in price. We will evaluate them on that basis.

Mr Leeper—When the consultation paper comes out it will be similar to the one that we have done on the Rental Affordability Scheme. We put out a—

Senator PAYNE—I have one of those with me, Mr Leeper.

Mr Leeper—There will be one of these on the Housing Affordability Fund. I think it will be clear from the content of it that those putting proposals forward to access money in the fund will need to be able to demonstrate, to our satisfaction, a causal link between the investment and the flow-through of the approval and supply chain. We need to be confident that we can measure and achieve reductions in prices for people at the end point. If the money gets tipped in the front the proposals need to show to us how it will go through the various points in the development process and result in a real reduction in prices for the end purchaser.

Senator PAYNE—So one of your measures is cheaper purchase prices. What about the construction of entry-level homes? Would that also be a measure of whether this and other aspects of the Housing Affordability Fund are proving effective?

Ms Winzar—Entry-level homes are not an explicit target for the Housing Affordability Fund. If we can capture that information we are certainly interested in doing so.

Senator PAYNE—Okay. If at the end of the implementation of the first set of these processes it does not result in the outcomes that you are after, what do you propose to do to address that problem?

Mr Leeper—I think that is a hypothetical question. Our intention is to—

Senator PAYNE—I did not set up the benchmarks. I have been asking questions about the benchmarks and you have given them to me. If they are not met what does the government propose to do to address that?

Mr Leeper—I think that is a hypothetical question that goes to the advice the department might provide to the government. I am not sure whether that is a question that we answer at these hearings. Our intent is to set up a process where it can be achieved.

Senator PAYNE—The problem is that I have a budget document from the website that tells me the commencement date is 1 July 2008, but you have helpfully advised me today that the consultation paper on the fund itself will be released only within the next two weeks. If I am not mistaken, today is 2 June, which takes us very close to 1 July. I believe that Mr Jagers said that responses to that were expected by the end of July or thereabouts. We do not really have a commencement date of 1 July. I understand that the \$30 million allocated to the electronic development application process is part of the fund. You can tell me that proposals have been sought, so that means that at least part of it might be underway. So when I ask about the results that you are seeking to obtain—cheaper purchase prices for those wishing to pursue home ownership—if that outcome is not achieved, what does the government and the department then intend to do next? I do not think that is an unreasonable question.

Dr Harmer—Senator, Mr Leeper was saying that we have not yet come to an agreement on a course of action. Clearly, if we are to ask for applications and assess them on the basis of the delivery of a reduced purchase price, we will be monitoring it very carefully. If we discover in our analysis that that is not the case, clearly there will have to be some sanctions and we would not continue to pay it. There will be cases, but we are saying that we have not yet determined what they are.

Senator BERNARDI—Dr Harmer, is there anything to stop someone from putting forward a proposal and receiving the funds that initially results in lower development application costs but then profiteering immediately after that? They would have delivered on their commitment to government and they would then be saying, ‘We now need some more revenue, so we will put up the costs.’

Dr Harmer—Senator, we are engaging in a complex and important process to reduce the purchase price. We believe that we can. These are all elements that we have been discussing with state and territory governments and they will be in the design feature. We are looking to avoid leakage and we are looking to ensure that the reductions are sustainable. No doubt there will have to be some sanctions or some process in place to ensure that, if that is not the case, the money is retrieved or some penalty is paid. All these elements will be design elements that I assume will be spelled out in our paper.

Senator BERNARDI—When will the paper will be available?

Senator PAYNE—Within two weeks.

Dr Harmer—I do not know how much of that detail will be spelled out in the consultation paper.

Mr Jagers—Senator, within the next two weeks we are expecting the paper to be released.

Dr Harmer—Before 1 July.

Senator BERNARDI—Mr Jagers, you mentioned that the \$30 million would go over two years. Will \$30 million of the \$50 million allocation be loaded in the first year, or is it more likely to be in the second year?

Mr Jagers—It is more likely that the \$30 million will be split over the first two years.

Senator BERNARDI—Do you have an idea of the proportion?

Mr Jagers—We are expecting a portion of the \$30 million to be used for developing electronic development assessment interoperability specifications—a national set of specifications with which all states and territories would need to comply in their subsequent development of electronic development assessment processes. There will be some additional costs in the first year. Probably more than half the \$30 million will be spent in the first year, but only by a proportion of about an extra \$4 million in the first year as opposed to the second year.

Senator BERNARDI—So is it \$20 million versus \$10 million?

Ms Winzar—It is hard for us to be definitive because, as I mentioned before, the bids that we have received from the states and the territories exceed the \$30 million that we have put

aside for the electronic development application process. We will have to make some judgements about that. The other thing is that each of the proposals has a different timeline embedded in it, depending on how far advanced that jurisdiction already is in implementing some sort of electronic development interface around planning processes. For some it may be a three-year proposal, but for other jurisdictions the funds they may be seeking would be to roll out something that they have already tested in half a dozen local government areas across the remainder of the state. They may be able to do that much more quickly.

Senator BERNARDI—Ms Winzar, you have said on two occasions that the applications have exceeded the allocated funds. That would clearly indicate that \$30 million is not enough to satisfy current needs.

Ms Winzar—It may indicate that or it may not. As I indicated before, we are in the process of going through and working out whether we should go back to each jurisdiction and say, ‘You have asked for about \$7 million. If we are able to give you only \$5 million, what could you do? How would that compromise your proposal?’ That is the process we are in at the moment.

Senator BERNARDI—Has there been any indication from the states and territories that they are prepared to allocate additional funds to get this national scheme operating?

Ms Winzar—Some of the states have already invested quite heavily in electronic development processes. As Mr Jagers indicated, one of the keys here is to have a nationally consistent approach. That is the area to which we are trying to move.

Senator BERNARDI—Thank you.

Senator PAYNE—I take up the point that some of the states have invested in the EDA process. How is it that this is, therefore, not a reward for those states that have not bothered to do that work?

Ms Winzar—Senator, if we compare the capability of individual jurisdictions to make this sort of investment, it varies quite a lot. For example, some of the smaller states and territories would find it quite difficult to make the sort of investment, for example, that perhaps Queensland or Victoria has made in trialling or developing some of these applications themselves.

Senator PAYNE—I understand that point, although I gather that South Australia is reasonably well advanced and is probably described as a smaller state.

Ms Winzar—Yes, that is quite true.

Senator PAYNE—That would not bear out the point that you made.

Ms Winzar—I am not saying that that entirely explains it but I think it is a reasonable interpretation for some of them as to why they have not made the investment.

Senator PAYNE—Mr Jagers, a moment ago in your observations to Senator Bernardi, you mentioned interoperability. Do you do you mean the interoperability of systems between local and state governments?

Mr Jagers—Yes, that is correct.

Senator PAYNE—Looking at the development of the fund—and we are still up against this advertised 1 July 2008 commencement date—what stage has it reached in addressing the impact of fees and charges to support infrastructure?

Mr Jagers—Senator, the fund is established to help lower developers' holding costs that are passed on to homebuyers. We are expecting the eDA process to have a flow-on effect to homebuyers in reducing some of the charges and costs associated with hold-ups in the processing of applications. We will also be seeking expression-of-interest applications that deal with other charges that might be passed on to homebuyers as a result of either processing or infrastructure charges and delays. We are seeking a wide range of proposals; we are not trying to define the fund too narrowly. The key will be that proponents will be able to identify what cost savings will be passed on to homebuyers, which is the ultimate aim.

Senator PAYNE—Are you referring to the eDA process?

Mr Jagers—More broadly to the fund itself, when we put out expressions of interest for projects.

Senator PAYNE—The material relating to the fund is quite explicit about its aim, which is to address two significant barriers to housing development. I am quoting from your website. The first of those, which we have just been discussing at some length, is:

... 'holding costs' associated with the time taken by planning and approval processes...

And the second of those is:

... the impacts of fees and charges to support infrastructure.

They are clearly delineated in the material relating to the Housing Affordability Fund. So, when you referred earlier to the consultation paper, does that consultation paper emphasise the second of the barriers that the fund is targeting, or does it cross over both eDA and the impact of fees and charges to support infrastructure?

Mr Jagers—Senator, it is dealing with both. There could be proposals that have a combination of things that local or state governments want to do in a particular project. For instance, a proposal might say that reducing some headworks charges through a Commonwealth contribution will help to bring down home prices by a certain amount. That local government might also say that through improvements in processing they will also bring down the price of a house within a particular project by a certain amount. We are looking for projects that deal with either or both of those two areas.

Senator PAYNE—Mr Jagers, when you talked about a possible Commonwealth contribution reducing headworks charges in this context, what sorts of headworks did you have in mind?

Mr Jagers—I guess it will be a matter for local governments to make applications that we would assess. We understand that some proposals could focus on reform within local government and on systems within local and state governments.

Senator PAYNE—How is that a headworks charge?

Mr Jagers—Some might seek support for some of the infrastructure costs associated with a project. The kinds of headworks charges that are passed on might be a combination of

infrastructure that is required for a development like sewerage lines or various bits and pieces around footpaths, and the sealing of roads. We are not being overly prescriptive about what the Commonwealth might pay for. It is just that that combination of costs and the Commonwealth's contribution will result in a dollar saving to home purchasers compared to what it might otherwise have been.

Senator PAYNE—With great respect, I must say that that sounds a touch vague.

Senator McLucas—Can I assist here, Senator. As you would be aware, local government capacity around the country varies enormously. That is because of the capacity within that local authority, the financial arrangements and the economic circumstances affecting that local government. The other thing that is different across the country is the legislation relationships between state governments and their local authorities. They have differing requests from local authorities, particularly on the issue of headworks. I am sure you are aware that the states are very different. I think it is inappropriate to say that it seems vague, simply because of the enormous work—

Senator PAYNE—Senator, you might like to look at the *Hansard* afterwards to see whether it is concise and precise, because it is certainly not that.

Senator McLucas—I think the officers are attempting to answer your questions openly.

Senator PAYNE—They are. They are very helpful and I appreciate it. However, I do not think 'bits and pieces' helps me very much, and I am quoting from Mr Jaggars's statement about what sorts of headworks charges might be addressed by \$512 million of Commonwealth money over five years. 'Bits and pieces' really does not help me.

Senator McLucas—It depends on the capacity of the local government and it depends on what requirements state governments have of those local authorities. It is impossible to be specific at this point because of the enormous amount of work that has been done and is yet to be completed.

Senator PAYNE—Well, my mistake then, because I thought there might have been some planning, research, or investigation done by the department which would indicate the most likely charges and costs the fund would be used for—my mistake! That must be an error on my part, particularly as we have a consultation paper that apparently will enumerate for us consultation about criteria, eligibility and proposed operating arrangements. That means that some planning must have been done in this process.

Dr Harmer—Senator, given the nature of the program, the objectives are quite clear. At an estimates hearing we cannot afford, in advance of calling for proposals, to give you specifically the sorts of things that we are looking for. We want local and state governments to come forward with proposals. If we gave you a menu of things that we were interested in today and we left some out, we might unfortunately be giving the view to local proposers that we are not interested in some others.

Senator PAYNE—Is anything possible then, Dr Harmer? Is that where you are taking me?

Dr Harmer—Anything that involves reducing your pipeline of assessment, et cetera—that is, anything that reduces the costs of development charges and that impact on lower costs of housing within the broad framework—is eligible. So it is quite broad remit. But the objective

is clear—that is, the reduction in the pricing of housing and, therefore, a contribution to housing affordability. If Mr Jagers had given you a precise definition of some of the things, some readers or some observers might get the impression that they are the things we are looking for. He might not have been comprehensive, which is why he was careful.

Senator PAYNE—I appreciate that.

Dr Harmer—He is not being deliberately obtuse—

Senator PAYNE—No?

Dr Harmer—and he is not saying that we do not have a clear idea of the sorts of things that we are looking for. What he is saying is that, if he gave you a list now, it would not be terribly helpful in the shadow of getting in applications.

Senator PAYNE—Okay. In the same context, Dr Harmer, are there things that can be ruled out? For example, if a local government thinks it needs a six-lane highway to support a particular development, is that something which the Housing Affordability Fund will apply itself to? Are there things we can actually rule out?

Dr Harmer—I would not have thought that would have been the sort of thing we would be looking at. But, again, in advance of the release of the document and the government's finalisation of the parameters, I do not want to—I suppose it is theoretically possible that such a proposal could be put, but I cannot imagine that it would be for a six-lane highway. That is the sort of infrastructure that I think would be outside the scope of this fund.

Senator McLucas—It would not be very long.

Dr Harmer—No.

Senator McLucas—It would be a very big subdivision!

Senator PAYNE—Quite. Although getting access to those subdivisions, Senator McLucas, is an ongoing issue in a whole range of development areas.

Senator McLucas—It also goes to the point about how headworks are charged in every different state.

Senator PAYNE—Indeed, and I am familiar with that problem for a range of reasons. I come back briefly to the eDA process. Ms Winzar, you said that, having sought proposals, you have proposals in excess of the current allocation of \$30 million—in that take-out from the \$512 million at this stage. How long do you expect the assessment process for those to take?

Ms Winzar—At this stage my best guess would be that we would be providing advice to Minister Plibersek within the week. It will then be a matter for her to make a determination.

Senator PAYNE—Which may conveniently occur on or before 1 July, one imagines. That is not for your comment.

Dr Harmer—Senator, I assure you that this is an important commitment and we in the department understand how important it is to government. We have very clearly in our minds and in our actions the intention to deal with it as quickly as possible. As you and other senators know, housing affordability is an important issue for government. They have made a

range of commitments and we will be doing our best to implement these measures as quickly as we can.

Senator PAYNE—In the past week, the New South Wales government advertised through its Department of Planning the difficulties it has. They are running advertisements that say that on average it takes close to 80 days to get a development application through for fairly low-impact proposals, and that that is a problem. They want to have a housing code that has a 10-day turnaround for high-quality designs that meet a couple of criteria and so on. Does the fact that they have that underway mean that they would still be eligible for support under the eDA side of the Housing Affordability Fund? And how does that sit with the eDA plan?

Ms Winzar—In terms of the New South Wales exercise, I am not sure how much of their objective to reduce average development application processing time down to 10 days rests on their current investment in electronic development applications. My understanding was that they were overhauling a range of aspects of their planning processes, including, particularly, who makes the decisions, and rights of appeal and so on. I think they have much more in scope than just electronic development applications processes. The nub of your question, though, goes to whether they would be eligible for funding under eDA. I think this goes to the point you raised earlier, Senator, about how much we effectively reward states that are already making an investment, or reward states that have failed to make an investment. We need to use—

Senator PAYNE—I am more worried about the latter than I am about the former.

Ms Winzar—We need to use these funds as effectively as we can to achieve some improvement right across Australia. If we are happy with what New South Wales is doing—and it seems to us that they do not need much more help from the Commonwealth government—perhaps we might consider directing our electronic development application process funds elsewhere.

Senator PAYNE—Dr Harmer, I appreciate and respect the importance of the fund and the importance that you have identified for your own department in working on this. Commentary around the fund has identified it as endeavouring to bring down construction costs for new housing. At the same a time as the fund is in development, obviously, and working towards its start-up, what else is the COAG Housing Working Group doing to address the sorts of delays that we are talking about today—for example, in the DA processes?

Dr Harmer—The COAG working group is working on a range of things, Senator. This is one of the elements of it, because it is a high-priority implementation task which involves local and state governments. But we have other high-priority implementation tasks, such as the National Rental Affordability Scheme and a range of others. Mr Leeper, who is more heavily involved in that area, might want to talk about it.

Mr Leeper—We are implementing five election commitments. There is the Housing Affordability Fund, the National Rental Affordability Scheme, the 600 homes for the homeless under A Place to Call Home, the land audit and the National Housing Supply Council. Those were the initial focus of the housing working group. In addition, we are looking at the framework for a national affordable housing agreement, again within broad COAG guidance.

Senator PAYNE—Two questions arise out of that. I really want to know whether the COAG Housing Working Group is doing anything else specifically on the question of development approval process delays.

Mr Leeper—The major focus would be through the Housing Affordability Fund. We have been engaging with the states on all these measures since the end of January. Whilst I note your concerns about the 1 July start date, in practice the states are already thinking about how they might respond. I do not think there will be a long period between us issuing the consultation paper and getting guidance, and the states having proposals ready to put to us. There will not be what one might call ‘in due season’ in a normal tendering process and a great delay. The states are doing work right now on a number of initiatives so that they are ready to go when we have the material ready.

Dr Harmer—Senator, if I could just add to that. For the first time that I am aware we have around the table not only the housing people but also people from the Australian Local Government Association formally involved in these discussions.

Senator PAYNE—Which I agree is useful. I refer to the targeting of the fund. Do you expect your criteria—and do the criteria that are already in place for the proposals that are being sought under the eDA process side of it—will limit the fund to dealing with affordable target entry-level home building, or is it any sort of development—for example, higher end land?

Mr Leeper—In talking to the states we indicated to them that we are running a competitive process. The objective is to get more land available for housing more quickly. All other things being equal, if a state were to say that this proposal would result in X number of blocks, of which Y percentage would be reserved for affordable housing, then that is going to count at the margins. At this point I do not think we are proposing to restrict or prescribe that as a single outcome from the fund. We are trying to get more land through the pipeline more quickly to reduce holding costs. That is where we expect the price effect to come out at the end—that plus speed. Getting more affordable dwellings, including entry-level dwellings, would be a good outcome, and we hope that the states would respond by having at least a proportion of proposed new developments where they are seeking money under the fund reserved for that purpose. But at this point I do not think we are proposing to say that is an absolute condition of getting funding.

Senator PAYNE—In your evaluation of the applications referred to by Ms Winzar that you have already received from the states under the eDA component, and when you evaluate applications that are received in the competitive process for the other parts of the fund—particularly addressing the question of the impact of fees and charges to support infrastructure—it is possible that projects that deal only with the high end of the market could end up being supported through the Housing Affordability Fund?

Dr Harmer—No, I do not think that is a fair assessment, Senator.

Senator PAYNE—I am asking a question.

Dr Harmer—I think it is quite unlikely that projects that would deliver outcomes only at the high end would get supported through the process. Mr Leeper was saying that quite often proposals that are put together by developers and builders, local government et cetera involve

a combination of housing at the top, middle and lower ends. Mr Leeper was saying that, as long as it delivers reasonable additional supply at the lower end, it might be considered. Of course, this is a competitive process, so we have to make judgments. If there is a proposal, as I think he was suggesting, which deals only with the top end, given the nature of the program I think it is quite unlikely that it would be competitive.

CHAIR—Thanks, Dr Harmer.

Senator BERNARDI—Dr Harmer, my question relates to the process and how it will work. The electronic development application process streamlines development approval within local and state governments. What happens then? Does the council apply for the headworks charges grant through the department?

Mr Leeper—The process we have outlined to the states—and they appear to be broadly satisfied with it—is that proposals would come to the Commonwealth with state endorsement. A local council, a developer, or a combination thereof would bring forward proposals and the state government would indicate the degree to which it was consistent with planning and other policies that were in place. With some state endorsement those things would come through to us. In addition—and this will be in the consultation paper—I am reasonably confident we are talking about a possible two-stage process where people indicate in the broad and at a high level the kinds of things that they are thinking about. We are very conscious of the costs to organisations, and to levels of government of responding to government tenders, which in effect is what this will be—it will be a tender-like process. It will be a two-stage process where people indicate in broad what they are trying to achieve and we can then put them through to a second step where they can put a bit more resources and effort into it, knowing at least that they have passed the initial hurdle.

Senator BERNARDI—When developers acquire some land they go to council. They pretty much need swift approval, which is what the \$30 million is for. They get a swift approval but the economics of the development might then depend upon the grant from the Commonwealth for the headworks infrastructure in order to provide for a profitable or successful development. I have written a number of letters to some ministers but seven months later I have still have not received a response. Many people have waited many months just to get a response to a simple letter. How long will it take to get an approval for a development application for headworks infrastructure?

Mr Jagers—Senator, we are expecting developers to work with local governments on applications for housing affordability funds. Applications will be made by local or state governments or a local government association, but a developer might access the fund in a partnership or consortium arrangement with the local government. We will be expecting them to make their application to the Housing Affordability Fund before the development approval has taken place so that we are able to assess the application concurrently with the development assessment.

Senator BERNARDI—It could result in a case of you approving it and council rejecting it under a development—

Mr Jagers—Firstly, the local government would have to agree with the proposal, as would the state.

Senator BERNARDI—Essentially, they would have to agree first with the development application, is that right?

Mr Jagers—They would have to agree to put in the proposal to us—

Dr Harmer—Senator, I do not think what you are proposing is likely to happen because of the required involvement of all the various parties in the proposal. In most of them a local government party would be part of the proposal. As Mr Jagers said, state governments would also be involved in making comments on some of the proposals that come from local government, so they would be in the loop for the feasibility and timing of the proposal. Of course, the developers might also be a part of it. Where there are interdependencies we would expect them to be part of the proposal.

Senator BERNARDI—So a local council and a developer might lodge an application with the fund and the development of the project itself would be contingent upon it being allocated some funds from the Commonwealth. Would that be reasonable?

Ms Winzar—That is a possibility. Equally, from our perspective, approval of funding from the Housing Affordability Fund will always be contingent on meeting things such as consistency with local and city plans, environmental requirements and so on. It would also be conditional on them getting ultimate development approval. So there is a bit of a balancing act through this.

Senator BERNARDI—I think Mr Jagers suggested that the EDA process might save up to \$5,000 per building. Is that right?

Ms Winzar—That was the proposal from one of the jurisdictions. In the proposal that they put forward for an investment under EDA from the Commonwealth they expected to save an average of \$5,000 per building.

Senator BERNARDI—Was that just through the streamlining of the development approval process?

Ms Winzar—That is quite right, yes.

Senator BERNARDI—Obviously, grants for the headworks would result, once again, in further savings?

Ms Winzar—Yes.

Senator BERNARDI—Quite considerable savings one would imagine?

Ms Winzar—We would hope so.

Senator BERNARDI—Would that then be the case where a development is going to be priced under the price of comparable homes in the area?

Ms Winzar—That is a bit difficult because of the price for new homes. You should bear in mind that the Housing Affordability Fund is targeted both at greenfield sites and the remediation of brownfield sites. Comparing new home prices with established home prices in the area I think is always a bit difficult.

Senator BERNARDI—Let us imagine that there are two developments, and one receives some financial assistance from the Commonwealth and the other does not, but in other ways they are comparable. One would be cheaper than the other one?

Ms Winzar—We would hope so.

Senator BERNARDI—You would hope so?

Ms Winzar—Yes.

Senator BERNARDI—Which would result in a decrease in the value of houses in the immediate vicinity. That is the only conclusion that can be drawn.

Ms Winzar—You postulated two parallel developments which were the same except for the existence of assistance under the Housing Affordability Fund. Therefore, I am assuming that this is new housing in both developments that you are talking about?

Senator BERNARDI—Yes.

Ms Winzar—And yes, if a by-product was that we drove down the entry price or the purchase price in the parallel development, which was not HAF-funded or HAF-assisted, I think we would be quite happy about that.

Senator BERNARDI—You would be happy to see—

Dr Harmer—That is part of the objective of the—

Senator BERNARDI—But this goes to it. By making more affordable housing you will see a decline in the opportunity cost for types of housing other than these new developments that you are subsidising. Are we going to see a situation where people who already own a home have their house prices falling because the government is subsidising these new developments?

Dr Harmer—Senator, the scenario that you were painting involved two parallel developments—

Senator BERNARDI—I am onto another scenario now.

Dr Harmer—Okay, sorry.

Senator BERNARDI—It is still a relevant question.

Senator COLBECK—It will still impact through the market by virtue of the fact that you are subsidising a particular development and that drives down the cost of housing in that region and impacts on the market. It could very well have the impact of devaluing other properties in the market. That is something that needs to be considered as part of the process.

Dr Harmer—Theoretically it is certainly possible.

Senator McLucas—I suspect that it is speculative, though. I do not know what your history in local government is—

Senator COLBECK—It is quite basic.

Senator McLucas—but fortunately I have had four years in local government. The infrastructure that is being proposed is the sort of infrastructure that would probably provide service to both those subdivisions. Things like a gradient sewerage line or the development of

local road infrastructure potentially would service both those developments. It is hard to answer these questions in the specific because all those applications will be different.

Senator COLBECK—When Senator Payne asked earlier whether you were ruling anything out I think it was reasonable for you to say that there were some things that you would not contemplate putting money into. However, you were reluctant to do that at that point in time. I think it is reasonable for you to rule certain things out.

Senator McLucas—We had a good reason: we really do not want to rule out good ideas. This is a great opportunity for a partnership between local and state governments and the Commonwealth government to truly address the housing affordability issue. It is the first time in 12 years that a government has been committed on a range of fronts to work with all the players in the housing sector. Yes, it is different and yes, we are committed to doing it.

Senator COLBECK—Senator McLucas, if you are talking about things that will impact across a community, I suggest that things like footpaths, sealing roads and things like that are an integral part of a new subdivision. I too spent four years in local government so I have some understanding of that, and I spent 25 years in the construction industry, so I also have some understanding of that. There are some things that you would not contemplate putting into the market. If you do not want to rule things in or out that is your business, but some things are very simple. Senator Bernardi's question about the impact of property prices across a market by virtue of government intervention is a very legitimate one.

It may be that the government desires to make housing more affordable. Whether it is made more affordable by a reduction in prices, or whether it is made more affordable by a slowing of the growth in prices over time are two very different things. A lot of people are quite highly geared in the market. So on the other side of the equation, if you are going to reduce prices of property, there could be the potential impact of pressure from people who could go into negative equity. You have to be pretty careful in this area. I think the issue of equity across markets is very important. So I think the issues that you mentioned, Senator McLucas, about some higher level infrastructure are probably legitimate, but Senator Bernardi's question is no less important.

Senator PAYNE—In fact you are ruling things in and out by basically establishing schemes with criteria and eligibility—of course that will provide people with guidelines about what is in and what is out.

Mr Leeper—The fund provides \$500 million in administrative costs over five years, so that is \$100 million a year. We anticipate an average reduction in price of around \$10,000, so that means we are talking about \$10,000 a year. The estimated shortfall of housing is 30,000 plus nationally. Whilst I have an economics degree I acknowledge the possibility of price falls, but I think what we are realistically talking about is a lesser rate of price rise. At the moment the excess demand is one of the factors driving house prices. There is such a large construction gap between what is being delivered by the market and what is demanded by the population. Housing Industry Association estimates are of the order of 30,000 buildings per annum.

Senator BERNARDI—What is being delivered by the market is limited by land availability more than anything else. For example, in South Australia, the Land Management

Corporation has a land banking process and a for-profit acknowledgement. Significant developers are all bidding on limited release land. That is what is driving the price of housing out of people's reach.

Mr Leeper—But your question goes to: does the Commonwealth effectively taking, at the end of the chain, \$10,000 out of the price of a house and land package impact negatively on the value of houses around that market? I would put to you that, in a context where the national shortfall is 30,000 dwellings per annum at present—these are not our estimates; these are industry estimates—us putting 10,000 blocks on the ground at a slightly reduced price will not reduce house prices in the broad.

Senator BERNARDI—You do not think it will reduce house prices?

Mr Leeper—It will reduce house prices for those entering those particular properties.

Senator BERNARDI—But not anyone else?

Mr Leeper—In absolute terms, it will not reduce house prices in the broad in absolute terms.

Senator BERNARDI—An increase in supply will not reduce house prices?

Dr Harmer—Senator, Mr Leeper acknowledged that it may slow the rate of increase, which would be an important impact in itself in the current climate.

Senator PAYNE—Mr Leeper, you put on the record an expected estimated reduction of \$10,000?

Mr Leeper—On average, yes.

Senator PAYNE—On average. How has the department reached that figure? Have you done modelling and research to come to that point?

Ms Winzar—Senator, the short answer is no; we have not done explicit modelling around that question.

Senator PAYNE—How have you reached that figure?

Ms Winzar—I suppose we have made a bit of an estimate of what would be a reasonable return on spending \$500 million through the Housing Affordability Fund in terms of the benefit to individual homeowners.

Senator PAYNE—Is that an estimate of what you think is a reasonable return for the Commonwealth's expenditure of \$500 million? It is not really an estimate of the expected reduction in the purchase price of a house?

Ms Winzar—No, and it may well be that we deliver savings on the purchase price of a house far in excess of \$10,000.

Senator PAYNE—So there has been no modelling done around the expected effectiveness of the Housing Affordability Fund by the department?

Mr Leeper—Senator, it is as if we said that if the amount approved by government was \$200 million we would be looking for an average \$8,000 reduction—it is a circular argument in some respects.

Senator PAYNE—I do not think it is a circular argument, Mr Leeper. I understand absolutely the point that Ms Winzar has made. In relation to the operation of the Housing Affordability Fund, if an individual in the market or opposition members want to know what a purchaser might reasonably expect to see as some sort of a reduction in the purchase price, you are saying to me that the \$10,000 that you have identified today is attached to your expectation of what the Commonwealth needs to see happen for its \$512 million, not more accurately what the purchaser might hope to see as a result of the implementation of this program?

Mr Leeper—We would be hoping to—

Senator PAYNE—How will you measure it?

Mr Leeper—We would be hoping to overachieve, if anything.

Senator PAYNE—I understand that.

Dr Harmer—We have certainly done estimates and we are reasonably confident about them, but—

Senator PAYNE—Is that based on modelling?

Dr Harmer—But it is quite difficult to model because of the combination of things involved. The variables of an individual case in terms of what we might fund are quite complex.

Senator PAYNE—Dr Harmer, I think economists can model anything if they really try.

Dr Harmer—They can.

Senator PAYNE—And they do. I have seen them modelling all sorts of things.

Dr Harmer—I think the baulking here is not so much whether or not we are reasonably confident about the number; it is about how sophisticated the modelling might be in delivering that result. I think that is the issue. We are not saying that we are confident about it, and we might even overachieve—

Senator COLBECK—You may very well underachieve. Nobody knows because it is so speculative. You have a figure but you cannot tell us how that figure was arrived at. You are saying that it is what you would like to see as a return on investment, but you cannot tell us how you got to that number. You said that you might overachieve, and perhaps you will. You cannot tell us what the inputs will be because you are not ruling anything in and you are not ruling anything out.

Dr Harmer—We are doing that deliberately, Senator, as I explained.

Senator COLBECK—Where does the number come from, apart from the fact that that is what you would like?

Ms Winzar—We will be asking developers and local governments, when they put in their proposals, to indicate what the quantum is that they expect to save for the individual home purchaser and how that will be delivered—for example, it might be through a rebate on rates over the first 10 years of the homeowner's tenancy.

Senator COLBECK—So you are asking local government to contribute to your outcomes?

Ms Winzar—No, certainly not. We are asking them to identify to us how the savings from the HAF investment will be passed on to consumers. We are being quite explicit about that. But there are many ways in which they can do it. They could have an upfront reduction on the purchase price of the house; they could have an ongoing rebate on rates; or they could have some other avoidance of charges that would otherwise be imposed over the lifetime of the building. We are reasonably flexible about that, with the exception that we are explicitly asking them to nominate the quantum of the saving and how it will be delivered to the home purchaser. Throughout the course of the Housing Affordability Fund we will be monitoring whether or not those savings are delivered.

Senator COLBECK—With that \$512 million how will you maintain some sort of equity across all your markets, or will you be targeting certain markets?

Ms Winzar—We will be explicitly targeting areas where dwelling growth either has been quite high or is projected to be quite high over the next five years. Yes, we are targeting. We are looking at either greenfields or brownfields developments; it is of no great consequence to us. There was one other issue, but I cannot remember what the third criterion was. I will get back to you.

Senator BERNARDI—Ms Winzar, you just mentioned that there may be rate holidays or various forms of proposals by which to make housing available and to reimburse homeowners. Does that mean that there will not necessarily be a reduction in the upfront purchase price of homes built under this scheme?

Ms Winzar—It may well be that the saving is not delivered as an upfront reduction. Yes, that is quite true.

Senator BERNARDI—The price of housing may not decline at all under this scheme?

Ms Winzar—If we decide that the delivery of the savings is reasonable, it may well be that we support a project that has a rate rebate or some other concession over the life of the house.

Mr Leeper—I think the point there, Senator, would be that the cost of home ownership would decline. It is not just the purchase price; it is the cost of operating and maintaining the property, including rates payable to the local council.

Senator BERNARDI—Mr Leeper, whenever people talk about buying their own home and they cost too much they do not think about its ongoing maintenance; they think about the upfront purchase price.

Mr Leeper—I acknowledge that. I am responding to your point where you said that prices may not reduce. I am saying that the homeowner would achieve economic benefits over the cycle of home ownership. I would not expect—

Senator BERNARDI—It does not help them if they cannot afford to pay for it in the first place.

Mr Leeper—I would not expect this to be a major component of the approvals. Ms Winzar said that that is one possible way in which the \$10,000 could be brought to bear. I do not think it would be a significant proportion.

Senator PAYNE—Mr Leeper, I understand the point that you are making, although that has not been the nature of the line of discussion that has come down from the department in this morning's session.

Dr Harmer—One of the difficulties is that we are still in advance of the document going out. The proposal is deliberately intended to generate innovative ideas about how we can reduce the price of housing. We have clear targets and processes to try to ensure that, but we are still in the early stages. Effectively, we will start on 1 July. I have been involved in these sorts of things before. We are in advance of the release of the documents, so it is not terribly wise in a competitive process to say too much because you can inadvertently direct or shut off ideas. We have to be quite careful here because this discussion may well influence the way people put proposals in. I guess we have a sense of responsibility to try to make sure that we do not influence them in a way that will be detrimental.

Senator PAYNE—I do not think I have particularly heard anything this morning which will result in that effect, Dr Harmer, so I do not think you need to worry too much about that.

Dr Harmer—No indeed, but if we had answered your question about what we would rule out we may have done that.

Senator PAYNE—Given that you are the ones who told me that you were going to advise criteria and eligibility, then my questions on what is in and what is out are perfectly reasonable. Given that, the documentation attached to the budget materials for the fund indicates a 1 July 2008 start date. I thought that I would be asking questions which would be able to give me a better idea of how this was going to operate. May I ask, if the consultation paper is expected to be released within two weeks, that when it is released a copy can be provided to the committee?

Dr Harmer—Certainly.

Mr Leeper—It will be a public document, Senator. The fact that the measure—

Senator PAYNE—I understand that, but we do not always, Mr Leeper, end up seeing those at the time of their release.

Dr Harmer—It will be on our website no doubt, but we can provide the committee with a copy.

Senator PAYNE—Thank you.

Mr Leeper—The fact that the measure starts on 1 July is nevertheless true. It is not a week-by-week apportionment of moneys, which means that if it does not start until August or September we cannot spend the entire \$50 million. These are payments broadly in the nature of grants to particular state or local government authorities. We would expect to spend the full \$50 million in 2008-09, notwithstanding that we may not start issuing cheques on 1 July. It is not a flat profiled amount of money.

Senator PAYNE—I understand. Just before we go off the Housing Affordability Fund, I think you said, Dr Harmer, that you would be looking at the results of the operation of the fund after the implementation of the first set of approvals.

Dr Harmer—We will be looking at it constantly. We will be required to build in an evaluation of this. This is a new program.

Senator PAYNE—I understand that.

Dr Harmer—New to us—

Senator PAYNE—And new to us.

Dr Harmer—Indeed. We are aware of the sensitivity of it. We will be looking to evaluate it, ongoing. It is a five-year program. We will not be waiting until the end of the five years to evaluate it.

Senator PAYNE—I understand that, absolutely. You made that quite clear. How will we be able to look at the results of the work of the fund to equip us to understand how it is working?

Dr Harmer—I am assuming that when we come back here at the end of the year, when it will have been operating for a while, you will be asking us some questions about how we think it is going and what we have done.

Senator PAYNE—Will there be any public information available in advance of that?

Dr Harmer—I cannot answer that, Senator, at this stage.

Senator PAYNE—Could you take that on notice as to what information will be provided?

Dr Harmer—I will not know until I know when the next Senate estimates are.

Senator PAYNE—I can tell you that they are in November.

Dr Harmer—Sometime in November. But I have not gone to the point of looking at—

Senator PAYNE—No, I understand that. But, on notice, if you could reflect—

Dr Harmer—As we always do, Senator, we will do our best to give you as much information as we can about the things you are asking in relation to these programs.

Senator PAYNE—I understand that and we are very grateful for that. I do not have further questions on the Housing Affordability Fund.

CHAIR—Are there any other questions on the Housing Affordability Fund?

Senator BERNARDI—Yes. Dr Harmer, I address my questions to you. The \$500 million which is allocated predevelopment, or over the course of time in accordance with the development process, has any modelling or inquiry been conducted on providing the subsidies or funding after the development has taken place? For example, take the scenario of a greenfields development where developers have built and where people have bought homes, why does the government not allow people to apply for an up-front payment, or a payment after they have purchased their homes, or for their council to then say, 'We want to reduce the rates for these people. Can you please give us a few million dollars for this development that has already taken place?'

Dr Harmer—That is not part of the design of the current program. It is entirely possible that a program like that might be effective but that is not the design of this particular program.

Senator BERNARDI—Was any consideration given to that sort of approach by the department?

Dr Harmer—Obviously we are advising government, but in this area we are implementing a government commitment. The government came in with a commitment to introduce this program and we are implementing it.

Senator BERNARDI—Okay, so there is no flexibility of consideration or—

Dr Harmer—There is some flexibility, but the flexibility has to be within the parameters. The government, as you would be aware, made a range of commitments coming into government—

Senator BERNARDI—Any number of commitments.

Dr Harmer—And they are very keen and concerned to ensure that all of their election commitments are implemented. So there is some flexibility around implementation, but essentially the government want us to implement their election commitment.

Senator BERNARDI—Senator McLucas, has the government given any consideration to the approach I have just outlined?

Senator McLucas—The government is very keen to support any proposal that will reduce the price of new homes. I think that is an important distinction.

Senator BERNARDI—So it is about reducing the price of new homes?

Senator McLucas—That is right.

Senator BERNARDI—Contrary to what we were told—that it may be a reduction in the ongoing maintenance process?

Senator McLucas—Not contrary at all.

Senator BERNARDI—It kind of is—it is inconsistent.

Senator McLucas—Not contrary at all.

Senator BERNARDI—It is inconsistent.

Senator McLucas—If you increase the actual number of houses that are available, and that is intended to be an outcome of this program, the ultimate goal is to try and reduce the potential cost of new housing in Australia. And, can I say, it is the first time in nearly 12 years that any government has put its mind to attempting to deal with the question of housing affordability in Australia.

Senator BERNARDI—Senator, we have heard evidence today that this money may indeed go to councils for rate holidays or rate reductions over a period of 10 years. How is your stated aim of reducing the costs of new housing supported by that statement?

Senator McLucas—No, they are not contradictory at all.

Senator BERNARDI—Of course they are!

Senator McLucas—Just open your mind—

Senator BERNARDI—No, it is not a matter of my mind. One is about a maintenance issue and ongoing cost—

Senator McLucas—to thinking about housing charges in this country.

Senator BERNARDI—and one is about an up-front purchase cost. You have stated the aim of this program is to reduce the up-front purchase cost of new homes.

Senator McLucas—No, that is not what I said.

Senator BERNARDI—Okay, we will refer to *Hansard*.

Senator McLucas—You need to listen very clearly.

Senator BERNARDI—Tell me again exactly what you said then.

Senator McLucas—The Commonwealth will support any proposal that reduces the price of new homes at the lowest cost to the taxpayer—that is very clear.

Senator BERNARDI—That sounds very much like ‘that reduces the price of new homes.’ It looks pretty much like the price you see advertised to me. Can you explain to me what else it would mean?

Senator McLucas—I think we have talked for about an hour now.

Senator BERNARDI—And you are contradicting the information we have heard.

Senator McLucas—Absolutely not at all.

Senator BERNARDI—Senator, I would suggest that reducing the price of new homes has a completely different context to reducing the ongoing costs of maintaining a home.

Senator McLucas—You are thinking of the word ‘prices’, like when you go to the shop and you buy something and you have a docket on it.

Senator BERNARDI—That is what ‘prices’ generally means. Do you have another definition of it?

Ms Winzar—Senator, the issue that I was trying to unpack before was really that charging practices for councils in their developments can vary quite a lot. In some cases the infrastructure costs might be loaded completely onto the purchase price of the house. In others it will be reflected through increased rateable charges across all the residents of the local government area. In that sense, it will not reduce the up-front purchase price of the house, but it will reduce the rates which would otherwise be charged by the council for that development because of the need to put in the extra infrastructure.

Senator BERNARDI—I think that is a nice attempt at save. I still go to your statement and Senator McLucas’s statement: you said it may not reduce the up-front price of a home; Senator McLucas said that is the government’s goal. I am really—

Dr Harmer—Consistent with what I was saying before, I just go back to the point I was making. In this environment, before the paper is released and before the start of the program, with a stated commitment that we are trying to encourage innovation with the aim of reducing the cost to new buyers, we do not want to rule anything in or out. We want it to be competitive, we want it to be open, and we want them to apply the creativity to come up with ideas that will reduce the price of housing.

What Ms Winzar was doing was giving you one way where it is possible. So for local governments and others who are listening to this or who will read *Hansard* and who are looking for guidance about what to do, we are deliberately trying to avoid drawing boxes around what we will and will not agree to, encouraging them to be innovative.

Senator BERNARDI—Dr Harmer, could you provide me with a definition of what you regard as the price of housing?

Dr Harmer—Whatever the new home buyer pays, and it may be—

Senator BERNARDI—Let me just mention this: Senator McLucas was suggesting that ‘prices’ related somehow to the price on an item when you go to a shop.

Senator McLucas—It is the ongoing cost as well.

Senator BERNARDI—Oh, it is.

Senator McLucas—But, really, to be frank, we are arguing almost at cross-purposes, and I think quite intentionally.

Senator BERNARDI—You are redefining things.

Senator COLBECK—This government has a record of saying things and the community hearing it—

Senator BERNARDI—Yes.

Senator COLBECK—and then redefining what the community clearly believe they heard in a previous conversation. So I think it is a very legitimate question to be asking. At the election the community heard that the government was going to reduce petrol prices, grocery prices and housing prices.

Senator McLucas—That is absolutely incorrect, Senator.

Senator COLBECK—And I believe—

Senator McLucas—You go back and find the document that supports what you have just said.

Senator COLBECK—Can I tell you that my community is telling me that that is what they heard, Senator McLucas.

CHAIR—Senators, I ask you to not to talk over each other. Senator Colbeck, I am speaking.

Senator COLBECK—So that is what my community heard.

Senator McLucas—No, they did not hear that. You ought to be very clear about what you say here.

CHAIR—Senator McLucas, I am speaking. I ask you to listen to each other when you are making a comment. By talking over each other, I cannot hear you and neither can *Hansard*. Senator Colbeck, you have the call.

Senator COLBECK—Thank you. I just think it is legitimate that Senator Bernardi tries to define what the definitions are. I think it is reasonable that he does that. So in that sense,

Senator Bernardi, I think your request for some sort of definition of what people can expect is quite reasonable.

Senator BERNARDI—So do I.

CHAIR—Dr Harmer, is that something the department can take, in terms of all the work you are doing—something in terms of looking at the issue of what the price is?

Dr Harmer—The purpose of this program is very clear: it is to make housing more affordable. The government has come in with a platform to make housing more affordable, using this as an instrument. The reason it is doing so is that it knows that delays in development approval and the lack of support from the federal government for some of the infrastructure charges will impact on the price of housing. This program is intended to encourage local government developers and state governments to propose that, with some federal government support, they will be able to reduce the price of housing.

CHAIR—That is the intent, Dr Harmer, but I think Senator Bernardi's point came to, when you are looking at the issue of price, getting some clarification of that so that people have a common understanding. Is that right, Senator?

Senator BERNARDI—You are right, Chair. It says in the media release that the aim is to invest \$512 million over the next five years to lower the cost of building new homes. Lowering the cost of building new homes would suggest that the price would be more affordable for people because the up-front price would be reduced. I have heard evidence today that it is not necessarily the fact that the up-front cost will be reduced; it may indeed be incorporated into rate holidays or subsidies over the course of 10 years, according to different things. Senator McLucas has suggested to me that I do not understand what price is because she thinks price is something that appears on an item in a grocery store. Well, I suggest that price is the cost of purchasing a home—I cannot see it any other way. If you can convince me that it is something different, I am happy to be convinced. I am approaching it with an open mind.

Mr Leeper—The outcome we are trying to achieve is to speed up the process of getting land through the development pipeline and available to have houses or units built upon it and to reduce the end cost to the user or the home purchaser of that land. There are more than 700 local government areas in Australia so I would expect that we will get quite a range of potential responses. As Ms Winzar has pointed out, in some cases—I emphasise 'some cases'—those councils might recover infrastructure and other up-front charges through the rateable streams on the properties rather than as a direct cost injection into the house and land package.

I have done a reasonable amount of tendering. The times when I have got into trouble have been the times when I have tried to overprescribe the process. Where the Commonwealth needs to focus is on saying, 'The outcome we want to achieve is this,' as I have described. We are looking for innovative and competitive responses from the market. If at the margin someone is offering that reduction in price to a potential homeowner as a reduction in rates rather than as an up-front charge, we will still look at that. But I would not expect that that would be a significant number of cases.

Senator BERNARDI—There is a community expectation that a housing affordability measure is intended to reduce the purchase cost of a home. Do you agree with that or not, Dr Harmer?

Dr Harmer—Senator, at the risk of appearing to contradict what I said before, I will make this clarification. Although we are very anxious not to rule in and rule out, along the lines of what Mr Leeper has just said, I would expect that the vast majority of approvals and applications would be coming in demonstrating that they can save the \$10,000 on the purchase price. But, to say that that is the only thing we could possibly look at and that we would not look at another way of making housing more affordable, given the nature of the program we have to be very careful. That is the only reason. We are not for a moment implying that the number of innovative proposals around the suggestion Ms Winzar has made are likely at all to be the majority. But we are very cautious before we go out with this program—with the clear intent of not stifling innovation—not to rule things in and out. But the vast majority we would be expecting, in line with the government's commitment, would be to reduce the purchase price of housing.

Senator PAYNE—When COAG met in April 2007 and highlighted at that time the significance of reform in the development assessment area, which of course indicates, in response to Senator McLucas's observations about these matters having not been discussed, as not the case. When they did that, they requested that the Local Government and Planning Ministers Council continue its work towards implementing key elements of the Development Assessment Forum's leading practice model, which I understand is known colloquially as the DAF. When I look at the details about the work of the DAF, where is the work that they have been doing on electronic development assessment and track based assessments and so on, benchmarking, objective rules and tests? Where is that different from the focus on the EDA in this particular program?

Mr Leeper—Senator, my understanding is that the EDA proposal, which the Commonwealth has now funded to \$30 million, was an output of the Development Assessment Forum.

Senator PAYNE—It is from that?

Mr Leeper—It is from that forum, yes.

Senator PAYNE—From April 2007? From that initiative there? Where is the link?

Mr Leeper—I think we became aware of it soon after the new year, but it is likely to have come through that pipeline, yes. It is not a matter that we have close involvement with, given that it is another portfolio.

Senator PAYNE—I know housing has come into your area of responsibility, so FaHCSIA is not represented on the DAF? That is a question, not a statement.

Dr Harmer—I stand to be corrected, Senator, but I do not think we attend the planning ministers' meetings.

Senator PAYNE—No, I am was not really asking whether you go to the planning ministers' meetings, but I understand the DAF itself to be a separate component attached to the planning ministers—

Mr Leeper—Yes, it is. As far as I am aware, Minister, we are not on the DAF. Ms Winzar is about to correct me, I think.

Ms Winzar—No, that is correct, Mr Leeper, but the DAF itself has a technical subcommittee which is managing the EDA coordination process, and FaHCSIA is represented on that.

Senator PAYNE—In terms of the communication between departments and agencies and around the COAG structure, that seems an interesting omission to me. You are running this EDA process through the Housing Affordability Fund, you are seeking the proposals, you are setting the criteria, you are doing the evaluation, you are going to make the decisions about which proposals are funded under the EDA initiative of the Housing Affordability Fund, but you are not represented on the DAF, which deals explicitly with this particular issue, electronic development assessment?

Ms Winzar—But the DAF has a technical subcommittee which is managing or helping us with the management of the EDA proposal, so we have a strong connection in there and we are—

Senator PAYNE—Is that a strong connection, Ms Winzar?

Ms Winzar—Yes it is, and we are hand in hand with our colleagues in the department of infrastructure on this.

Senator PAYNE—How strong is it? How often do you participate in the technical subcommittee?

Mr Leeper—While Ms Winzar is looking that up, I also point out that on the housing working group, which is a Commonwealth-state forum, the Infrastructure, Transport, Regional Development and Local Government Department is on our internal Commonwealth group. That is where we try to ensure the closest possible linkages between the broad objectives of the HAF and the particular ability of the Development Assessment Forum to bring proposals forward. I would anticipate that we would also want to have that department represented while we evaluate the proposals.

Senator PAYNE—We might have to pursue that a little further, but thank you very much for that.

Senator COLBECK—I agree with Senator McLucas when she talks about the variance across states in respect of the charging of the infrastructure fees because it does vary enormously. Are you asking or requiring states to modify their relationships with local government and the requirements they have on local governments in respect of the charging of infrastructure fees as part of this reform process? It is something that potentially could have a significant impact. For example, Victoria has a limit on how much can be charged for an infrastructure fee and New South Wales is looking at applying limits. But there are other impacts or relationships with local government that almost force them into that process.

Mr Leeper—We are working broadly within the policy and program framework that the states have set up, with two possible exceptions: one is the focus on speeding up development approvals, which might be further down than the state level. I am not sure that we are requiring or seeking states to amend in the broad the way that they approach or handle

charging for infrastructure and other costs to development in the broad. What we are looking for are specific, virtually site-by-site proposals, from the states. Were the states to consider changes to their overall charging arrangements, that would be a matter for them, but I do not believe it is something we are requiring under this particular initiative.

Senator COLBECK—But surely that is a significant impact and factor in the overall process. I mean, Senator McLucas and I are in heated agreement on that, I think. I hope I am not verballing her in saying it. It is a real issue; there is no question about that.

Mr Leeper—Certainly the data suggest that state charges can be a significant contributor to the net cost of a house-land package. Those would be matters for the states. What we are trying to do in a limited but significant number of circumstances is achieve a reduction in the overall costs by some particular targeted activity. Matters of state charges and revenue streams I think are much too broad for us to handle. Perhaps tax review is the place where that can be looked at.

Dr Harmer—It is quite likely, Senator, that as we go through the process of getting applications in and reviewing them, et cetera, things will come up and the government at some point might decide should be taken up in the interests of consistency.

Senator COLBECK—But surely these things are understood.

Dr Harmer—Yes.

Senator COLBECK—Senator McLucas knows about it, I know about it, and I am sure there are a few others who do.

Senator McLucas—You were going to deal with it in your twelfth year, were you?

Senator COLBECK—It is an issue we are talking about. I mean—

Senator McLucas—Yes. It is a good thing that we are now.

Senator COLBECK—The government has engaged the states in a process. We are not criticising that: we are acknowledging the fact that that is happening. It is obvious that this is a significant issue. All I am asking is: Is the Commonwealth government in this process saying to the states, ‘Look, this is one area where there is a significant problem’—we all recognise that that is the case—and asking them to do something to address it.

Dr Harmer—All we are saying is that it is not a central part of the implementation of this specific proposal.

Senator COLBECK—Okay.

Dr Harmer—Quiet clearly, as we go down the track and as we look at the innovative ideas that come up and as we evaluate them, it is quite possible that it will amplify some things that are already known that we believe need to be taken up in the interests of reducing the price of housing.

Senator COLBECK—When you are assessing the applications when they start rolling in for the various individual site models, will the extent to which they reduce house prices be a benchmark of the assessment process?

Dr Harmer—It will be one.

Mr Leeper—Certainly the purchase price of the property is included in that development, yes. One of the things we are looking for is as rock solid a guarantee that we can get, that the injection of money up-front by the Commonwealth results in a reduction in the price paid by the new home purchaser.

Senator COLBECK—And you will be looking to see a reduction of about \$10,000 at that local market level in those prices as part of the assessment of those—

Mr Leeper—On average.

Dr Harmer—Yes.

Mr Leeper—We hope we can achieve more than that, but, on average, at least \$10,000.

Dr Harmer—And that will be a key element of the selection process.

Senator COLBECK—How do you intend to enforce that?

Dr Harmer—The applicant will put in a proposal. We would expect to demonstrate how the Commonwealth allocation will lead to a reduction and we will be expecting that they will adhere to that in the development.

Senator COLBECK—That is all very well, but how do you enforce it? Is there going to be some sanction, some clause in the contracts that says that ‘You will meet the expectations or the promises that you have made as part of the process.’

Mr Jagers—Senator, we will also be having performance based contracting with those successful providers. With those who are successful, for example local government would enter into contractual arrangements whereby payments are made against milestones. That would need to be negotiated with the proponent, but we would obviously like or need to see performance before some of those milestone payments are made.

Senator COLBECK—Those will be written into the contracts, obviously.

Mr Jagers—Yes.

Senator COLBECK—Is that part of the consultation process that you are going with at the moment, how that might be worked in, and how far the back end of the payments might be, so that you get the majority of the payment at the back end? How is that going to work? That is usually where governments come unstuck, isn’t it? You get through a process and everyone is really nice to each other up front, but then you get to the back end and the delivery end, and they start saying, ‘Oh, okay.’ It is a matter of how you intend to enforce it.

Mr Leeper—This would be a matter that I think we would seek to expose in the consultation drafts because clearly we need to signal that the Commonwealth is serious about ensuring an actual price reduction or, in the event that does not happen, that we are prepared to take some action to recover our investment somehow. I cannot answer you specifically how we might do that at this point, but we need to signal to the market that we are serious about seeing end prices reduced in a demonstrable way.

Dr Harmer—As we go through the assessment process I would think we will be giving priority and preference to (a) those who can demonstrate the reduction of the order we are talking about and (b) our capacity to ensure that it is delivered. Proposals that come in which can more easily be evaluated and can be easily determined, such as the preparedness to enter

into costs sharing et cetera, may well be given preference because, clearly, it is quite a challenge for us; we acknowledge that.

It will be really, really important that we get as much bang for our buck, if you like, as we can out of the \$512 million the government is going to be spending. Proposals where there is a fairly loose connection between the money we are providing and the proposal that comes in will not be given as high a priority as those where there is quite a tight arrangement, where there is cost sharing and where the delivery can be monitored and evaluated more easily, perhaps with progress payments, et cetera.

Senator SIEWERT—You may already have done this and I just cannot find it, but do you do a table that explains all the housing assistance that the Commonwealth provides whether it is straight-out assistance from the Commonwealth or whether it is with the states and territories, that combines all housing, including all the different types of support for indigenous housing?

Dr Harmer—No.

Mr Leeper—I am not aware of one, Senator.

CHAIR—It would be a very useful document.

Dr Harmer—It is not one that we publish as a matter of course in the budget statements, Senator.

Senator SIEWERT—I have ones in here, and I have checked the submission that you gave to the select committee, and it is not there, and I have not found it in the past. Are you able to provide that? My head explodes trying to chase all the different programs where housing assistance is provided. I do not know about everybody else, but it would help me immensely.

Dr Harmer—We do not do it, and one of the reasons we do not do it is that it is extremely complex, as you say. A lot of the assistance that the Commonwealth government provides, for example, by way of taxation measures and support through the central security system of rent assistance, which varies according to how much rent they pay, et cetera. We get money under the Commonwealth-State Housing Agreement, et cetera. There are lots and lots of different mechanisms that the Commonwealth has in housing.

Senator SIEWERT—I know. Is it possible to pull that together? It is hard enough for us to pull it together and we are not the implementers of the program.

Dr Harmer—We can take it on notice and attempt to provide a table of total assistance.

Senator SIEWERT—I appreciate the difficulty. Rent assistance is a sliding scale.

Dr Harmer—Yes.

Senator SIEWERT—But there is obviously a budget allocation for it.

Dr Harmer—Are you interested, Senator, in allocations in a given year against programs?

Senator SIEWERT—Against programs.

Dr Harmer—All right.

Mr Leeper—Are you talking Commonwealth only, Senator?

Senator SIEWERT—Commonwealth, and then flag where the state is involved. Obviously there are some programs that we know require state input as well, but all the programs where the Commonwealth provides funding, including all the different strands of Indigenous housing support as well. That would be extremely useful. You could provide that?

Dr Harmer—Yes, Senator.

Senator SIEWERT—Thank you very much.

Senator PAYNE—I want to move on to the National Rental Affordability Scheme for which we have the technical discussion paper. When was that released?

Mr Jagers—On 2 May.

Senator PAYNE—The time line for submissions for the discussion paper is what, Mr Jagers?

Mr Jagers—Submissions closed at midnight on Saturday.

Senator PAYNE—Midnight on Saturday?

Mr Jagers—Yes.

Senator PAYNE—Okay. Was there a last-minute rush?

Senator SIEWERT—That was my question.

Senator PAYNE—Or were people too disturbed by the Waratahs loss to even possibly concentrate on the National Rental Affordability Scheme?

Mr Jagers—Yes, I think there was a last-minute rush. We received about 90 submissions all-up, and I think about 40 of those came in during the last week.

Senator PAYNE—But none in the 80-minute period, I am sure.

Mr Jagers—We did not have anyone counting.

Senator PAYNE—Not that I am obsessed: do not get the wrong idea here. So there were 90 submissions and 40 of those fairly late in the piece. What is the process of dealing with those submissions from now on, Mr Jagers?

Mr Jagers—Senator, the department is going through the submissions at the moment with a view to providing the submissions and some advice to the minister about the key issues that were raised in those submissions this week.

Senator PAYNE—Is there an advisory committee? There has been a consultation process separate to the technical discussion paper, I think, has there Mr Jagers?

Mr Jagers—Some critical readers have helped in giving feedback on the drafting.

Senator PAYNE—Were they constructively critical, or is that a small ‘c’?

Mr Jagers—No, I think it was constructively critical in assisting to get the consultation paper together.

Senator PAYNE—In getting your stuff together.

Mr Jagers—Right. There have also been a series of consultation sessions that have happened in capital cities—in Adelaide, Brisbane, Melbourne and Sydney—and they were

consultation sessions that were run by Julian Disney with not-for-profit sector, government—local governments, state governments—and industry participants as well.

Senator PAYNE—When you say ‘industry’, you mean ‘developers’?

Mr Jagers—Some developers definitely attended some of those sessions.

Senator PAYNE—Does industry include the construction side of the process, that is the builders literally, and the financiers?

Mr Jagers—I understand there were developers at some sessions and also financiers at some sessions.

Senator PAYNE—And your critical readers, can you tell us who makes up the critical readers of the technical discussion paper?

Mr Jagers—Yes. They were Julian Disney, Carol Croce, Adrian Pisarski, and Carrie Hamilton.

Senator PAYNE—Professor Disney I am familiar with, Mr Pisarski I am familiar with, and where are the other two from?

Mr Jagers—Carol Croce is from the CHFA federation.

Mr Leeper—Community Housing Federation of Australia.

Senator PAYNE—Community Housing, yes.

Mr Jagers—And Carrie Hamilton is at Macquarie Bank.

Senator PAYNE—Is that the extent of the consultation and the development of the technical discussion paper?

Mr Jagers—They were definitely the critical readers who provided us with comment beforehand. We also had some assistance from some state and territory government officials, so we had a workshop on the draft with officials of housing representatives from South Australia, Queensland and New South Wales.

Senator PAYNE—Thanks very much, Mr Jagers. So you are to evaluate the submissions and then go to the minister with advice. What is the timeframe on that?

Mr Jagers—We are hoping to have a preliminary evaluation of the submissions done by this Thursday.

Senator PAYNE—Yes, okay. In terms of the scheme itself, in putting it together and in putting together the discussion paper, what does the department anticipate would be the take-up rate for the scheme? You are looking at building 50,000 dwellings—

Dr Harmer—That is 10,000 a year.

Senator PAYNE—Over 10 years—five years.

Senator COLBECK—Senator, I think it is 50,000 over five years.

Senator PAYNE—It is 50,000 over?

Mr Jagers—We want to allocate 50,000 incentives over the next four years, 3,500 in 2008-09, 7,500 in 2009-10, 14,000 in 2010-11 and 25,000 incentives in 2011-12.

Senator PAYNE—When you describe it as offering incentives, 3,500 in the current financial year, the new financial year coming, I am sorry, 2008-09.

Mr Jagers—Yes.

Senator PAYNE—And so on, when you talk about offering incentives, do you mean producing 3,500 new dwellings in 2008-09, 7,500 in 2009-10 and so on, up to the point where we get to in 2011-12, 25,000 in that financial year, new dwellings?

Mr Jagers—I am sorry, Senator—

Senator PAYNE—When you say ‘incentives’, I am just trying to clarify what that means.

Ms Winzar—The short answer is yes, Senator.

Mr Jagers—Yes.

Senator PAYNE—That is great. Thanks, Ms Winzar. The short answer is always helpful. Where you have mapped that over those four years, how have you come to those figures? Have you done that through modelling and research, or is there another basis that the department has used for that?

Mr Jagers—The scheme is a new one.

Dr Harmer—Senator, the same as the previous one. What we are doing is implementing a government election commitment. The election commitment specified, I think—and I stand to be corrected—was the pattern of the 50,000 houses over the four-year period.

Senator PAYNE—So how are you assured, then, that that pattern is sustainable?

Dr Harmer—By okaying the funding on that basis.

Senator PAYNE—Well, if you do not have an estimate of take-up, which is modelled somehow or based in some fact or founded in some basic research, shall I say, then it is kind of hopeful as opposed to anything else?

Dr Harmer—There is no lack of confidence on the part of the department in being able to manage that. It is deliberate that it is scaled up. We have been talking with the state and territory government people, including the state and territory treasuries and the premiers’ departments and others who are involved in this. There has been quite a lot of discussion about this program. At this stage it is much too early to be saying that we are not going to achieve the pattern. We are quite confident we will.

Senator PAYNE—I am not suggesting that you are not. Dr Harmer, I am trying just to obtain an understanding of the foundation of the figures because I am sure they are well founded.

Dr Harmer—Yes.

Senator PAYNE—And I am seeking that confirmation.

Dr Harmer—What we are doing is implementing the government’s election commitment. In the same way that governments make commitments about spending or a pattern of additions to stock or additions to programs, that is the pattern we are implementing.

Senator PAYNE—I understand that. So other than the figures which were derived by the previous opposition and placed in their policy paper, I assume—other than that—there has been no further work done within your department, Dr Harmer, to confirm that a target of 3,500 dwellings in 2008-09, 7,500 in 2009-10, 14,000 in 2010-11 and 25,000 new dwellings under the National Rent Affordability Scheme in 2011-12 is a proposition that you can advance?

Dr Harmer—Our work has been focused on implementing the government's election commitment. To date in that work there is no reason, as far as I am aware of, to believe that that pattern is not achievable.

Senator PAYNE—Dr Harmer, you would be aware—I think that you yourself mentioned it earlier—that in Australia at the moment, the popular figure for underbuilding, as it is colloquially known, is 30,000 dwellings per annum, yet this scenario seeks in a reasonably challenging environment to move in 2011-12 towards the construction of 25,000 new dwellings. How is it that, miraculously, this will be possible, when we are already underbuilding by 30,000?

Dr Harmer—There are a range of factors that lead to the underbuilding, Senator.

Senator PAYNE—Indeed.

Dr Harmer—Those factors are unlikely to be sustainable right through. We have household formation rates and all those sorts of things that will impact. What I said was that there is no analysis that we have done yet indicating that that pattern is not achievable. We are well aware of the current building rate and the current shortfall. Nothing in that indicates that we will not be able to achieve that pattern.

Senator PAYNE—May I just take your words there, Dr Harmer? You said there is no analysis that 'we've done yet' that indicates that this is not doable.

Dr Harmer—Yes.

Senator PAYNE—But in fact what you are saying to us is that you have not done an analysis at all. You have just taken the figures that were provided from the previous opposition's policy.

Dr Harmer—Clearly in implementing it, we need to look at the feasibility. If we, for example, in putting together proposals for the government to agree to, came to the view that it was not possible, we would tell them, and I am saying that we have not done that.

Senator COLBECK—In that case, Dr Harmer, are you saying that effectively what you are going to do is just shift some of the current effort with the current shortfall remaining across to a different element of the market?

Dr Harmer—I am not following you, Senator.

Senator COLBECK—Industry tells us that they have a capacity limit. You are saying that you can achieve the outcomes that you are looking to achieve that the former opposition, now the government, set up as its targets, which was 3,000 in the first year. If there is nothing happening to alter those limits, the capacity constraints, are we just saying that this part of it is going to be transferred over here into this particular program, and then we still end up with

the same broad issues remaining in the market, which is an underbuild of 30,000? All you are doing is just transferring it across from one element of the market to the other.

Mr Leeper—At the same time, though, we have spent some time addressing through the Housing Affordability Fund what, on my maths, looks like an additional 50,000 house sites or sites available for development resulting in house and land packages. I am not saying the two things are tied at that level, but there is 50,000 that the government is investing in to pull onto the market over the five-year period.

Senator COLBECK—But we are talking about a different element of the market. What we are talking about is capacity constraint in the market with respect to construction. The industry tells us that there is capacity constraint in the market and we are underbuilding by about 30,000 houses a year. That is providing a cumulative effect. We are not talking about providing any additional supply into the market. All we are talking about here is a transfer within the market of property availability. My understanding—

Senator McLucas—I understand the point you are making, but I think that what you learn from that is that you need a whole range of strategies to deal with the problem we have about housing affordability.

Senator COLBECK—I think we understand that very well, Senator McLucas. In fact, we will be asking some more questions about it shortly.

Senator McLucas—Isolating one measure and talking about it in isolation from the range of measures is probably misleading. I am not meaning to be cheeky there. It does not recognise the various measures that are complementary and that are dealing with a very complex area of housing and social infrastructure but also economics.

Senator COLBECK—Senator McLucas, I think we do understand that it is complex and we are just trying to get a handle on what the government expects to achieve out of this.

Senator McLucas—Sure.

Senator COLBECK—We will asking some questions about some of the other elements and some of the other pressures that we see as we go through. But what I am just trying to get a handle on here is that you are expecting to provide about 3,000 in the first year. What I am trying to get at is the impact that will be caused across the market. It appears to me at this stage that we are talking about a transference rather than additional supply.

Dr Harmer—Senator, in relation to the capacity constraints you are talking about, certainly the industry is telling us that much of the capacity constraint is around the availability of land. As Mr Leeper said, we are hoping that the Housing Affordability Fund and various other measures will assist with that. So it is a pretty slow start, really, 3,500 additional dwellings in the first—or additional subsidies that will lead to affordable dwellings, rental dwellings, in the first year.

Senator COLBECK—In the context of land, though, it really depends on how successful you are with some of the other measures we talked about earlier.

Dr Harmer—Yes.

Senator McLucas—That is the point I am making.

Senator COLBECK—We are again in heated agreement, Senator McLucas. It is scary, I know.

Senator PAYNE—I will just move on to the role of the investor. We discussed this a little at the last estimates. But there was not a lot of detail that you were able to give me at the time. I think you indicated to me that they were design details that were being worked through, if I can come back to those. When I was asking about consultation earlier, one of the issues in which I was interested was the obligations that the investor faces to participate in the scheme. Have any of the investors that you have been talking to in the consultation process, or any of the investors, made submissions to the government, to the department, about the obligations that are required of them, and whether they really will be balanced by the benefit of the tax incentive? Has that issue been raised?

Mr Jagers—We have not yet been able to analyse the submissions in enough detail, I guess, to answer that. But we understand that a number of potential investors are making submissions and would have made submissions that we will be able to have a look at.

Senator PAYNE—Yes.

Mr Jagers—It is also one of the questions to which we have directed people's attention in the technical paper as well. We have asked the question about whether we have got the right balance of flexibility and incentives to make the scheme work. So I think we should have more information once we have analysed those submissions.

Senator PAYNE—When you have been putting together the administrative processes for running the scheme, I assume you are calling it the N-RAS.

Mr Leeper—The states call it NRAS. It is one of those Commonwealth-state things. We call it N-RAS.

Senator PAYNE—Thank you. Knowing that I was getting to the DAF before, I was avoiding calling the Housing Affordability Fund the HAF because that would have just been all too much.

Dr Harmer—Yes, we do.

Senator PAYNE—I know. I heard you do that, and I thought, 'Oh, don't do that, please!' When you have been looking at the administration and administrative arrangements, should I say, for the NRAS, have you made an assessment of what costs there will be to administer the scheme?

Mr Jagers—Our internal costs, Senator?

Senator PAYNE—Yes.

Mr Jagers—Yes, we have.

Senator PAYNE—Can you provide the committee with some information about that?

Mr Jagers—Yes. We think the administrative costs to the department will be \$1.4 million in 2008-09, \$1.6 million in 2009-10, \$1.7 million in 2010-11 and \$1.7 million in 2011-12. So over the four years, it will be \$6.4 million in departmental costs associated with implementation.

Senator PAYNE—Does that include a process within the department to monitor the scheme in terms of compliance of investors?

Mr Leeper—Yes.

Senator PAYNE—What will be the benchmarks, if you like, for that monitoring? What will you be identifying to most particularly keep an eye on?

Mr Leeper—The fundamental condition, about which we need to be satisfied each year, is that the property which has been funded under the scheme has been available for rental at an affordable rent level. So if you unpack that a tiny bit, there is a function in there which involves us satisfying ourselves that the rent which has been charged when the person went into the property can be seen to be 20 per cent below the prevailing market rents. We are proposing to use some industry figures to allow us to do that.

Senator PAYNE—To allow you to determine the prevailing market rents?

Mr Leeper—Yes.

Senator PAYNE—And then you were going to do the 20 per cent reduction assessment?

Mr Leeper—Yes. Fundamentally each year, in order to get the benefit of either the tax credit or the benefit of the grant payment, the department needs to be satisfied that the conditions of the scheme have been met, and that is fundamentally that the property was available for rental at a discount to the market rate.

Senator PAYNE—And the credit is available across 10 years, is it not—the incentive?

Mr Leeper—That is right, yes.

Senator PAYNE—You mentioned then, Mr Leeper, the determination of the area. There are two questions I have around area. In previous estimates, I asked about how the appropriate areas for development are going to be determined. Mr Leeper, I think you advised me that they were design details that were being worked through. Can you give me some more information on that, to start with?

Mr Leeper—Certainly I will attempt to. Mr Jagers might help me out here. Again we are trying not to be too prescriptive. We anticipate that the investors will invest in large packets of money. We anticipate therefore that portfolios in which they might invest might include more than one geographic area, which, when you think about it, mitigates some of the capital risk in the investment decision. But we are looking for the market to respond and give us proposals around that kind of area. Did you want to add anything to that?

Mr Jagers—No, I think that is fine.

Senator PAYNE—So the geographic boundaries have yet to be determined?

Mr Jagers—We are not limiting or defining or prescribing when, where, or how someone might put up a compliant NRAS property. They might offer a portfolio which is across the country, which means that places where the economic costs would be lower can be offset by places where it might be a bit higher. But on the \$6,000 investment by the Commonwealth and the \$2,000 investment by the state still gives us that number of properties. Those are decisions really for the investors to think about.

Senator PAYNE—This is greenfield and brownfield, is it not?

Mr Leeper—Yes.

Senator PAYNE—Applicable, yes? So that is an iterative process, you are telling me. As applications are made under NRAS, you will then be looking at an area and saying, ‘Okay, under the criteria which we’—well, have you got criteria, specific criteria, that are going to help you identify what you think is appropriate? I mean, for example, is it appropriate to build an NRAS property or to provide NRAS funding in an area which is already dealing with infrastructure challenges, for example, and people are finding travelling to and from work to be a significant cost to their household budget? Is it appropriate to put an NRAS incentive in there?

Mr Jagers—Yes, Senator, we are developing criteria that will be released with the expression of interest or will actually be released quite prior to the expression of interest. So there will be a set of national requirements that all applicants will be required to meet and then there will be a set of criteria, which will be the points of competition that we would use to judge particular proposals against each other, and then make a selection.

Senator PAYNE—I am sorry, what was the first component of that response, Mr Jagers? National requirements?

Mr Jagers—National requirements. For instance, it is a requirement that an applicant offers the dwellings at 20 per cent below the market rate.

Senator PAYNE—Yes.

Mr Jagers—That they are offered to eligible tenants.

Senator PAYNE—Yes.

Mr Jagers—And that they comply with building codes and those other sorts of requirements that everyone would need to meet.

Senator PAYNE—But that question that I just asked about, for example—an area which may already be dealing with existing challenges of a lack of infrastructure or might be a high unemployment area, or whatever the conditions might be—they are not part of your national requirements?

Mr Jagers—We think they will be part of the selection criteria so that applicants would demonstrate the accessibility of the properties and the closeness to transport links, and those sorts of things.

Senator PAYNE—Okay. So they are going out with the expressions of interest—the criteria and the national requirements?

Mr Jagers—We are hoping that the requirements and the criteria will be released by mid-June.

Senator PAYNE—By mid-June.

Mr Jagers—With expressions of interest.

Senator PAYNE—That gives you about two weeks. I am very familiar with the June calendar.

Mr Jagers—Yes. With expressions of interest being called at the end of June.

Senator PAYNE—And called at the end of June?

Mr Jagers—Yes.

Senator PAYNE—Expressions of interest?

Mr Jagers—Yes.

Senator PAYNE—Okay.

Mr Jagers—Okay.

CHAIR—You are confident of that timetable, Mr Jagers?

Mr Jagers—Yes, we are.

Senator PAYNE—Sorry.

Senator HUMPHRIES—Can I ask a follow-up question while Senator Payne is cogitating?

Senator PAYNE—This could take some time, Senator Humphries. Go right ahead.

Senator HUMPHRIES—That administrative cost figure, you mentioned that there are three components that need to be looked at. One is assessing what the market is, so as to work out what the base line is by which the price has to fall 20 per cent. The second is working out whether the property itself is actually 20 per cent below that benchmark. The third is eligibility of the tenants.

Mr Jagers—Yes.

Senator HUMPHRIES—Presumably you have to actually give the tenants a form to fill in to indicate what their financial position is, would you not, in order to be able to establish that they qualify for this assistance?

Mr Leeper—In putting forward a proposal for funding under the scheme, an investor will almost certainly partner with someone who will be the tenancy manager. We would propose to use nationally available data, such as Real Estate Institute data, to tell us the prevailing rent levels for equivalent dwellings in those areas against which we can verify the 20 per cent reduction.

Issues about eligibility of the tenants we would expect would be managed by the tenancy manager themselves, so an investor needs to have an eye also to how the things will be operated. The Commonwealth will not be administering the scheme at the level of individual dwellings, so the investor will need to partner with, or align themselves with, somebody who will manage the properties on their behalf.

Senator HUMPHRIES—So you have a property which is receiving this subsidy. A tenant approaches the investor and says, ‘I qualify for this. I would like to rent that property’, and the investor refuses that tenant on the basis that they do not think that they do qualify, what fallback or appeal capacity does the tenant have, if they are not eligible for the subsidy and there is no government agency can assess whether they are or they are not?

Mr Leeper—Senator, I think it is very unlikely that the prospective tenant would approach the investor directly. As I have said, a tenancy management function will sit between the investor and the tenant proposed for the property. We believe that the criteria for being an eligible tenant are sufficiently objective, that it will be quite clear whether a person meets them or does not meet them. So I would not expect that would be a matter of dispute.

Senator HUMPHRIES—Okay, but this brokerage arrangement in between, that is not included in the \$1.6 million, \$1.7 million administrative costs?

Mr Leeper—No. In making their investment decision, the prospective investor needs to juggle a number of factors or a number of risks. One is capital growth on the property. Another is the risk of rents not being received but a good tenancy manager manages that at 98 point something plus per cent, the risk of material damage to the property. These are all things that investors normally take into account. Part of their cost benefit analysis, to be frank, will be allowing for the costs of property management, much as any other investor does in the private marketplace.

Senator HUMPHRIES—But it is the investor who bears the cost of the tenancy management, is it not?

Senator McLucas—Yes.

Mr Leeper—Yes.

Senator HUMPHRIES—So why is the investor not, in effect, in control of the gate-keeping role, deciding who comes into those properties and who does not?

Mr Leeper—Well, for the \$8,000 that the Commonwealth and states are putting into the property each year as part of the scheme, we believe it is reasonable to say, ‘This is the target group.’

Senator HUMPHRIES—Yes, but still they still invest through his or her property manager who makes a decision about which tenants get that property.

Mr Leeper—No, I think that the investor, having made the decision to invest, is accepting that a competent property or tenancy manager will make sensible decisions on their behalf, meeting our criteria and having an eye to the value and the rental strength in the property.

Senator HUMPHRIES—But they pay the property manager, do they not?

Mr Leeper—Yes.

Senator HUMPHRIES—It might be a real estate agent, for example, in their area?

Mr Leeper—Yes. But I would not expect that the investor’s interest would come down to the level of approving individual tenants. I would not have thought that was sensible.

Senator HUMPHRIES—No, but they might be interested in indicating to the property manager that they want certain sorts of tenants.

Mr Leeper—That is something that we will look at, Senator. But, as I said, we believe the criteria, which are fundamentally income based, are objective, and that is something that we can keep an eye on.

Senator HUMPHRIES—You said that you would take an industry benchmark as to what the prevailing rent is for those sort of properties in a particular area.

Mr Leeper—Yes.

Senator HUMPHRIES—But have you built in a process of inspecting the properties that are supposedly 20 per cent below the market rental?

Mr Leeper—As I understand the proposed process, Senator, at the time the property is first let onto the market, we would have it inspected and valued. If the valuation was that in the prevailing market, that property should attract a rent of \$350 a week, it would be rented to \$280 a week, or it would not meet the conditions of the incentive scheme.

Senator HUMPHRIES—But you are confident you can inspect 25,000 houses.

Mr Leeper—Not the Commonwealth. Again, this is part of the process we designed with the tenancy manager. They will need to assist us to make sure the compliance conditions for the payment are met, and that includes having an objective assessment of what the prevailing market rent ought to be for the property.

Senator HUMPHRIES—Okay. The tenancy manager is being paid by the investor.

Mr Leeper—Yes.

Senator HUMPHRIES—Are you confident you can ensure that, again, they are not putting substandard properties on the market and attracting the subsidy by virtue of the fact that they have not made investment in things like carpet on the floor or curtains on the window, or landscaping of the grounds, in order to attract the subsidy?

Mr Leeper—Those are all risks of third party arrangements, Senator. We have put in place management strategies to deal with that. We would do compliance audits and a few things like that.

Senator HUMPHRIES—Okay.

Senator BERNARDI—Mr Leeper, can you detail for me any institutional investors that operate within the residential rental market? I mean this not in a generic way, such as banks that provide and things. But are there specialist funds that invest in residential property that you have identified as a target market for this?

Mr Leeper—Mr Jagers might help me out here, but my understanding is, from the consultations we have had with the financial sector among others, residential property trusts are perhaps an emerging market which we expect the NRAS scheme would service.

Senator BERNARDI—Mr Jagers, do you have something to add?

Mr Jagers—Senator, I cannot tell you names of individual trusts, but we could—

Senator BERNARDI—Are there any? There are some?

Ms Winzar—Yes.

Senator BERNARDI—Ms Winzar, could you tell me how many?

Ms Winzar—No, I cannot off the top of my head, but we will take that on notice.

Senator BERNARDI—But it would be fair to say it is not a major institutional investment area, is it?

Ms Winzar—No. That is quite right.

Senator BERNARDI—Are we—are ‘we’? Is the government trying to create a new investment product class then?

Ms Winzar—Absolutely, yes.

Senator BERNARDI—How many expressions of interest have you received?

Mr Jaggers—We have not called for expressions of interest yet. We have just closed off on the consultation phase from the technical paper that was released, and that closed on Saturday night. We aim to call for the first round of expressions of interest by the end of June.

Senator BERNARDI—But in the consultation paper, surely you would have identified a number of interested parties?

Mr Jaggers—Certainly a number of parties have expressed interest to us in the scheme, but—

Ms Winzar—I think it is fair to say that many of them have expressed interest in the scheme, but want to do their own detailed analysis of the returns it will give them. Until they see the final detail, of course, they are not going to commit.

Senator BERNARDI—And the \$6,000 is designed to replace, effectively, the forgone rent by pricing it 20 per cent under the market. Is that correct?

Ms Winzar—Broadly speaking, yes.

Mr Leeper—In part.

Senator BERNARDI—In part?

Mr Leeper—Yes. If you do the maths, on a \$400 a week property, the forgone rent is \$80 a week, so the annualised value of that is \$4,160. Clearly a \$6,000 Commonwealth incentive and a \$2,000 state contribution exceed that. The objectives of the scheme are broader than just subsidising the rent of individual properties. By putting this number of properties into the marketplace, we are hoping to reduce the rate of increase of rents more broadly. We are expecting a ripple or spill-over effect from these properties into the broader rental markets in which they operate.

Senator BERNARDI—So there is expected to be an additional incentive for people other than the forgone rent to make it worth while as an investment class, given that major institutional investors are not interested in this as an investment class currently.

Mr Leeper—If I am hearing the question correctly, at around \$8,000 we are confident that—and the anecdotal or informal feedback we have had from parts of the sector is that—in many of the housing markets in Australia an \$8,000 a year annual subsidy over 10 years will generate the kind of response we are looking for. There are some markets where it will struggle, like Lakemba.

Senator BERNARDI—Forgive me if this has already been asked, but the \$2,000 contribution by the state governments is going to be annually for 10 years as well, or is that a one-off?

Mr Leeper—Yes.

Mr Jagers—Yes.

Senator BERNARDI—That is okay. I was not sure.

Dr Harmer—Yes. It is part of the scheme.

Senator BERNARDI—That is right.

Mr Leeper—The total incentive for the investor is \$8,000 between the Commonwealth and the states. Ours will be a tax credit or a grant—straight upfront cash. The form of the state contribution may vary, and that will come through in proposals from people.

Senator BERNARDI—All right. Thank you.

CHAIR—It is just on 12.30 pm and I have been told by senators they have more questions in this area, which I am sure is no surprise, after lunch. We will bring the officers back after lunch for more questions on housing support and youth homelessness, which will flow together, and then the program will move forward that way.

Proceedings suspended from 12.31 pm to 1.30 pm

CHAIR—We return to output group 4.1, which is housing support.

Dr Harmer—I was asked a question this morning which I took on notice. It is about pensioners. I have a table here which breaks the pension groups down between ourselves, DVA et cetera.

CHAIR—Table that, Dr Harmer, and we will put it on the record. What date is that, Dr Harmer?

Dr Harmer—March 2008.

CHAIR—Thank you very much.

Senator PAYNE—For a little while, I want to go back to the NRAS. Another question I asked in the February estimates about the NRAS was about the circumstances of a renter and what happens to that arrangement if the renter—a family, for example—moves into a higher income bracket but does not actually want to leave their home or may in fact even want to purchase their home. I think Mr Leeper said at the time that those were design parameters that were yet to be considered by government and was not able to help me. I am seriously hoping you can help me now.

Mr Leeper—We will do our best, Senator. The criteria for being able to access an NRAS property will be set out. It will include specific income limits. That applies at the time you go into the property. Our intention is to design the scheme so that if your income rises by a significant margin—I think we are talking about 25 per cent over and above the qualifying limit—it would then kick in a process which would in effect say to the person, ‘Well, you’ve probably got about 12 months to make an adjustment because this is no longer a property that is suitable. Your income is too high for it.’ Twenty-five per cent is a significant margin. We

are talking about \$12,000 to possibly \$15,000 over and above the limit under which they got into the property. But rather than say, 'You're over it, you're out', if the income was likely to be sustained at that level, we would certainly ask the person to make an adjustment out of the property within 12 months. They might seek to make an arrangement to purchase it. They might find another rental property. But demonstrably they do not need as much assistance in the rental market as someone else further down the queue will need.

Senator PAYNE—So they are not precluded from making an arrangement to purchase it?

Mr Leeper—I think the arrangements of the scheme would allow an investor to sell the property under certain conditions, yes.

Senator PAYNE—But then that takes one of your NRAS houses out of the scheme. What do you do about replacing that?

Mr Leeper—If they sell the property, the Commonwealth and state subsidy would no longer be payable. So that subsidy would find another property in the marketplace.

Senator PAYNE—So it would go into another property?

Mr Leeper—Yes.

Senator PAYNE—You said the criteria would include income limits. What do you envisage that the income limit will be?

Mr Jagers—Senator, the income limits that were specified in the technical paper were for single age pensioners, \$39,000. For couples with no children—these are indicative criteria at this point—where both are age pensioners, it is \$65,000. For working families—so FTB recipients with two children under 12—would be around \$67,000. Working families with three children under 12 would be \$80,000. The income limit for singles is around \$28,300. So the eligibility criteria are based on eligibility for Commonwealth rental assistance or the low income health care card. They are the appropriate limits, as an example of those. It is something we specifically ask in the technical paper for feedback on in the consultation phase.

Senator PAYNE—The discussion paper also says that the assessment of eligibility will be made by the tenancy manager. How is the tenancy manager going to know whether the family or the individual has exceeded—I am not sure that that is the correct word—or moved outside, if you like, the criteria?

Mr Jagers—Senator, that would be a matter for the tenancy manager in consultation with the tenant. So there would be some tenancy agreement that would require them to report changes that take them above the income limits. We think that tenancy managers will set up those arrangements and will need to advise us if the person goes over the income limits and that property is no longer meeting the conditions of the scheme.

Senator PAYNE—So much like the receipt of a range of welfare support options, it relies on the individual to advise someone else up the chain that their circumstances have changed?

Mr Jagers—It does.

Senator PAYNE—What is the sanction, if any, for a tenant who does not provide that advice or the sanction, for that matter, for a tenancy manager that does not maintain that system?

Mr Leeper—I think, Senator, again, that is a compliance and audit issue which we will take quite seriously. We have tried to make the criteria for eligibility as objective as possible. If are you not a family tax benefit recipient and you are coming in under the low income health care card avenue, as it were, you have documentation from Centrelink you can show that proves objectively that you meet those criteria. So there is some degree of inquiry that the tenancy manager will need to make. Were we were to audit and find that a particular tenancy manager had a high proportion of clients who were above the eligibility limits either at entry or in an ongoing sense, that would be something we would take up with them.

Senator PAYNE—One of the issues around housing stress is security of tenure. That is averted to, I know, in the discussion paper. There is a sentence at the end of part six which says that tenants under the scheme could be given the opportunity of entering into leases which support security of tenure. Will that actually be encouraged by the department, or will there be any incentives in the program to support longer leases?

Mr Leeper—I think the answer is in the previous paragraph, where we say that tenancy managers will not be required to provide them with longer term leases, although we would like that.

Senator PAYNE—I read that and I understand it is not a requirement. But what I was interested in is whether there was in view any encouragement for leases to be provided on a longer term basis to address, particularly in rental properties, some of the issues around housing stress and difficulty with security of tenure.

Ms Winzar—Our optimistic view, I think, is that this will be, again, a competitive process. Institutional investors and their tenancy managers will compete for the credits under NRAS and that might be the distinguishing feature. If they offered longer term tenancies, that might tip the scales in their favour in terms of allocation of credits.

Mr Leeper—One of the variables for the investor is the proportion of time that the property stands untenanted. So at the margin, longer leases are actually in the investor's interest as well.

Senator HUMPHRIES—I have a question to you, Mr Leeper. Before lunch, you postulated a figure of \$400 a week. You said that would translate to a benefit to the tenant of about \$4,160 a year. Did you cite that figure for a particular reason?

Mr Leeper—No. If it was \$300 a week, it would be \$3,120 a year. It is just the 20 per cent times 52 weeks, that is all.

Senator HUMPHRIES—What is the average rent that an Australian renter pays?

Dr Harmer—We can probably give you some information on that, but we may have to take it on notice.

Mr Leeper—We would be confident, Senator, that the majority of rents in the group we are talking about would fall in the range of \$250 to \$350 a week. I would be confident they would be in that range. So we are talking about a \$50 to \$70 a week effective subsidy.

Ms Winzar—I can give you some figures for December 2007, if that is any help.

Senator HUMPHRIES—Yes. That might be helpful, thank you.

Ms Winzar—This is weekly rents for three bedroom houses. In Sydney in December 2007, they were \$310, on average. I do not have a figure for Melbourne. Three hundred dollars a week was the figure for Brisbane, \$260 a week for Adelaide, \$330 a week for Perth, \$370 a week for Canberra, \$280 for Hobart and \$450 a week for Darwin for a three bedroom house.

Senator HUMPHRIES—Because they are just capitals and this scheme applies to outlying communities as well.

Ms Winzar—You are quite right.

Senator HUMPHRIES—So let us postulate for the moment that the average benefit from the scheme is something like \$3,000 a year approximately. Obviously if you were delivering a benefit of \$3,000 into the hands of a tenant at a total net cost to the taxpayer—by that, I mean the Commonwealth and the state taxpayer combined—of \$8,000 a year, you would have to regard it as a fairly poor value investment by the taxpayer in general except if you produce some other benefit of the kind that you spoke about before. The question that comes up there is how you measure that other benefit, because that is critical, I would have thought, to the cost effectiveness of the scheme. Have you developed or are you developing criteria for measuring the performance of this scheme with respect to impact on the broader rental market in Australia?

Mr Leeper—I do not think we have designed an evaluation framework yet, Senator, no. But it is something we will need to turn our attention to. We are pretty flat out at the moment on the implementation aspects, but I would expect we would turn our attention to the broader impact of the scheme beyond just the units that we have rolled out.

Senator HUMPHRIES—Well, I hope you would, because I think you need to show that the scheme produces some better value for money than just on the rental properties concerned.

Senator PAYNE—In the objectives and implementation part of the technical discussion paper, it refers to the numbers that we have discussed before in terms of what you call incentives and allocations but which fundamentally are dwellings, as I understand it. The establishment phase has a total of 11,000 and the expansion phase has 39,000 in that 2010-12 period. From 2012 onwards, there is an additional 50,000 allocations subject to demand. One of the questions surrounding that level of planned construction and development has to go to, I think, the capacity of the construction workforce to deal in these areas. There is quite considerable material on the public record in terms of commentary in newspapers and other aspects of the media about the level of underbuilding. We have referred to it already today. The RBA has brought together a conservative figure of about 30,000 dwellings in terms of underbuild. Part of the problem with our capacity to build is a lack of skilled workers in the Australian construction workforce. So how have you factored that aspect of the debate into your assessment for this particular program?

Mr Leeper—Two things. I am not aware of the extent to which the underbuild, as it were, is attributable to skill shortages and capacity constraints in the actual construction effort as compared to land supply.

Senator PAYNE—Indeed. As I said, it is a factor.

Mr Leeper—I do not know what the proportion is in the 30,000 or so we have talked about. The other thing I would say is that in the employment, education and workplace relations portfolio there is some work going on to increase the skill shortages. The Deputy Prime Minister's portfolio—

Senator PAYNE—To increase the skill shortages?

Dr Harmer—Improve the skill shortage.

Senator PAYNE—Let us say address.

Mr Leeper—What did I say?

Senator PAYNE—You said increase.

Mr Leeper—I beg your pardon.

Senator PAYNE—Let me say on the record, Mr Leeper, I did not think you would want that there.

Mr Leeper—No. Thank you. To address skill shortages. That includes, I am advised, delivering another 450,000 training places over the next four years and some numbers around the permanent skilled migration target as well.

Senator PAYNE—What are the numbers around the permanent skilled migration target?

Mr Leeper—The only figure I have was 6,000 places in 2007-08. I am sorry, but I do not have a figure for 2008-09. These are DEEWR matters in the room next door. I just want to mention we are aware that there are some activities around training places, particularly training places in the area of skills shortages.

Dr Harmer—In addition to that, one of the things that we are also doing is setting up the Housing Supply Council. The Housing Supply Council will be for the first time a mechanism specifically set up to monitor the availability of resources, land and skills et cetera so that they can advise government about the state of the industry and the state of supply et cetera.

Senator PAYNE—I agree with you, Dr Harmer. I think the provision of that information through an organ such as the Housing Supply Council is important. But it does not provide the solution at the same time, and the solution is a challenging one, I think.

Dr Harmer—It is, indeed. But part of the solution is clearly to increase those with the appropriate skills. Increasing training places and providing additional skills through that process is an important response.

Senator PAYNE—So you are the department that is planning to run the incentive program, for want of a better turn of phrase—the NRAS—to produce the 50,000 dwellings, incentives, allocations, or whatever you want to call them, over four years. You are the department that is doing that while Employment are talking about 450,000 training places over four years and someone is talking about 6,000 skilled migration places, at least for the 2007-08 year. How

does that all come together? How is the communication arranged between your various agencies to ensure you are all singing from the same hymn sheet, so to speak?

Dr Harmer—There is ample opportunity to communicate across departments. We are well aware of what the Department of Education, Employment and Workplace Relations are doing in relation to skills. Presumably—I do not know for sure—but we will have had an input into some of that.

Senator PAYNE—I am sorry. Presumably, did you say?

Dr Harmer—We will have an input into their thinking into that and advising.

Senator PAYNE—Can you tell me what that input was?

Dr Harmer—I do not know specifically.

Senator PAYNE—Can you take that on notice, please.

Dr Harmer—Yes, sure.

Senator PAYNE—Unless someone else here at the moment can tell me.

Dr Harmer—They may. We will also be aware of the decisions the government makes in terms of migration et cetera. Those sorts of factors will be available to the department. We will make sure that the Housing Supply Council also has available this information.

Senator PAYNE—I want to talk about when you are consulting and having that input between departments. Let us take, for example, the 6,000 places in skilled migration. I do not expect you to talk to me about visa categories and things like that.

Dr Harmer—No.

Senator PAYNE—You will be pleased to know. Has your department, for example, raised with other departments, such as the immigration department, the challenges that have been identified by the construction industry in terms of how the visa system works to get construction workers into Australia in a manner in which they can work on residential development? Has that been raised with your department?

Dr Harmer—I am not aware that we have. The Treasurer would be inputting quite closely into the government decisions around migration because of its relevance to household formation rates and skills et cetera and their concern about the impact of skill shortages on inflation and wages. I would be quite surprised if Treasury has not had a significant input into that and has a view on some of the issues you are talking about in relation to housing. But I do not know whether we specifically have.

Senator PAYNE—Can you check that for me?

Dr Harmer—Yes. I think it is unlikely—

Senator PAYNE—Ms Winzar shook her head.

Ms Winzar—I shook my head, because I think the answer is no.

Dr Harmer—I think it is unlikely.

Senator PAYNE—Thank you. If that answer changes, could you advise the committee.

Dr Harmer—Yes.

Senator PAYNE—Thank you very much. So we have a workforce which, according to the government's assessment, needs 450,000 training places over four years, on the 2007-08 parameters, and 6,000 places in skilled migration. That is to address the issues we have before us now, which include the work that will be undertaken under the National Rental Affordability Scheme. As Mr Leeper says, we are not really in a position to identify how much of the underbuild can be attributed to the workforce issues, but the fairly well-accepted view is at least part of it can. We also have a currently ageing workforce in the construction industry, as is also often reported. The department of immigration has decided to make an announcement about adding an additional 31,000 skilled migrants into the 2008-09 migration program. They are skilled across a range of categories, obviously. That is in addition to the 6,000 places that were announced by the government in February 2008. That is in addition to an increase in the family stream announced in the budget of 6,500 places. There is also the expectation in relation to the temporary skilled migration program, which we understand is demand driven, not capped in any way, of exceeding 100,000 places in each of 2007-08 and 2008-09. That is according to the minister for immigration's statement. When your department is looking at initiatives such as the National Rental Affordability Scheme and the use of the housing affordability fund, what input do you have as a department into the assessment made of those migration figures and matching it with the demand for housing?

Mr Leeper—Senator, matters relating to the consideration of the migration program's size and scale are certainly matters for the immigration department and portfolio. As government policy processes run, we would be consulted from time to time on proposals. That is probably as much as I am able to say on that aspect of it. But where the opportunities present themselves, our department expresses a view about what can and cannot be sustained and may point out the housing implications of particular proposed scales of migration programs in net terms. But as Dr Harmer has said, this work is in front of us, not behind us. The National Housing Supply Council, I would expect, would take all of these things into account when it produces its state of supply report.

Senator PAYNE—When is that expected?

Mr Leeper—The first report will be done by the end of the year. The council is only meeting for the first time next week. But in its reports it will look at where we are up to. It is a supply council, but in effect it is looking at demand and supply, because that is where you try to get the balance. So they will be forecasting as well as they can demand in the sector and down to state, perhaps major geographic level. They will then look at the capacity of the sector to respond in supply terms.

Senator PAYNE—There are a couple of things about that. First of all, let me make it quite clear that on a personal basis I am not in any way criticising the decisions in relation to immigration numbers. I want to make that quite clear for those who may have misunderstood my questioning in earlier estimates in another committee. But you said, Mr Leeper, that your department engages where the opportunities present themselves. In terms of a program much vaunted from the government in relation to dealing with housing issues, can you be more specific for me, please, about the level of engagement of your department in consultations with, say, the department of immigration? I am here asking these questions today because when I endeavoured to ask the questions in the department of immigration estimates last week

in the legal and constitutional affairs committee, Mr Peter Hughes very helpfully sent me to ask them to you today. So here we all are.

Mr Leeper—I must remember to thank him.

Senator PAYNE—I was very thankful myself at the time.

Mr Leeper—The convention is that public servants are not asked to, or should not be asked to, disclose policy advice provided to government. All I can say to you is that, as proposals go forward to any government on proposed migration programs, we, as many other departments would, will provide the advice we think is pertinent to our interests around the implications of those proposals for programs that we are responsible for. So in situations where the immigration department puts proposals to government around the migration program, one of the things I expect we would normally comment on—and I know we have done that recently—is to raise the issue of the implications of migration programs for the housing situation. More positively, though, I would expect that the department, in its support of the Housing Supply Council, will engage at departmental level to ensure the injection of as high quality information as possible from the migration program proposals so that the Housing Supply Council can produce a good quality report.

Dr Harmer—It has been some time since we have had a body set up to focus on housing and the various elements that impact on supply and demand et cetera. I would fully expect that, once it is up and running, accessing financial data and various other data that our minister, being advised by that committee, will be able to be quite effective—perhaps more effective than she would be now with the advice just coming from the department—about advising government and commenting on and participating in the debate around the composition of the skills places and the composition of the skilled migration program and migration overall.

Senator PAYNE—Thank you very much for that, Dr Harmer, and thank you, Mr Leeper. I also want to make it clear that I am not asking you—I apologise if I did misstate my question then—to provide me with the advice that you give in this process. What I do wish to obtain some understanding of, though, if I may, is the level of engagement between the departments. That is to say, how it is formalised—not the advice you are given—whether you participate in a process of committee arrangements, either regularly or irregularly. In immigration estimates there was reference made to an interdepartmental committee and a reference made to the involvement of your department. So if it is not a question that you can answer today, I am happy for you to take that on notice.

Dr Harmer—I do not attend the IDC, but someone in the department may. I would rather take that on notice and be very specific about our involvement. But I do go back to the point that our basis for involvement and our basis for input into that at the moment is much less than it will be when we have the Housing Supply Council focusing a great deal more on the numbers and the data around the impacts.

Senator PAYNE—In some ways, I actually find that counterintuitive, if I might say. It seems to me that without the Housing Supply Council, which you are placing great reliance on—I understand that and I think it might do some interesting work—your engagement and your involvement is even more necessary. Departments that are exploring options, for

example, of bringing tens of thousands of people to Australia at a time when housing is a very considerable policy issue are the beneficiaries of your very sage advice.

Mr Leeper—I think we are just observing here that there was a body not unlike the Housing Supply Council called the Indicative Planning Council. It was abolished. I do not know the exact year. I am almost certain it was a previous government decision. The guidance, to be frank, from government through that period was that housing was less important. So we probably had not developed the kind of policy linkages that we might have done. We are attempting to restore that now.

Senator PAYNE—Well, then, let us talk about the more recent period in the run-up to this budget. Dr Harmer, you put together the answer to my questions. I am most certainly not including any question about the nature of the advice that has been given. I want to go very specifically to the processes in terms of the development of the program announcements in immigration for increased numbers in this budget and the engagement of your department in terms of process, not advice.

Dr Harmer—Sure. We will provide that information.

Senator PAYNE—The contacts, the IDCs and so on. I think, Mr Leeper, you said the Housing Supply Council meets—

Mr Leeper—Next week for the first time.

Senator PAYNE—Next week for the first time. And the chair of the council?

Mr Leeper—Dr Owen Donald. The other members of the council were announced by the minister about a week and a half ago. I think that is on the public record.

Senator PAYNE—We were talking earlier about the rental affordability scheme and the critical readers. Mr Jagers has gone away. He was my source of all information on critical readers. We were also talking about the consultation sessions. I also was trying to get an understanding of which parts of industry had participated in that process in terms of property council type groups and real estate institute type groups. The Property Council effectively represents the developers, I suppose. Perhaps the building and construction industry, separate from the developers, is represented by your HIAs, your master builders and those sorts of people.

Mr Leeper—Senator, I will recap, if I can, the consultation process. We have been developing these proposals. We consulted in informal ways three or four different groups of people. Again, they were drawn together for us by Julian Disney at the National Affordable Housing Summit. I can say to you that around the table, certainly at the two consultations I went to, there were major financial institutions, superannuation funds, housing industry association representatives, homelessness and housing sectoral representatives—community housing providers, basically. I cannot honestly recall whether we had many construction representatives at the frontline, but we had the HIAs, for example. The Urban Development Institute almost certainly attended one of those. So in total in three or four sessions we talked to probably 50 people at the stage where we were trying to work out the broad approach to the consultation paper. Then, having drafted it, as Mr Jagers has said, we used a very small group of people who we had identified through this first consultation would have been able to

improve the quality of the product that we put out as a technical discussion paper. So they were very kind enough to assist us in reviewing some of the draft documentation. We have now issued the document and now we have done some formal consultation. So it is a bit of a longer process, but that has taken about three months or so.

Senator PAYNE—If, as you say, groups like the HIA—

Mr Leeper—HIA, certainly. I can guarantee they were at one of them, yes.

Senator PAYNE—That is good. I think the breadth of consultation is important. So were they able to go away from a consultation session chaired by Professor Disney and talk amongst their membership about that discussion?

Mr Leeper—They would have been quite able to, yes. We shared with them nothing that was not really in the public domain around the election commitments.

Senator PAYNE—In terms of the critical readers, Mr Jagers, were there any constraints put on them in terms of how they might go about doing their work? Did they speak, for example, to colleagues? I think there was someone from community housing, Mr Pisarski from National Shelter, Professor Disney again and someone from Macquarie Bank. What were the parameters of their engagement as critical readers?

Mr Jagers—At the time of their engagement and drafting the paper, we were seeking their expert knowledge. So we were not putting it to them to then go and consult about the comments they might make. They provided their expert opinions on how the draft was looking.

Senator PAYNE—So they did not go back to their membership and come back to you?

Mr Jagers—Not as I understand it, no.

Senator PAYNE—Is that because you required them to participate on a confidential basis, or was that just the process that was undertaken?

Mr Jagers—We provided them a draft that we had marked as confidential at the time, because it was not a document that we thought was ready to be put out into the public domain.

Senator PAYNE—Did they have to sign an agreement to deal with that?

Mr Jagers—We did not ask for people to sign agreements.

Senator PAYNE—Thank you. I think broadly speaking, at least for me, that deals with most of the questions in the housing support area. I thank Dr Harmer and his officers very much for that assistance.

CHAIR—Does anyone else have any questions under 4.1, housing support?

Senator BERNARDI—I want some clarification. I have some questions on A Place to Call Home. Would that be under youth homelessness, or does it fall under this area? I am happy to deal with it in the next—

CHAIR—I would recommend 2.4. Am I right, Dr Harmer?

Dr Harmer—We are moving now on to this. We can do it—

Senator BERNARDI—I just want to see where it should fall.

CHAIR—At 2.4?

Dr Harmer—Yes.

CHAIR—I was right. So that means we are closing down 4.1. Thank you very much. We will move to 2.4, which is about youth homelessness. Senator Bernardi, do you want to lead off with your questions?

Senator BERNARDI—I am happy to lead off. Thank you, Madam Chair. I will address this to Dr Harmer. Output 2.4 at page 80 of the portfolio budget statement, and I quote, ‘will provide early intervention support to young people who are homeless or at risk of homelessness’. Is there a definition of young people in the context of youth homelessness? If so, what is the definition of a youth?

Mr Rosenberg—Senator, it does vary a little according to particular programs and program guidelines. It is generally understood to be between 12 and 24. I think the particular program that you are alluding to in the PBS is Reconnect. The Reconnect target group is 12 to 18 years old. But the predominant work in this area tends to be with, I guess, mid to late adolescents, because you are looking generally at young people who still have some connection to their families. The objective is to try to maintain that connection.

Senator BERNARDI—It may seem an unusual question, but is a homeless person, say at 13, someone who does not have regular accommodation with their own family or regular accommodation at all, or they may sleep on the streets or be on the streets two nights a week? Is there a criteria?

Mr Rosenberg—There is a broadly accepted definition of homelessness around the country, although with some variation. Essentially, when we talk about primary homelessness, that is people who are on the streets, people who are sleeping rough. Secondary homelessness would be people who are in unstable accommodation—staying with relatives or friends. You might have heard the phrase ‘couch surfing’, which is often applied to young people. Tertiary homelessness is those that have very unstable accommodation—perhaps in a boarding house without a proper licence agreement or are at imminent risk of being evicted, possibly.

Senator BERNARDI—So the description ‘tertiary’ does not necessarily apply to students?

Mr Rosenberg—No. It is just the different stages of homelessness. I guess, if you like, it is levels of risk.

Senator BERNARDI—Sure. Are there broad age groups that fit more neatly into each category, or are 12-year-olds in every category?

Mr Rosenberg—Well, unfortunately, the answer is yes. Normally 12-year-olds would be accompanying at least one parent. Classically, the supported accommodation assistance program would often see especially women who are escaping domestic violence who may have young children with them. Unfortunately, there are some instances of very young teenagers who do sleep rough occasionally.

Senator BERNARDI—Are you able to tell me how many homeless people there are in Australia and broadly in each state?

Mr Rosenberg—I would take on notice the state figures. In terms of nationally, the broadly accepted figure from the Counting the Homeless census every five years puts it at around 100,000 on any one night. Of those 100,000, probably around 15,000 would be sleeping rough. Another 15,000 or so would be in emergency accommodation, like a refuge.

Senator BERNARDI—That is secondary homelessness? Is that what you are suggesting?

Mr Rosenberg—Yes. The remainder would be spread across a range of other experiences. But I think a key point to emphasise, Senator, is that that is a point in time snapshot, so it is a bit of a limited view of precisely what the homelessness experience is.

Senator BERNARDI—When was it last taken?

Mr Rosenberg—The last information we have is from the 2001 census. The 2006 census is being analysed now and we are hoping to have that information within the next couple of months.

CHAIR—Mr Rosenberg, there is a view around that that could be an underestimate. You have heard that that is a snapshot and that is the only formal data we have. Certainly in the literature it tends to say that that could be underestimating.

Mr Rosenberg—I would agree. That is a widespread view. Through the process of developing the green paper on homelessness, what is fairly clear is that we need to do better in terms of enumerating homelessness. It is probably fair to say that internationally Australia is actually not doing too badly, though that is still clearly not good enough.

CHAIR—Sorry, Senator Bernardi.

Senator BERNARDI—That is all right. A very relevant question. What are the current estimates from industry experts as to the number of homeless? I will not hold you to it.

Mr Rosenberg—I think because our best count is indeed that homeless census, people generally start at 100,000 and say that is probably an under-enumeration. But it is a little hard to estimate how much more there would be.

Senator BERNARDI—Would you hazard a guess—110,000, 120,000, 150,000?

Mr Rosenberg—It is really difficult to say. The generally accepted view is that that is the starting point. I think as we look at developing better ways to do counts, we can probably have a more sophisticated analysis. But that is probably the safest figure to quote at the moment.

Senator BERNARDI—So there is an expectation, though, that when the 2006 data is released, it will be higher than the 100,000. Is that fair?

Mr Rosenberg—It is not yet clear. I think the very preliminary information we have is that there probably will not be a large change either way. There could be some sort of change across states and within population groups. But we will not really know that for another month or two.

Senator BERNARDI—Mr Rosenberg, I guess it is very difficult to measure the effectiveness of any program because the timeframe between collecting quantifiable results is so long.

Mr Rosenberg—That is a fair point, Senator. As I said earlier, I think it is certainly an area that has been well recognised that we need to do better on. I think part of any homelessness policy development process must include a good hard look at how we can better collect information, count homelessness and track people over time.

Senator BERNARDI—Before I get on to that, can I ask you about existing services. Can you outline some of the on-the-ground services that are currently operating within this area?

Mr Rosenberg—Certainly. The predominant service system, I guess you would call it, is the Supported Accommodation Assistance Program, or SAAP, which is a Commonwealth-state funded program. I think this financial year it is about \$370 million nationally. Predominantly that funds refuges. Broadly, the split is between refuges for young people, for women and for single people. There are SAAP services in every state and territory. Apart from that, the Australian government has a couple of, I guess, notable Australian government only funded services. The one I think you referred to in your first question, Reconnect, is just somewhat shy of 100 services around the country. That aims to literally get together young people with their families and/or ensure that young people whose attachment to education and the labour force is marginal is improved. We have a very small service called Home Advice, which has got just eight sites around the country. It looks at early intervention to ensure that families who are in some sort of housing stress get the assistance they need through financial counselling or help with various housing support needs.

Senator BERNARDI—With regard to refuges, you said young people, women and single people. Can I take single as a euphemism for men, or does single apply to women as well and that the women's category applies to women with children or in need? Is there some distinction?

Mr Rosenberg—Well, women, be they single or with children, would generally be served by the women's sector of the SAAP program. So generally, yes, you are right; single would be for single men.

Senator BERNARDI—Men are really a marginalised species now.

Mr Rosenberg—It is a fairly significant area for the SAAP program. That includes some of the, I guess, more traditional, larger charity services who provide day shelters through to smaller specialist refuges.

Senator BERNARDI—How do you measure, then, the adequacy of the Supported Accommodation Assistance Program? Is it determined by bed availability or day services? How do you measure it?

Mr Rosenberg—Well, there is a range of data collected. In fact, just to go back a step, Senator, I suppose the two predominant areas we have for homelessness information is around the census I mentioned and on the SAAP program. So there is quite a lot of data collected on the SAAP program—who the people are that approach SAAP services, who gets turned away and what happens to them when they leave up to a point. So we do have a range of information there. As a caveat, I would emphasise that the SAAP program is essentially a crisis accommodation service. So the measures that we have of its success or otherwise are in terms of providing crisis accommodation. By definition, there is a limit to how much it can achieve.

Senator BERNARDI—So, indeed, someone could come out of this program because they are no longer in a crisis situation but still be defined as homeless?

Mr Rosenberg—That is quite true. Indeed, one of the objectives of the SAAP program is to try to ensure that people have some sort of longer term outcome. But often that needs to be through creative connections with mainstream service providers, with social housing providers and other supports. As I said, the SAAP program itself has a limit to how much it can achieve on its own.

Senator BERNARDI—Yes, quite. Going back to the measurement, you said there is a census. We also have the SAAP program. Is there an interaction with other agencies, such as non-government organisations, as well to feed in data to a central database or information system?

Mr Rosenberg—In fact, it is another one of the issues I think we need to look at for the homelessness situation generally. At the moment, things are fairly compartmentalised. So someone who actually interacts with the SAAP program has information through the SAAP program on that experience. We are looking at ways to have data transfer more effectively between SAAP and other sectors, such as the child protection systems in the states, although that is at a fairly early stage. I think it is probably fair to say that most people will regard those sorts of data exchanges as being very important for the future of good homelessness data collection.

Senator BERNARDI—The portfolio budget statement identifies a number of key performance indicators. It is page 80 again. There is a percentage of clients reporting improved relationships, contact with family, friends or peers/decreased social isolation. Do you see that there on page 80?

Mr Rosenberg—Yes.

Senator BERNARDI—The target for next year is 70 per cent. What is it currently?

Mr Rosenberg—The current target?

Senator BERNARDI—No. The target for 2008-09—this is a key performance indicator—is 70 per cent. That is what it says here. So what is the current measure for that key performance indicator?

Mr Rosenberg—I do not have that in front of me. But I can be fairly sure that the achievement for 2007-08 was around that or slightly better.

Senator BERNARDI—Okay. So in fact it was possibly slightly better. So the target next year is actually probably less than this year. Is that what you are telling me?

Mr Rosenberg—I think the targets for this year are similar to last year. I am sorry. I am getting my years mixed up. The target for 2008-09 is similar to 2007-08. The achievement in 2007-08 will be pretty much on target.

Senator BERNARDI—Is that not under goal setting, Mr Rosenberg?

Mr Rosenberg—Senator, it is probably realistic goal setting in terms of what is achievable in this sort of very difficult space. We are talking about human interactions and often very difficult family situations. Certainly when an evaluation of the service Reconnect was done a

few years ago it was seen as being particularly effective in achieving its targets. The general conclusion for that evaluation was had that intervention not occurred, certainly the achievement would be nothing like 70 per cent.

Senator BERNARDI—What would be the target in 2009-10?

Mr Rosenberg—It is a bit pre-emptive to say now. But can I just point out that one thing we are looking to do is some planning work in the next few months to look at what should be longer term goals and targets for this program.

Senator BERNARDI—In that particular KPI you set these on an annual basis?

Mr Rosenberg—Correct.

Senator BERNARDI—And your funding is apportioned over four or five years?

Ms Winzar—Senator, I think we may have some confusion here. The A Place to Call Home measure is different to the Reconnect program, which Mr Rosenberg has been talking about.

Senator BERNARDI—No. I understand that. I am just looking at page 80 of the budget statement. It says the key performance indicators about how it is going to be done. It is components of output group 2.4, youth homelessness.

Ms Winzar—So what is the question, Senator?

Senator BERNARDI—Your targets are set on an annual basis and yet funding is pre-approved for four or five years.

Mr Rosenberg—While there is money in the forward estimates for Reconnect, at the moment contracts go through to the end of next financial year.

Senator BERNARDI—And then you will reassess it?

Mr Rosenberg—As I said, we are looking at doing some planning work in the next little while so we reassess how we need to set this up for the future.

Senator BERNARDI—Let us go through those other key performance indicators. Number two is the percentage of clients who reported that their individual goals were met. The target for next financial year is 70 per cent. Can you tell me what it was in this past financial year?

Mr Rosenberg—It was the same, Senator.

Senator BERNARDI—The same. The percentage of young people from priority identified groups. This year it is 15 per cent for indigenous and 10 per cent CALD. What does CALD stand for?

Mr Rosenberg—Culturally and linguistically diverse.

Senator BERNARDI—Can you tell me what the previous year's achievements were in this regard?

Mr Rosenberg—Are you after the target or the result?

Senator BERNARDI—The result, please. I know what the target is.

Mr Rosenberg—From the year to June 2007, almost 19 per cent of clients were Aboriginal and Torres Strait Islander.

Senator BERNARDI—Almost how many?

Mr Rosenberg—Nineteen per cent.

Senator BERNARDI—And what is your target for the financial year completing at the end of this month?

Mr Rosenberg—I do not think we had an indigenous specific target for this year. So this is a new one.

Senator BERNARDI—Did you not just tell me that 19 per cent was—

Mr Rosenberg—But that was based on program information we had, not a PBS target.

Senator BERNARDI—What about the culturally and linguistically diverse? Do you have a target for that?

Mr Rosenberg—The target was 10 per cent and we are not sure what the actual outcome was. But we could get that for you, Senator.

Senator BERNARDI—That would be great, if you would not mind. Percentage of funded service providers with an appropriate action research plan to improve services. The target for next year is 90 per cent. What was your target?

Mr Rosenberg—That, again, is a new target.

Senator BERNARDI—I guess that begs another question. If you are funding people, would not a prerequisite for funding be that they have an appropriate action research plan?

Mr Rosenberg—We do think that, which is why we have inserted it. But it has not always been the case in the past.

Senator BERNARDI—So what is the intention, then, if people do not comply with that? Will you be reducing funding?

Mr Rosenberg—We would review the situation of each provider to see how they are going. As I said a little while ago, we are looking at a needs based planning process for this whole service area in the next few years, which will include looking at which services are most appropriately delivered where.

Senator BERNARDI—What is the process to create an appropriate action research plan?

Mr Rosenberg—I will go back a step. Because we have some national program guidelines, within those guidelines, each service would look at how they best need to set up to meet the goals of the national program within the local area. So that would include things like ensuring they have key linkages with local schools and education departments and ensuring that any family relationship services, either Australian government or state, set up are part of their networks just to make sure that the maximum potential linkages are established to assist young people in their outcomes.

Senator BERNARDI—So will there be professional service providers from the department, then, to assist in the development of those plans?

Mr Rosenberg—The department will play a role in assisting the Reconnect network in getting those plans developed, yes.

Senator BERNARDI—What sort of role will that take?

Mr Rosenberg—A guidance role. The network is actually fairly mature and well-established now. For instance, there are regular good practice forums, where service providers and their management committees come together and look at where the successes have been and are frank about where the successes are not so strong. They look at what works best and try and then promulgate those practices nationally.

Senator BERNARDI—So are these good management forums held on a geographic basis, such as a state basis, or nationally?

Mr Rosenberg—I will have to get back to you on the details, but I am pretty sure there are both. I think there are state forums but also occasionally nationally as well.

Senator BERNARDI—And who would be invited to attend those forums?

Mr Rosenberg—Any of the service providers and occasionally related service providers in mainstream services, as I said, such as education.

Senator BERNARDI—And department representatives would go and facilitate in all of them?

Mr Rosenberg—Yes.

Senator BERNARDI—What about the next KPI—the number of young people assisted per year? You have your target for next year as 7,000. What was the target for this last year?

Mr Rosenberg—The same, Senator.

Senator BERNARDI—And what was the actual result for the previous financial year?

Mr Rosenberg—In terms of young people assisted, I am going back to 2005-06, it was 5,040. And then for the year 2006-07, it was 5,800.

Senator BERNARDI—How do you account for that reduction?

Mr Rosenberg—Sorry. It has actually increased. In 2005-06 it was 5,040.

Senator BERNARDI—I beg your pardon. I thought you said the previous financial year was 5,040.

Mr Rosenberg—I am going backwards. So in 2005-06, it was 5,040. In 2006-07 it was 5,800.

Senator BERNARDI—And this year, your target is 7,000?

Mr Rosenberg—Correct.

Senator BERNARDI—Have you had any reflections or measurements about how successful that is?

Mr Rosenberg—Because we get fairly regular management information from the services, we think we are probably close.

Senator BERNARDI—Remind me how many homeless youth you think there are of those 100,000.

Mr Rosenberg—I think it is about 40 per cent. Yes, almost half would be under 24 years. So of the 100,000, 36,000 would be 12 to 24 and just under 10,000 would be under 12.

Senator BERNARDI—It is a lot that we are not being able to help, is it not?

Mr Rosenberg—That is right, though I think, to be fair, this particular program is not set up to address all youth homelessness. It is set up to address a particular phenomenon, which is around young people's connection to families and education.

Senator BERNARDI—So you do not have any longer term goals other than those annual reviews in this area?

Mr Rosenberg—Are you asking about goals for youth homelessness?

Senator BERNARDI—Specifically in the number of people you are going to be assisting in this particular program.

Mr Leeper—These are the goals set out on the basis of current resourcing. There is a white paper process coming. There is a lot of policy work in front of us between here and September or October. So it may well be that the targets are different by the time we talk in November. But for the current policy settings and resourcing, this is what we are working on.

Senator BERNARDI—This is what it is limited to. We will go on to the white paper in just a moment. I will just ask for the last time about the number of families assisted per year. The target is 5,000. What was the target this past financial year?

Mr Rosenberg—The same target.

Senator BERNARDI—And the financial year previous to it?

Mr Rosenberg—I do not have that target with me, Senator, but I can find out for you.

Senator BERNARDI—If you would not mind, that would be great. Thank you. Just on the homeless white paper, Minister Plibersek said that the white paper would be deliberately consultative. Have consultations begun yet?

Mr Rosenberg—They have. As you are probably aware, the green paper, the discussion paper, was released by the Prime Minister on 22 May. The first public forums have taken place already.

Senator BERNARDI—Where were those public forums held?

Mr Rosenberg—Last week we had one in Perth and one in Karratha in Western Australia.

Senator BERNARDI—Any other places?

Mr Rosenberg—Yes. Would you like me to read it?

Mr Leeper—We can read it in, if you like.

Senator BERNARDI—Have they been through all the major capital cities?

Mr Leeper—Mr Rosenberg said the two that have occurred. The ones in front of us are Townsville on 4 June, Darwin on 6 June, Brisbane on 10 June, Sydney on 11 June, Melbourne on 12 June and Canberra on 13 June, Lismore on 16 June and Adelaide on the 19th, Hobart on the 17th—out of order—and Albury-Wodonga on the 20th.

Mr Rosenberg—And some late breaking news—

Senator BERNARDI—Which is what we love in estimates.

Mr Rosenberg—That is right. We have one in Alice Springs on the 23rd.

Senator BERNARDI—Is there any intention at this point to add any additional centres?

Mr Rosenberg—No.

Senator BERNARDI—Is that because you do not believe there is any need for it, or it covers most of the key areas?

Mr Rosenberg—It is always a balance between the time to do a really thorough set of forums around the country and, I guess, getting on with the job of developing policy. But I think the other thing to just bear in mind is that this is part of the process. As well as the public forums, we are encouraging and indeed assisting people to get submissions in, which will be analysed and feed into the white paper process. We also have a separate process to particularly target homeless people as well so their voice will be heard.

Senator BERNARDI—Just on that, people do not have to attend the forums? They can make a submission themselves to the department?

Mr Rosenberg—Yes. Or do both.

Senator BERNARDI—Or do both. Or attend the forum. What is the format of the forum? Can people stand up and have five minutes or 15 minutes?

Mr Rosenberg—Probably not 15. It is facilitated. We have a structure that is based around consultation questions. We direct people to those questions. But we also allow some freewheeling discussion, given that part of the process here is to come up with good ideas that the government may not have actually envisaged. So we are certainly opening up for people to be creative.

Senator BERNARDI—And how is contact made with people to invite them to the forums?

Mr Rosenberg—A range of ways. We are obviously using the media to advertise them, but we are also using a range of networks. The peak body, Homelessness Australia, is working with us to disseminate information about the forums to all its member organisations. We are also ensuring that we go to mainstream service providers, given a key theme of the green paper is the importance of looking at mainstream service provision as well as the sort of traditional homelessness sector. We are also obviously involving government agencies, both the Australian government and state, territory and local government.

Senator BERNARDI—And how many people attended Perth and Karratha?

Mr Rosenberg—Perth was about 95, I think, and Karratha was, I think, 15.

Senator BERNARDI—And were the results of the discussions of that public documents, or will they be withheld from publication?

Mr Rosenberg—They will be public. But rather than publish them piece by piece, what we will do is provide a summary so people can see the direction of the discussion. We have also undertaken to do a summary report on the actual submissions received, which will also be publicly available and feed into the white paper.

Senator BERNARDI—And the white paper is scheduled to be released in October. Is that right? Or September?

Mr Rosenberg—At the moment, September, for public release.

Senator BERNARDI—When the white paper is delivered in September, how long do you anticipate it would be before a national action plan is released publicly?

Mr Rosenberg—Well, the government's intention, Senator, is that the white paper would contain at least the germ of a national action plan.

Senator BERNARDI—How long before it becomes a full virus or strain?

Mr Rosenberg—Well, the white paper will certainly be a critical first step. I think it is probably fair to say that given the intention to look at a 10-year plan of action, there may well be some immediate initiatives and some immediate goals. But there probably will be further development required, and particularly collaboration with the states and territories, given that they have indicated a strong desire to work with the Australian government on a truly national approach.

Senator BERNARDI—Given that it is a stated 10-year goal and you have reaffirmed that, what changes will be made to the measurement of the effectiveness of these programs?

Mr Rosenberg—I cannot pre-empt what is in the white paper. I guess, just to reiterate my earlier comment, there is a general consensus that we collectively need to do better at measurement. Indeed, the states and territories have indicated clearly that they want to come to the table with us on a broadly national approach. At the moment, some states and territories have different ways of defining homelessness and different ways of measuring homelessness within their program. A broad objective will be to come together so that we have a nationally agreed approach. When you go down to the local level, we will have an apples and apples approach to the phenomenon.

Senator BERNARDI—There has been some criticism of the process. The Salvation Army criticised the fact that another review is taking place rather than that actual on-the-ground changes are being made. How do you respond to that?

Mr Rosenberg—Well, I suppose a couple of things. Firstly, it goes back to that issue of balance I mentioned earlier. You could do things very quickly but perhaps not then as systematically as would be required. But I guess the other thing is that there have been some initiatives taken already. I think you started to mention the A Place to Call Home initiative, which is, in a sense, a down payment on future homelessness policy development. A range of the other initiatives that the government has been focusing on will have an impact, we hope, long term on reducing homelessness.

Senator BERNARDI—I want to go to the program A Place to Call Home. When is that scheduled to begin?

Mr Rosenberg—Next financial year.

Senator BERNARDI—So what will actually happen on 1 July?

Mr Rosenberg—Well, it is going to vary between the states. There is an agreed implementation plan through the COAG housing working group. My minister has written to

all her state and territory counterparts essentially asking them for proposals for how they would like to take this forward bilaterally. We have had one very positive response already from South Australia. In fact, it was announced two weeks ago. South Australia's initial tranche of work through this program has been agreed. Most of the other states and territories have indicated some initial ideas and we will be negotiating with them very shortly to firm that up.

Senator BERNARDI—You are a very optimistic man to say you have had one positive response and that is a success. Are you suggesting that the others have not been positive?

Mr Rosenberg—Not at all. As I said, my minister has only just recently written to her state colleagues. So we are certainly anticipating that we will have negotiations well underway before the end of this month.

Senator BERNARDI—So South Australia is the only one that has provided a firm commitment. Is that right?

Mr Rosenberg—A firm proposal, yes.

Senator BERNARDI—A firm proposal. And that proposal includes the pledging of funds?

Mr Rosenberg—Correct.

Senator BERNARDI—None of the other states or territories have done so at this stage?

Mr Rosenberg—Not yet. But they have all indicated through the COAG process that they are committed. So it is really now a matter of the implementation detail and how best they want to carry this forward with us.

Senator BERNARDI—Is there an expectation of when they will be committed?

Mr Rosenberg—We have asked them to have the plans to us by the end of this financial year, at least preliminary plans. We want to look at getting firm agreements in place as early as possible next financial year.

Senator BERNARDI—Does the project overall depend on the support of the states and a firm commitment from the states that have not actually given it?

Mr Rosenberg—It does because essentially it is a matching program.

Senator BERNARDI—So if they do not all come on board, will they all miss out, or will the funding be allocated to only those that have?

Mr Rosenberg—As I said, we are at the point now where we are negotiating bilaterally. So it is not one in, all in. But on the other hand, at the moment I see no reason why any state would not come to the party. In fact, we have had preliminary indications from all of them that they are quite keen.

Senator BERNARDI—Sure. Yes, I understand that.

Mr Leeper—Having been through the COAG process, our view would be that all states and territories should be expected to roll out their parts of this program.

Senator BERNARDI—I agree with you.

Mr Leeper—I am just saying what our expectation is.

Senator BERNARDI—Your expectation is that they will.

Mr Leeper—There is nothing in the COAG process that indicates that they will not.

Senator McLucas—Senator, just so you are clear, the premiers have agreed.

Senator BERNARDI—But not in the detail.

Senator McLucas—Well, when a premier says they are going to do it, it usually happens.

Senator BERNARDI—Well, with the recent departures of all the Labor premiers around the place, you would have to renegotiate with a different person.

Senator McLucas—I think you can read the politics of that.

Senator BERNARDI—We are talking about building a lot of new houses. In South Australia, which is the state where I am from, a similar project was conducted by the state government. A recent newspaper report in February this year said that in February this year there were only four residents in the 37-unit complex. Has any consideration been given to contingency plans if you cannot actually get the tenants for these buildings?

Mr Rosenberg—I am not clear what particular media report you are referring to. Certainly all indications that we have had from South Australia are that they would have no trouble in meeting these targets. One part of their commitment is through, as you are probably aware, a project in Adelaide called Common Ground. They are looking to build a stage two through this matched funding process. The first stage of Common Ground is oversubscribed. The unit development is full and there are many people who had to be turned away. So I do not think there is any shortage of demand.

Senator BERNARDI—It was a report in the *Advertiser* in February this year that suggested that.

Mr Leeper—The response, I think, is not just bricks and mortar. The Commonwealth money is intended to be put towards the construction of additional dwellings for homeless people. The state contributions, amongst other things, we hope would include support services which actually support the person in the new homeless residence and enable them to change those things, where possible, that might result in them moving out of that residence and going back to other arrangements.

Senator BERNARDI—So how many homes do you expect to complete in 2008-09?

Mr Rosenberg—Well, the target for the full five years is 600. So it would be 100 for the first year.

Mr Leeper—There are 600 dwellings over five years. But the 2008-09 is \$25 million, which is 100 dwellings.

Senator BERNARDI—And you would expect them to be replicated in the 2009-10 out year?

Mr Leeper—It is \$25 million across the first four years and \$50 million in 2012-13.

Senator BERNARDI—I understand that. And you are expecting to build the same quantity of homes in each of those years?

Mr Leeper—Yes.

Senator BERNARDI—Irrespective of inflation pressures and cost of living rises, those sorts of things?

Mr Leeper—I am not sure of the indexation of the payments.

Senator BERNARDI—Maybe the housing policies are going to bring the price of housing down so much that you will be able to build more homes. It is unlikely, I think.

Ms Winzar—Senator, I think it will be swings and roundabouts. The South Australian proposal, as I understand it, is that they use pretty much all of their 40-odd allocated houses in the first two years they would have them on the ground. So they might be a forerunner. There might be other states which do most of their build or purchase work in, say, years two, three and four. So I think it will balance out.

Senator BERNARDI—You do think it is realistic that the same allocation of money in an inflationary environment such as we have, the same allocation of funds over four years, will build the same number of homes in four years as it does next year?

Ms Winzar—I do not know that I am saying that so much, Senator, as we know that some states will want to bring forward their build or purchase to the first couple of years. We know that some will leave it to the last couple of years. I think we will get our 600 houses across the full four years of the initiative. I am not bothered about that.

Senator BERNARDI—But the expectation is that you will have 100 in the next year.

Ms Winzar—Yes. It is an indicative allocation. If it comes to 102, that is fine. If it comes to 95, that is fine. It is a way of apportioning the \$150 million across a period of time and staging the development as best we can.

Senator BERNARDI—We will revisit it. Who will build the homes? Will it be private contractors?

Mr Rosenberg—It is likely to be at least through state housing authorities. So it is whatever arrangements they use—either privately or their own construction companies.

Senator BERNARDI—Has an estimate been made of the cost to administer the construction of homes in each state?

Ms Winzar—For the most part, the state governments already have capacity through their existing housing and homelessness agencies to do this work.

Senator BERNARDI—So it should not be eaten up by administration?

Ms Winzar—No.

Senator BERNARDI—That is fine. Are the homes required to be built to a particular standard? Are they required to be multiple bedrooms?

Ms Winzar—No.

Senator BERNARDI—So it is entirely up to the state how they do it?

Ms Winzar—That is correct.

Senator BERNARDI—Is that part of the negotiation between the Commonwealth and the state governments about their proposal?

Ms Winzar—Yes. As we would receive the proposals, we would have some informal discussion with the state about the nature of the arrangements that they are putting up. We conclude them with a formal memorandum of understanding, a bilateral agreement between the Commonwealth and the state.

Senator BERNARDI—Could these funds be used to refurbish existing homes that are not able to be occupied under public housing?

Ms Winzar—The requirement is that this be additional stock to house people who would otherwise be homeless or who are homeless. People will go into this additional stock as quickly as possible. They will be provided with tenancy support and life skills support for up to 12 months. At that point, the house itself will transfer into public housing stock and be replaced by another house so that there is always a float of 600-odd houses to help families that particularly would be homeless.

Senator BERNARDI—I do not want to labour the point. But additional stock could be a house that is currently uninhabitable that is not then available.

Ms Winzar—That would not be our preference. Our preference would be that the state fixes up the houses which are currently in its public housing stock which are not inhabitable and that they use these funds to provide additional houses.

Senator BERNARDI—So the intention is for the construction of new dwellings?

Ms Winzar—Or purchase.

Senator BERNARDI—Or purchase of new dwellings. In some ways, I guess it would be dependent on the availability of land and land supply as to how they can construct them.

Ms Winzar—I think that is far less of a problem with this particular initiative because we are talking about 600 houses nationally. We are not looking at broadacre developments or even substantial small area developments. I think it is quite feasible that the state will either free up its own land and build a couple of units or a house or two or purchase houses within a suburb or so on without having to worry too much about availability of land.

Senator BERNARDI—I have one question that goes to the \$25 million allocation over four years and the \$50 million in the final year. How did you come to that division of it? Why the \$50 million in the fifth year rather than upfront, where you get it out early?

Mr Leeper—I think, Senator, it was just the nature of the election commitment. The Commonwealth was providing funds at an average of \$250,000 contribution per dwelling, which would give us 100 for the first four years. They wanted to put \$50 million in the last year. That is the straight answer, I think.

Senator BERNARDI—I will accept it on that basis, Mr Leeper. Thank you, Madam Chair. I have nothing further.

CHAIR—I will not ask any questions. That means we complete output 2.4 on youth homelessness. Senator McLucas has an appointment at three o'clock. So between 3.00 and 3.15 pm, we could go for afternoon tea. I see no value, Dr Harmer, in bringing the carers people to the table at this stage, so people can have an extended break. That means we are

wiping out dinner. No, we are not. It was worth a shot. I could just keep on pushing. If we rise now, we will aim to get back at 3.15 pm.

Proceedings suspended from 2.49 pm to 3.17 pm

CHAIR—Welcome back, Minister. Senator Bernardi, you have some questions on carers. Dr Harmer, you would like to start with some information.

Dr Harmer—I will just read a couple of answers that we took during the morning. One of the questions was on board appointments made by the minister. I have a table here of the board appointments.

CHAIR—That is Senator Humphries's question, so that would be very useful, yes.

Dr Harmer—There is also a question on whether the minister has travelled overseas. The answer is no. I was just wanting to confirm that. I thought it was no, but I just wanted to make sure.

CHAIR—It is nice to have it confirmed.

Dr Harmer—Indeed. There was a question about the number of ministerial staff that accompany the minister at the community cabinets. The answer to that is two staff on each occasion. We were also asked about decisions on grants made by the minister. I have information as of 21 April 2008, which I can table, on grants. Senator Humphries also asked about the SES, I think, two years ago in the department. I just started to look at it, but given the changes that have occurred to the department, it is not very relevant. The department of social security, as it was at the beginning of 2008, was a relatively small—

Senator HUMPHRIES—1996, you mean.

Dr Harmer—Sorry, 1996, or 1998, I think. You said 10 years ago. In either case, in either 1996 or 1998 it was the social security department. It has been a small department since then. There has been community services, disability and child care added to it, then child care taken away and the Office of Indigenous Policy Coordination added to it. Youth programs have been over and gone back. Centrelink was split off from the department at the beginning of 1997. We will do it, if you wish, but, having looked at it, I said I would just check with Senator Humphries whether he thinks that is a useful comparison.

Senator HUMPHRIES—Let me take that question on notice and I will get back to you about whether I think it is worthwhile doing.

Dr Harmer—Thank you.

Senator Chris Evans—It would be interesting history as to the ebbs and flows.

Senator HUMPHRIES—Yes. It would be quite a story.

CHAIR—You could put it to one person.

Senator Chris Evans—DEWR had a big win a few years ago, but FaCSIA is fighting back on the policy front.

CHAIR—Thank you, Dr Harmer. Is that it?

Dr Harmer—Yes.

CHAIR—Senator Bernardi.

Senator BERNARDI—Chair, I know that Senator Humphries is chomping at the bit.

Senator HUMPHRIES—Thank you very much. I want to start looking at the transfer of funding under the disability assistance package through to the CSTDA budget. I am aware that there was an announcement last week about progress with the CSTDA. As I understand it, essentially there has been no agreement with the states and CSTDA at this point other than to carry over the funds that were already on the table until the end of this calendar year. Am I wrong about that, or is there in fact some agreement about the fundamentals of the new CSTDA that we are not aware of?

Ms Beauchamp—At the disability ministers meeting last Friday there was quite significant progress in terms of agreements with state and territory jurisdictions around the transfer of the disability assistance package. The states and territories actually agreed to put in \$900 million on top of this government's commitment to \$1 billion extra. So I think there was quite significant progress made. I should say that, in terms of output group 2.3, what you are asking about is actually under output group 2.2 in terms of support to people with disabilities.

Senator HUMPHRIES—Yes. But I want to come back and ask about what is in the CSTDA for carers. I understand that CSTDA covers provisions for carers. I want to know what the framework was, though, for that to be provided.

Ms Beauchamp—In addition to that significant agreement last Friday, there was also agreement to extend the current CSTDA until 31 December this year.

Senator HUMPHRIES—I might leave the questions about what that means in terms of the total amount of money to questioning on the next outcome. Am I right in assuming that there are still provisions tied up in negotiations over the next CSTDA for carers? Are the provisions included in the DAP for carers still relevant in the context of the new CSTDA process?

Ms Beauchamp—That focus is still relevant. It has been extended slightly. We are still talking about support around supported accommodation, respite, in-home support packages and individual support packages. So they are the primary elements of the additional funding, both from the Commonwealth and the states and territories.

Senator HUMPHRIES—There were quite specific objectives that were defined for the DAP with respect to carers. They included 1,750 new supported accommodation places and \$115 million for in-home care for people whose parent carers were aged over 65 et cetera. Are those targets still in place but now in the context of the CSTDA?

Ms Beauchamp—We have actually been able to work with the states and territories and extend some of those targets. For example, the communiqué that was put out last Friday did talk about 2,300 in-home support places, 2,300 supported accommodation places, 9,900 individual support packages and 10,000 respite places. So for some of those performance indicators and targets that you have referred to, we have been actually able to negotiate with the states and territories increases over and above.

Senator HUMPHRIES—Can I just clarify what those figures relate to under the DAP. There were 1,750 new supported accommodation places at a value of \$562.6 million. So home places are there now?

Ms Beauchamp—Supported accommodation places?

Senator HUMPHRIES—Yes.

Ms Beauchamp—With the inclusion of the states and territories putting in \$900 million, we are talking about 2,300.

Senator HUMPHRIES—Two thousand three hundred.

Senator SIEWERT—So what was it before?

Ms Beauchamp—Under the old target, I think the—

Senator HUMPHRIES—The old target under DAP was 1,750 new supported accommodation places, as I understand it, which was to come at a price tag of \$562 million. Now I think what you are saying to me is you have rolled in another \$900 million from the states. That produces a total of 2,300 places.

Ms Beauchamp—In addition, we had the Prime Minister announce in May an additional \$100 million, which provided an extra 309 supported accommodation places.

Senator HUMPHRIES—So is that 309 on top of the 2,300?

Ms Beauchamp—Yes.

Senator HUMPHRIES—So we are talking about 2,609 supported accommodation places which comes at a cost of—tell me if I have this right—the \$562 million that was originally in DAP plus \$100 million announced by the Prime Minister plus another \$900 million from the states.

Ms Beauchamp—As I mentioned, those figures that you are referring to only apply to one element of the package. I also mentioned individual support packages, in-home support and respite.

Dr Harmer—Let me clarify. There were originally 1,700 places with part of the \$900 million that the states have committed. That went to 2,300. With the additional \$100 million that the PM committed, that has gone to 2,609 supported accommodation places. However, all of the \$900 million that Ms Beauchamp was talking about in terms of state matching has not gone into that element. It has gone to other bits as well.

Senator HUMPHRIES—What we need to know, then—and it is probably best provided by a table or chart of some sort—is what was there before, what has been added and what we have now got across the board. An increase from 1,750 to 2,609 places is very welcome, but it depends a bit, does it not, on how much extra money has been put in.

Dr Harmer—Yes.

Senator HUMPHRIES—It would be nice to know.

Ms Davies—We will have that for you very shortly.

Senator HUMPHRIES—Fantastic. That would be great. Some of these questions might need to wait until I have seen that. But I will ask them anyway and see if we can answer them now. If we are putting this money into the basket or the context of the CSTDA and targets are being set, presumably that means that the states are actually delivering these outcomes. Instead of the Commonwealth doing it through DAP, it will be now the states that will do that. They will have to obviously meet certain Commonwealth requirements for benchmarks as to how they do that.

Ms Davies—That is correct.

Senator HUMPHRIES—Can we be told at this stage what those benchmarks are for the delivery of these, for example, new supported accommodation places?

Ms Beauchamp—We can give some indicative figures only. But I would like to seek approval from state and territory jurisdictions as some of them are still going through their budget processes. Whilst we have been given indicative performance targets, for example, Tasmania is yet to announce some of this through its budget process.

Senator HUMPHRIES—Yes. But does that imply that there are different benchmarks or performance indicators, whatever you want to call it, for the spending of this money as between different states?

Ms Beauchamp—There is a different mix and match of services, of the key elements I spoke about earlier, between states and territories. Some states and territories might be putting in more around supported accommodation and less around individual support packages, for example.

Senator HUMPHRIES—You appreciate that what we want to do is try and measure whether the end product is a good product for the Commonwealth money that is going in here. Can you offer me any measurement device to assure me and the committee that we are actually getting a good deal by virtue of rolling this Commonwealth targeted money that was there before in DAP now into a bigger pot, where the states effectively are going to take over administration of that money?

Ms Davies—We could give you the current CSTDA 3 targets for that break-up of supported accommodation et cetera plus the DAP indicative figures, which would give you the total target.

Senator HUMPHRIES—The total number of places being provided is a good measure. I am not sure it fully answers my question, though. I assume we are looking at different outcomes in different states. I am not sure whether there is a standard definition of a supported accommodation place and whether it includes the same things in one jurisdiction as it might in another, for example.

Ms Davies—Ms Bedford might correct me, but I am pretty sure we are using standard definitions for the different categories, which I could provide.

Senator HUMPHRIES—Okay. I had better see that information. Perhaps there will be further questions arising out of that.

Ms Beauchamp—Can I clarify. Those definitions are currently used under the current Commonwealth-state disability agreement. So we are not varying the definitions from what is already used and already collected.

Senator HUMPHRIES—So you are saying to me that a supported accommodation place in Victoria will amount to pretty much the same thing as a supported accommodation place in Tasmania or the Northern Territory or Western Australia? A user will see no particularly significant difference between the outcome in those different places?

Ms Davies—We are using standard definitions in that particular case. Accommodation support services means services that provide accommodation to people with disabilities and services that provide the support needed to enable a person with a disability to remain in their existing accommodation. That includes group homes, hostels, institutions and residential.

Senator HUMPHRIES—I would like to look at that information, if I could. Under the DAP, carers in receipt of a carer allowance child were eligible for an annual tax free payment of \$1,000 a year to help with large equipment costs and other costs of caring. Will this payment be included under CSTDA?

Ms Davies—It is not currently and has not been in the past included under specific purpose payments to the states, no. It is part of the Commonwealth's—

Senator HUMPHRIES—Will it still be available to people outside this framework?

Ms Davies—Yes.

Senator HUMPHRIES—I am aware that before the election there was an offer on the table for jurisdictions to come forward to the Commonwealth government to receive reciprocal funding for packages designed to assist in unmet needs for carers. I am aware that Western Australia, Northern Territory and the ACT each put their hand up for that. Are those jurisdictions still in line to receive some reciprocal funding for their services, or are they thrown back into the pot with the rest of the jurisdictions which did not respond?

Ms Davies—I think it is more accurate to say that the arrangements for CSTDA 4 have been overtaken by the COAG reforms.

Senator HUMPHRIES—So those three jurisdictions are back to the drawing board? There is no advantage for them in having—

Ms Davies—All jurisdictions are back to the drawing board.

Senator HUMPHRIES—Four jurisdictions?

Ms Davies—All.

Senator HUMPHRIES—All jurisdictions. In the original DAP, there was \$13.8 million for transition support services to assist older carers planning for their children's future needs. Is that still an element of the new package?

Ms Davies—Transition support workers funding commenced this current financial year. We were using Centrelink social workers to undertake that work. We are in the process of transferring that work to the states so that Centrelink in each jurisdiction will be talking to their counterparts after contacting the actual customers to see whether they are happy to have their information provided to the states and territories.

Senator HUMPHRIES—So you expect at least the same number of people who would have benefited under that arrangement under DAP to be receiving a benefit of the same kind under the new arrangements?

Ms Davies—They will certainly be invited to take up the offer if they wish.

Senator HUMPHRIES—I am sorry.

Ms Davies—They will be invited. They may not choose to take it up. Otherwise they will be.

Senator HUMPHRIES—But the same number of offers will be in place.

Ms Davies—Absolutely.

Senator HUMPHRIES—If you agree with a state on a certain number of, say, supported accommodation places to be made available and it is according to a standard definition of what is required, presumably there are time limits involved in this. So they have to deliver that within a certain time framework?

Ms Davies—It is over a four-year period.

Senator HUMPHRIES—Okay. So they have got to deliver within four years the targets that are within here?

Ms Davies—That is right.

Senator HUMPHRIES—What was the timeframe for the delivery of that DAP money that is being transferred?

Ms Davies—The DAP money was for five years, but that includes this financial year. So the four years starts in July.

Senator HUMPHRIES—So it is an equivalent timeframe?

Ms Davies—It is the same timeframe.

Senator HUMPHRIES—If a state does not deliver within those four years the number of, say, supported accommodation places that it is required to, what penalty or compensatory mechanism is available to the Commonwealth?

Ms Davies—At the moment, the DAP arrangements commence from July this year. The new COAG arrangements, however, start from January. So the sort of compliance arrangements will be the same as those that apply across all specific purpose payments.

Dr Harmer—What Ms Davies is saying is that the framework agreement, which will not come into effect until 1 January 2009 under the new SPP arrangements, will be negotiated between the July COAG and the end of the year. So we do not know precisely what will be involved in that new form agreement. But the parameters have been set at a pretty high level. We are not going to be focusing as much on inputs, more on outcomes and outputs.

Senator HUMPHRIES—Well, would you agree that at the end of that four-year period the Senate estimates committee would be able to examine outcomes there to the same general level of detail that it would have if it had stayed under the DAP program?

Dr Harmer—Yes. We should still have data about how many additional supported accommodation places and counts of various services, yes.

Ms Beauchamp—I would expect this to be quite transparent given that we are going to be striking bilaterals between now and 1 July with every state and territory around what is to be delivered under the package. Of course, we will be monitoring that with our colleagues in the states and territories on an annual basis.

Senator Chris Evans—In a caring, sharing sort of way.

Senator HUMPHRIES—If you kill the blame game in this area over four years, Minister, you will deserve whatever the equivalent of a knighthood is these days. I am not convinced.

Senator Chris Evans—I know we all share the same frustration about the blame game in this area. This looks like a good start. But, as you say, we have got to deliver.

Senator HUMPHRIES—I turn to the provision of \$100 million in this budget to the states and territories to increase the availability of supported accommodation for people with a disability where their carers are ageing. The idea of that \$100 million is that that is the announcement made by the Prime Minister that you referred to before. It will allow the states to build or purchase new facilities with the capacity to care for more people with disabilities. According to the FaCSIA portfolio budget statement, that is to provide up to 35 new facilities, each of which would provide up to six places each. Has any of this money been designated between any jurisdictions at this stage? Can we say where any of these facilities will be found?

Ms Davies—We do have an indicative allocation at this point.

Senator HUMPHRIES—Could we see that, please.

Ms Davies—Yes.

Ms Beauchamp—It is indicative at this stage, given that we are in the process of negotiating. We are talking about 100 places in New South Wales.

Senator HUMPHRIES—So that is 100 places over a certain number of facilities? We do not know how many facilities as yet?

Ms Beauchamp—That is correct. Around 70 in Victoria, 36 in Queensland, 30 in WA, 55 in South Australia, 12 in Tassie and six in the ACT.

Senator HUMPHRIES—So you only have the number of places per jurisdiction. You do not have locations yet?

Ms Beauchamp—No.

Senator HUMPHRIES—Assuming that you get the maximum number of facilities and the maximum number of people in each facility, that is 210 places. It works out to be about \$476,000 per place, according to my maths, and about \$2.8 million per facility. I realise that there are special requirements for such facilities in terms of access for people with disabilities and so forth. You would need presumably accommodation for a live-in carer or something of that sort. But \$2.8 million, though, for essentially a six-place home does seem to be a bit on the expensive side. Am I naïve, or is that the standard going price these days for this sort of facility?

Ms Davies—That modelling relating to figures that you quoted originally was done at the high end. So it did include the cost of the attendant carer and the cost for the person with the disability. It was very cautious modelling. The figures the states have indicated are more generous.

Ms Bedford—We did the costings for the capital under that \$100 million initiative. As Ms Davies says, it is at the high end, taking into account people with very profound disabilities and the care they would need, including staff accommodation, to be built into those facilities. We also factored in the cost of purchasing land in major metropolitan areas, such as Sydney, which is quite expensive. When you look at the price of land and the price of construction in those sort of areas and to enable access by a family to visit those people and also back into the community, the cost is quite high.

Senator HUMPHRIES—Is the cost allocated simply the cost of setting up—that is, building the facilities—or are there any ongoing operational costs in there?

Ms Bedford—That was not included in those costings. The cost was purely for the establishment of the facilities. You will notice in the communiqué that was released on Friday that the number of places has gone up to 309 rather than 210.

Senator HUMPHRIES—Three hundred and nine?

Ms Bedford—Some states have been able to indicate that they can deliver more than what we initially costed.

Senator HUMPHRIES—So it is still \$100 million from the Commonwealth, but we get more places out of it?

Ms Bedford—Yes. It depends what sort of model they use and it depends on the cost of building the facility in different states and territories.

Senator HUMPHRIES—It is great to see the spending of this money. Can we be assured that these are actually 309 new places and not the states saying, ‘Well, we’ve got an existing program to roll out supported accommodation. Look, there’s some money coming from the Commonwealth. We’ll just use that to defray the costs of our existing programs and have the Commonwealth pay to build what we otherwise would have had to build ourselves?’

Ms Bedford—We will monitor that through our normal processes of monitoring state and territory budgets and expenditure as much as we can. Following the meeting on Friday with disability ministers, we will be negotiating bilaterals and ensuring that we can get the best accountability that we can.

Senator HUMPHRIES—But it presupposes that it is agreed these be new places, not existing places.

Ms Bedford—They are, yes. The negotiations and the bilaterals will assume that they are new places.

Senator HUMPHRIES—You said there were, say, 70 places in Victoria. If Victoria’s existing budget or budget from last year projected the building of, say, 300 places, if there were not 370 places in this year’s budget, you would be suspicious that you were being short-changed. But you might say there should be 400 places because presumably the states budget

on some increases each year. If you are on to that, that is good. Do we know what the kind of demand is for these places across Australia at the moment?

Ms Bedford—The demand is high. In 2005, the AIHW, the Australian Institute of Health and Welfare, estimated that there were 23,500 people waiting for supported accommodation. That is around a severe-profound level of disability.

Senator HUMPHRIES—So 300 places over four years is not going to make a huge difference in that unmet demand, is it?

Ms Davies—That does not take into account the extra places included in the DAP package.

Senator HUMPHRIES—Even that added in is still going to leave a very substantial unmet demand, will it not?

Ms Davies—Well, it is 24,000 extra places. So it is sort of roughly equal to that AIHW estimate. But that estimate is not entirely robust. We are working very hard with the states to come up with a much more reliable set of unmet demand figures.

Senator HUMPHRIES—Having paid for the building of these facilities, there is no ongoing role for the Commonwealth in supervising or overseeing the way in which those facilities deliver services to the residents, I assume.

Ms Davies—That is right. Our role becomes monitoring.

Senator HUMPHRIES—So you cannot tell me how many staff would be required, on average, in each of these facilities because they will be a state government responsibility?

Ms Bedford—I cannot tell you that. It would depend on the level of care and other factors.

Senator HUMPHRIES—Sure. Could I ask about the provision of about \$428 million over two years from this year for a lump sum payment to carers in recognition of their contribution to caring for people with disabilities and the frail aged. That is \$1,000 for carer payment recipients and \$600 for carer allowance recipients for each eligible person in their care. I see that this is provided for in this financial year's allocation. There is a little bit of a tail in 2008-09 but nothing beyond. Why is there nothing beyond that? Do you expect not to have to make these payments beyond this coming financial year?

Ms Davies—I think for the five carer bonus payments that have already occurred, provision has not been made typically in forward estimates.

Senator HUMPHRIES—And the fact that has not happened has been heavily criticised by the current government. I return to the question. What can we infer—

Senator Chris Evans—The answer to the question, Senator, is that it is the same provision that has been made in each of the last four or five years, as under the previous government. As we have indicated, the whole question of transfer payments and the future payments to those on pensions and allowances will be picked up by the review the government has announced. Yes, there is provision for next financial year and, no, there is not provision beyond. It is the same as has happened in the last four or five budgets under the previous government. But the review process will pick up the question of, broadly in the public debate as we discussed on aged care, the issues to be addressed in going forward. So they are reflected as one-offs in the same way as they have in the last few years. But as to the issues around appropriate levels of

support for those on age pensions and carers as part of that broader review, Dr Harmer has his work cut out for him in the next six or eight months leading that part of the contribution to the review process.

Senator HUMPHRIES—Are you confident that with the process of this review going forward there would be no hiatus between the end of these payments and the replacement and provision of some kind of replacement payment for people who are carers?

Senator Chris Evans—I do not want to prejudge what will come out of the review. Clearly, there is no intention to see any lessening of support for carers. It has been a priority of this government, as reflected in this budget. It is a priority of the minister, Minister Macklin, who is very committed to improvements and better support for carers. I do not expect there to be any question of hiatus. But I do not want to prejudge what will come out of the review.

Dr Harmer—A further point on that is that the timing for this part of the review is for February next year. So it is in advance of the 2009 budget. It is specifically in the terms of reference for my element of the review for the first tranche of the particular social security review to specifically look at this issue. So (a) it is in there and (b) it is to report before the next budget.

Senator Chris Evans—But I do not want to prejudge what the response to that might be. It is a question of the link-up coming before government.

Senator HUMPHRIES—That is very reassuring. Thank you, Minister and Dr Harmer. I turn to the \$293.6 million over five years to improve assistance to carers. Key components of this measure include a new assessment process to determine eligibility for carer payment child and allowing carer payment child recipients to be automatically eligible for carer allowance et cetera. This does not, of course, come into effect this financial year or next financial year. It does not start until the 2009-10 financial year. Is that correct?

Ms Davies—Yes.

Senator HUMPHRIES—Can you outline what new assessment process will be used to determine eligibility for carer payment child?

Ms Davies—It is essentially attempting to make the assessment process more similar to the one used for carer payment adult. There is a shift in emphasis to measuring the level of care needed. I might ask Ms Oswald to go into more detail, if you want.

Ms Oswald—The current assessment process, Senator, is based on a series of medicalised criteria. There are seven criteria. The new assessment process will be a functional assessment which is based on the activities of daily living. It will assess the care needed and the care provided against those activities of daily living. It provides a much more accurate picture of what the carer is actually providing and what the care recipient needs.

Senator HUMPHRIES—Will it be a more flexible assessment tool than in the past, as in being able to respond to more variations in circumstances that the carers find themselves in?

Ms Oswald—Yes, it will. As I mentioned, the current process really uses a very narrow set of medicalised criteria. It uses seven characteristics, which are things like faecal incontinence or a particular type of feeding using what is called a peg tube—very narrow and narrowly

defined criteria. But the new assessment process will really look across all the activities of daily living. It is a functional assessment. It is the type of assessment that is used in a rehabilitation context. It is used in a number of other contexts. It looks at categories such as feeding, mobility, communication and behavioural issues. So it really covers the entire category of care that is provided.

Senator HUMPHRIES—One thing which this committee has encountered during several inquiries we have done into disabilities is two tendencies of agencies. One is to require proof or reproof of the existence of a degenerative medical condition, such as MS or things like that. It puts the carer or the recipient to great inconvenience in having to reprove what should be the bleeding obvious— that is, that their condition is getting worse, not better. Secondly, there is an inability to sort of provide information which can be then transferred at the behest of the applicant to other areas of the same department to minimise the amount of paperwork required to prove eligibility for certain payments. Are those issues going to be addressed in this new assessment tool?

Ms Oswald—The assessment tool is really for the purposes of income support. So it is really to measure whether or not an income support payment should be made. It is slightly different from the types of assessments that are used for the purpose of access to services. For example, we are trying to bring those two things closer together. Ideally, it would be terrific to have an assessment tool which covered a number of different purposes. But really the purpose of this tool will be for access to carer payments. So it will be for income support. After saying that, we are looking at a process where if the client chooses to release their personal information to another provider, that will be possible. We are looking at other assessment tools that are used in a service delivery context, such as the assessment tools that are used for access to respite, for example. We are hoping to bring those things more into line so that carers will be able to have that information that they have provided to Centrelink also provided to other service providers, if they choose, to assist them to access those services.

Senator HUMPHRIES—Is an assessment for a carer payment done annually at the moment? At the end of the year, do you have to go back and apply again for the payment for a further 12 months?

Ms Oswald—There is a review process. Basically, once you are granted, you are found to be eligible. But there is a review process, as there is for most income support payments. For carer payments, there are three types of reviews. There is a circumstance review, which looks at whether anything has changed. There is an income and assets review, obviously looking at income and assets. There is a medical review, which does ask whether anything has changed in the medical condition of the care receiver. Part of the package is to actually change that review process for the new arrangements for carer payment child.

Senator HUMPHRIES—Given that you still have work to do on this new assessment arrangement, it is expected to bring another 19,000 carers of children with disabilities or illness into the carer payment arrangement. Can you tell us, first of all, what kind of criteria will be used to enlarge that figure by 19,000? What kind of thing is not being covered now which will be covered under the new tool?

Ms Oswald—One of the major changes is that carer payment child will be available on an episodic and short-term basis, which has not occurred previously. This is basically to recognise that there are a number of conditions that children have that do occur on a short-term basis or on an episodic basis.

Senator HUMPHRIES—Such as?

Ms Oswald—Things like epilepsy, for example, which is an episodic condition. A lot of mental health conditions tend to be episodic or short term. Often treatment for cancers can be reasonably short term, where the child needs intense care for a short period of time but then recovers. Some other injuries, for example, may be quite short term. So those will now be covered by carer payment child where they have not been in the past. The other elements are the ones we mentioned before. They are really moving from the narrow medicalised criteria to that wider set of criteria. So the increase will come from people who, for example, may not have been able to access the payment. I can give you a couple of case study type examples of people who have not able to access the payment before. A child who was, for example, blind and deaf and had limited mobility could not access the payment previously but should be able to access the payment under the new arrangements because we are looking at all those categories. The behavioural component or the mental health component of the current arrangements is quite limited. That will be expanded. That is the cognitive component. It will be much more similar, as Ms Davies mentioned, to the carer payment adult criteria. So we are trying to bring these things into line. There is quite a large disconnect at the moment between the number of clients who receive carer payment child and those who receive carer payment adult.

Senator HUMPHRIES—In that respect, can you guarantee that no recipients of carer payments presently eligible will lose their eligibility as a result of this new assessment process?

Ms Oswald—Yes. Because they will not actually be going back through the assessment tool. The assessment tool will be for new clients. So current clients, unless they go off payment for a particular reason, will not be going back through the new assessment tool.

Senator HUMPHRIES—If they do go off payment for some reason and they attempt to go back on it, it is possible that the assessment will be different so that what they were eligible for before they would not be eligible for under the new arrangements?

Ms Oswald—Again, because the criteria were so narrow, it is highly unlikely. While we cannot give any guarantees at this point, it is highly unlikely that anyone would not be found eligible under the new assessment because it is a broader assessment rather than a narrower assessment.

Dr Harmer—It is most unlikely that someone who was eligible under the previously very tight arrangements, even if they went off it and went through the new assessment criteria, would not. It is not possible to say categorically that there is no case, but it is pretty hard for us to imagine a case that would not be eligible under the new criteria.

Ms Beauchamp—Of course, if any of those circumstances change or there is a change in their income and assets test, for example—

Senator HUMPHRIES—Yes. I appreciate that.

Ms Beauchamp—And those tests that Ms Oswald spoke about—

Senator HUMPHRIES—No. I am talking about where the same circumstances apply. You do not expect there to be anybody who would be eligible today who would not be eligible under the new rules, or at least you cannot conceive of any cases?

Ms Beauchamp—If all other things stay.

Senator HUMPHRIES—That is reassuring. The \$2.4 million you are putting there for respite brokerage services, that is provided for in the 2008-09 financial year. This is for older carers aged 65 years and older who are caring for an adult child aged 40 years and over with a disability. This is described as funding in 2008-09, but it is also for respite brokerage services provided between April and December this year. So has this money been spent or is it in the process of being spent at the moment?

Ms Davies—For April, or the current year, it has been spent. The other figure relates to spend in the next financial year.

Senator HUMPHRIES—So why is there a reduction in this financial year's allocation and an increase in next financial year's allocation?

Ms Bruce—You are probably aware that we are in an interim arrangement with the 1,600 older carers that were visited by a Centrelink transition support worker. There was also some funding announced last year for additional respite capacity. As that additional respite capacity is starting to come online, we are making that available to the older carers, before they are transferred to the states and territories. The respite arrangements will also be transferred to the states and territories. The \$300,000 this year is to pay the cost of that brokerage for those older carers. For 2008-09, \$2 million was estimated to cover the cost for if there was any delay in the transfer of the arrangements to the states and territories.

Senator HUMPHRIES—Is this a payment to the states and territories?

Ms Bruce—No, it is to the respite service providers.

Senator HUMPHRIES—They are NGOs of various sorts, for the most part?

Ms Bruce—That is right.

Senator HUMPHRIES—How many carers is this designed to assist and has that number changed at all as a result of that decision?

Ms Bruce—It is an interim arrangement for the 1,600 older carers that received a home visit from Centrelink. The respite funding is all across the country. The service provider's capacity to bring the extra capacity on line varies, depending on the type of respite that they are providing.

Senator HUMPHRIES—Okay. There is no funding in out years because you expect this to be managed by states and territories in the future?

Ms Bruce—That is right.

Senator HUMPHRIES—Okay, and they have accepted that responsibility?

Ms Bruce—Yes.

Senator HUMPHRIES—The last thing I want to ask about is what effect the increased efficiency dividend will have, if any, in the area of this particular output.

Dr Harmer—Senator, I mentioned this morning in relation to the way the department is adjusting to the efficiency dividend, that we are very careful to avoid making any changes that impact on recipients of the various pensions and support payments. The answer is that there will be a little bit of additional pressure on some of the staff in this area but a pretty marginal impact on the key areas of disability and carers, and it certainly will not impact on the clients.

Ms Beauchamp—May I also add that within the last six months or so we have actually put more resources into this area and created a carer's branch which did not exist in the portfolio previously.

Dr Harmer—The truth is that we have reallocated resources into priority areas. Housing is clearly an area, because of the additional commitments, we put initial staff into, and we also put some additional staff into this area.

Senator HUMPHRIES—Okay, allocating additional staff into this area is good, but given that you are not increasing the size of your overall workforce and you are reducing the number of SES positions across the board by three—once you take into account the other adjustments—you mentioned there would be a bit more load on some workers within this area. Where exactly—

Dr Harmer—Probably not so much in this area. I mentioned earlier today that we are looking to review our contracts and to reduce by a little bit our temporary staff and our contractors. Many of these people are in corporate type areas, IT and business areas. We are not making any decisions that we think will impact very heavily on the business in the program areas.

Senator HUMPHRIES—If you address the screening on contractors of various sorts, what functions do you cease to do in order to reduce the pressure on your budget? For example, if you stop getting IT in from outside, you still have to provide it inside the tent, inside the department; does that not place pressure on existing workers who have to also take on that task?

Dr Harmer—It can, but we can also make some decisions about the staging of our IT infrastructure upgrades and things like that. We can make decisions about how quickly we proceed in certain property, et cetera. Management has a number of avenues to make these adjustments. The adjustment for us was not terribly challenging because of the mix of resources coming in from the transfer of functions, for example we did get new policy money because of the housing and various other new policy proposals. FaHCSIA's adjustment has been manageable without impacting greatly on the staffing in the program areas.

Ms Beauchamp—An actual example, Senator, in this area in particular, given the government's budget announcements, we are getting between 10 and 15 extra ASL in the carer's and disabilities area.

Senator HUMPHRIES—What does the two per cent dividend represent across the department, in dollars?

Dr Harmer—The two per cent, I can give it to you. The two per cent is \$8.4 million.

Senator HUMPHRIES—Okay. I do not really have a very firm idea after asking questions today about just how you deal with that \$8.4 million. You seem to have implied, Ms Beauchamp, that there are some extra resources which might help you provide more capacity. It sounds as if you are going to cushion that \$8.4 million with those extra positions. I am not sure that was Treasury's intention in giving you those positions, but that seems to be what you are suggesting might happen.

Senator Chris Evans—I think you will find, Senator Humphries, that secretaries do not like to give too much information about these matters because of their negotiations with Treasury. The secretary will say they are stretched to the limit, that they are running a very tight ship but they will deliver the services for government. That is what my secretary says.

Dr Harmer—That is a very good summary.

Senator Chris Evans—And when I suddenly say, 'Well, we really need \$2 million for this,' he seems to be able to find it when pushed, but I do not think he would like to have that conversation with Treasury. I suspect Dr Harmer is in much the same boat.

Senator HUMPHRIES—I see. I would like to have some idea of what changes are being made within the department to accommodate that \$8.4 million. You have been, with respect, a little bit vague about this and I would like a little bit of information.

Dr Harmer—I will give you a bit of information and Mr Hunter can assist with this. I mentioned earlier that we were looking at reducing some of our travel by increased use of video conferencing and upgrading our video conferencing; there is efficiency there. We are making some changes: for example, the SES travelling to Canberra-Sydney will do so on economy class. They are entitled to business class, but we have made a decision and we can make some savings there. We have the capacity to renegotiate some of our supplier contracts. We are being a bit tougher on the pricing because of the situation the department is facing. We have slowed down the investment in a couple of areas that we are making so that we can manage a balanced budget. Mr Hunter may have some other views. There are a range of things: we are moving staff from low priority areas to high priority areas; we are continuing to fill jobs firstly within the department so rather than bring people in from outside we are moving them to higher priority positions, et cetera; plus there are other things we are doing such as with property.

Senator BERNARDI—I would like to ask a question of Dr Harmer.

Senator HUMPHRIES—I would like your answer as well, after Senator Bernardi.

Senator BERNARDI—It just goes on the travel. Are not the majority of flights between Canberra and Sydney in smaller planes and all one class?

Dr Harmer—Not the majority, Senator, no.

Senator BERNARDI—Only the ones that we seem to be allocated; is that right?

Senator ADAMS—I think with the fuel price you will find Qantas will be flying more and more of those planes.

Dr Harmer—It may be so in the future.

Senator BERNARDI—It has been a meaningful sacrifice for the department, has it?

Dr Harmer—Well, it has. The truth is that many of the meetings that we fly interstate for are meetings that start, say, nine 10 o'clock, and those flights one has to go out early, particularly in winter.

Senator BERNARDI—That is when they have two classes?

Dr Harmer—Yes.

Senator BERNARDI—Thank you.

Senator HUMPHRIES—Mr Hunter, you were going to give us some further expenditures?

Mr Hunter—Our 08-09 budget has been approved and allocated to groups already and we have set as a balanced budget, as Dr Harmer mentioned this morning. In doing that preparation, we have applied the two per cent equally across each group, so across all facets of the business we have applied the two per cent efficiency dividend plus the additional 1.25 per cent which is now sort of the norm. We have then adjusted it for any lapsing or terminating measures that come to an end at the end of this financial year that do not flow through, that groups may have been working on this financial year. We have also taken into account the machinery of government changes that we highlighted this morning, the net transfer of staff. That is part of ons and offs that we have got with the transferring functions. We then added back new policy measures for 08-09, which this year was around \$82-\$84 million for just this department.

We have also added back the wage cost index supplementation that we receive as a department. Our parameter adjustment is around 2.1 per cent, in taking that as a total package by group, which is how we have been able to set a budget target for groups to say, 'This is how we expect you to manage the efficiency dividends being applied by government.' Certainly the secretary is very strong in saying that he expects groups to manage their budgets. Through the year we do budget reviews, two typically. This financial year we have done a March hard close, which is at the end of March we have done financial statements for nine months to ensure that we are still on line with our targets. We also expect to do that in 08-09 even to the point of monthly financial statements. So, we have set the budgets, we have approved it, we have applied the efficiency dividend evenly across all groups, taking in all factors, the ons and offs. We will continue to review it throughout the year and manage it monthly and also monitor it monthly with the executive management group. We are actually in really good shape to be able to manage it, I guess, is the short answer.

Dr Harmer—I do not want to leave you, Senator, or anyone else with the impression that it was easy. It was challenging, but Mr Hunter, who is a good chief financial officer, and the executive have focused a great deal in the last few years on our budgeting and allocation of reserves and we have managed to do it without much impact.

Senator HUMPHRIES—Okay. The comment made about pressure on public servants raises the question of overall how much pressure is on individuals within your department at this stage. Do you keep figures on the number of individuals who take stress leave at any given period of time?

Dr Harmer—We would, Senator. A bit of an indication is that we have done very well in terms of managing our personnel; our Comcare premium has actually gone down recently, reflecting the fact that we are managing our Comcare claims very well. The department is under some pressure, it always is at this time of the year and in a new government with a lot of policy to implement. We are doing our best. It has helped a great deal by our former minister, Minister Patterson, being prepared to come across to the department and talk to the people. She came across with Minister Macklin and with Parliamentary Secretary Shorten to thank the people for the work on the budget. These sorts of things help me manage the workload.

Senator HUMPHRIES—Are you aware of any officers in the department who are, for example, regularly working beyond midnight or beginning work before 6 am?

Dr Harmer—I think regularly working beyond midnight would be quite unusual in our department, although this year, exactly the same as last year and the year before, around budget time of necessity we have had a few people in the last few days in the preparation of this document because of decisions and having to include them, certainly worked beyond midnight. But, they did it last year and the year before; it is a particular budget pressure. I am not aware that there is any regular working beyond midnight in my department although from time to time we do it if we have to.

Senator HUMPHRIES—You are not trying to blame this committee for stress levels preparing those documents, are you, Dr Harmer?

Senator Chris Evans—The other occasion on which the officers work very late is the estimates, Senator, as you well know, as we keep them here until 11 o'clock at night.

Senator HUMPHRIES—Well, we are all under stress as a result of that decision, Minister.

Senator Chris Evans—The great thing and the best thing John Herron ever did in Australian politics was stop sitting until 3 and 4 o'clock in the morning, which not only was helpful to staff but also to members of parliament. It is to his long-lasting credit that he has got more rational hours for us all.

Senator HUMPHRIES—I would agree with that. I have got no further questions.

CHAIR—Thank you, Dr Harmer, and thank you to the officers who have come back for cross outcomes questions in the middle of carers and disabilities.

Senator SIEWERT—I want to follow up on some of the carers' questions but also some of the disability questions since we have been jumping between the two. We have covered carers fairly well, but the first question relates to the utilities allowance and since it fits in a number of areas, is it okay if I ask it here or would you prefer I asked it somewhere else?

Dr Harmer—It is best asked on 2.1 rather than either 2.2 or 2.3, which is soon, hopefully.

Senator SIEWERT—It does, however, now apply to carers' payments as well, does it not? Okay, can we go back to the Commonwealth State Territory Disability Agreement, if that is okay? I am trying to work out in the announcement that was made on Friday, which we talked about earlier, there is the billion dollars coming from the Commonwealth and the \$900 million coming from the states. Where does the billion dollars from the Commonwealth

appear in the budget statements? What is it made up out of? I am looking in output group 2.2: is that where I am supposed to be looking, which is page 65?

Ms Davies—Senator, some of it does appear in the PBS on page 65.

Senator SIEWERT—And the rest of it?

Ms Davies—The rest of it is covered under 2.2, the services for people with disabilities.

Senator SIEWERT—The billion dollars that is outlined in the media statement is made up of the \$300,000 for services with people with disability and then the Commonwealth state territory agreement SPP; is that correct?

Ms Davies—Senator, are you asking about the disabilities assistance package?

Senator SIEWERT—Yes. I am asking about what makes up the money that was announced by the Commonwealth on Friday, the billion dollars that was committed to the CSTDA from the Commonwealth: where is that money found in the PBS?

Ms Davies—It is on page 65. That line ‘Services for people with disability’ covers not just the first-year payment of the DAP but it also includes the autism and advocacy re-phasing.

Senator BERNARDI—What page is that?

Ms Davies—65.

Senator SIEWERT—I am just trying to be able to work out from the budget figures where that money comes from. It is all those rolled in together?

Ms Davies—Yes.

Senator SIEWERT—Okay. The bilateral that you were talking about earlier, will that be just one bilateral now between the state and the Commonwealth or the territory and the Commonwealth? Before, under the previous government we were talking about multiple bilaterals; there will now just be one that covers all the issues we are now talking about under the CSTDA. Is that correct?

Ms Beauchamp—There is a bilateral with each of the jurisdictions around the \$100 million. There is also a bilateral with each of the jurisdictions around the disability assistance package to which Senator Humphries referred. The renegotiation of the Commonwealth State Territory Disability Agreement will of course depend on negotiations between now and the end of December in terms of what arrangements we put in place under the new COAG reform framework.

Senator SIEWERT—Previously, I seem to remember that there was an election commitment that we would go back to just one bilateral.

Ms Beauchamp—One multilateral?

Senator SIEWERT—One bilateral that would cover all the programs because we were ending up previously with about four bilaterals, from memory. Now we are down to three; is that correct?

Ms Bedford—There is the multilateral Commonwealth State Territory Disability Agreement that has been extended. There is a respite component for older carers that is being extended as well. There is also the COAG initiative around younger people and residential

aged care that sits outside that. Now there will be two additional ones, which is the hundred million around capital and then the one that Ms Beauchamp just referred to around the disability assistance package. But they will all be rolled in together to the new disability agreement.

Senator SIEWERT—Okay, at the end of the year when the new agreement is signed, they will all be rolled into that; is that correct?

Ms Bedford—The disability assistance packages could possibly sit outside that as a part of a reform process because it has a matching component and it is part of delivering a new set of services in that part of the agreement. There is going to be the opportunity to have some components under the agreement that just to the side of the agreements that are called national partnerships.

Dr Harmer—The new arrangement, which will be negotiated through COAG for special purpose payments, one of which will be the disability agreement with the states, will be a framework agreement and it will include reference to all the elements in that space. If there are separate funding and separate arrangements needed for part of the spending, they will be called national partnership payments but they will be spelled out as part of the broader agreement and defined within that space.

Senator SIEWERT—Okay. What I am trying to get to is there will be a framework now that sits over all these bilateral agreements, so you are not getting a series of more or less ad hoc bilaterals.

Dr Harmer—That is right.

Senator SIEWERT—They will all piece together under an overarching CSTDA agreement.

Ms Beauchamp—That is primarily right. We will have a disability agreement. It may have a number of elements around a specific purpose payment. And, as Dr Harmer mentioned, there might be some national partnership arrangements that fit outside as an interim measure that require particular agreements around reforms or particular projects which ultimately will fold back into the overarching agreement. That is the aim.

Senator SIEWERT—Okay. I think I get it. Thank you for that. Regarding data, remember we had an ongoing discussion around the data and the requirement on the states to get their data up to scratch. Is that going to be part of this agreement now? Where are you up to with that?

Ms Davies—That is one of the priorities for the new Commonwealth state disability agreement. There is a Commonwealth state working party working on that.

Senator SIEWERT—When do you expect that to report?

Ms Davies—I have an update on all the priorities under new negotiations for the Commonwealth state disability agreement, which I could table.

Senator SIEWERT—That would be very handy.

Ms Bedford—In regards to current and future needs, which is what the priority is, around unmet needs, on Friday ministers agreed to a shorter term way of dealing with measuring

unmet need in the longer term. The longer term one is working towards extending the disability ageing and carers' survey done by the ABS. By 2011, we were hoping to get better data to look at around unmet need. There is a shorter one, dealing more around a prevalence model for baseline estimates of current demand. We are working with states and territories to progress both those elements. With the extension of the ABS survey, I am seeking to talk to Health and Ageing and the Health and Ageing ministers around the country because that data would be of importance to them as well.

Senator SIEWERT—Under that working group, when you are talking about working with the states around prevalence, have the states and territories agreed to use a common set of criteria for what we are measuring?

Ms Bedford—They have agreed that they will move towards that. There is a remarkable amount of goodwill around improving unmet need data that has not been there until now.

Ms Beauchamp—All jurisdictions on Friday actually agreed to put substantial funds to make this happen. Three million dollars overall will be put into enhancing that ABS survey about which Ms Bedford spoke.

Senator SIEWERT—We know that some states are actually more advanced than others in terms of some of this data collection and some of the other commitments on disabilities. The states that have not made as much progress, are we going all going to have them on the same standard within that time frame?

Ms Beauchamp—That is certainly the plan.

Senator SIEWERT—When is that, 2011?

Ms Bedford—2011 is for the ABS survey. We are hoping for a shorter, more rapid approach to measuring some of the prevalence data.

Senator SIEWERT—I suspect I might have a few more questions, so maybe you could go to Senator Allison and then I will come back.

Senator ALLISON—I wanted to ask about support for people with disabilities, improving accommodation arrangements for younger people with a disability, or young people in nursing homes. Can you advise the committee how well the implementation program is going; is there an update somewhere that is possible to access?

Ms Bedford—We had a question on notice around listing the service providers, the number of clients and the nature of support. That has been tabled since last estimates but I can table that again. It has the most current information around where people have been accommodated.

Senator ALLISON—That would be good; it would pre-empt some of my questions. The funding that was available in 2006-07, was that taken up, was that spent?

Ms Bedford—Yes, that funding was taken up. The ACT had asked for some funding to be re-phased into an outer year and that money has been removed from this year's funding and put into another year's funding.

Senator ALLISON—Do you have a breakdown state by state of the number of people who have come out of nursing homes?

Ms Bedford—That is on that one.

Senator ALLISON—It is on that? Does it also show how many, if any, were never in aged care but have qualified for this kind of accommodation?

Ms Bedford—Yes.

Senator ALLISON—It does show that? Targets have been set across the five years now, have they?

Ms Bedford—The overall target has been set and there is agreement with states and territories around moving towards those targets.

Senator ALLISON—Overall, what is that target?

Ms Bedford—The target is 700.

Senator ALLISON—How does that compare with the identified unmet need?

Ms Bedford—There would be a net reduction of up to 700 people across Australia, and that is aged under 50. Targets of up to around 1,000 younger people with disability aged under 65 are to be provided with these services.

Senator ALLISON—Sorry, I am just interested in accommodation at this stage.

Ms Bedford—As at 30 June there were 6,561 people aged under 65 living in residential aged care and there were 1,010 who were under 50 years of age.

Senator ALLISON—Depending on how you read it, over the next five years we have either provided for ten per cent of the unmet need or something closer to half; is that right?

Ms Davies—The 1,000-odd is roughly the people under 50, and the 700 target is for the people under 50, so it is 70 per cent.

Senator ALLISON—Okay, and what is the estimate of the number of those not in residential aged care who would qualify for the supported accommodation, that is, the people who are still at home?

Ms Bedford—I do not have those estimates, I am sorry, I would have to look for that.

Senator ALLISON—But they do exist?

Ms Bedford—They do exist.

Senator ALLISON—How do they come to be compiled; how do you find out what is the level of unmet need?

Ms Bedford—The ones in residential aged care come from the Health and Ageing database.

Senator ALLISON—I am interested in the other ones.

Ms Bedford—The other ones would be people that could be sitting in hospitals waiting for supported accommodation; others would be people in community services that need supported accommodation of some sort. I can come back to you with further information on how that is estimated.

Senator ALLISON—Okay, thanks. The Australian Healthcare Associates did a survey of people currently in residential care who were under 65. Is that document publicly available?

Ms Bedford—I am not sure.

Ms Davies—We will need to take that on notice.

Senator ALLISON—I am sorry if it is on here, I have not had the chance to read it, but what has been able to be provided under this five-year plan for extra services over and above what might be available in nursing homes to younger people who may benefit from rehabilitation?

Ms Bedford—Are you asking about what sort of services—

Senator ALLISON—Rehabilitation, social services.

Ms Bedford—So, community access, taking people out, assisting with having more activities with families, those sort of services have been provided.

Senator ALLISON—Principally rehabilitation is what I am interested in.

Ms Bedford—Okay, rehabilitation would be able to be provided but I would have to get some more figures on that. I will take that on notice.

Senator ALLISON—Is there a breakdown of the budget for capital works for accommodation, the costs of support and the costs of services within support in the figures that you have?

Ms Bedford—There are the three target groups of people: people that are in residential aged care that need to be assisted to moving to other supported accommodation or other accommodation; the diversion group, so to stop people going into residential aged care; and the people who get extra assistance that are in residential aged care. There is no breakdown of what is capital and what is provision of services for states and territories.

Senator ALLISON—That is up to the states to determine how to use that money?

Ms Bedford—Yes.

Senator ALLISON—What sort of reporting do they do which indicates where the money goes?

Ms Bedford—They are reporting on numbers and against targets through the bilateral agents. There are also two episodes of measuring quality of life improvements around the people that are being assisted through this program.

Senator ALLISON—Is there a cap on services that someone might be able to access in supported accommodation?

Ms Bedford—States are implementing the program in different ways. Some states, and I am thinking of Victoria, have a tiered program, so that there are packages around one element of their program; for example, there are packages around levels of care. People who are in a higher level of care have the higher level of funding for that assistance. I am not sure that there is so much a cap on it but they have tried to balance out what people need in different areas, so some need higher care than others.

Senator ALLISON—I am sure they do. I am sure it would be difficult to manage because some will need less care if they get rehabilitation.

Ms Bedford—That is right.

Senator ALLISON—Is it anticipated that some sort of report will be done on this? Will there be a document that we can look at and be reassured?

Ms Bedford—There is an agreement to have an annual report for each year of the program. This year's annual report has just been sent out to states and territories for final sign off.

Senator ALLISON—That will be publicly available soon?

Ms Bedford—Yes.

CHAIR—We are swinging between disabilities and carers and I think we will have to continue to do that because there is that process.

Senator BERNARDI—I do have a few questions in helping younger people in disability and aged care.

CHAIR—That is actually even further along.

Senator BERNARDI—It is kind of under 2.2. I am saying that if this is where we have jumped to.

CHAIR—Ask your question and see whether it does fit in this item, just to test you out.

Senator BERNARDI—I think they continue on from what was raised by Senator Allison.

CHAIR—We have the officers at the table who can handle disabilities and care, so they are the two areas we will work on.

Senator BERNARDI—Regarding COAG health services, the government is working with state and territory governments to reduce the number of people with a disability living in residential aged care facilities. What overseeing role does the department foresee in the administration of this?

Ms Davies—There are agreed targets with states and territories, there is joint funding and Ms Bedford mentioned that we have developed a reporting framework and that first-hand report is about to be released.

Senator BERNARDI—When will we expect that?

Ms Davies—It is with states and territories for clearance now.

Ms Bedford—There is also a minimum data set being built with the Australian Institute of Health and Welfare to ensure that we can measure progress on this initiative.

Senator BERNARDI—Are the states or the federal government responsible for the allocation of funds? It is all matching funding. Who sets the initial funding amount: has it been the Commonwealth or the states?

Ms Bedford—The states identified the funding that they had available to go into this and the Commonwealth had the matching capacity for that. It was a COAG decision around the program.

Senator BERNARDI—I am interested in the process that it came through. I did not listen, with all due respect, Lyn, to everything you asked, so I hope I am not going to overlap, but what is the measurement of success in this area? What are the benchmarks.

Ms Beauchamp—There were three broad objectives in the program which started on 1 July 2006 through bilateral agreements with each of the jurisdictions. Those objectives were the three elements that we had previously referred to: moving younger people with a disability currently in residential aged care into appropriate supported disability accommodation; diverting future admissions of younger people with a disability who are at risk of admission to residential aged care; and enhancing the delivery of specialist disability services within their current residential aged care setting, which may be the appropriate setting to provide care, for younger people with a disability who choose to remain in residential aged care. There are bilateral agreements with specific targets around those three objectives with each of the jurisdictions.

Senator BERNARDI—Can I just touch on one of them, which is the delivery of specialist support services to those younger people with disabilities that remain in aged care. How are these going to be enhanced?

Ms Bedford—They are people who have been identified through a survey—the data came from Health and Ageing—around the number of younger people in residential aged care. These people were surveyed in their families to see whether their choice was to move from residential aged care into the community, and some people identified that they wanted to stay where they were. The services that go in are specialist services, so they can be about increasing community access or family access to the person in the residential aged care or around support services and services such as rehabilitation.

Senator BERNARDI—I know that Senator Allison touched on rehabilitation, but specifically are there additional services being provided, like more regular services or external services like specialist services that are coming in and were not available before?

Ms Bedford—Yes, and depending on the states, that could vary a little bit, I could find out more information on that if you like.

Senator BERNARDI—I would be interested in the additional services—not the fact that we are going to have more physiotherapy or something, but what additional rehabilitation or access or those sorts of things that are coming in as well.

Ms Bedford—We will take that online and get that information to you.

Senator BERNARDI—Thank you. Similarly, what process is currently being undertaken to prevent younger people from having to go into aged care facilities outside of the building younger people facilities?

Ms Bedford—This is around the diversion, so people who are either sitting within acute healthcare settings or in rehabilitation facilities who are identified at risk of becoming residents in aged care. States and territories will work with those people and their families to make sure that those people have alternative forms of support in the community.

Senator BERNARDI—But there is not a specific program aside from the identification?

Ms Bedford—The program is this COAG initiative, the Younger People in Residential Aged Care Initiative.

Senator BERNARDI—It has been raised on a number of occasions that those with a disability age prematurely, like other groups within society, and yet this is not really recognised. Accordingly at 50, they may be the equivalent of someone much older. How do you respond to that sort of a claim and what are we doing about it?

Ms Bedford—To stop it happening?

Senator BERNARDI—No, you cannot stop people ageing. There are circumstances where it limits access to things because of their age, even though they may have an age far in excess of their biological age.

Ms Bedford—This is the disability ageing interface, and it is quite a complex area that states and territories and the Commonwealth are focusing on quite a bit. We are working with Health and Ageing around an assessment tool that will help us assess whether people are ageing more quickly or whether their disability is increasing because of ageing or whether it is part of normal ageing. That will assist in working out which service response people need. We are also trying to help people age in place. If they are comfortable in accommodation that they have been in for a number of years, we do not want them to have to move unnecessarily, so they do not have to move from their home into residential aged care if they can be better supported in their own home. Is that answering your question?

Senator BERNARDI—It does. It is a very broad area and it is probably a little unfair of me to expect a succinct and very limited answer.

Ms Bedford—It is a focus of attention nationally by all levels of government. There is support for assisting people at home through programs like the Home and Community Care program, which can help people stay in their homes longer. It includes things like maintenance around the house, home help; some of that lower level assistance that can help people who are ageing. People with disabilities may experience ageing more quickly and we are trying to work on a way to assess that so that we can better target support for these people.

Senator BERNARDI—Within this program are the states then responsible for how they spend the dollars that are allocated jointly? Do they all set their own programs or does the department say, 'Well, these are the types of areas we want you to focus on?' I recognise there are those three outcomes, but do they apportion it according to themselves?

Ms Bedford—Yes, they do. Under the COAG initiatives, states and territories would have the day-to-day running and management of the program with the Commonwealth having more of a monitoring role.

Senator BERNARDI—The monitoring role is—

Ms Davies—The targets have been jointly set.

Senator BERNARDI—They have been?

Ms Bedford—Yes.

Senator BERNARDI—Correct me if I am wrong, but has the funding been based on two criteria, firstly, how much the states and territories are each willing to put up and a matching

amount has been put up by the Commonwealth? Are these in any way measured on a population basis or anything else like that? Is there a case where some states are allocating far more per capita than other states? I just have not done the sums; maybe you have. For example, Queensland gets \$5.5 million versus \$2.7 million last year, so it has doubled.

Ms Bedford—The funding rises towards the end of the program. Part of the reason for that is that building supported accommodation or providing facilities takes a while to get on the ground. The first year was always going to be a little slower. It was spent finding out where the people were, who wanted to move from residential aged care and how we could best support people in the different situations. The real numbers come in from the next year on through the program. My understanding was that it was on a matching basis of what states and territories put up.

Senator BERNARDI—If you had a state government that said, ‘No, we’re not going to give very much,’ the Commonwealth would not say, ‘Well, we’re going to give you a larger chunk of money because you need it.’ There was none of that?

Ms Bedford—When you look at the breakdown here—

Senator BERNARDI—Where is here?

Ms Bedford—Over five years, say, New South Wales put in \$40.5 million—I think you have had these figures before—and Victoria put in \$30 million. New South Wales has about a third of the population, so out of \$122 million that was—

Senator BERNARDI—So it gets about a third. It basically has worked out reasonably well?

Ms Bedford—Yes.

Senator BERNARDI—Okay, that is all I wanted to know. Thank you, Chair.

CHAIR—Senator Allison?

Senator ALLISON—Thank you. I have just had a chance to look at some of the figures that you have provided us with. Thank you. There is a very strong weighting towards home based and nursing home services; it is at least one and a half times as many as in supported accommodation. Do you have a breakdown of the relative costs of in-home or in nursing home and supported accommodation?

Ms Bedford—For this program?

Senator ALLISON—Yes.

Ms Bedford—No, I do not.

Senator ALLISON—How does the Commonwealth differentiate between the two?

Ms Bedford—Between supported accommodation and in-home support?

Senator ALLISON—Correct.

Ms Bedford—In what way?

Senator ALLISON—You come up with a figure somehow: what is the basis of it? Some states are providing more supported accommodation than others, proportionally. How do you work out where the Commonwealth money goes?

Ms Bedford—The Commonwealth money is part of matching and the states and territories are implementing the program according to the set targets. We have not decided whether the Commonwealth money goes to supported accommodation or individual packages.

Senator ALLISON—You have that breakdown from the states? If it is dollar for dollar then presumably you are spending what the states are spending?

Ms Bedford—Yes.

Senator ALLISON—Do we have any insights into the number of people who are either still in nursing homes getting greater support, or at home getting greater support? How sustainable is the home based? Some of these people presumably being looked after are with elderly parents. My question is, how many of those 160 or so home based or nursing home support based are able to be long term?

Ms Bedford—I have not got that information with me.

Senator ALLISON—Are you going to have it?

Ms Bedford—No, but I will try to find out as best I can from the states and territories. They will have that information and they would be working with the families about planning for the future for these people. There is going to be a get-together around younger people. The Young People in Nursing Homes National Alliance is going to run a conference on this program in mid-August. Part of that conference is to look at how the program is being implemented, to get states and territories to share information about how they are implementing the program and to get stakeholders and families involved around how they feel the program is going. Some of this information will come out during that process around how people think the program is running at the moment and what they are looking forward to happening in the future.

Senator ALLISON—When did you say that is on?

Ms Bedford—Mid-August. I think it is in Melbourne.

Senator ALLISON—I notice in Victoria the vast majority of places in shared supported accommodation are to commence in 2008-09; that means they have not actually started yet?

Ms Bedford—As I was saying before to Senator Bernardi, the first year of funding was really around exploring the number of people that wanted to move from residential aged care and to developing the program itself. To build or provide new facilities takes a while to get up and running. The funding ramps up—

Ms Davies—Over the five years.

Ms Bedford—As the program goes on. The first year really was around scoping the issue and developing options for people.

Senator ALLISON—You would think there would be a high upfront cost, because that is where you have to build these units; is that not the case?

Ms Davies—The first year was ascertaining the numbers through surveys.

Senator ALLISON—I understand the first year, but thereafter, surely the ramping up is pretty rapid?

Ms Davies—It is pretty steady, yes.

Senator ALLISON—At the time this was talked about there was an expectation that some of these places would be attached to perhaps aged care facilities. Did that happen in any state? Is that the model which has been adopted?

Ms Bedford—There are different models in each state and territory, but that is certainly a model that is considered. I think a number of states are exploring that option because of the access to other care that is provided in the residential aged care facility. Also, some of the facilities have land that can be used to then put a building on to support other people.

Senator ALLISON—Will the report go into that sort of detail?

Ms Bedford—There will be case studies around what the sort of different accommodation options there are.

Senator SIEWERT—In relation to the unmet need for supported accommodation, while there is progress now being made under the new CSTDA on supported accommodation, there is obviously still a huge unmet need out there. You talked about better defining what that is. What arrangements are being put in place to start progressively addressing this still huge unmet need?

Ms Davies—I think Ms Bedford mentioned before that there are two stages. One is revising the 2009 ABS survey, but the results of that will not be available until afterwards. So, in the meantime, there are a number of shorter term issues.

Senator SIEWERT—Sorry, I think you misunderstood my question. I am not talking about documenting the unmet need, but about actually dealing with the unmet need that we know is out there. We are going to get a better handle on it, I appreciate that, but the fact is it still remains. The improvements in funding that we are seeing through the new round are a step in the right direction but in no way does it deal with a still huge unmet need out there. What steps are being taken through this process to start dealing with this now? I think there are going to be 2,609 places and even in your media release you say 23,000 unmet needs. I know for a start that in Western Australia there is an underestimation of unmet need because people give up applying, so they self-select. What is being done about that?

Ms Beauchamp—The government has announced a number of initiatives. They are working on a number of fronts to address unmet need. You have raised one of them in terms of negotiating the next disability agreement, which will of course need to be looking at how states and territories are going to be addressing unmet need. In the meantime, the government has announced the development of a national disability strategy so we have a framework within which to work. Rather than focusing on unmet need around supported accommodation, we will be looking at the whole package around what individuals require but focusing on the person with the disability and their carers. There is the national disability strategy and there is also the Disability Investment Group, which Mr Shorten is pursuing. It is looking at breaking

down some of the barriers to investment in the disability sector, both in accommodation and in services and other support.

Senator SIEWERT—There is this new group starting up.

Ms Beauchamp—The Disability Investment Group. I think that has been announced.

Senator SIEWERT—I know what you are talking about.

Ms Beauchamp—Yes, it has been announced, with Ian Silk chairing it and some other eminent persons to look at where we might get social and private capital into the disability sector. There is also the National Mental Health and Disability Employment Strategy. There is work happening on a number of fronts in the disability area that ultimately is all about finding pathways and better support for people with disabilities. I think probably our biggest one is the one you mentioned around the disability agreement. What we can negotiate within that context over the next agreement period will be critical to addressing unmet need.

Senator SIEWERT—In terms of negotiating the next agreement—obviously the next one is going to be negotiated between now and December, as I understand it, with it hopefully being signed then—do I correctly interpret what you are saying, that that agreement is going to be a four-year agreement?

Ms Beauchamp—I think it is a five-year agreement.

Senator SIEWERT—With regard to the five-year agreement, during that time will there be ongoing negotiations about how to deal with unmet need, in particular in supported accommodation; is that a correct understanding of what you just said?

Ms Beauchamp—It is about addressing unmet need but supported accommodation is only one element; there is also support around respite, in-home support and individual care packages. We are looking at the whole range of supports around the person with disability and carers, rather than just focusing on one element.

Senator SIEWERT—I agree with you, but when it gets down to it what we are talking about in the long term is some form of supported accommodation, particularly as people and carers age. I appreciate there is more support being focused on older carers, but the fact is that if you are doing whole-of-life planning we need to ensure that we are planning so that people have a choice but also that as people age they have an opportunity to move into a form of accommodation that meets their needs. Many people have said to me: ‘We would not need to worry about respite so much if we could get accommodation for our child.’

Ms Beauchamp—The biggest element of that is the \$1.9 billion that is now being put in, through the announcement that was made last Friday, as a substantial investment in supported accommodation and other services.

Senator SIEWERT—But not all of that is going into supported accommodation, is it?

Ms Beauchamp—No.

Senator SIEWERT—It is creating new places, but it is not creating as many as are needed.

Ms Beauchamp—It is creating quite a large number.

Senator SIEWERT—Yes, I am not saying it is not, but the point is it will not address the unmet need in Australia today. What I want to know is what is happening at a state and federal level to start planning for that now so that we have a systematic approach to dealing with it? What you are saying is that there is ongoing discussion about it, under the agreement—is that right?

Ms Beauchamp—There will be, yes.

Senator SIEWERT—Thanks. Could you just remind me when the disability strategy is due for completion?

Ms Beauchamp—The disability strategy?

Ms Davies—I think the ministers suggested last Friday that it will be pretty well progressed by October this year.

Ms Bedford—They agreed that consultations with the community would be completed by October this year and the strategy would be completed after that.

Senator SIEWERT—Sorry, what is to be done by October?

Ms Bedford—Community consultation.

Senator SIEWERT—All right. Then it is a period of time after that before it is released?

Ms Bedford—Yes.

Senator SIEWERT—I have some questions around disability trusts but I presume that I have to ask those once we undertake the committee hearing.

CHAIR—We have not had that committee agreed yet, so it is open to discussion.

Senator SIEWERT—No, we have. That one has been signed off.

CHAIR—My understanding is that we have completed questions specifically under carers.

Senator HUMPHRIES—There is some follow-up—

CHAIR—Follow-up on the documents, okay. We will go back and complete the issues of carers. I thought we had completed. Senator Humphries, we will go back to finish that.

Senator HUMPHRIES—Thank you. There are just a couple of things. Are the 19,000 new carer payment recipients under these new arrangements going to be substantially the people who will now be entitled to a payment on an episodic basis or are we expecting an increase in the number of people who will be entitled as ongoing or permanent recipients?

Ms Davies—Senator, of that 19,000, 15,000-odd will be recipients of long-term carer payment child. About 1,350 will be episodic in the first year, 2009-10.

Senator HUMPHRIES—Thank you. On the circumstances of those episodic payments, if a person is becoming eligible on the basis of some episodic thing like a bout of cancer in a child or something like that, how confident are you that turnaround times will be shorter than is average for the department? If they are relatively short periods you could well find that the burden on a person or the difficult period has passed before the payment is made to this particular carer. What kind of turnaround times are we looking at?

Ms Oswald—There is a minimum and a maximum amount of time. The minimum amount of time that the condition has to be an issue for the family is three months and the maximum is six months.

Senator HUMPHRIES—Yes.

Ms Oswald—That is because to be eligible for carer payment on a long-term basis the condition must last for more than six months. We are looking at conditions that last for shorter than a six-month period.

Senator HUMPHRIES—Yes.

Ms Oswald—It is based on advice from medical practitioners about the duration of that episode or that condition.

Senator HUMPHRIES—Okay. If a child becomes ill, say with cancer, and needs to be cared for full time, then a week or two after the diagnosis the parent puts the application in for a carer payment, what is the average period of delay before those payments are made at the moment, approximately?

Ms Oswald—At the moment there are certain standards that Centrelink has to meet in terms of applications. I think it is around 49 days, but I am not absolutely sure about that; we would have to get that figure for you. There is a performance standard that Centrelink has to meet in terms of the turnaround between an application being made and it being finalised.

Senator HUMPHRIES—Yes, but if the average is 49 days, that is close to a month and a half. It would be more than halfway through the period of needing this payment before it is actually received. What is the average period to finalise an application for a carer payment, do we know?

Ms Oswald—The average we would have to get for you from Centrelink in terms of them being able to work through the payment application process.

Senator HUMPHRIES—If you could, please, that would be useful. How is a person able to prove their status as a carer given that they are only caring on a short-term temporary basis? If the child has cancer, for example, is a doctor's report adequate to show that the child needs full-time care?

Ms Oswald—There are two parts to the process. The carer will fill in a form and a medical professional must verify that that care is needed and is being provided by that carer.

Senator HUMPHRIES—Okay. Can people apply in advance if they know that they are going to encounter this period of intensive caring for a child?

Ms Oswald—It is an interesting question. It would be a little bit difficult because a medical professional has to verify that the care is needed and provided at that point in time. As you would be aware, with most medical conditions it is quite difficult to predict something that may happen into the future as opposed to something that is happening now.

Senator HUMPHRIES—It is most likely people would have to make the application once the episode of care begins?

Ms Oswald—Yes.

Senator HUMPHRIES—Okay. Can we go back to the issue of those bilateral agreements that were reached tentatively with Western Australia, the ACT and Northern Territory. When those agreements were reached with them, they were to receive additional funding outside the CSTDA negotiations. They were told that their position would not be prejudiced with respect to the final outcome of the CSTDA negotiations. Those governments put aside money on the basis that they would be able to receive that additional funding. Can I take it that in fact those governments' position is now not outside or not in addition to whatever is negotiated through the CSTDA?

Ms Bedford—It is in addition to what has been negotiated through the CSTDA. No state or territory that had put in for those bilaterals is any worse off under the funding that they have received through the Commonwealth.

Senator HUMPHRIES—But they were to be better off, weren't they, as a result of those arrangements? They were told that if they negotiated matching dollars of X amount, that was on top of whatever would come out of the CSTDA negotiations across the board.

Ms Bedford—At that stage there was not any additional money coming out of the CSTDA. They were the only ones receiving money through that process.

Senator HUMPHRIES—Yes, but presumably at the point where negotiations were finalised—let us assume at some point they would be finalised—the arrangement was that they would not have any offsetting cut in their payments by virtue of the fact that they had made these separate bilateral agreements with the Commonwealth.

Ms Bedford—That is correct.

Ms Beauchamp—My understanding is that no states and territories would be disadvantaged. If they have put in new money as part of that disability assistance package then we would look at that in the context of the bilateral agreement.

Senator HUMPHRIES—You would have looked at it?

Ms Beauchamp—We will look at that in negotiating the bilateral agreement.

Senator HUMPHRIES—What does that mean? You said before the money was all back in the pot now so that a state or territory which had come forward with a bilateral arrangement now would not obtain any advantage from that bilateral agreement with the Commonwealth. Is that true?

Ms Beauchamp—If they have shown that they have provided, in good faith, additional money that would go towards their matching requirement, then we would take that into account, yes.

Senator HUMPHRIES—What does take into account mean? Does it mean that they will be able to retain the advantage that they believe they were obtaining by reaching that bilateral agreement or they may obtain it or they probably will not? Which one is it?

Ms Beauchamp—Yes, they will. They will maintain that advantage.

Senator HUMPHRIES—Can you tell me off the top of your head what amount any of those three jurisdictions put on the table to have matching funding from the Commonwealth?

Ms Beauchamp—I cannot tell you off the top of my head. I know the ACT put in some additional money. I think now they are looking at, under the new arrangements which were agreed on Friday, actually putting in more.

Senator HUMPHRIES—Yes, I understand that. Let us say, for argument's sake, they put in half a million dollars to be matched by the Commonwealth under its initial round. That would have given them half a million dollars on top of whatever they would have got out of the final CSTDA arrangements. Are you saying to me that the half a million dollars, or whatever the figure is that they were expecting to get, is still there on top of whatever would come to them as part of an arrangement across the board under the CSTDA arrangements?

Dr Harmer—I know the question you are asking. I think we had better just double-check that. Your question is: states that have made a commitment to put money in, will that money come off the top before the deal is done multilaterally with the other states?

Senator HUMPHRIES—Yes.

Dr Harmer—I understand your question. I think what we are saying is we just need to double-check that and get back to you. We had better take that on notice.

Senator HUMPHRIES—All right, Thank you.

CHAIR—On carers, Senator Allison?

Senator ALLISON—Just a question about the extra carer payments, the 19,000 extra carers who will be eligible: how is that figure arrived at?

Ms Oswald—We basically did some estimates of the number of people who are currently in receipt of carer payment adult at age 16 and the number of people who are in receipt of carer payment child at age 15. That is the point at which the payments change from carer payment child to carer payment adult, when the care receiver is aged 15 or aged 16. As I mentioned before, the new assessment tool is going to be based more on the carer payment adult assessment tool. We did some estimates based on the age range of the care receiver. We thought that if we used an assessment tool that looked like the carer payment adult assessment tool, an additional number of people will be eligible for the payment when the care receiver is aged zero to 16. Does that make sense?

Senator ALLISON—What would otherwise have happened to the 15-year-old who turned 16?

Ms Oswald—Because there are two different assessment processes used for carer payment child and carer payment adult, when the care receiver turns 16 the carer applies for carer payment adult and the child is reassessed using a different assessment tool. A lot more people come onto the payment when the child is aged 16 than when the child is aged 15, for example, or zero to 15. There is quite a large difference in the numbers.

Senator HUMPHRIES—A 16-year-old will get the same payment as any other adult—is that how it works?

Ms Oswald—Sorry, there is the carer and the care receiver. We are talking about carer payments. The carer is receiving the payment for the care receiver and it is the age of the care receiver that basically is the issue.

Senator ALLISON—Okay.

Ms Oswald—Just in terms of calculating that 19,000, we also looked at it in a different way. Ms Bedford before mentioned the survey of disability, ageing and carers which is done by the Australian Bureau of Statistics. We also used SDAT data from 2003 to look at the number of parents who have children with severe or profound disabilities who are in very low income quintiles and may therefore be eligible for an income support payment but were not currently in receipt of an income support payment. We used that data to estimate what we thought the population might be. There is also a population of people who are on existing income support payments who are in receipt of carer allowance, which is an indicator that they have a child who may have a particular disability that, if we change the assessment arrangements, may then make them eligible for carer payment child.

Senator ALLISON—How many would be in that latter category?

Ms Oswald—We think there is about 11,500.

Senator ALLISON—Okay. What process did you go through in determining those two categories as being the most in need, the most urgently in need of assistance?

Ms Oswald—Can you clarify the question?

Senator ALLISON—You have an elaborate process of determining where the extra money should go by way of carer payments. Why did you choose those two groups as opposed to another way of extending the carer payment?

Ms Oswald—I understood your original question to be about how did we estimate the population that would be eligible and they were the methods that we used to come up with some kind of estimation of population.

Senator ALLISON—Yes, I understand that, but why that population? Still, the question is why that lot?

Ms Oswald—I suppose. Again we were trying to bring carer payment child more into line with carer payment adult as a payment. We were looking at the population that would be eligible for carer payment adult and extrapolating that back to those who may be eligible for carer payment child.

Senator ALLISON—I guess I am asking for the underlying rationale for that.

Ms Davies—The review of carer payment child found that there were a number of inadequacies including the transition point from when the child turns 16 and when you would expect would be eligible for disability support payment.

Senator ALLISON—The review that you are talking about has taken place and it did identify this?

Ms Davies—It did. The review was undertaken last year and was released earlier this year. This package of measure relates to the release of the findings of that review.

Senator ALLISON—Were there other findings that were not adopted?

Ms Davies—No, I think most of the findings have been covered or those that are not explicitly in this package will probably be undertaken by the House of Representative inquiry into support for carers which was instigated as a result of this review.

Senator ALLISON—That is underway at present, is it?

Ms Davies—It is, yes.

Senator ALLISON—Was the quantum of the carer payment also reviewed in the review you are talking about?

Ms Oswald—No, the quantum of the payment was not within the terms of reference for the carer payment child review, but the carers and seniors component that we have spoken about earlier today will be looked at as part of the future taxation system review.

Senator ALLISON—Is it the case that the bonus payment—the \$1,000, is it?—goes to carers?

Ms Oswald—Yes.

Senator ALLISON—That makes up half of the \$822 million extra revenue. Is it roughly half?

Ms Oswald—It is around \$428 million for the carer bonus, yes.

Senator ALLISON—I am sorry I do not have the forward estimates in front of me, but does that payment continue over the forward estimates every year?

Ms Davies—It is not in the forward estimates, Senator.

Senator ALLISON—So, it is a one off? The additional funding for carers will be something less than \$400 million in the next financial year?

Ms Oswald—It is \$293.6 million. That is over five years including a small component in this financial year.

Senator ALLISON—The decision was made not to pay the bonus in the following year?

Ms Davies—The tax-transfer reform exercise that we were talking about earlier is looking at carers and seniors payments.

Dr Harmer—We dealt with this earlier.

Senator ALLISON—Sorry.

Dr Harmer—The government has decided to continue the previous practice of showing only for the first year or first two years in the forward estimates. It is specifically in the terms of reference for the review of the tax system, particularly the first tranche.

Senator SIEWERT—You will be aware that carers have been also talking about the need for better superannuation, things like that. Is that also being included in that review?

Dr Harmer—Senator, we—

Ms Davies—The House of Representatives inquiry which has just commenced is looking at future planning. They could look at tax, superannuation, matched savings and things like that.

Senator SIEWERT—Sorry, the inquiry that is—

Ms Davies—The House of Representatives inquiry.

Senator SIEWERT—That is the House of Representatives inquiry, but is the tax review also looking at it? I will chase that up with the House of Representatives inquiry, but is the tax review also chasing—

Dr Harmer—Senator, because the terms of reference specify that we are setting up reference groups with carers and pensioners, I would be very surprised if the carer's reference groups do not bring it to the attention of that taxation review.

Senator SIEWERT—The other issue that carers have consistently brought up is the silo effect that they keep meeting across departments and the need for some sort of point of coordination or point of contact across government agencies. Has that been taken on board by government? Is that you?

Dr Harmer—Again, if it is an issue that carers are concerned about and it clearly is, they will be bringing that up I would assume also in the reference group and therefore we will have to deal with that.

Senator SIEWERT—The point is that it is not a tax—I know everything in life is somehow connected to tax.

Dr Harmer—Ours is looking at the interaction between the tax and the social security systems. For example, lump sum bonuses are a specific part of the reference for my element of the review.

Senator SIEWERT—Sorry, with all due respect, I think it is a bit of a stretch to put off better coordination and access for carers to government through a tax review.

Dr Harmer—Sure.

Ms Davies—Senator, I am fairly confident that that issue would be taken up in the House of Representatives inquiry because that is a result of the review of carer payment child. That silo effect was one of the issues that carers raised all the time.

Senator SIEWERT—I will make sure carers make sure they get submissions in for that.

Ms Oswald—If I could just add to that: one of the specific terms of reference for the House of Representatives inquiry is the practical measures required to better support carers.

Senator SIEWERT—Okay.

Senator ALLISON—The study that was done quite recently showed that carers have the worst health of anyone in society.

Ms Davies—That was covered in the review and it is certainly going to be dealt with in the House of Representatives inquiry.

Senator ALLISON—The review said?

Ms Davies—The review referenced that report that you just mentioned about the health of carers.

Senator ALLISON—Yes, but did it make any findings and recommendations to do with health?

Ms Oswald—I think it basically found that better coordination of support for carers, which is the very issue that we have been talking about, would deal with some of those issues. One of the major findings, as you would know, was that carers tend to suffer from greater levels of depression and anxiety than perhaps other people in the community. One of the ways that was thought to deal with that was to make sure that we were providing better support for carers and better linkages across programs. One of the recommendations of the review was to look at a case coordination approach for carers and that is one of the things that will come into that better support for carers component of the House of Representatives inquiry.

CHAIR—We have finished now output 2.3, Support for Carers. We are moving in and out but we are going to 2.2, Support for People with Disability. Senator Bernardi?

Senator BERNARDI—Thank you, Chair. I have a few general questions which I will address to you, Mr Harmer, if you do not mind. Does FaHCSIA could keep a record of the funding agreements that take place within the CSTDA at a state level and with which organisations have participated? Ms Bedford?

Dr Harmer—Yes, I would need to rely on Ms Bedford.

Ms Bedford—Are you thinking about funding agreements with community service organisations?

Senator BERNARDI—Yes.

Ms Bedford—We do not keep a record of that, no. They are held with state and territory governments.

Senator BERNARDI—You would have no access to them?

Ms Bedford—Only through the state governments. We would be able to talk to the state governments about those funding agreements.

Senator BERNARDI—Okay, but if I was interested in obtaining a list of the funding agreements, how would I do so?

Dr Harmer—For each state?

Senator BERNARDI—Yes.

Dr Harmer—You would need to approach the state department.

Senator BERNARDI—It is not something that FaHCSIA would typically do?

Ms Bedford—Some states do put in their annual report all the funding agreements they have with community organisations, so they could be in their annual reports.

Senator BERNARDI—Okay. Are there any particular agreements that FaHCSIA have directly with disability organisations?

Ms Davies—Yes, we have a number of agreements with disability organisations because we are responsible for employment services. We have agreements with about 220 business services. We fund advocacy organisations. We fund programs for deaf and blind, print

disability and, at the moment, we are negotiating transferring funding for 135 organisations over to the states as part of that disability assistance package.

Senator BERNARDI—Ms Davies, perhaps I could ask you then to take this on notice. I am interested in getting a list of these agreements, not specifically the agreements but the organisations with which FaHCSIA has a direct link. I am also interested in when these agreements are due to lapse with these individual organisations.

Dr Harmer—Senator, this is disability organisations?

Senator BERNARDI—Yes, it is.

Ms Davies—That the Commonwealth funds.

Senator BERNARDI—That the Commonwealth funds directly, and when the funding agreements are set to run out or due to end. If you could take that on notice please and provide that to us.

Ms Davies—Yes, Senator.

Senator BERNARDI—That would be great, and together with maybe any contact details for the organisations. If I could just touch on the CSTDU, are you happy if we go to that directly?

Ms Davies—Senator, I understand those community grants may have been included in something that was tabled earlier today.

Senator BERNARDI—No, I saw a document that talked about community grants since the minister came on board, they were—

Dr Harmer—Up until 21 April.

Senator BERNARDI—Yes, I have not had the time to go through all of it but certainly it said the name of the organisation but it did not detail some of the other information specifically.

Ms Davies—The lapse and the contact information.

Senator BERNARDI—Yes, and the contact details for them. Also, there may have been some pre-existing ones, which I would be interested in getting hold of.

Ms Davies—Yes.

Dr Harmer—We will do our best to answer the question.

Senator BERNARDI—I am sure you will, Dr Harmer, I have no doubt. I look forward to getting them. I understand it will be an exercise.

Dr Harmer—It will and I should say, Senator, we will see just how much. If we have not got the data and it requires diverting significant resources to put it together, at some point I will have to make a judgment whether we can do it.

Senator BERNARDI—I accept that, but equally you must have a record of who is receiving money from FaHCSIA.

Dr Harmer—Yes, indeed.

Senator BERNARDI—How much they are receiving, when their agreements are up and how you contact them.

Dr Harmer—Sure.

Senator BERNARDI—It would be pretty straight forward, I guess, a master spreadsheet.

Dr Harmer—If we have it on a spreadsheet that will be easy.

Senator BERNARDI—It should be easy.

CHAIR—Dr Harmer, on that point, if you do come to a decision that it is difficult and not able to be continued with, we had discussions at previous estimates about letting us or the secretariat know at that point rather than in November when we come back.

Dr Harmer—I am happy to do that.

Senator BERNARDI—I would appreciate that, thank you. Can I turn your attention to the CSTDA and the alleged fast tracking of the CSTDA. I am not sure how you would define fast track, but what has the negotiation process been to get to the point we are at now?

Ms Beauchamp—Of course, those negotiations are now caught up in the whole Commonwealth-state relations reform process. But, that does not mean that we have been sitting on our hands, I guess. We have had two ministerial meetings that have been addressing the next agreement. We have agreed the eight priority areas. We have had a down payment last Friday in terms of the \$1.9 billion. In a sense I think much progress has been made. We continue to meet with state and territory officials in terms of negotiating those eight priority areas that were announced as part of the reforms of the next disability agreement.

Senator BERNARDI—What are the eight priority areas?

Ms Bedford—I tabled the document that listed the progress on those.

Senator BERNARDI—Did you? Okay. It would in any number of documents that we have here.

Ms Bedford—It looks like this one.

Senator BERNARDI—That one, yes, I think I have got that here somewhere. Anyway, it is there. And two ministerial meetings in seven months, is that normal for the negotiation of something that is being fast tracked?

Ms Beauchamp—Two ministerial meetings is probably very favourable compared to other—

Senator BERNARDI—For a priority item?

Ms Beauchamp—For a priority item, indeed.

Senator BERNARDI—Gosh. That surprises me that, for something that is so important and has been identified as a priority, in seven months there are two meetings.

Ms Beauchamp—The two meetings have occurred: one on 1 February and one last Friday. So that is within a space of three months.

Senator BERNARDI—For a new government it is about seven months. With the one in February, I understood that the minister said there was going to be—

Senator Chris Evans—You cannot complain that we are pushing the public service too hard and then saying we are not having enough work done. You have got to choose, as an opposition, which barrow you are going to push.

Senator BERNARDI—I am just making observations about the ministerial meetings.

Senator Chris Evans—One thing I can assure you is that no-one will ever accuse Minister Macklin of not being an ‘energizer bunny’ on policy and driving the department.

Senator BERNARDI—You may be surprised that some people would level that accusation.

Senator Chris Evans—No, I do not think even her worst critic would make that accusation.

Senator BERNARDI—Just to continue that, in the February meeting I understood that there was going to be a further meeting in March. I want to know why that did not take place. Minister Macklin said the disability ministers have agreed to meet again in March to continue work on the new agreement. Actually did this meeting take place in March?

Ms Beauchamp—The ministerial meeting did not take place. I guess trying to organise ministerial diaries across the number of jurisdictions is quite difficult. That does not mean the officials did not meet on an ongoing basis in terms of some of the directions coming out of the February 1 meeting.

Senator BERNARDI—The minister said that everyone agreed to meet in March but no meeting took place. It is a bit misleading really, is it not?

Ms Beauchamp—It is probably a matter of logistics in terms of getting diaries—

Senator BERNARDI—Would they not all sit there and have their diaries and be able to sort it out? I am sure they all had an advisor with them at the time.

Dr Harmer—No, that is not how it works.

Senator BERNARDI—Does it not work like that?

Dr Harmer—No.

Senator BERNARDI—No? How does it work?

Dr Harmer—Our ministers do not establish dates for next meetings in a multilateral forum. I have never seen it done.

Senator BERNARDI—So, they just agree to meet in March and then fail to meet?

Dr Harmer—They agree to meet at a time—March would be indicative. They make judgements about when it is most beneficial to meet. Usually they take advice from officials who do meet in between about when is the most useful time to meet to make decisions according to the papers. That judgement was obviously made that it was better in May than in March.

Senator BERNARDI—Was any correction made to the record, a public statement that there was going to be a meeting in March that did not take place? Was any statement made in regards to that?

Dr Harmer—I do not—

Senator BERNARDI—Or only by me?

Dr Harmer—I do not know, but I do not think Minister Macklin, when she said there would be a meeting in March, was doing anything other than making an intention to meet soon. March was her preferred date; it may have been that some of the states believed that it was better to meet a little later when more work was done.

Ms Beauchamp—The ACT is the chair of the meeting and it is really up to the chair of the ministerial meeting to organise.

Senator BERNARDI—You would not be passing the buck there?

Ms Beauchamp—No, I am just—

Dr Harmer—Ms Beauchamp never does that.

Ms Beauchamp—As I said, the logistics in terms of getting all the ministers to a meeting can be quite difficult at times.

Senator BERNARDI—Yes, I just go to the point that there was a public expectation based on what the minister said and that was obviously never followed through and no correction was made and that was very disappointing..

Senator Chris Evans—Senator Bernardi, you may obsess about the timing of the next meeting, I am not sure the general public does. I think—

Senator BERNARDI—There are many people, Minister, that this hinges upon—

Senator Chris Evans—What is important, Senator Bernardi, is that—

CHAIR—Senator Bernardi, the minister is speaking. We can only have one person speaking at a time.

Senator BERNARDI—No, he is trying to have a few shots.

Senator Chris Evans—You have pursued this line for five or six minutes and quite frankly you can waste your time pursuing it further. The point is they indicated they would meet again, it was suggested by the minister it would be in March, it was not. Guilty as charged. The meeting went ahead though later and, as you know, there was a public announcement about the outcomes of that meeting and process made last Friday. I am sure the minister will stand by the outcomes of the process rather than on the date of the meeting. Clearly if you want to pursue that, that is fine.

Senator BERNARDI—I think it is fair because it goes to the intention of fast tracking this. Let us go to the outcome of the meeting as it was announced 30 May. Of the \$1.9 billion which was allocated, \$900 million had previously been announced by the federal government, is that correct?

Ms Davies—[inaudible 7:36]

Senator BERNARDI—No, \$962 million was an election promise, \$901 million was allocated to the CSTDA. I will come to where the other \$61 million and whether that is part of the CSTDA. I will start with that now. Where is the \$61 million being allocated?

Ms Davies—Senator, the \$962 million package started in 2007 and \$51 million of that has been spent on the older carers' measure for 135 organisations. We mentioned previously that those leases were going to be novated to the states and territories.

Senator BERNARDI—Yes.

Ms Davies—The remainder of the funding has gone to the transition and support workers that Centrelink has been funded, for that 07-08 period, and the remainder of it is departmental costs.

Senator BERNARDI—You said \$61 million or \$51 million?

Ms Davies—Fifty-one million dollars was for the contracts for the 135 organisations. The remainder of that funding is for the transition and support workers and departmental costs that have already been spent.

Senator BERNARDI—Okay, so \$901 million has been put into the CSTDA?

Ms Davies—That is right.

Senator BERNARDI—This is basically the same amount of money that had been allocated for the disability assistance package, is that right? It is fair to say that it is just a redirection of funds that were previously allocated?

Ms Davies—No, I think it is fair to say that most of the \$962 million has gone to the states plus \$100 million that was announced recently.

Senator BERNARDI—Yes, but I want to focus on the \$901 million. The \$901 million was essentially a redirection of funds from the disability assistance package into the CSTDA, is that correct?

Ms Davies—No, the election commitment was to match that funding. The disability assistance package funding, \$900 million, the Commonwealth's contribution matched by the states, becomes the \$1.8 billion and will be folded, presumably, into the CSTDA when that commences.

Senator BERNARDI—The previous government had, through the disability assistance package, pledged \$900 million in round figures and had invited the states to match that amount of money, is that correct?

Ms Davies—No, Senator.

Senator BERNARDI—But they were prepared to allocate it irrespective of whether the states matched.

Ms Davies—That is right, yes

Senator BERNARDI—Irrespective. That \$900 million is no longer in the disability assistance package; it has been redirected or reallocated as part of this most recent announcement, is that correct?

Ms Davies—It has not been redirected; it has been matched, so the total has doubled.

Senator BERNARDI—Okay, but the \$900 million that the Commonwealth was going to provide directly is now incorporated as part of the \$1.9 billion?

Ms Davies—That is correct.

Dr Harmer—That is correct, Senator and the—

Senator BERNARDI—The invitation—

Dr Harmer—The advantage that that offers, as far as government is concerned, is that now the states have agreed I think on Friday to match the \$900 million. There is an additional \$900 million in the CSTDA on top of the \$900 million the Commonwealth is putting in available for CSTDA.

Senator BERNARDI—Which the states have matched and they were invited to match that amount of money last year, nearly a full 12 months ago?

Dr Harmer—Yes.

Senator BERNARDI—That is correct. They refused to do so, is that correct?

Ms Davies—At that point the private sector was invited to think about it, is that correct?

Senator BERNARDI—What I am trying to come to grips with here is that because of the states' unwillingness to negotiate, \$1.8 billion worth of funding or, at the very least, \$900 million worth of funding, has not been deployed in the last 12 months.

Ms Davies—No Senator, I think we just talked before about what portion of the original \$962 million has been expended in 2007-08, and it amounts to about \$61 million.

Senator BERNARDI—Over the following four years it was scheduled to be \$125 million, \$155 million and so on going forward?

Ms Davies—That is right.

Senator BERNARDI—There has been a delay in some level of funding?

Ms Davies—There has been.

Senator BERNARDI—Potentially in 2007 and 2008 financial year, how much would that be?

Ms Davies—Thirty-three million dollars, I think.

Senator BERNARDI—Thirty-three million dollars.

Ms Davies—That has been re-phased.

Senator BERNARDI—From the Commonwealth?

Ms Davies—From the Commonwealth.

Senator BERNARDI—That has been re-phased.

Ms Bedford—Over the first three years [of] the next four.

Senator BERNARDI—It seems that I have heard about this billion dollars on multiple occasions and it continues to be re-announced when, in effect, \$900 million of it was going to be available anyway but directly from the Commonwealth nearly a year ago. It is no great shakes that the government has decided to re-announce it as its own program.

Dr Harmer—I think the reason Minister Macklin was very pleased with the outcome on Friday is that the states had agreed to match it, which was something that had not been agreed to up until that point, Senator.

Senator BERNARDI—You are quite right, they had not agreed much to our disappointment. I go to the \$100 million which is capital funding for supported accommodation. We were advised on 4 May that this money would be provided immediately to state and territory governments. Has it actually gone to the state and territory governments yet?

Ms Bedford—It has not gone to state and territory governments. The deliverables were only really agreed on Friday and we will move quickly to move that money straight away.

Senator BERNARDI—The deliverables?

Ms Davies—The targets.

Ms Bedford—The purchasing.

Senator BERNARDI—The target, so how has it been allocated then?

Ms Davies—The amount across states and territories?

Senator BERNARDI—Yes, please.

Ms Davies—They are: 33.68 to New South Wales, 24.58 to Victoria, 18.31 to Queensland, 8.09 to South Australia, 9.81 to WA, 1.21 to the Northern Territory, 1.69 to the ACT and 2.63 to Tasmania.

Senator BERNARDI—Is that basically on a per capita basis? Is that a fair way to describe it?

Ms Bedford—Yes, it is on the 1993 ABS Survey of Disability, Aging and Carers that we talked about before, and so it is potential population split.

Senator BERNARDI—Sorry, what year?

Ms Bedford—It was 1993, but that is the last one to which the states and territories have agreed unanimously for the break up of money.

Senator BERNARDI—It is a long time ago, is it not?

Ms Bedford—It is, it is the last one that they had. It is the only agreement we have with the states and territories about breaking up of money.

Senator BERNARDI—Has that been the subject of some discussion?

Ms Bedford—With some states it has been and it has—

Senator BERNARDI—Some states are getting more than they should, is that what you are suggesting?

Ms Bedford—There would be a slight variation given more recent data, but that funding inequity is going to be looked at as part of the SPP reform process through the COAG work. That is expected to be looked at around the January progress.

Senator BERNARDI—Can you tell me which states, based on the more recent data, are receiving more funds or less funds than they should or both?

Ms Bedford—The communiqué indicates that Western Australia was keen to look at the current formula.

Ms Davies—Revamping the formula.

Senator BERNARDI—I have seen two conflicting reports as to what the outcomes are going to be on the \$100 million. One of them was based on a press release from the minister on 4 May in which it was stated that 35 additional centres were going to be built accommodating six people each.

Ms Bedford—Up to six people.

Senator BERNARDI—Up to six people, so it could be less?

Ms Bedford—It could be, yes.

Senator BERNARDI—Thirty-five times six in the best case scenario is 210 people. On 30 May it was suggested that 309 accommodation places would be made available.

Ms Davies—That is right, Senator.

Senator BERNARDI—Which is correct?

Ms Davies—The latter figure because the first one was based on FaHCSIA's internal modelling based on very high cost model where everything was included—purchase of land, accommodation for carers, the whole lot. We then invited states to look at their allocation and to come up with a figure last week that what was actually practicable, and that came to 309.

Senator BERNARDI—Three hundred and nine places. How much did it cost for a six-person facility?

Ms Davies—Have you got the modelling figures?

Ms Bedford—I have not got the modelling figures with me but the cost could be up to \$150,000 per person per facility, somewhere between \$100,000 and \$150,000.

Senator BERNARDI—Is that including carers?

Ms Bedford—The cost around carers was to have a portion of the house so that carers could stay overnight. That would be—

Senator BERNARDI—So that would be included?

Ms Bedford—Yes.

Senator BERNARDI—So the six—

Ms Bedford—Six plus carers.

Senator BERNARDI—Six plus carers.

Ms Bedford—Plus an overnight carer.

Senator BERNARDI—It is accommodation really for seven people, up to seven at \$150,000, is just over \$1 million.

Ms Bedford—Then if you consider having to buy land in the middle of Sydney. We costed it around accessible housing in accessible communities. It costed out to be between two and two and a half million dollars per facility.

Senator BERNARDI—Per facility, or \$335,000 or \$345,000 per bed, if you like, for each of those six people. The states have agreed to that as the general costs, have they?

Ms Bedford—The states have got different models of supported accommodation. Some states head lease accommodation, depending on the level of care that people need and what sort of accommodation people need. With the funding that they receive, they can provide more houses; others will be building or purchased accommodation.

Senator BERNARDI—In the deliberations as to how much each state receives for this, was it taken into account the higher cost basis for land or the different processes that they go through?

Ms Bedford—No.

Senator BERNARDI—Or has each centre said, ‘You can have \$2.2 million for each centre that you agree to build’?

Ms Bedford—It was broken up on that potential population basis and states were asked, because of the potential population, to look at their models of supported accommodation and come back to us with what they could deliver for that funding.

Senator BERNARDI—Is there a potential for the states to actually profit from it, put it into additional revenue or something by spending less than they have been allocated, because their cost is going to be slightly less?

Ms Davies—Intuitively it would be the opposite because they had the opportunity to go for a lesser number of places at a higher cost and they have chosen to come up with proposals that increase the number that can be obtained with that capital

Senator BERNARDI—Yes, but if, for example, if we agree that it is \$330,000 per place.

Ms Davies—That is on average.

Senator BERNARDI—On average, and my question is that—

Ms Davies—But using our high cost modelling.

Senator BERNARDI—Well no, your high cost modelling would put it at \$475,000 per place.

Ms Davies—That is true, sorry.

Senator BERNARDI—No, that is alright. I just want to know, has South Australia—which may have a lower cost base, I do not know whether it does or not—said, ‘Yes, we can build you 18 beds or 18 places at this cost,’ and then New South Wales is forced to provide the same cost per bed structure?

Ms Davies—No, South Australia came back and said, ‘We can build this for this much money,’ and New South Wales said, ‘In New South Wales, we can build this number for this amount.’

Senator BERNARDI—Okay, so they have done that according to their needs.

Ms Davies—Yes, they have.

Senator BERNARDI—There is not a uniform expectation?

Ms Davies—No.

Senator BERNARDI—That is really what I wanted to find out, thank you. What about the ongoing support? The \$100 million is for capital costs, but has there been any estimates, research or modelling done on the ongoing costs for these additional places?

Ms Bedford—The ongoing costs depend on the level of care that people need, as we have talked about this afternoon.

Senator BERNARDI—Yes.

Ms Bedford—Some of the ongoing costs can be, once again, up to around \$150,000 per year.

Senator BERNARDI—How much, sorry?

Ms Bedford—\$150,000 but some are much lower. Usually people in the severe or profound aged disability lists require 24-hour carer support, so those costs are quite expensive.

Senator BERNARDI—When then do you estimate that the funds will flow to the states, this \$100 million?

Ms Bedford—They will flow before the end of this financial year because the money is in this financial year.

Senator BERNARDI—Okay, so it will go out?

Ms Bedford—Yes.

Senator BERNARDI—What about the remainder of the \$1.9 billion that was allocated, given that in reality there is not going to be a new CSTDA before the end of the year, will that money be available to them?

Ms Bedford—Yes.

Senator BERNARDI—Before 1 January?

Ms Bedford—From 1 July.

Senator BERNARDI—From 1 July, the entire amount will be allocated?

Ms Davies—No, starting for the 08-09 part, each state and territory will be allocated from 1 July.

Senator BERNARDI—From 1 July?

Ms Bedford—The allocation will be for the four years.

Senator BERNARDI—It will be allocated for the four years?

Ms Bedford—Yes, sorry.

Senator BERNARDI—That will not be subject to renegotiation in the new agreement, this is part of the new agreement, is that right?

Ms Davies—We have agreed with states and territories for four-year agreement as part of the disability assistance package, which presumably will be folded in somehow to the COAG reforms from 1 January. We have agreed to that four-year figure per state.

Senator BERNARDI—In the scenario that a new CSTDA could not be agreed before 1 January—I would not like to see it extended for a fourth time—but that part is allocated?

Ms Davies—Yes.

Senator BERNARDI—And it is not going to change?

Ms Davies—No.

Senator BERNARDI—Okay, and in the interim, as this extension, there has been a commitment for the continuation of the pre-existing agreement?

Ms Davies—Yes.

Senator BERNARDI—And also for some indexation, is that right?

Ms Davies—Yes.

Senator BERNARDI—What was the indexation?

Ms Davies—It is 1.8 or 1.9.

Senator BERNARDI—How was that derived?

Ms Davies—It is wage cost two from the department of finance which is the indexation factor for this agreement.

Senator BERNARDI—Sorry was there something to add?

Dr Harmer—It is an index from the department of finance or Treasury, I am not sure which, have decided should apply to this program. We do not make that decision.

Senator BERNARDI—No, I should probably ask Treasury at some point.

Dr Harmer—Yes.

Senator BERNARDI—Has there been any work done by the department to request a revisit of that index given that 1.9 per cent is really not in line with cost of living rises?

Dr Harmer—I think the reason that it is as low as 1.9 is that there is a wage cost index two, whatever that is, plus there is an efficiency dividend that Treasury or the finance department apply to all Commonwealth state programs. They apply to us as a department and we also apply a similar efficiency dividend to organisations that we fund. I think that is the rationale. If my colleagues here do not know for sure I might just check that and take it on notice.

Ms Davies—No, that is correct.

Dr Harmer—That is correct.

Ms Beauchamp—In terms of ongoing indexation and parameters, they will be discussed through the Commonwealth state reforms, the treasuries will agree that through COAG.

Senator BERNARDI—Am I right in saying that the efficiency dividend is virtually half of the indexation, is that right? The efficiency dividend is 2 point—

Dr Harmer—I am not sure exactly what it is, Senator. There is a dividend applied to programs such as this, yes.

Senator BERNARDI—It has a significant impact on the—

Dr Harmer—On the indexation.

Senator BERNARDI—Yes, it does. Can you give me a quantum of money?

Ms Bedford—There is no efficiency dividend on the CSTDA

Dr Harmer—Okay.

Senator BERNARDI—There is no efficiency dividend on the CSTDA?

Dr Harmer—Luckily I have got my colleagues here with me.

Senator BERNARDI—That is great, great people behind you, that is what it is all about.

Dr Harmer—Yes.

Senator BERNARDI—Going back to this matched funding about the states again, is this genuinely new money or is it money that the states would have just spent anyway on providing the existing services that they do?

Ms Bedford—No, it is new money that has come on board since the CSTDA 3.

Senator BERNARDI—But, for the states to continue to provide the level of services that they hitherto have, they would have to spend this money anyway. It is not like they have put in an additional amount of money on top of what they were already spending, is it not? It is just simply apportioning existing expenditure going forward, is that correct?

Ms Beauchamp—No, we are looking for new money that the treasuries are allocating on top of what is already provided under the Commonwealth state disability agreement.

Senator BERNARDI—On top of what they have already provided. Okay, the same money that they refused to provide 12 months ago.

Ms Beauchamp—Correct.

Senator BERNARDI—Did they give you any reason why they refused to provide it 12 months ago?

Dr Harmer—I do not think they have given a reason, Senator, but I do know that having been present at previous negotiations, they were very reluctant to enter bilateral agreements, they wanted a multilateral agreement. They had a strong preference from the beginning to have the funding of these sorts of services as part of the Commonwealth State Territory Disability Agreement and that is the reason they were giving previously for not agreeing to match.

Senator BERNARDI—Okay. Chair, I am happy for someone else to have a go for a little while.

CHAIR—From disabilities? Senator Siewert?

Senator SIEWERT—I have got a specific issue about the priorities that you circulated. Priority seven, 'improving workforce capacity for the disability sector' does that include assisting people with deafness or hearing impediment into the workforce or participating in the workforce?

Ms Bedford—This priority is more around looking at the disability service workforce itself, so the ones that provide disability services to people with disabilities.

Senator SIEWERT—Okay.

Ms Bedford—We are doing work around assisting people with a disability to gain employment and to stay employed.

Ms Davies—Through the National Mental Health and Disability Employment Strategy.

Senator SIEWERT—Okay, so that comes under that strategy which is currently out for—

Ms Davies—Consultation.

Senator SIEWERT—Yes, so should I deal with those questions once the strategy has been developed, is that appropriate? The issue around [pairing] with hearing impediments, are you aware if that issue is being dealt with under that strategy?

Ms Davies—The access of people with hearing impediments to the labour force is one of the issues that that strategy—

Senator SIEWERT—Impairment I should say, should I not. Sorry, that is being dealt with under that strategy?

Ms Davies—I have not seen the outcomes of the strategy, but yes, it should be.

Senator SIEWERT—Thank you. I have got other disability questions but they are not CSTDA.

CHAIR—Anyone else with questions on CSTDA? If there is nothing more on CSTDA we will move on to other disability issues.

Senator SIEWERT—I would like to get an update on some of the stats around the special disability trusts, if I can. I know we talked about the figures last time so I am trying to update the figures that I asked about last time, but I also have a few extra questions. Could you tell me now what the total number of calls that Centrelink has had in relation to the disability trusts?

Ms Davies—The total number of telephone calls?

Senator SIEWERT—Yes, inquiries.

Ms Davies—No, we would need to contact Centrelink for those figures, Senator.

Senator SIEWERT—Okay, I will put that on notice for Centrelink, then. Do they not report back to you?

Ms Emerson—Not on that level of detail unless we specifically ask for it.

Senator SIEWERT—It is okay, I will chase it with Centrelink directly. Could you tell me the number of applications that have now been received?

Ms Davies—It is 249.

Senator SIEWERT—249, thank you. How many have been granted?

Ms Davies—There are 26 in operation and 206 have been granted beneficiary status.

Senator SIEWERT—Thank you. Have any been rejected?

Ms Davies—17.

Senator SIEWERT—Have any been withdrawn?

Ms Davies—Withdrawn, I do not know.

Senator SIEWERT—You do not know, okay. How many are currently being assessed?

Ms Davies—I would have to check on that one.

Senator SIEWERT—Okay, if you could take that on notice that would be much appreciated. And 26 have been set up?

Ms Davies—Yes.

Senator SIEWERT—Has anybody applied under section 1209U to waive one or more of the requirements in certain circumstances? Have there been any requests for that, and if so, how many?

Ms Emerson—We have not been advised of any applications for that.

Senator SIEWERT—You have not been advised of any?

Ms Emerson—No, but it might be one that we should follow up the specific question again on in case one has come in.

Senator SIEWERT—Do you want me to put it in on notice or are you happy to take it now?

Ms Emerson—I would not be able to take it now, I would have to go to Centrelink again.

Senator SIEWERT—Okay, I will put those on notice to Centrelink.

Ms Emerson—Thank you.

Senator SIEWERT—Thank you. That is all I want.

CHAIR—Any other questions in the area of disabilities?

Senator BERNARDI—I have got plenty on disabilities but none in regard to trusts. Can I just turn to the disability support pensions? For the purpose of refreshing my memory, you gave us a piece of paper earlier, but what is the basic rate per fortnight for the disability support pension? I cannot find it.

Ms Emerson—The basic rate is \$546.80 per fortnight for a single person with no children, and for partnered people, it is \$456.80 per fortnight; both of those then are also entitled to the pharmaceutical allowances.

Senator BERNARDI—Can the department provide me with figures for the people who are eligible for the DSP over the last three years? There was a breakdown I think for one year. You might want to take that on notice.

Ms Emerson—I can get it for you fairly readily.

Senator BERNARDI—Sure.

Dr Harmer—It was on the table here.

Senator BERNARDI—Yes; I cannot find the piece of paper amongst the myriad of papers that I have got.

Dr Harmer—I have given an answer to Senator Fielding's question about the number of aged pensioners. I have given the table of all of those pensions.

Senator BERNARDI—That is the current one, but over the last three years?

Ms Emerson—For 06-07 it was \$714,156; for 05-06 it was \$712,163; and for 04-05 it was \$706,782. How are we going for years: is that enough?

Senator BERNARDI—Yes, that is fine, thank you. I just wanted to see what the growth had been like in this program. As such, with a rise in people receiving the disability support pension—and it seems to be a gradual increment, it jumped up a bit last year—has the department conducted any reviews as to the basic rate of the DSP to determine whether it adequately assists those people with a disability in their living?

Ms Beauchamp—Responsibility for these payments have just been transferred back to the department following machinery of government changes. As Dr Harmer and others mentioned this morning, it will get picked up in the tax review in terms of looking at the appropriateness or otherwise of the disability support pension.

Senator BERNARDI—There has not been any, by this department.

Dr Harmer—This department has only had the function since—

Senator BERNARDI—For seven months.

Dr Harmer—Since December.

Senator BERNARDI—Yes, okay. Are you aware of any under the previous area?

Dr Harmer—I am not.

Senator BERNARDI—No?

Dr Harmer—No.

Senator BERNARDI—Are you aware of how many people actually receive the utilities allowance that also receive the DSP?

Ms Emerson—As of March, all people who were eligible to receive DSP received the utilities allowance.

Senator BERNARDI—So, 727,400 to date.

Ms Emerson—Everyone on DSP on budget night.

Senator BERNARDI—Is this the same with the telephone allowance?

Ms Emerson—Yes.

Senator BERNARDI—That is all I have on that, Chair, unless someone else has some other questions.

CHAIR—Senator Humphries?

Senator HUMPHRIES—Yes I had a couple of questions. I went back and had a read of the speech which the then shadow minister for disabilities, Senator McLucas, gave in February last year, when this committee's report on the CSTDA was tabled. In it she made a number of comments about what needed to be done with the next CSTD. I was hoping you could indicate to me whether you feel that is going to be achieved in the course of the negotiations that are under way at the moment. One comment she made was, and I quote her here:

In some respects indexation for some disability services is seen as growth funding, and that is absolutely inappropriate. Why is it seen as growth funding? There simply is not enough money to go around anyway ... Most of the costs in delivering disability services are human costs—staffing and wage costs. That will not change. It cannot change.

She encouraged the Commonwealth and the states to recognise that the indexation be set at a reasonable or realistic level. Are you proposing that the indexation mechanism will be addressed as part of the CSTDA negotiations underway at the moment?

Ms Davies—Senator, indexation is going to be addressed across the specific purpose payments by treasuries rather than payment by payment.

Senator HUMPHRIES—By the treasurers?

Dr Harmer—Yes, so to answer your question, that certainly is an issue that will be dealt with in the renegotiation. We do not know where that will come out because it will be dealt with across a range of special purpose payments by the treasuries.

Senator HUMPHRIES—There are of course so many reviews going on at the moment it is hard to keep up with what has been reviewed. This is an issue that has been reviewed across the board?

Ms Beauchamp—It is part of the COAG negotiation process, so they will be negotiated and agreed as part of the COAG process.

Senator HUMPHRIES—For a range of multistate, multi-jurisdiction negotiations, not just—

Dr Harmer—For the housing agreements, the education agreements and the health agreements, the indexation will be set under the new arrangements centrally.

Senator HUMPHRIES—Can I assume at the same time that, although this is really a unilateral matter for the Commonwealth, there will be consideration given to removing the efficiency dividend from the indexation formula for funds allocated through CSTDA by the Commonwealth?

Ms Davies—Senator, the efficiency dividend does not apply to SPP payments.

Senator HUMPHRIES—Does not apply?

Dr Harmer—No, it does not apply to this payment.

Senator HUMPHRIES—Did it apply previously?

Ms Davies—Not to the disability ones.

Dr Harmer—I thought it did, but it does not.

Senator HUMPHRIES—I wonder what Senator McLucas was referring to when she said that the Commonwealth government should consider removing the efficiency dividend from the indexation formula for funds allocated through the CSTDA. I suppose you cannot comment on that.

Dr Harmer—No, we cannot, but we might just go back and double-check that there is not an efficiency dividend on the index.

Senator Chris Evans—I think the first answer, Senator, is that you can ask Senator McLucas yourself; she will be back in the room shortly. The second answer is they will take on notice if they cannot find immediately for you whether or not in fact it was effected prior to this decision or not.

Senator HUMPHRIES—Right.

Senator Chris Evans—There seems to be some doubt now about the advice given to you.

Dr Harmer—We will just look into it further.

Senator HUMPHRIES—Okay. She emphasised as well the first recommendation of that committee inquiry, which she obviously adopted, that all governments, Commonwealth, state and territory, increase the level of funding to disability services in Australia. You would say, I assume, that that commitment has been honoured in this budget?

Dr Harmer—I think Minister Macklin would claim that, Senator.

Senator Chris Evans—It is very important, Senator, before we go too far, and I am thankful that you are informing us of what Senator McLucas had to say a year or so ago, but I think the questions to the officers ought not be whether they make an assessment about whether election commitments have been met or whether they think it is right.

Senator HUMPHRIES—No, I have not asked them that question.

Senator Chris Evans—You should ask questions within their competence.

Senator HUMPHRIES—I am telling them what was said and I am asking them whether that has in fact been the case in this budget.

Senator Chris Evans—That is what I would judge are well answered questions about what was done in the budget and you can then draw your own conclusion.

Senator HUMPHRIES—There was an emphasis in our report on that occasion on the need for all jurisdictions to lift funding levels for disabilities. Will it be an element in the Commonwealth's position on the CSTDA negotiations for states to lift their funding of disability services?

Ms Beauchamp—There have been a number of commitments made in terms of increasing funding for people with disabilities, particularly with regard to disability employment services, for example.

Senator HUMPHRIES—By whom?

Ms Beauchamp—That is a Commonwealth government responsibility, so there are extra places being rolled out from 1 July.

Senator HUMPHRIES—My question is about whether the Commonwealth will put on the table the requirement or the need for the states to lift their funding commitments under CSTDA.

Dr Harmer—Senator, the final funding for the CSTDA will be agreed by treasuries. That will be the same for all of the new SPPs under the new COAG arrangements. But the agreement that was reached on Friday in Sydney was that the states would match the \$900 million extra funding provided by the Commonwealth under the new CSTDA. That was a

commitment made that was not a commitment present before that meeting and agreement. Already there has been some, but that is not the final outcome for CSTDA funding, necessarily, that will be settled towards the end of the year.

Senator HUMPHRIES—All right; thank you.

CHAIR—Senator Bernardi?

Senator BERNARDI—Can I bring your attention briefly to the national companion card scheme? I understand there was a question placed on notice which detailed that a letter had been written to the transport ministers; is that correct?

Ms Bruce—Senator, that was for the election commitment to harmonise disability parking.

Senator BERNARDI—The parking; I have some questions on that. In regard to the national companion card scheme, what has actually happened? I could find no real mention of it in the budget papers.

Ms Bruce—No, there was no budget funding received for the companion card. What is happening in the meantime is that the FaHCSIA has convened a working group of officials at all jurisdictions and we are working closing with the Victorian government to look at options to take forward for government to consider. At the moment we are really looking at how we would scope the implementation of this initiative.

Senator BERNARDI—How many meetings have been held in regards to this?

Ms Bruce—We have had two teleconferences and one face to face meeting on the companion card, specifically.

Senator BERNARDI—Who meets in that: is that at a departmental level or is it done at a ministerial level?

Ms Bruce—It has been done at departmental level with representatives from all jurisdictions. The two disability ministers meetings that have been held to date have been provided with an update by officials.

Senator BERNARDI—The update is that it is still being worked on?

Ms Bruce—That is right.

Senator BERNARDI—When do you think it will cease to be worked on and maybe receive some sort of attention from a budgetary perspective?

Ms Bruce—We have been asked to come back in the 2009-10 budget context.

Senator BERNARDI—It is a year away.

Ms Bruce—Yes, but we are confident that officials can still progress quite a lot of work about how we might scope the progression. There are very complex intellectual property and IP issues around the companion card as it currently exists. We are working very closely with the Victorian government to see what that means in terms of rolling it out for other jurisdictions who have not yet implemented the companion card.

Dr Harmer—Senator, what Ms Bruce is saying is that we are working on this commitment, we are working with the states, reporting back to ministers and with the plan to implement this at some stage in the future.

Senator BERNARDI—Thank you. I am just intrigued by the complex IP and proprietary knowledge; is this not simply a card, like a register?

Ms Bruce—No.

Senator BERNARDI—What is complex about it?

Ms Bruce—The companion card scheme as it was originally developed in Victoria was by a non-government organisation who took it to the Victorian government and were keen for the Victorian government to work with them. The Victorian government implemented it and had a database developed. They have then worked with other jurisdictions who have slightly changed the way the companion card has been implemented. The original IP arrangements have got very complex over time and it has actually been quite difficult to track back the ownership of the intellectual property associated with it. It is just really because of the way it has been developed over time.

Senator BERNARDI—How many states now are providing a companion card scheme?

Ms Bruce—Victoria, South Australia, Western Australia and Tasmania. New South Wales, Queensland and I think the Northern Territory have all announced an intention to implement the companion card.

Senator BERNARDI—Okay. To get a national scheme, or maybe I am just being a bit too simplistic here, would it not be simply a matter of adopting a standard and ensuring there is a roll-out of this across the states?

Ms Bruce—That is the sort of work that the officials are currently looking at scoping now. Given that each jurisdiction has implemented it slightly differently, the questions that we are still considering are what a national scheme would look like and what the Commonwealth's role in that might be.

Senator BERNARDI—What would be the Commonwealth's role in that?

Ms Bruce—We are still negotiating that with each jurisdiction. For example, the Commonwealth could play a role in managing a national affiliates program or the Commonwealth could undertake all of the ongoing licensing to the other jurisdictions. That is still being negotiated with Victoria; it has not been brought forward for government for consideration and certainly no decisions have been taken.

Senator BERNARDI—It is at least a year away?

Dr Harmer—We do not know how long away it is, Senator.

Senator BERNARDI—It could be longer.

Dr Harmer—No, no it is unlikely to be longer. When we have finished with the work, we will put proposals to government and they will consider it.

Senator Chris Evans—It is a decision for government, Senator. The officer has described what work is going on and the processes in place, but in the end it is a decision for government. It was not in this budget partly for the reasons outlined by the officer. It is a decision for government as to how that commitment is met, but I think it is fair to say that the government has been quite assiduous at meeting all of its commitments and I am sure this will fall under the same category.

Senator BERNARDI—Thank you. I am happy to move on to another topic.

CHAIR—You can continue. We are aiming to get disabilities completed by 6.30. Is that something you can achieve, Senator Bernardi?

Senator BERNARDI—Nothing is impossible, Chair.

CHAIR—I am aiming to do it.

Senator BERNARDI—Let us just see how we go. Can I turn your attention to the Helping Children With Autism package, which is to assist children up to the age of six who have autism spectrum disorders, which I will refer to as ASD for short. By the very nature that the package is designed for children up to six, once a child with ASD turns seven, do they cease to have any access to this new package?

Ms Brown—Although the early intervention component of the package is focused on children aged zero to six, the other components that are going to be administered by Department of Health and Ageing and DEWR will be assisting children in the older age group.

Senator BERNARDI—The \$300 million which is identified on page 75 of the FaHCSIA PBS allocation for services for people with a disability, is it an autism program?

Ms Brown—I do not think that is, Senator.

Senator BERNARDI—Do I have that incorrect?

Ms Brown—If you will allow me to check.

Dr Harmer—What page, Senator?

Senator BERNARDI—Page 75 of the FaHCSIA PBS. The Helping Children with Autism, I beg your pardon, it is \$127 million allocated over five years. Then there are further contributions from other departments.

Mr Lewis—What page are you on, Senator?

Senator BERNARDI—I beg your pardon, I am looking at a budget paper. Actually it is a fact sheet that I am looking at. I am sorry, the \$300 million figure is not correct; it is \$127 million on the website. Is that more correct?

Ms Brown—Yes, I believe that is right, Senator.

Senator BERNARDI—My apologies for that. There is additional funding coming from other departments?

Ms Brown—Yes.

Senator BERNARDI—How is that allocated across states?

Ms Brown—No decisions have been made specifically in relation to a state wide distribution.

Senator BERNARDI—Is there any proposed model about how it should be allocated?

Ms Brown—It has not been decided that it will be allocated in a state break-up, it is more that the components of the package will comprise a focus on early intervention. There will

also be some funding for playgroups and there will be funding for education, support and advisory services.

Senator BERNARDI—The playgroups, they have to have a geographic basis, though, do they not?

Ms Brown—I anticipate that there will be a geographic spread, yes.

Senator BERNARDI—But you have not determined how that is going to be broken up?

Ms Brown—No decisions have been made in relation to that.

Senator BERNARDI—How many children do you expect to benefit from these programs?

Ms Brown—Currently we understand that there are about four and a half thousand children that may benefit from the program. We also understand that there are approximately 1,900 new diagnoses per year.

Senator BERNARDI—Are you expecting to cover all the new diagnosed cases of ASD in successive years as well?

Ms Brown—That is how we are attempting to design the program, yes.

Senator BERNARDI—In the initial year it would be 4,500; the next year some would drop off and some would go on, but is it going to be a continuing increase over the course of time?

Ms Brown—That is right.

Senator BERNARDI—Regarding some of the measures you are going to use to implement this, you have talked about playgroups and things, but for the information services, you are going to have a website; is that right?

Ms Brown—Yes, we are.

Senator BERNARDI—When will the website be operational?

Ms Brown—There has not been any government announcement in relation to that but we anticipate probably early next financial year.

Senator BERNARDI—A year away?

Ms Brown—Next financial year.

Senator BERNARDI—I beg your pardon, a month away.

Ms Brown—The coming financial year.

Senator BERNARDI—That is all right. Do you have any idea as to the content: is it going to be an information site or a resource site for parents?

Ms Brown—We also hope that it may be an interactive site as well to assist, say, parents and families in rural and remote areas that may not be able to as easily access early intervention services.

Senator BERNARDI—Has there been a specific amount of funding allocated to the development of this website and the ongoing maintenance of it or does it just form part of the broad package?

Ms Brown—There has not been any formal designation to that amount. Although actually in the announcement that was made by the government, yes.

Senator BERNARDI—Which one was this, I am sorry?

Ms Brown—In the former government's announcement which was adopted by the current government, approximately \$1 million was allocated to the website.

Senator BERNARDI—For the initial development of it?

Ms Brown—I think for the website in its entirety.

Senator BERNARDI—The ongoing maintenance I guess is going to be—

Ms Brown—Over the four-year period, yes.

Senator BERNARDI—Regarding the ASD data and research program, can you provide me with some specific elements of it that are going to be undertaken?

Ms Brown—When I mentioned earlier the education, support and advisory program, part of that will be the website and part of that will be setting up workshops to provide education and support for families. We are also setting up advisory services across the country so that parents, families and carers can consult with those advisers when they have been newly diagnosed.

Senator BERNARDI—You are going to be maintaining a register, though, of all the information that you collect; is that correct?

Ms Brown—We will be maintaining some information but I do not think it would fall into the category of a specific autism register of the sort that currently is operational in WA.

Senator BERNARDI—In a more general funding sense, will all people who have children with an autism spectrum disorder have access to this program and to the intervention and support, or will it only be available to people who are in receipt of other benefits or payments?

Ms Brown—The detail of the eligibility criteria has not been finally decided by the government as yet.

Senator BERNARDI—It may indeed be that there are some qualifications?

Ms Brown—For example, I would anticipate that diagnosis would definitely be one of those eligibility criteria.

Senator BERNARDI—I would accept that without you stating it, let me tell you.

Ms Brown—For example, eligibility for the early intervention components will not be available for children that have reached the age of seven.

Senator BERNARDI—Is it likely there is going to be some sort of means-testing?

Ms Brown—We have examined the option of means-testing but it appears, on the research that we have done, that means-testing would not exclude that many families. Our

understanding in relation to the package as currently designed is that it will not be means-tested.

Senator BERNARDI—At whose request did you examine means-testing?

Mr Lewis—This is just part of our exploring options for how we might roll out the package. One of the things that you would expect we would look at would be the volume and capacity to deliver. In looking at means-testing it is just something that we would do in looking at options for roll-out. As Ms Brown has said, there is certainly no recommendation or decision around means-testing in the pipeline; it is just something that we would do as part of our work.

Senator BERNARDI—But you rejected means-testing as part of your advice because it did not disqualify—

Dr Harmer—Senator, no, we—

Senator Chris Evans—Just be careful. I think the officer's primary response was there have been no decisions taken, then they were helpful, getting to the point I expect of being almost overly helpful because they were going to then—it is not a criticism but I think you have just got to be careful with the distinction. The bottom line is the early advice, I think, which was no decisions have been taken as to the eligibility. I think they probably ought to stop there.

The question you might then want to ask is, what qualifications might you consider? That is fine, but I think you have got to be clear: if government has not taken a decision, then they cannot help you as to what the government might be thinking about, however helpful they want to be.

Senator BERNARDI—They undertook this of their own volition, Minister.

Senator Chris Evans—No, as I say, by being helpful we do not want to create the wrong impression, that is, no decision has been taken by government, which is the advice they had.

Senator BERNARDI—Is it fair enough then to say that the department is examining a number of options about how to decide who should be able to access?

Mr Lewis—I think it would be fair to say that we are looking at a huge number of criteria about why and who would access.

Senator BERNARDI—In regard to autism advisers, how many autism advisers do you anticipate there would be?

Ms Brown—In the announcement that was made by the government it was forecast that 20 full-time equivalent advisers would be funded.

Senator BERNARDI—Has a decision been made as to how they are going to be allocated across each state and territory?

Ms Brown—No decision has been made.

Senator BERNARDI—No decision. How much funding has been allocated for this particular part of the program?

Ms Brown—Fifteen million dollars.

Senator BERNARDI—Fifteen million dollars. What would be the primary tasks of the childhood autism advisers?

Ms Brown—To assist parents and carers in the early days of a new diagnosis, to assist them navigate their way through the services that may be available and to inform them about which services might be most suitable for their child's particular diagnosis.

Senator BERNARDI—It is the initial contact point, I guess, for a family that has a newly diagnosed child with autism? It is not an ongoing support role for those already diagnosed?

Ms Brown—That is also potentially possible, but we saw the primary role as being to assist the newly diagnosed.

Senator BERNARDI—You would expect that those 20 full-time equivalent personnel would service adequately the 1,900 new cases of diagnosed autism?

Ms Brown—That is the package as it was announced.

Senator BERNARDI—Has there been any research to suggest that you could expect a growth in the number of diagnosed cases for autism based upon the fact that there is a heightened awareness or anything like that?

Ms Brown—Any answer I gave would be merely speculative.

Senator BERNARDI—I would not like you to do that, unless someone else would like to speculate. No?

Senator Chris Evans—I could have a go but I do not think you would value my speculations.

Senator BERNARDI—I do not like your speculation very much, Minister, I have to tell you.

Senator Chris Evans—I did not think I would waste your time.

Senator BERNARDI—I do not want to waste anybody's time. Can I just ask briefly about the intensive support program; what are the specific elements of intensive support for families for a child with autism?

Ms Brown—By intensive support I am assuming you mean the early intervention components.

Senator BERNARDI—Yes, within that.

Ms Brown—We would fund early intervention services that would include providing specific treatment for the children, like one-on-one treatment; it could consist of what is referred to as behavioural analysis; it could consist of relationship development intervention; picture exchange communication systems; a whole range of professional services and assistance. The aim would be to assist these young children to eventually go into mainstream schooling.

Senator BERNARDI—These treatment processes are all very admirable. What about the diagnosis process; has there been any allocation of funds to enhance diagnosis of autism and facilitate that for parents?

Mr Lewis—That element is one that you could talk to DoHA about later in the week. Certainly there has been an allocation of money to the Department of Health and Ageing and that sits within their remit in terms of diagnosis and PBS and how that works. Certainly there is an element within the package.

Senator BERNARDI—There has to be a very strong correlation or communication between the departments.

Mr Lewis—There is.

Senator BERNARDI—In how this is managed.

Mr Lewis—There is. We chair an interdepartmental committee on which DoHA and DEWR sit. We regularly talk about how the connections and the flow would work.

Senator BERNARDI—The fact you chair it means that you are the bigger partner in the package?

Mr Lewis—That is true.

Senator BERNARDI—At what level is the IDC formulated: a manager's level or an administrative level?

Mr Lewis—In what regard?

Senator BERNARDI—In regard to the people who are part of the committee.

Mr Lewis—They are SES officers from across departments.

Senator BERNARDI—I will leave autism there, if that is all right, Chair. Are you happy to take some questions on notice in regard to, not specifically autism, but in regard to other areas to do with disability?

Dr Harmer—Can we get away with no?

Senator BERNARDI—And to get back to us in a timely manner.

Senator Chris Evans—You always get a better answer to that at 11 o'clock at night. At 6 pm they are still keen.

Senator BERNARDI—We have lots of other stuff to carry on. There are a number of aspects of the questions on notice for which we only received a response this morning as to one we asked last time. I have to say that is a bit slack and I would rather that we get a timely response to some questions.

Dr Harmer—Senator, I apologised this morning. I would not accept it as a bit slack. We have done our best, as we always do, to answer the questions. There is only one now not available, but I do apologise that some of them have been received late. As I mentioned this morning—I am not sure if you were here—traditionally the period between the February estimates and the budget is very, very busy for us. We have been very busy. We have tried to do our best. We have failed by one and we have failed by a number in terms of getting them to you relatively late, but we will do our best.

Senator BERNARDI—I appreciate that. I would hope that when we come back and get together again in this meeting we will have a timely response so that we can explore some of the issues further.

Dr Harmer—We will do our best.

Senator BERNARDI—All right. Thank you, Chair.

CHAIR—Thank you very much. We are now going to suspend for the dinner break. After the dinner break we come back with Support for the Aged and Support for Women.

Proceedings suspended from 6.28 pm to 7.32 pm

CHAIR—Welcome back. We will start the last two sessions of the evening. We are starting with questions on support for the aged. Senator Bernardi.

Senator BERNARDI—Thank you, Chair. In the portfolio budget statements there is a figure of 2.93 million people recorded as paying the utilities allowance. It is on page 71, Dr Harmer, I am advised. If I can contrast that with last year, in 2007-08 the budget estimated just over two million people were paid the utilities allowance. How do you account for the additional 900-odd thousand?

Mr Wallace—The estimate in relation to utilities allowance has been affected by a couple of changes that were announced in the lead-up to the election that have since been implemented by the government, one of which was to extend the utilities allowance to a range of payments it was not previously attached to. The utilities allowance, from 20 March 2008, has been extended to include carer payment, disability support pension, wife and widow B pension and bereavement allowance. So, consistent with the forward estimates customer numbers for those payments, there has been an increase in the forward estimate for the number of people in receipt of utilities allowance.

Senator BERNARDI—Mr Wallace, is the department aware of the average cost of a senior's utility bills? Has it conducted any research in this area?

Mr Wallace—Not that I am aware of.

Senator BERNARDI—Is there any intention to conduct any research into the average cost of seniors' utility bills?

Mr Wallace—I am not aware of whether that is part of the departmental research program.

Senator BERNARDI—Dr Harmer?

Dr Harmer—It is too early to say exactly what information or data we will collect as part of the review of the pension and carers, but that information is quite likely to come to us through the reference groups we are establishing, where we will be having discussions with carers groups and pensioner groups. We probably also got some information on this from our Household Expenditure Survey. We fund a range of surveys and we get pretty good information from surveys like the Household Expenditure Survey et cetera. I would be pretty confident we would have some information about pensioners' expenditure on things like utilities.

Senator BERNARDI—You would currently?

Dr Harmer—I would be reasonably confident we would have some information on this, yes.

Senator BERNARDI—If you are able to investigate that further for me, Dr Harmer, I would appreciate it.

Dr Harmer—I will look into it.

Senator BERNARDI—Thank you. Obviously it is very important, from an advisory perspective to government, to know whether these sorts of allowances are making a meaningful difference. I am sure they are all welcomed by pensioners, but I would be very intrigued as to the average cost of a senior person's utility bills.

Senator Chris Evans—Senator Bernardi, I think you will find that the previous government, when they introduced the utilities payment, did not make any claims that it actually met all the utilities or whatever. It was designed as a measure to assist people in meeting those requirements, and our extension of the scheme was based on the same principle, although we did move to quarterly payments to better reflect the nature of incoming regular bills, but I think it has been seen as a contribution by both sides of politics, not as meeting a particular set of bills.

Senator BERNARDI—I accept that.

Senator Chris Evans—Information on the costs, as you say, is always welcome, but I want to make it clear that I do not think anyone has ever claimed that it specifically met the utilities charges that pensioners have to meet.

Senator BERNARDI—No, and you will notice, Minister, that I did acknowledge that it was welcome, no matter how much it covered. I am not in a point-scoring exercise.

Senator Chris Evans—No. I am just making the point that the link between the utilities costs and the payment has never been tightly drawn, and it was not in the latest budget either, but it is perfectly reasonable to get better information on the costs to pensioners.

Senator BERNARDI—Quite. Dr Harmer, how often are these types of surveys undertaken?

Mr Innis—The Household Expenditure Survey is an ABS survey. I do not know how regularly it is conducted. We also have a longitudinal survey, Household, Income and Labour Dynamics in Australia Survey, which looks at people's expenditure and income over time. That might also give us some information.

Senator BERNARDI—That is conducted by the department?

Mr Innis—That is conducted by the Melbourne Institute on behalf of the department.

Senator BERNARDI—What sort of sample is there in a survey of that nature?

Mr Innis—I may actually have that information here.

Dr Harmer—We might be able to get it for you during the evening.

Senator BERNARDI—Sure.

Ms McKay—It is a longitudinal survey, so it is one that is tracking through the same households over time. What it is looking at is the changing pattern of expenditure or labour force participation. There are various things they are collecting. We have completed wave 8.

Senator BERNARDI—Are the results public documents?

Ms McKay—Yes. The Melbourne Institute website has a very long list of publications that have been made using the HILDA data.

Senator BERNARDI—Who are the Melbourne Institute?

Ms McKay—It is a research institute as part of Melbourne University.

Senator BERNARDI—And they charge on a commercial basis?

Mr Innis—We put the project out to tender and they won the last tender for provision of the data service.

Senator BERNARDI—How often is a tender conducted?

Mr Innis—Bear with me; I might have that. It is currently up for tender.

Ms McKay—It may be for each group of four waves, so we have finished the eighth wave and it is now gone to tender again.

Senator BERNARDI—So a wave is denoted as?

Ms McKay—It is annual, so a wave is an annual survey, and, as I said, it is longitudinal, so the same people are followed up.

Mr Innis—Ms McKay is correct. The second contract was waves 5 to 8. The future contract is currently being considered.

Senator BERNARDI—How is the tender advertised, or are people invited to tender?

Mr Innis—There are a range of normal advertising procedures for tenders which would have been followed in this case. I do not recall, off the top of my head, precisely what advertisements were done, but there is a standard set of procurement guidelines that we would follow.

Senator BERNARDI—And the Melbourne Institute have won both previous tenders, or was there another organisation?

Mr Innis—Yes, Melbourne Institute have won the previous tenders.

Senator BERNARDI—What is the cost of having this survey done over the course of four years?

Mr Innis—I will give you some budget figures. To date this survey has budget funding of \$62.1 million. A range of factors made up that budget. As it has proved its worth, we have added to the budget for the survey.

Senator BERNARDI—The current \$62.1 million is for the next four waves, or is that historic?

Mr Innis—This is the budget to date.

Ms McKay—An accumulative amount that has been spent.

Senator BERNARDI—Since it started eight years ago?

Mr Innis—Since it started.

Ms McKay—Yes. When it was extended, last budget, I think the price was around \$30 million.

Mr Innis—For the last contract, which were waves 5 to 8, the contract was a tad under \$26 million. We are expecting the total cost for waves 9 to 12 to be about \$40 million, and that is over seven years.

Senator BERNARDI—Over seven years?

Mr Innis—Yes, because there is work in advance and then there is follow-up work.

Senator BERNARDI—You have lost me a bit there. The tender is for the survey from waves 9 to 12 and they are done annually.

Mr Innis—It is to conduct the waves, but some of that work flows on. Once you have collected the data, you have to process it, present it et cetera, so it is quite long.

Senator BERNARDI—There is quite a significant lag, is there?

Mr Innis—There is some lag, yes.

Senator BERNARDI—How much lag would there be?

Mr Innis—I cannot tell you off the top of my head. I can find out for you what the average processing dates are if you are interested.

Senator BERNARDI—Yes, I would be.

Mr Innis—We will take that on notice.

Senator BERNARDI—Similarly, is there a regular publication date for this data?

Mr Innis—There is a regular cycle, yes. I am happy to get you that information.

Senator BERNARDI—You do not know what date that normally comes out?

Mr Innis—Unfortunately, the head of the research branch is not here. I may have it in my briefing.

Senator BERNARDI—If you can find out, I would appreciate it—if someone happens to know or someone is listening.

Ms McKay—It is not like ABS data. It is not cross-sectional data, it is longitudinal data, and it is publicly available for researchers to use.

Senator BERNARDI—And for senators to use?

Ms McKay—Indeed, if you have researchers.

Dr Harmer—You have to be a registered user.

Ms McKay—Yes, you have to register.

Senator BERNARDI—So it is not ‘public’ in the way that most of us would identify that word?

Ms McKay—It is public interest data and, yes, you do have to register to become a user. I do not think the criteria for becoming a registered user are particularly onerous.

Senator BERNARDI—You do not have to pay money or anything?

Mr Innis—We are quite keen to get the benefits of this data out. To give you some sense of how widely it is used, over the period 2005-07 we as a department commissioned 31 research

projects using this data as its primary base. I am sure that all of those would have been published research. There is a range of journal articles that come out every year using HILDA data. We have nine journal articles that are scheduled for release. Between 2002 and 2008 a total of 95 working papers, using this data, have been released, so it is an actively used survey, particularly in the social policy research community but more broadly in the economic research community, and we and Treasury use this data heavily in our own work.

Senator BERNARDI—Outside of government departments, I am intrigued now as to the registration process. Could, for example, an inquiring senator just register? Do you have to fill in a basic form and then you are granted access automatically or is it restricted in some way?

Mr Innis—Unfortunately, I do not have the information, but I do not see any reason why an interested senator could not get access to the data. Because of its nature, it does require some expertise to use.

Senator BERNARDI—Are you suggesting interested senators do not have such expertise?

Mr Innis—I am not suggesting that. Even group managers in the department might struggle to use it from time to time. Because of the longitudinal nature of the data, it tends to be a fairly expert group who uses it regularly.

Ms McKay—I was not certain who it is who grants the access, so we will take that on notice; but I think it is the Melbourne Institute, as part of the current contract, who provides the access.

Senator BERNARDI—They will interpret the data for the department, as well, to put into your research projects?

Ms McKay—They do some of that, yes.

Senator BERNARDI—That is fascinating. Going back to the utilities allowance, given that there has been an extension of eligibility for the \$500 utilities allowance, what type of action has been undertaken to inform people of the eligibility criteria for it?

Mr Wallace—As the eligibility is attached to your qualification for another payment, the need to inform people of the extended eligibility in a sense takes care of itself because those people who already qualify for one of the qualifying payments automatically have that utilities allowance extended to them. There is not a separate qualification.

Mr Innis—There is no need for someone to apply?

Dr Harmer—There is no need to have any information.

Senator BERNARDI—They have not had to opt in. They have just received these additional funds. Was it sent out in a letter? Were they notified?

Dr Harmer—They would have received advice and there were budget media releases. I doubt there would be many people receiving one of the base payments that would be unaware that they were to receive the utilities allowance, but they do not have to apply for it.

Senator BERNARDI—Did the minister write to them?

Mr Innis—I do not know if the minister would have written, but a letter would have come from Centrelink advising them.

Senator BERNARDI—They would have received a formal notification rather than just an additional payment.

Senator Chris Evans—I think we ought to be careful there. My understanding was that the Minister for Human Services and the Minister for Family, Housing, Community Services and Indigenous Affairs had written to people.

Mr Innis—I will check that.

Mr Wallace—There has been advice in the Centrelink publication *News for Seniors*, which is sent out quite broadly, around a range of the changes that have happened in the budget and prior to the budget. That is a regular communication mechanism Centrelink uses to update their customers. In some respects the age pension population, because they are less actively in contact with Centrelink, do not have as many points at which Centrelink might update them on that sort of thing. I am not aware that there has been direct correspondence.

Senator Chris Evans—My father said to me, ‘I got 500 bucks in my account. Where did that come from?’

Senator BERNARDI—Did you say, ‘John Howard’?

Senator Chris Evans—He takes pleasure in saying John Howard kept sending him money but he kept not voting for him. We ought to make it clear: the entitlement is automatic and it has been paid in accordance with people’s eligibility for the base payment. We will take on notice whether or not, in addition to the Centrelink communications, Minister Ludwig and/or Minister Macklin have written.

Mr Innis—We will have an answer for you tomorrow.

Senator BERNARDI—That is fine.

Senator Chris Evans—We will check that. I just did not want to mislead you. I thought there was another bit of communication—I think from talking to Joe Ludwig personally—but I just want to check that and we will get back to you in the morning.

Senator BERNARDI—Mr Wallace, you suggested the *News for Seniors* publication is sent out quite widely?

Mr Wallace—Yes.

Senator BERNARDI—Does ‘quite widely’ mean it is sent to all people in receipt of age pension?

Mr Wallace—My understanding is that it goes to all people in receipt of age pension, yes. As I understand, it is a quarterly publication. I think that is right.

Senator BERNARDI—Can I now go to the process of payments. Do any people receive cheques for pensions or these sorts of payments?

Mr Innis—Centrelink would be able to give you a better answer on this, but almost all people receive their payments through the banking system now. That is the preferred operating mechanism. I know that, for particularly vulnerable people, Centrelink seek to make special arrangements, but I do not know the extent of those.

Senator BERNARDI—Which raises the point about those people who are in some way, shape or form on some sort of income quarantining: how would this payment affect that? Would it be included in the quarantining? Are there any people affected by it, or income management, however you want to describe it?

Mr Innis—That specific question is probably best asked when the families output is on.

Dr Harmer—We will deal with that one tomorrow.

Senator BERNARDI—Yes, I understand that. It just arose in my consideration. When did the first of the payments go out?

Mr Wallace—My understanding is that the first instalment went out from 20 March this year. The payments would arrive in people's accounts depending on the day on which those people are paid, so it was not paid to everyone on the same day but it was in that fortnight, and it is to be paid in quarterly instalments.

Senator BERNARDI—So everyone would have received their payments within a couple of weeks of 20 March?

Mr Wallace—Around 20 March, that is right.

Senator BERNARDI—I have a note here with regard to the \$11.1 million for Centrelink. I presume that has been allocated in the budget. It is allocated over five years. What is this going to be spent on? Has that been identified?

Mr Innis—Precisely what Centrelink spend that \$11.1 million on is a question that is best directed to Centrelink. It will be a mix of service delivery interface issues and systems issues and we do not have enough information to provide.

Senator BERNARDI—I think I know the answer to this but, Dr Harmer, I will give you a chance to repeat your earlier answers: what process will the department be taking to review the success or otherwise of this payment?

Dr Harmer—As Minister Evans mentioned earlier, it is a contribution to people's utility costs. It is unlikely that a survey would conclude that it was not successful in helping them with those costs and, because no government has offered these payments as a basis of meeting their costs, I do not think we would judge that there is a need to evaluate them. How much they can afford to contribute to these sorts of costs will be a government decision. It is not the sort of thing that we would evaluate.

Senator BERNARDI—I was expecting you to tell me it was going to be part of an ongoing review process and overall taxation.

Dr Harmer—Not this one. The lump sum payments will be, obviously, part of the review but, going back to the point, it is a contribution to a cost.

Mr Innis—When we come to look at this in the review, what we will be looking at is the totality of the impact of what the government provides, be it a base payment, an allowance, a concession or a service, so that the suite of service that the government provides is appropriate to the needs of pensioners.

Senator BERNARDI—Thank you. Chair, I have no further questions on the utilities allowance; just in case Senator Siewert or Senator Adams do.

Senator SIEWERT—I have a constituent who regularly contacts my office who has been on DSP. He was talking to us about the utilities allowance and he was told by Centrelink, apparently, that he could not claim it because he uses a mobile to access the internet and that that was not allowed under the utilities allowance.

Ms McKay—He is not referring to the utilities allowance. He is probably referring to the telephone allowance.

Dr Harmer—The telephone allowance, because he has to have a telephone.

Senator SIEWERT—He was broadly calling it the utilities allowance. His argument was that he could not afford a computer to set up on the net and the only way he can afford to utilise the internet is through his mobile, as he finds that cheaper, and he was told no, he could not claim it. Should I be asking you this question or should I have been asking Centrelink this question? I assumed it was here.

Ms McKay—You should probably be asking us this question.

Senator SIEWERT—As you just said then, it is the phone allowance. How does that then relate to him accessing the internet?

Ms McKay—I am intrigued that you would not be able to claim a telephone allowance if you were signed up to a mobile rather than a landline. We will have a look at it.

Senator SIEWERT—He has contacted my office several times. It was an issue that he contacted us about before and then, when the new announcement came out, he was even more irate about it. What he said, I thought, made perfect sense: that for him it was cheaper to be able to do it all in one.

Ms McKay—I understand.

Senator SIEWERT—Is there a reason why he would not be able to?

Ms McKay—I am surprised that this is the case and we will look into it.

Senator SIEWERT—If you could, that would be really appreciated.

Dr Harmer—We would probably need to know precisely what he has been told. Sometimes when we look into these things the constituent's relaying of the message to you is not quite what he was told by Centrelink.

Senator SIEWERT—I will get my office to talk to you about it, because we have been in regular contact.

Mr Innis—Mr Wallace might have some information that could help.

Mr Wallace—I might not have the precise answer, but I might be able to narrow down the nature of the question.

Senator SIEWERT—Okay.

Mr Wallace—Telephone allowance is payable if a person has a mobile phone connected in their name. As an election commitment, the government committed to paying a higher rate of telephone allowance for people who have a home internet connection. The likely issue, I think, is that the higher rate of telephone allowance in respect of home internet connections is payable, at present, only where a person has an ongoing connection at home, so there might

be some issues with the application of the initial policy guidance in respect of extending that election commitment. We would be able to follow that up.

Senator SIEWERT—If you could, it would be appreciated. The point is that he cannot afford all the computer gear, but he can actually get the best of both worlds with his phone and his internet through his phone.

Mr Innis—We will look into it.

Senator SIEWERT—That would be appreciated. Thanks. They were my questions. The rest, on the utilities, Senator Bernardi has covered for me.

Senator BERNARDI—There are quite a few telephone allowance questions.

CHAIR—No more utilities allowance. We are moving on to telephones.

Senator BERNARDI—How was the figure of \$132 decided upon?

Mr Innis—This was a commitment of the government during the election period and I do not have access to pre-election decision making of the government.

Senator BERNARDI—So it was just simply there. Has FaHCSIA undertaken any examination or research as to the average cost of an internet connection?

Mr Innis—For the same reasons Dr Harmer and Senator Evans gave in relation to utilities allowance, we do not look at specific telephone or utilities costs in terms of designing the amounts provided, as these are contributions to the cost, not an attempt to defray the entire cost.

Senator BERNARDI—Have you sought to establish the average cost of an internet connection? The answer is obviously no.

Dr Harmer—No.

Senator BERNARDI—Is there an intention to examine that?

Dr Harmer—As we look at the review of the pension, it may be part of that. I am not sure; it is too early. Up until now we have had no need to look at those particular costs because governments, past and present, have simply made a contribution.

Senator BERNARDI—Funding increases quite dramatically, from \$6.8 million on this current year, if I recall, to about \$31½ million in 2008-09. Is this because you expect more people to be eligible for this allowance?

Ms McKay—I do not think so. It probably derives from the fact that in the current financial year there would be a payment made on 20 March, so that was just a part-year effect.

Senator BERNARDI—But the funding does increase over the course of the following quadrennium I think.

Dr Harmer—Probably because of numbers.

Senator BERNARDI—So there is an expectation that more people are going to be connecting to the internet?

Mr Innis—Recalling that the eligibility is based on eligibility for a payment, over time we expect more age pension customers, so the estimates will reflect the growth in the numbers of the payments for which telephone or utilities allowance is paid.

Senator BERNARDI—How do you ascertain whether people actually have an internet connection?

Mr Wallace—My understanding is that people are required to keep evidence of the fact that they have a home internet connection. I understand that it is required that people collect that evidence, in the event that there may at some point in the future be some checking on that by Centrelink. The compliance regime around the additional allowance has not quite been fully worked through yet.

Senator BERNARDI—This additional allowance is scheduled to be paid quarterly. Is that correct? Or is it going to be a one-off?

Mr Wallace—My understanding is that it will be paid quarterly, as with the current base payment of telephone allowance.

Senator BERNARDI—So someone would have to show maybe once a year that they had an internet connection, or would it be just at the start of receiving the allowance?

Mr Innis—The intention is clearly for the payment to be made to people who maintain an internet connection, so I would expect the evidence to be that ongoing nature of maintaining the internet connection. In terms of whether Centrelink ask customers every year or every six months to show that, that remains to be determined. Customers have been asked to maintain a record themselves.

Senator BERNARDI—When will it be determined as to how often they will be asked to confirm that they have internet connection?

Mr Wallace—We are working with Centrelink on what compliance arrangements are being put in place around that at the moment.

Senator BERNARDI—Does it matter whether they have a broadband or a dial-up internet connection?

Mr Wallace—No, it does not.

Senator BERNARDI—Or, indeed, a mobile telephone internet connection, I should say. Has the department planned any type of education campaign to encourage people's awareness of this, given that it is an opt-in system, unlike the other one, because they have to declare themselves as having an internet connection.

Mr Wallace—Again, there has been publicity through the *News for Seniors* publication by Centrelink. I am uncertain as to what other publicity has been undertaken. Generally, what happens in respect of changed policies for seniors is that Centrelink has a connection with a range of seniors groups like COTA, National Seniors, and other groups who have other forms of communication into the community, as well as the Centrelink avenues. Whether or not that is the case in this specific instance, I am not sure, but I can find out.

Senator BERNARDI—Yes. I would be interested in that, if you would not mind. That would be terrific. Can you tell me how many people were eligible for the additional allowance thus far, or in the last payment which was made prior to 3 April, I think—20 March to 3 April.

Mr Wallace—I am not sure that I have the breakdown between recipients who received the base rate of telephone allowance and those who received the additional \$44 a year or \$11 a quarter in respect of the home internet connection. I am not sure that I have that here with me, unfortunately.

Senator BERNARDI—But it would be available?

Mr Wallace—That should be available, yes.

Senator BERNARDI—Perhaps you would be able to provide it to us on notice. In the interests of ongoing reference, I would suggest that the information for the previous quarter be available at each estimates.

Mr Wallace—Sorry. I have been passed that information.

Senator BERNARDI—By the ever efficient department.

Mr Wallace—There are over three million customers receiving telephone allowance, and over 700,000 of those received the higher rate in the March 2008 payment.

Senator BERNARDI—Is there any way that the department has of knowing whether all people who are eligible for this higher rate actually received it, or did people have to opt-in and notify Centrelink?

Mr Wallace—My understanding is that, yes, people did have to notify that they had a home internet connection in order to be paid the higher amount.

Senator BERNARDI—When would they have had to do that to receive the first payment? If they had done it on 18 March or 19 March, would it be unlikely that it would be processed and they would receive it?

Mr Innis—The handling of a situation like that is a matter that we would have to confer with Centrelink on, because obviously they have the day-to-day operational management of the flow of advice. In terms of people receiving what they are entitled to, often people hear the word ‘compliance’ from the department and they think it is about us ensuring that folk only ever get what they are entitled to. Our compliance regime and our work with Centrelink is designed to ensure that the people who are eligible do receive payment. As part of our general work with Centrelink, we do seek to develop strategies to ensure that people get what they are entitled to.

Senator BERNARDI—Is there an opportunity for that payment to be backdated, and for people who were eligible for that allowance in the first payment period, and who had not signed-up or enrolled or notified Centrelink, to receive two quarters worth of payments?

Mr Wallace—Generally, in the income support system, payments are not backdated, unless there is an indication on the part of the customer of an intent to claim and then the claim is not processed. I am not aware if there are specific arrangements in this case, but the general principle is that, where a person has indicated an intent to claim and something has intervened to prevent that from being fully processed, there is the possibility of it being

backdated to the point at which the person indicated an intent to claim. But where that has not happened, no, generally there is no backdating of any income support system. I am not aware of anything that suggests to me that that would be different in this circumstance.

Senator BERNARDI—Okay.

Ms Foster—In the case of telephone allowance, there is a test date of 20 March, and people were asked to notify Centrelink, up to and including 20 March, about whether or not they had an internet connection. If they had notified Centrelink by 20 March, they were paid the telephone allowance; if they were unable to notify Centrelink by that date, they would not get that first slice of the telephone allowance.

Senator BERNARDI—We heard earlier, Ms Foster, about the advertising or the marketing of the availability of this scheme with the enhanced allowance. It was suggested that it went out in the seniors journal.

Ms Foster—*News for Seniors*.

Senator BERNARDI—*News for Seniors*. Are you aware of any other advertising or promotional methods to advise people that this was available to them?

Dr Harmer—We talked earlier about the possibility and we are checking on it.

Senator BERNARDI—With a letter—

Dr Harmer—Whether Ministers Ludwig and Macklin wrote to all pensioners, advising them of the various changes to pensions and allowances following the change of government. I think it is quite likely that, if there was a letter, this information would have been included, but we will take that on notice, in the same way that we did the other one.

Senator BERNARDI—Thank you. Has there been an advertising campaign outside of *News for Seniors* and perhaps a direct marketing effort to those already in receipt of allowances?

Dr Harmer—A number of these questions are of an administrative nature that Centrelink and the Department of Human Services manage. It is quite likely that Centrelink use various mechanisms in order to advise. They have letters; they have various communications. It is really a matter for the Department of Human Services.

Senator BERNARDI—I accept that, Dr Harmer, thank you. Chair, I have nothing further in regard to the telephone allowance.

CHAIR—No other telephone allowance questions? What is your next one, Senator Bernardi?

Senator BERNARDI—I am happy for someone else to have a go. I am not sure whether Senator Adams is ready to go with something or not.

CHAIR—Senator Adams, do you have any questions on the Ageing area?

Senator ADAMS—Yes, Chair.

Senator Chris Evans—Senator Adams is always ready to go. Isn't that right, Senator? Be prepared.

Senator ADAMS—I have been very quiet.

CHAIR—You have been, Senator Adams. You have the floor.

Senator ADAMS—Let me find where I start. Seeing that we are talking about the internet, with broadband:

The government will provide \$15.0 million over three years from 2008-09 to allow up to 2,000 community organisations to purchase desktop computers and broadband connections in order to run free internet workshops for seniors and provide them with free access to the internet. Grants of up to \$10,000 will be available for these organisations ...

How will community organisations apply for the grants?

Ms Foster—It is a funded program within the department, so it is being managed in a different branch. It is managed under output 4.4. I do have the information here, so I will be able to help with some questions, I hope.

Senator ADAMS—All right.

Ms Foster—I understand that the department will be seeking proposals later this month to select an organisation or organisations which will be able to deliver the program nationally.

Senator ADAMS—How will the department advertise for these organisations? Which way will you do it?

Ms Foster—I cannot answer that question, I am sorry.

Senator ADAMS—Could you take that on notice?

Ms McKay—No, it is not necessary to take it on notice. The officers will be here tomorrow night for that.

Senator ADAMS—Shall I leave it till then?

Dr Harmer—Yes.

Senator ADAMS—It was for seniors; that was why I was joining in on this one. But we will do that tomorrow.

Mr Innis—The reason why it is being done in that area of the department is that they have a lot of expertise in running programs with the community, whereas Ms Foster's branch is primarily about the income support payment. That is the reason we have managed it that way.

Senator ADAMS—All right. I have questions for income support tomorrow, too, I think. But, yes, it was the community aspect that I was looking at, so I will do that tomorrow. From 1 July 2009, the income test for the Commonwealth seniors health card will:

... include income from superannuation streams with a taxed source and income that has been salary sacrificed to superannuation.

How many current CSHC holders will be affected by the new income test?

Mr Wallace—It is expected, as a result of a combination of a number of measures around changing the income test for the CSHC, that around 20,000 cardholders will lose qualification.

Senator ADAMS—Thank you. Has the department conducted an education campaign to inform CSHC holders about this measure? If so, can you provide me with a breakdown of the costs of the education program.

Mr Wallace—There has not as yet been an education campaign in relation to the measure. The measure takes effect on 1 July 2009 and the details of communication with potentially affected cardholders have not yet been resolved. I am not aware that there is a separate communication budget associated with the measure.

Senator ADAMS—You haven't worked out what it is going to cost? The reason I am asking this now is that it is going to take quite some time to get an education program out there so that these people can access it and really understand where they are going.

Mr Wallace—It will do. There is also a compliance measure associated with the Commonwealth seniors health card, the first stages of which begin after July 2008, which will provide an opportunity for direct contact with all current Commonwealth seniors health card holders, and it is my expectation that that direct contact with customers would include for them an explanation of the revised adjusted taxable income test.

Senator ADAMS—Why is this measure only being implemented from 1 July 2009?

Ms McKay—It is part of a measure that affects a number of government payments and it requires legislation to give effect to it. It will apply to the income test for family assistance, for child support, for various tax offsets in the Treasury portfolio, and it requires legislation to implement. It will then require the employer to include, on a group certificate, salary sacrificed income so that that information then flows into the tax office, so it is going to take time.

Senator ADAMS—It will definitely be ready to roll on 1 July 2009? It sounds like a very complex situation to me.

Ms McKay—The measure is actually in the Treasury portfolio and probably more detail could be obtained by asking them those questions.

Mr Wallace—The changes to the CSHC adjusted taxable income test result from measures within both the FaHCSIA and Treasury portfolios, which interact with one another.

Senator ADAMS—Thank you for that. What research did your department do before this decision was made that prompted it to change the income test? Was your department involved with this?

Mr Wallace—The department provided advice in the budget context in relation to the development of this, as well as most other budget measures, yes.

Senator ADAMS—What research was done?

Mr Wallace—The measure came about, as I understand it, in order to attempt to create a greater level of equity in the way in which income from different sources was treated under the income test for the CSHC. As an example, people receiving income from sources other than superannuation from a taxed source had that income counted against the income test, whereas people who might have quite significant amounts of income drawn from an income stream from a taxed source had that discounted as a result of the Better Super changes in 2007. What that resulted in was people in similar circumstances being treated differently, and people with, in some circumstances, much higher incomes qualifying for a CSHC while others on lower incomes did not, so the intention of the measure was to create a greater equity in the way in which income from different sources was treated.

Senator ADAMS—How many current cardholders now will lose their card due to this new income test?

Mr Wallace—Around 20,000 is the estimate.

Senator ADAMS—That is around 20,000 still?

Mr Wallace—Yes.

Senator ADAMS—I do not know whether anyone else has got any questions on that before I change tack?

Senator BERNARDI—Have you dealt with the compliance review for the seniors health card?

Senator ADAMS—No, I have not. You can do that.

Senator BERNARDI—As a related issue, do you mind, Chair, if we go to that?

CHAIR—No.

Senator BERNARDI—I am not sure whether Senator Adams has any questions, but I have a few. What research was done by the department to determine that a compliance review was required?

Mr Wallace—The CSHC, prior to the budget measure, did not have any specific compliance activity related to it at all, other than where people's eligibility might relate to some other profiling review in the income support system. In part, the decision to look at this as a compliance risk relates to the increasing value of the CSHC over time and, in particular, the increased rate of the seniors concession allowance. The other issue that gave rise to some thought to this as a compliance risk was the fact that people's income details are not updated particularly often over time; therefore, the records we have on hand might not necessarily reflect people's current income. One of the things that gave us some insight into what the level of the risk might be was that there was a one-off data-cleanse exercise between Centrelink and the Australian Taxation Office in 2006, which indicated there are around 28,000 cardholders with incomes over the limits. The combination of that information from 2006 and the increasing value of the card and the concession allowance associated with that gave rise to the view that some compliance activity was in order.

Senator BERNARDI—Have the estimated savings been based on the 28,000 cardholders?

Mr Wallace—The estimated savings have been based in part on our understanding from that data-cleansing exercise, although there was not a perfect match, if you like—if I can refer to that great show of the late eighties!—between the data held by Centrelink and the ATO, so there is a level of estimate involved in the savings.

Senator BERNARDI—So what estimate have you used?

Mr Wallace—We have used the experience of the 2006 data-cleansing exercise, updating for customer numbers between 2006 and 2008, and with some estimate of what the mismatched data might have looked like.

Senator BERNARDI—Could I have a figure?

Mr Innis—\$82.8 million over four years.

Senator BERNARDI—No, I understand that figure, but how many people? You said that in 2006 you identified that 28,000 cardholders were over the limit. How many do you expect to capture now in this review?

Mr Wallace—The estimate is around 16,000.

Senator BERNARDI—Sixteen thousand? So fewer.

Mr Wallace—The data-cleansing exercise in 2006 resulted in a clean-up of eligibility at that point in time, so the assumption is that, as a result of that exercise, there is a much greater accuracy in people's eligibility.

Senator BERNARDI—Those are your expectations. When would you expect the final figure to be available?

Mr Wallace—It is a figure that will be monitored over time as to the actual performance.

Senator BERNARDI—When do you expect the outcome to be able to match up with your expectations?

Mr Wallace—These are things that are generally monitored on a financial year by financial year basis.

Dr Harmer—At the end of the financial year.

Senator BERNARDI—But you are hoping that this financial year you will identify 16,000 people?

Mr Wallace—It is 16,000 over the course of the measure. My understanding is that that is the figure over the course of the forward estimates.

Senator BERNARDI—How many would you expect to identify in this financial year?

Mr Wallace—I do not have that figure in front of me.

Senator BERNARDI—But it would be available?

Dr Harmer—I am not sure whether we have provided an estimate on an annual basis or just over the forward estimate period.

Senator BERNARDI—What I do not want to come back to is estimates, and, whilst I will only be asking these questions in estimates for another couple of years—

Mr Wallace—Sorry, Senator. I can help you there. It is in fact 13,000 in 2008-09, in which case we will have an understanding of that by the end of the financial year.

Dr Harmer—By the end of 2008-09.

Senator BERNARDI—Do you have an estimate for the following year?

Mr Wallace—The estimate here is 14,000 for 2009-10. These estimates are based on adjustments to the estimates, if that makes sense. It changes from the current forward estimates rather than necessarily, in the out years, people losing eligibility.

Senator BERNARDI—Could you repeat that for me so that I can understand it?

Mr Wallace—In the first instance, as a result of the compliance activity, some people currently in receipt of the card will lose eligibility. In the forward estimates period, the

savings are based on the difference between what the estimates were in the past and what the revised estimates are as a result of the compliance activity, but which might not necessarily mean new people in each year losing eligibility; it will just be those people not gaining eligibility.

Senator BERNARDI—Yes, I understand that. Thank you for that. How is the review going to be conducted?

Mr Wallace—There are a number of elements to the review or to the compliance activity. In the first instance, all new claims will be required to provide a tax file number to allow exchange of data on a periodic basis with the tax office. All existing customers will be contacted in order to get their tax file numbers. People's income from a tax reference here will be updated, so people whose eligibility was assessed a long time ago will have that updated to a tax year being one of the last two financial years.

There will be an extension to some existing activity where there is data-matching with the registrars of births, deaths and marriages. There will be data-matching with the Department of Immigration and Citizenship to identify people who are overseas for extended periods. There will be a profiling tool developed to have targeted reviews, on an ongoing basis, of who might be at risk of not being qualified. While that tool has not been developed, you would expect that a couple of the factors that might influence a profiling tool would be the age of the reference year in which a person's taxable income was assessed and people having incomes quite close to the limits at the time that they were assessed.

Mr Innis—Those techniques are fairly standard techniques that we use in the income support system. Apart from the profiling, which is obviously particular to the client group, most of those things are techniques that we use for a lot of different customer groups.

Senator BERNARDI—In the event that you write to a recipient and ask for their tax file number and they do not provide it, what is the process after that? Do you cut them off immediately, or how many chances do they get?

Mr Wallace—I do not have a precise answer to that question. Generally, people's eligibility is not cut off after a single communication; there are a number.

Dr Harmer—Again, because it is an administrative matter and Centrelink run it and the Department of Human Services is responsible, that is a question better directed to them. I do not mean to be not helpful.

Senator BERNARDI—I understand, Dr Harmer. You do not have to apologise. I am just asking and you can be straight. You have been very helpful, although not overly helpful—

Dr Harmer—Certainly not!

Senator BERNARDI—which is most disappointing, I have to say.

Senator Chris Evans—I certainly found for 11 long years he was not very helpful to me! I would be disappointed if he suddenly started doing you special favours. I did get the pleasure of torturing him over MRI machines for a couple of years.

Dr Harmer—At some length.

Senator Chris Evans—That was some consolation.

Senator BERNARDI—Thank you, Chair. I have no further questions on this particular topic.

CHAIR—On that point or that portfolio outcome?

Senator BERNARDI—I have a few more questions on the portfolio outcome.

CHAIR—Senator Adams, we will get back to you for a while.

Senator ADAMS—I am going to change now to transport concessions.

CHAIR—Will transport concessions be under this area? It looks positive, Senator Adams. They are turning their pages, so I think you can go ahead with your questions.

Senator ADAMS—Yes, national reciprocal transport concessions. I think I have the right place this time:

The Government will provide \$50.0 million over four years to establish a national reciprocal transport entitlement for State and Territory government seniors card holders. Currently many seniors card holders cannot access local public transport concessions outside their home State or Territory.

I can remember this as being a real problem for many years—

This measure will help ensure that seniors card holders can travel on public transport at concessional rates across Australia.

How many people will benefit from this measure? In their election policy the ALP stated that three million Australians will benefit. Is this still the case?

Mr Innis—It is a matter of ‘will benefit’ versus ‘potentially benefit’, but, if there is a national reciprocal transport scheme, anyone who takes the opportunity of travelling interstate on public transport would benefit.

Senator ADAMS—What groups of concession card holders make up the three million? I really wanted to know where the three million came from.

Mr Wallace—The basis of eligibility is a person having a state seniors card, and the qualifications vary a little state to state. If you have a state seniors card in South Australia, that card would enable you to access concessional public transport in New South Wales on the same basis that a New South Wales seniors card holder would.

Senator ADAMS—I fully understand that. I just want to know where the figure of three million Australians comes from. It has been stated in the policy statement that it will help three million. Where did the figure of three million come from? Did you go around and count all the states’ concession card holders? How did you arrive at that figure?

Mr Innis—Generally, state cards are given to people aged over 60 who are no longer working full time, so, without being precise, I would assume it is that population base that makes up the three million.

Senator ADAMS—Mr Harmer?

Dr Harmer—I assume that it is the population of people who are in that concession category. It sounds like it would be the case, because there are about three million age pensioners.

Mr Wallace—Given the number of age pensioners, I think around 2.1 million, in addition to people over the age of 60 and in addition to qualification not necessarily being based on pension receipt—there may be a number of people with income and assets beyond the age pension limits—three million sounds like a reasonable number.

Senator ADAMS—It was just a statement in the actual policy paper. That was the reason I asked the question. Anyway, we will carry on. When will negotiations with the state and territory governments begin?

Mr Wallace—The minister has written to her state and territory colleagues to commence negotiations. This measure does not have a single ministerial council that neatly aligns the relevant ministers. Transport concessions in state and territory governments sit in a range of different portfolios and there is not an existing meeting of ministers that facilitates the interaction, so the minister has chosen to write to the relevant ministers in state and territory governments to commence negotiations seeking nominations of officials to progress that. I had the opportunity to speak to a number of my state and territory colleagues in Melbourne some weeks ago on the general matter of concessions across the Commonwealth and the states and territories and, at that point, began discussing this measure informally.

Senator BERNARDI—I have a question on that response, if you do not mind. Are you saying that transport ministers in various states and territories are not responsible for this particular concession?

Mr Wallace—Transport ministers are always responsible for determining eligibility for concessions. In some states there is a single portfolio that manages concessions for seniors. In others, concessions are looked after in multiple portfolios, depending on what costs or services the concessions relate to. No, it is not as neat as transport ministers being responsible in all states and territories.

Senator BERNARDI—When did the minister write to the responsible people?

Mr Wallace—The minister has written, I understand, this week to her colleagues.

Senator BERNARDI—This week? Another urgent matter?

Mr Innis—It might also be useful to note that, on 21 February of this year, the Council for the Australian Federation—which are the states and territories—announced that the states and territories would work together to examine the harmonisation of travel concessions for seniors card holders.

Senator BERNARDI—That was in February?

Mr Innis—That was in February.

Senator BERNARDI—What has transpired since then?

Mr Innis—Since then Mr Wallace has met with his state and territory counterparts and held preliminary discussions and the minister has written to the relevant ministers.

Senator BERNARDI—It has taken more than 90 days to write a letter?

Senator Chris Evans—No, there was a budget in between.

Senator BERNARDI—Ninety days to write a letter.

Senator Chris Evans—No. It required a budget decision.

Senator BERNARDI—It was a promise. It was an election promise which you promised you were going to deliver on. Surely you would have fast-tracked it.

Senator Chris Evans—Yes, and I do not know if you have had any experience of budgets, but what you do is—

Senator BERNARDI—No, I have not, actually.

Senator Chris Evans—Let me give you a tutorial then.

Senator BERNARDI—I do not need a tutorial, thank you.

Senator Chris Evans—Ministers put in their bids, the budget is drawn up, decisions are taken, and they are announced. What was the date of the budget? It was 13 May.

Senator BERNARDI—I thought we were told that the decision was agreed at the meeting in February.

Senator Chris Evans—As I understand it, it is a measure announced in the budget.

Senator BERNARDI—Let us just establish this. There has been an agreement in February, there has been a meeting which Mr Wallace attended to, and just this week the minister has decided to write a letter?

Mr Innis—I think it would be a little strong to say that there was an agreement in February. What the states and territories announced was that they were willing to work together to examine the proposition. We are certainly not taking that as a formal agreement to the Commonwealth's proposal.

Dr Harmer—The proposal, while it was an election commitment, had to be funded; therefore, it was like many of the other election commitments that were funded against other priorities in the budget. And there is the budget. So we really could do some preliminary work with states around the principle that the government had committed themselves to do it, but, until they actually provided the funds in the budget over the four years, we could not enter detailed committing discussions.

Senator Chris Evans—I think you will find Senator Patterson was pursuing this for—how many years?

Dr Harmer—A long time.

Senator Chris Evans—It is a continuation of her efforts, hopefully more successfully. And that is not a criticism of Senator Patterson; I know it was a frustration to her over many years. I am not encouraging you to come back and explain, Senator Patterson—if she is listening! She said she was earlier.

Senator BERNARDI—She will be down very soon, because I know she feels very strongly about this.

Senator Chris Evans—I know she does.

Senator ADAMS—I have a couple more questions on that.

CHAIR—Go ahead, Senator Adams.

Senator ADAMS—If negotiations are not successful, will the deadline of 1 January 2009 be met?

Mr Innis—I think it is definitional.

Senator ADAMS—It is taking a long time to get from one meeting to the other, so I am getting a bit worried. January 2009 is not that far away.

Mr Innis—We are working towards a 1 January start date.

Senator ADAMS—Could you provide me with a breakdown of what exactly the \$50 million, which is \$12.5 million over four years, will be used for? Every year does that \$12.5 million go towards reimbursement for the concessional fees, or what happens to it?

Mr Wallace—My understanding is that, as with the previous offers, although the amounts have been different, it is a contribution to the states and territories to encourage there to be some national consistency, so it is not the intention that this amount be based on a complete compensation for the cost of any particular jurisdiction in extending the concession to state seniors card holders from other states.

Senator ADAMS—Has the department undertaken an education campaign to inform cardholders about this measure yet?

Mr Wallace—There have been, again, a number of communication mechanisms, in particular for seniors. I understand that in the forthcoming July issue of Centrelink's *News for Seniors* there is an article about this measure. Also, once negotiations proceed with the states and territories, there are the usual mechanisms that state and territory governments might use to communicate with their cardholders. The measure does, as I mentioned earlier, relate to state seniors card holder status rather than receipt of a Commonwealth concession card or an income support payment.

Senator ADAMS—Who is going to pay for the campaign? Each individual state is going to pay for the education campaign?

Mr Wallace—As you are aware, we have not had an opportunity to engage in formal negotiations with the states and territories as yet. Generally, at the moment the experience, as I understand it, is that people from interstate assume that they will be able to use their concession cards when they travel interstate, and they are not able to; so, in part, people will become aware of it when they attempt to use their card interstate and are able to use it. As Senator Evans indicated earlier, in the *News for Seniors* there will be some direct communication with age pensioners, through a letter from Senator Macklin and Senator Ludwig, explaining a range of issues, including the seniors bonuses. There are a range of mechanisms, both through publications and direct communication with pensioners, that will assist them in becoming aware of the measure.

Senator ADAMS—What about your public transport operators? How are they going to be informed?

Mr Innis—How the initiative will be implemented will be part of the negotiations over the next little while. Do we sit here as the Commonwealth and say exactly how state networks are going to be educated to ensure that the concession is provided? We do not know that answer yet. It will be part of the discussions with the states.

Senator ADAMS—Are you aware of how many senior Australians use public transport, altogether? We have talked about three million, but do all those people use public transport?

Mr Innis—Not all of those people would use public transport, but I do not have a figure of how many would.

Senator ADAMS—Is the department aware of how many complaints have been made about not being able to use their cards interstate? Have you had any complaints process going through with this? Why was it first brought up?

Mr Innis—Because they are state cards, the complaints do not necessarily come directly to the Commonwealth. We hear from time to time people's concerns about not being able to use their cards interstate. That is one of the reasons why the Commonwealth, under the previous government, and this government has pursued this issue.

Senator ADAMS—I wish you luck with it. Has anyone else got any questions on that?

CHAIR—Anything on transport concessions? That is your next topic, Senator Adams.

Senator BERNARDI—We have a few broadband ones, if you would like to deal with broadband.

Senator ADAMS—Community broadband?

Senator BERNARDI—Yes, Broadband for Seniors.

Senator ADAMS—We have to do that tomorrow.

Senator BERNARDI—Why can't we do it today?

Senator ADAMS—Because it is the wrong place.

Senator BERNARDI—I thought you were across everything, Dr Harmer. I was relying on you.

CHAIR—Next topic?

Senator BERNARDI—Can we discuss the review of the pension rate. Dr Harmer, you are part of a review panel in regard to the future taxation system. Who are the other members of that review panel, just for my information?

Dr Harmer—Dr Ken Henry is the chair. The others are John Piggott, an academic from University of New South Wales or the University of Sydney, Heather Ridout, the CEO of the—

Senator BERNARDI—Australian Industry Group.

Dr Harmer—Yes—and Greg Smith, a former deputy secretary in Treasury and currently with the Australian Catholic University, I think.

Senator BERNARDI—Have you started your investigation yet?

Dr Harmer—We have started planning at our end and I know Dr Henry has started planning at his end. We have the first meeting of the reference group on Thursday.

Senator BERNARDI—Have you established how often you are going to meet to discuss this? Is there a regular schedule?

Dr Harmer—No, we will be discussing that on Thursday. It will be a regular meeting.

Senator BERNARDI—Minister Macklin mentioned that you had been asked to convene a reference group of representatives from carer and seniors groups. Have you taken any steps to identify who those representatives should be?

Dr Harmer—We are drawing up a list of people and we will be talking with Dr Henry, the chair of the overall panel, on Thursday about that.

Senator BERNARDI—So you will not be making the decision about the carers and seniors representatives?

Dr Harmer—Yes, I will, but I will be reporting, as the terms of reference require me to, through Dr Henry so, as we plan our work, I will be reporting through that process.

Senator BERNARDI—What are some of the criteria that you are using to choose suitable people for that reference group?

Ms McKay—There are a number of active lobby groups, representative bodies in the seniors, carers and disability arena. There are a number of independent academics who have a contribution to make as well as welfare organisations, such as ACOSS and the National Welfare Rights Network. There is a long list of organisations that could be chosen to be on the reference group. It will probably be a matter for a decision by the minister as to who should be appointed to the reference group for this. There will be the opportunity for wide consultation.

Senator BERNARDI—There must be an initial screening process, Dr Harmer, that you go through in order to ascertain—as Ms McKay just said, there is an enormous list of lobbyists, academics, experts and people who have all sorts of interests in this field. That list could be several hundred long.

Dr Harmer—It could.

Senator BERNARDI—It probably could be much longer.

Dr Harmer—Indeed.

Senator BERNARDI—So there has to be an initial screening process about it.

Dr Harmer—Yes.

Senator BERNARDI—What are the criteria that you are using to do that? Ms McKay, I will address it to you if you are involved in this.

Ms McKay—It is quite early days and I would like the minister to make some decisions about this so I would prefer not to be giving advice to a committee as to what our thinking is before we have talked to her about it.

Senator BERNARDI—I am not going to get to your thinking. If you are going to give a list of appropriate people how are you determining what an appropriate person is? Is it by the size of the organisation that they represent? Are you breaking it up into people that represent specific disability areas or interests or non-government organisations? I am interested.

Ms McKay—All of those.

Senator BERNARDI—You must have a set of criteria.

Dr Harmer—We will try to ensure that all of the groups and bodies representing the interests of pensioners, disability groups and carers are represented in the reference group. Again, it is early days but we will not be limiting the people we talk with. We will be giving people the opportunity to provide advice to us, even if they were not on a panel.

Senator BERNARDI—How many people do you anticipate being on your panel?

Dr Harmer—We are going to call it a reference group.

Senator BERNARDI—Reference group, sorry. How many people do you anticipate would be on that?

Dr Harmer—We have not made that decision yet.

Senator BERNARDI—You will be making the decision or the minister will be making the decision?

Dr Harmer—The minister will make a decision about the reference group.

Senator BERNARDI—Are you accepting or seeking people submitting their own details to be included on that panel? Is there some sort of public process?

Dr Harmer—We have not decided that yet. As I said before, the group set up by the government announced in the budget under Dr Henry will meet for the first time on Thursday. I have been asked to do a subset of the tax transfer system review which will focus on pensioners and carers. We have been doing some thinking and planning within the department but, as Ms McKay said, we are not able to share that with you before we have taken our minister through it. We have been on this for a couple of weeks now, talking with the minister about how we are going to do it, and we have a meeting on Thursday so there are things in preparation.

Senator BERNARDI—Do you have a meeting scheduled with the minister now to discuss the position?

Dr Harmer—We have already had a couple of meetings with the minister to discuss it, yes.

Senator BERNARDI—When do you anticipate it will be finalised as part of the process?

Dr Harmer—I am not able to say for sure when it will be finalised. I expect fairly shortly.

Senator BERNARDI—Are you willing to speculate?

Ms McKay—No, we are not willing to speculate. We are willing to say that it will be finalised when the minister finalises it.

Dr Harmer—Yes. We do not make decisions or give responses in estimates that lock our ministers in.

Senator BERNARDI—I know. I am just trying to ascertain whether this is going to be dealt with with the same expediency that, say, the Commonwealth State Territory Disability Agreement and other promises have been.

Dr Harmer—There is an expectation, which we will deliver on, that the report will be provided to government by 28 February 2009. That I can be confident about.

Senator BERNARDI—That will give a great deal of hope to those people that are involved in it. Are you able to provide any other information as to the thought processes as to how the consultation would take place?

Dr Harmer—No.

Senator BERNARDI—Unwilling or unable, Dr Harmer?

Senator Chris Evans—Dr Harmer's thought processes have always been a bit of a mystery to me, Senator Bernardi. I am not sure that asking him to divulge those estimates is a good way forward for public policy debate in Australia. I think we will leave it at that.

Senator BERNARDI—Given that the minister has said that the array of concessions and allowances that are built on top of the base rate of the pension is a very complex area, and noting my earlier comments about how fast-tracking things are, is February a realistic reporting date?

Dr Harmer—Yes, I believe so. We will have a very busy schedule of work between now and then, which will include, as we said, discussions with a reference panel, research, modelling, consultation, data collection, analysis et cetera. But we do expect to be able to report on the matters in the terms of reference by the end of February.

Senator BERNARDI—Obviously it is a fair bit of work in a very complex area. Do you have the resources with which to do it? Have you been given additional resources, I should ask?

Dr Harmer—The Treasury have been given additional resources for the complete exercise. I have already spoken with Dr Henry about some of those resources for the first part of it, which I will be doing.

Senator Chris Evans—But of course the point is that this is core business.

Dr Harmer—It is. We have resources already for a lot of the policy work.

Senator Chris Evans—But this is important work for FaHCSIA, central to its mission.

Dr Harmer—Absolutely.

Senator BERNARDI—You would be optimistic that any recommendations that the department made would be listened to by the government, I would guess. Have you had cause to rethink that at all in recent times, Dr Harmer?

Dr Harmer—We provide a lot of advice to government. We are not able to say which of it they take and which of it they do not.

Senator BERNARDI—No. The press sometimes is, though. That is interesting. It kind of limits my line of questioning, given that there is very little for you to tell me.

Dr Harmer—It does.

Senator BERNARDI—Or that you are able to tell me. Can we have estimates again in a couple of months, please?

CHAIR—Don't say that!

Senator Chris Evans—Estimates and taxes are the two things that you can rely on.

Senator BERNARDI—I am not sure which you look forward to more, Minister.

Senator Chris Evans—They are around, aren't they?

Dr Harmer—Absolutely. We look forward to them.

Senator BERNARDI—I am sure you do. I have no further questions immediately, Chair, on this particular outcome.

Senator SIEWERT—I do.

Senator BERNARDI—Thank you, Senator Siewert.

CHAIR—Senator Siewert.

Senator SIEWERT—In the review of the pensions, could you clarify which ones you are reviewing? Is it just the age pension or are you looking at the full gamut of income support?

Dr Harmer—In the first tranche of the review, which I will do, we are looking at the age pension, assistance for carers, and disabilities.

Senator SIEWERT—What happens to those on parenting payment, single et cetera?

Dr Harmer—All of that will be covered as part of the broader review under Dr Henry, in the time frame that the government announced in the budget, which will be by the end of 2009.

Senator SIEWERT—When does the pension review report?

Dr Harmer—28 February 2009; early in 2009.

Senator SIEWERT—The other ones will be reporting—

Dr Harmer—At the end of the year.

Senator SIEWERT—at the end of the year. Why is that? Why is there a separation between the two?

Dr Harmer—It is a huge task. It will be done in chunks, and the government has decided that the first chunk is the focus on the pensioners and the carers.

Senator SIEWERT—I could ask the obvious question about single mothers being under a double-whammy at the moment because their child support is going down and they are being shifted to newstart.

Dr Harmer—I cannot comment on that.

Senator SIEWERT—Obviously not. Sorry, it is a policy issue.

CHAIR—We have it on record.

Senator SIEWERT—Yes, it is on record. Is indexation being reviewed as well? I thought there was an announcement at the time of the budget that there would be a review of indexation.

Mr Innis—I would expect that indexation matters would be covered in the review.

Senator SIEWERT—In the bigger review or the one that is reporting on 28 February?

Mr Innis—It is worth noting that, in the conduct of this part of the review, we will be working very closely with Treasury, because obviously there are interactions within the whole social security system. We would expect to be looking at the indexation matters in the pension part of the review but, obviously, if there are any implications for the broader exercise, they would be absorbed into the broader Treasury led review.

Senator SIEWERT—There are two methods of indexation, MTAWA and CPI. Do I understand correctly—and I thought I recalled this, but I may have it wrong—that there is consideration being given to a third alternative?

Mr Innis—That is correct.

Senator SIEWERT—Was that third alternative for all income support or was it just for the age pension and carers?

Mr Innis—The details of the implementation of that—and it was an election commitment—are still being finalised. The implementation of that specific element will go ahead. I am saying that we are also—as you would when you are looking at the adequacy of a payment—looking at the whole issue of how that tracks over time, which brings indexation in.

Senator SIEWERT—When you say it is still going ahead—I am sorry, I am not trying to be pedantic—it is going ahead as part of the broader review, so that will overarch everything?

Mr Innis—That is a specific element of the government's election commitment. We are looking to implement that.

Senator SIEWERT—Outside of the review?

Mr Innis—Outside of the review.

Senator SIEWERT—I beg your pardon.

Mr Innis—Sorry if I was not clear.

Senator SIEWERT—What is the time frame for that? How is that being done?

Mr Innis—I think at the last estimates we were hoping that we could have it up and running by 20 September, which is a normal indexation process, but we are still working through the issues.

Senator SIEWERT—How do I ask this politely? How do you know that you are going to get it right—I am not trying to be rude—

CHAIR—I was just wondering whether that was the question!

Senator SIEWERT—The answer is 42. How do you know you are going to get it right if it is outside the review that is being carried out for the base pension and other income support mechanisms?

Dr Harmer—That is an election commitment that we will implement, and the review will be done in parallel. To the extent that we look at the issue of indexation in the review and it requires some change, or I recommend to the government that they change it, then they will consider it at that point.

Senator SIEWERT—It is actually being done in both spheres?

Mr Innis—It is, yes.

Senator SIEWERT—It is being done in relation to an election commitment and then it is being done as the package as well.

Mr Innis—Indeed, I can give you some comfort that the same office is working on both parts at the moment.

Senator SIEWERT—Thank you. You are still expecting to try and meet that deadline of 20 September?

Mr Innis—We are certainly working towards that as our objective.

Senator SIEWERT—We can definitely ask you at October estimates about that one.

Dr Harmer—You will be able to ask us and check whether we met the deadline at the next estimates.

Senator SIEWERT—The other issue that came out of the report on the cost of living for older Australians was around single women, in particular; that because of their life circumstances, they are behind their male counterparts and that, with their reduced superannuation, they are a cohort that needs some special attention. Is that being considered in any of the mechanisms at the moment?

Mr Innis—Clearly, in the review context, we have to look at the interaction between what the superannuation system delivers as a retirement income outcome—

Senator SIEWERT—Yes, I know what you mean.

Mr Innis—and the age pension. Obviously, people who spend some time out of the workforce in a caring role do not have access to superannuation for that period, and we will necessarily need to have a think about what that means for them in retirement.

Senator SIEWERT—I appreciate that. I sort of took it as read that that was being considered when the—

Dr Harmer—It is unlikely, given that we will have a reference group, that the issues that are of concern to pensioner groups will not be considered in some way or another in the review. At the end of the day, the government will have to make a decision, on balance, which of those issues that are of concern they can afford to and want to take up. But most of the issues that pensioner groups would have in their minds as issues—adequacy, indexation and all those things—will be part of the consideration.

Senator SIEWERT—I am not talking about the issue of single pensioners versus a couple at the moment. What I am talking about is the cohort of women that actually happen to be around my age and who have been identified as having below the average superannuation, which I think is \$32,000 or something like that, way below their male peers. They will be, in 20 years time, unless super is topped up or something is done, in a very unsatisfactory situation. What I am asking about is that cohort of people, of women in particular, as I said, who have a very low average superannuation.

Ms McKay—Senator Siewert, we will look at cohort issues in the review.

Senator SIEWERT—But that is in the longer term issue that is reporting at the end of next year?

Ms McKay—No, we will look at it in the context of the pensions review that is reporting in February.

Senator SIEWERT—Does that mean that you will be looking at issues around superannuation and adjustments to superannuation that may be needed as well?

Ms McKay—We have to look at it side by side with that. We will not be making recommendations on superannuation because it is not in the terms of reference, but obviously these things butt up against each other quite often, so to the extent that those issues emerge—and I expect they would in the case of the cohort you referred to—they will be considered further. The terms of reference for the pensions review are: the appropriate levels of income support and allowances, including the base rate of the pension, with reference to the stated purpose of the payment; the frequency of payments, including the efficacy of lump sum versus ongoing support; and the structure and payment, concessions or other entitlements that would improve the financial circumstances and security of carers and older Australians.

We will be asked to report on these income support issues, but it is not going to be easy to report on income support issues without taking account of the other financial circumstances that surround the cohorts.

Senator SIEWERT—Okay. What you are saying is that you will be looking at the cohorts into the future; it is not just a base rate over the next period of time?

Ms McKay—Yes.

Mr Innis—That is absolutely right.

Senator SIEWERT—And that will be looked at by the working groups rather than the bigger group?

Ms McKay—I think it would be looked at by both.

Dr Harmer—By both.

Ms McKay—But obviously in the first instance it is going to be looked at in the pensions review.

Senator SIEWERT—Thank you.

Senator HUMPHRIES—I want to ask about some of the issues arising out of this committee's report on the living standards of older people, and particularly some of the recommendations. You would be aware that the report addressed the issue of the particular financial disadvantage that single women face by virtue of their tendency to have had broken working patterns during their lives and a consequent difficulty in accumulating superannuation entitlements. I appreciate that the government is looking at this report at the moment, and I expect at some point a response to the report, but is the government separately examining this question of the disadvantage that single women have faced in respect of their entitlement to income support in later life?

Mr Innis—As we were suggesting to Senator Siewert, the issue of people who have not had access to superannuation and what happens to them in retirement in terms of the totality

of their payment is something we are going to look at as part of the review. There are a range of people potentially in those circumstances. You have identified one group. Obviously, carers, who spend time out of the workforce caring for a child with a disability or an adult with a disability, is another group who are capable of working but are out of the workforce because they have got a caring role. That is an issue we certainly recognised that was raised in the Senate inquiry and is an issue that we will consider in the review.

Senator HUMPHRIES—But that is the total response at this stage to that issue—the review? There are no other measures that are being considered at this stage to address the needs of women in these circumstances?

Mr Innis—Is there something that was announced in the budget in advance of the review? No.

Senator HUMPHRIES—All right. Another issue that the report touches on is reviewing the indexation rate for Commonwealth superannuation pensions and military pensions. I know that there has been some controversy in the past about what the cost of aligning indexation between Commonwealth pensions and age pensions might be. Can you point to a figure that you would regard as reliable for what that cost might be?

Mr Innis—I stand to be corrected, but I am not sure we as a portfolio are responsible for Commonwealth super pensions, so I am not in a good position to advise you on that issue.

Ms Foster—FaHCSIA will be organising a whole-of-government response to the Senate committee's report. As part of that, we have written to the relevant portfolios who may be responsible for the various recommendations, seeking their response to those recommendations. We have written to the Department of Finance and Deregulation and Department of Defence seeking input on those specific recommendations.

Senator HUMPHRIES—Can I expect that the response, when it is produced, might answer that question?

Ms Foster—We will talk to the relevant departments.

Dr Harmer—It will be a government response. We will prepare information for the government, but it will be up to the government to decide what they want to say in response to the recommendations.

Senator HUMPHRIES—Another issue that is raised in the report is the question of the increasing use by older people of this concept of reverse mortgages. I am sure you know what that is all about.

Dr Harmer—Yes.

Senator HUMPHRIES—Has this department collected any information about the greater use of reverse mortgages by Australians as a product, perhaps, of financial stress?

Mr Innis—Yes, we have done some work on that and, depending on who gets to their notes faster, Ms Foster or I will be able to help you.

Ms Foster—We have looked at data in the Household, Income and Labour Dynamics in Australia Survey—the HILDA survey—that was referred to earlier, and we do know that more people are using the reverse equity loans.

Senator HUMPHRIES—How many more are using them?

Ms Foster—From that data that covers a period 2002 to 2006 the proportion of seniors with mortgage debts has increased from 3.9 to 5.5 per cent, but we cannot say that that is as a result of housing stress or what the reasons underlying it may be. It is just that there are more people accessing those sorts of loans.

Mr Innis—As a financial instrument, reverse mortgages are something reasonably new to the pensioner group and I think some folk are using them as an income source. Some people are using them for funding expenditure—for example, maintenance to their home or renovations to their home. Other people might be using them for holidays et cetera. In essence, what these people are doing is drawing on the value of their principal residence, or other property, to gain immediate access to a lump sum of funds.

Senator HUMPHRIES—Indeed, and there are obviously a wide variety of reasons why people might do that, but it was suggested to our inquiry that, in the case of some of these people at least, it was a response to increased financial pressure and that they were using the proceeds of that reverse mortgage to live on. You haven't got any data that would indicate the extent to which that was occurring?

Mr Innis—I am not aware of any data we have that tells us what proportion of people taking out a reverse mortgage felt they were compelled to because of financial circumstances.

Senator HUMPHRIES—Do you anticipate that the review will consider the option of treating people receiving income support in retirement according to the nature of their circumstances with respect to home ownership? We have heard, for example, that large numbers of people have the security of having paid off a mortgage. Others are still renting in their retirement and, with house rentals going through the roof, that has put a great many people under severe stress. Apart from rental subsidies, there is not a mechanism within the income support structure to address that, as I understand it. Do you understand that there would be consideration given to whether the income support arrangements should consider the different circumstances of retired people with respect to their home ownership or lack of it?

Mr Innis—Certainly that is something that I expect the review will look at and, as you have pointed out, the system currently recognises that difference through the provision of rent assistance to age pensioners who are renting, but the issue generally of what assets age pensioners have and what that means for their effective income in their retirement is something that I would expect us to examine.

Senator HUMPHRIES—I am a little bit concerned by the vagueness of comments like, 'I expect it will do that,' or, 'I imagine this will be the case.' I am not sure if we asked this question. Are there terms of reference for the review?

Mr Innis—Sorry. I can be clearer on things like that. We will be examining those matters.

Ms McKay—I read the terms of reference out in response to Senator Siewert a little while ago. It is important to recognise that the terms of reference are quite wide in respect to appropriate income support, so we will look as widely as we can, but we do not want to pre-empt the outcome of this review in answers to these questions. We do not know what the

outcome of the review will be; we just know the scope of the issues that we are going to look at. Certainly the issue of home owners versus renters is an important consideration in the review.

Senator HUMPHRIES—I assume the review would not be wide enough to cover the committee's recommendation 14:

The committee recommends that the Government encourage financial institutions, businesses and other professional services structure their customer services, fees and penalties to take into account the position of pensioners and other older people with limited capacity to pay and, wherever possible, assist them to take advantage of low-fee plans and options.

Ms McKay—No, I do not think so.

Dr Harmer—It will not.

Senator HUMPHRIES—I know that the government is reviewing the question of bank fees, particularly with an eye to seeing whether it can be made easier to transfer accounts between banks, but that is not a responsibility that falls on this department.

Dr Harmer—No.

Senator HUMPHRIES—All right. We await this review with bated breath. Thank you, Chair.

CHAIR—Any further questions on ageing?

Senator Chris Evans—Senator Humphries, I want to make the point, though, that certainly it is my view that the Senate committee's report will be a very useful basis for the review. I am one who thinks that sort of work by Senate committees, particularly in advance of sharp and political debates, is when we do our best work.

Senator HUMPHRIES—Indeed.

Senator Chris Evans—I would not be at all dismissive of the role that that committee report will play and the valuable contribution it makes to shaping the debate. I do not just say this as a senator. When committees do that work in advance of a sharp political divide, then they really do contribute substantially, and I think the report will be one of the landmark reports, so I am sure it will be taken very seriously.

Dr Harmer—Most of it will be. As Senator Humphries acknowledged, some of those will not be the focus of this particular part, but much of the rest of it will be.

Senator HUMPHRIES—As you know, the committee worked very hard to produce a unanimous report.

Dr Harmer—Yes.

Senator HUMPHRIES—So I am very encouraged to hear what you have to say about that, Minister.

Senator Chris Evans—Usually when they do that, as I say, it does produce the best work, as it turns out.

CHAIR—Senator Siewert has one more question.

Senator SIEWERT—I apologise if this came out when I just popped out of the room. There are issues around the increased costs of grandparents in kinship caring roles. Often they have already downsized their home, they are on the pension, and they are struggling to pay the costs of their grandchildren. Is that being picked up by the review?

Dr Harmer—We set up a reference group for carers, and I would be reasonably confident that there would be carers in that group who would be aware of other carers in that situation and that that issue will be raised. It will be the sort of issue that the review will need to look at, I am sure.

Senator SIEWERT—Do you have a bit of a list already that you are taking into that review, just in case, rather than just waiting for people to raise the issues? You may get a carer in the group who does not have experience as a grandparent caring. I am not saying that carers are not able to then represent other views, but it may not be top of the list. There are a number of issues that I would expect that you would have a tick list for, in order to say, ‘Yes, that is on the list.’

Dr Harmer—Yes.

Senator SIEWERT—Is that one of those?

Ms McKay—We have a range of issues that could be in scope and we will need to talk to the minister about what is in scope and what is out.

Senator SIEWERT—If it does not make the review list, where is it dealt with?

Ms McKay—That was a leading question.

Senator SIEWERT—Is FaHCSIA picking up that issue?

Dr Harmer—We are advising government constantly about issues that are coming through carer groups, ministerial correspondence et cetera. If it is an issue that is significant in the minds of a number of carers—grandparent carers or whatever—it will be coming to our attention through one avenue or another, either through our research or through ministerial correspondence or whatever.

Ms McKay—One of my colleagues is advising me that the House of Reps inquiry will be picking up that issue in any case.

Senator SIEWERT—Thank you.

CHAIR—That is the last question on this particular outcome on ‘aged’. We will now take a break and then move on to the questions around the Office for Women.

Dr Harmer—Before we break, can I check whether there are any questions across outcome 2?

CHAIR—None that I am aware of, Dr Harmer.

Dr Harmer—Thank you. We have just got ‘Support for women’ to do?

CHAIR—That is my understanding.

Dr Harmer—Thank you.

[9.31 pm]

CHAIR—Welcome back, Minister McLucas. We are moving to questions on output 2.5, Support for women.

Senator ADAMS—Thank you very much. My first question is about the post budget briefing and launch of the women's policy which was hosted by the minister for housing in Parliament House with a string quartet and fully catered for. The minister mentioned that it was different to previous years when they were cutting up fruit and bringing in muffins under their arms. I would like to know who paid for the breakfast.

Ms Beauchamp—It comes out of the Office for Women's budget.

Senator ADAMS—Who attended the breakfast—that is, people from outside, not the whole guest list?

Ms Beauchamp—A number of women's peak bodies, state and territory jurisdictions, parliamentarians. There were a wide range of people there.

Senator ADAMS—I was just wondering how much that cost. Did FaHCSIA pay for the string quartet?

Ms Beauchamp—I would have to take that on notice.

Senator ADAMS—Thank you. Regarding the Support for Victims of People Trafficking Program: prior to the election, in October 2007, the Minister for Human Services, Housing, Women and Youth issued a statement about the anti-trafficking report. What has the minister achieved in this area so far, after the election? That was a press release on 7 October.

Ms Beauchamp—We still have a Support for Victims of People Trafficking Program. The minister has asked us to look at some of the criteria and assistance that we are providing to victims under that program, and we will be doing that.

Senator ADAMS—How much funding is there in that program? How long does it go for?

Ms Beauchamp—There is \$755,000 in 2008-09 for that program, as shown on page 66 of the budget paper.

Senator ADAMS—I could not find it. I was looking for it.

Ms Beauchamp—That \$755,000 applies over the period of the forward estimates, per annum.

CHAIR—Ms Beauchamp, what program does that cover? What exactly is the \$755,000 going to be used for? We had questions about that at previous estimates and I would like to get an update on it.

Ms Beauchamp—It is a demand-driven program. Whilst that is the target, we provide support for women who are victims of trafficking and we provide a range of supports—three phases of supports. I can provide details on those now, if you would like me to go through phase 1, phase 2 and phase 3. This information is actually available on our website as well.

CHAIR—I have seen the website. We had discussion at previous estimates about your role in relation to Attorney-General's and how they interacted in the way that information was shared and, in particular, about publications that were provided to women who may or may not be open to access, particularly if there are language issues.

Ms Beauchamp—Yes.

CHAIR—At that stage, I was told to ask these questions of Attorney-General's. Is that still the case?

Ms Beauchamp—Yes, that is still the case.

CHAIR—Worth a try. Senator Adams.

Senator ADAMS—I have some further questions on the National Council to Reduce Violence Against Women and Children. The Minister for the Status of Women recently announced the members of the council and Andrew O'Keefe and Lisa Wilkinson have been announced as New South Wales representatives. Is this a paid position?

Ms Stodulka—Council members are remunerated under the formal standards for people sitting on tribunals. They will get some remuneration and travel support to attend council meetings which, it is anticipated, will be held every quarter.

Ms Beauchamp—So they will not be retainers but they will be provided with sitting fees and associated travel costs to cover their costs.

Senator ADAMS—I was just wondering, being such high-profile people, if they were charging a fee themselves to sit on the council.

Ms Beauchamp—Determinations are subject to the Remuneration Tribunal.

Senator ADAMS—Okay. How many council meetings will be held per year?

Ms Stodulka—The council is expected to meet every quarter, so four times per year. It is expected that they will have teleconferences in between those face-to-face meetings, but four face-to-face meetings are planned at this time.

Senator ADAMS—Will they be held throughout Australia or just in Canberra?

Ms Stodulka—The first meeting is to be held this Wednesday in Canberra, and I would expect that the council would make a decision about where it might meet after that. But certainly the council is very interested and has already started its engagement with women in the community, with service providers and state and territory colleagues. So they may decide to hold council meetings in other locations, but the first meeting on Wednesday is in Canberra.

Senator ADAMS—Will all members be expected to attend meetings or do they have more of an ambassador role?

Ms Stodulka—It is my understanding that the minister does expect that they will be attending meetings and be full and very committed members of the council. That is the undertaking that they have given.

Senator ADAMS—Thank you. This is a general question on trafficking: is it on the increase, as far as you are aware?

Ms Stodulka—Since the program started, we have supported 100 women on the program. We currently have 30 women being supported on the program. I do not think there is a sense that it is increasing but it is a demand-driven program and, at the moment, we are supporting women who are able to assist with prosecutions of offenders for trafficking. There are some

limitations around the women that are eligible for the program at the moment and, as my deputy secretary said before, the government is reviewing eligibility criteria for the program.

Senator ADAMS—How do women qualify for eligibility?

Ms Stodulka—The core component around the eligibility criteria relates to the person's ability to assist with prosecuting the alleged offender who has taken them into sexual slavery.

Senator ADAMS—Are there safe houses? What is the process, as far as this goes?

Ms Stodulka—Accommodation?

Senator ADAMS—Yes.

Ms Stodulka—Women on the program can be accommodated in a variety of settings, but the core component around the setting that they are accommodated in is that the AFP, who are part of this trafficking program, make an assessment of whether the accommodation is going to provide them sufficient safety. It could be a refuge, it could be a private rental arrangement, and the AFP make an assessment of the safety of that accommodation.

Ms Beauchamp—Support is provided by a contracted case manager who is responsible for ensuring appropriate coordination of services and any other assistance that that victim might need.

Senator ADAMS—How do they get on the program? Who do they approach to be assisted?

Ms Stodulka—There are a number of agencies involved in the program, so they can be referred from different sources. The AFP most often are connected to these women, and they are a key source of referral, as my deputy secretary said, to the case management system of support. That support is then provided over a range of areas of need of the women. We are finding that they tend to be on the program for about a year and a half whilst they are accessing that comprehensive program of support.

Senator ADAMS—Afterwards, are they rehabilitated anywhere, or is there any follow-up with them?

Ms Stodulka—That is the sense of the phased programs that the deputy secretary was talking about. People are assisted to both achieve the support that they are trying to provide to the prosecution of the offenders and then rehabilitate themselves in terms of employment and accommodation, independent of support. We do find that it is a reasonably long period of time that people are engaged in that level of support, I guess because prosecutions take some period of time and also people coming out of very difficult circumstances obviously need considerable support to move to independence.

Senator ADAMS—Thank you for that. I was very interested in how they accessed the whole service and what help was available for them. It is a very worthwhile cause. I do not know, Chair, if anyone else has any questions on trafficking.

CHAIR—I do not think so, Senator Adams.

Senator ADAMS—Trafficking of women; not anything else.

Senator HUMPHRIES—About the website of the Office for Women: it mentions the Window on Women page, which is the Women's Data Warehouse page. When I go to that page I find that it says that the Window on Women site has been temporarily decommissioned. I am led to believe that this has been the case now for at least three months, probably since the beginning of the year. It is a significant resource for people wanting to know about the position of women in Australian society. They would tend to look to the website for that kind of information. When can we expect that the site will be up and running again?

Ms Beauchamp—It was only recently decommissioned, as far as I understand. I did not know it had been decommissioned for as long as you suggest.

Senator HUMPHRIES—I am told it has been down for at least three months.

Ms Beauchamp—It is part of our review of our websites. There are a number of entry points into women's portals, so we are looking at the best way we have of delivering the services to women and making sure that information is up to date. Some of that information was out of date, the links were broken, so it was probably of less use than we would like. We are undertaking a review of all of our websites to better meet our stakeholder needs.

Senator HUMPHRIES—It has not been taken down because the programs that it refers to or other information in there is being reconsidered or reviewed?

Ms Stodulka—No. We have been working with the women's sector for a number of months about this site or this entry point, as the deputy secretary said. Windows on Women was providing sex disaggregated data or referrals to particular research reports but it was difficult to keep it up to date. What we were finding was that the ABS is providing a much more reliable and professional service and that women are going to the ABS site.

We have now formed a small working group with the ABS, representatives from the women's sector and the Office for Women as part of the overall review of how we provide good, accurate information and keep it up to date. They are aware that we have temporarily decommissioned the site so as not to have less than perfect information up on that site. It encourages people to use the ABS and the Office for Women's contacts.

Senator HUMPHRIES—I have noted that there are quite a few government websites in a large number of areas which are suffering similar temporary decommission problems.

Ms Stodulka—Yes.

Senator HUMPHRIES—Given the extent to which we all use websites these days for accurate information, and that government websites are trusted more than others, it is unfortunate that that remains the case. Do you have an estimate as to when this particular site will be up and running again?

Ms Stodulka—I could not guarantee that it will be that site in particular. With the women's sector and the ABS looking at what is the most effective way for us to get sex disaggregated data out to women, it may be through perhaps some purchasing through ABS, who are better able to manage the site and give more accurate information to women, but we would expect the issue to be resolved by the end of the year. As I said, we are engaged with the women's sector in this program of effort.

Senator HUMPHRIES—By the end of the year is quite a long time. We are looking at some months, in all likelihood, before we see something like this up and running again?

Ms Beauchamp—It is a big exercise in terms of doing an audit on the content and updating the information, and going through the consultation process. We are talking about the end of this calendar year, not the end of the financial year.

Senator HUMPHRIES—Has the increase in the efficiency dividend affected the operation of the Office for Women?

Ms Beauchamp—The efficiency dividend has been applied, like the chief financial officer was saying, equally across the whole of the department, so the Office for Women would wear no more or no less than the rest of the agency.

Senator HUMPHRIES—Thank you.

Senator ADAMS—I think some of this has been covered, as far as the widow B pension and the wife pension are concerned. Earlier on there was some discussion, but I am looking at the budget papers and wondering why there has been a decrease in the widow B pension and quite a substantial decrease in funding for the wife pension aged?

Dr Harmer—We could take those on notice, but those income support payments do not come under the Office for Women.

Senator ADAMS—Right. I have it under 2.5. It was just listed there and that was why I was asking that question, because I could not work out why there was such a reduction.

Dr Harmer—I have let people go. I realise I ought to have kept them for those questions. We can take them on notice.

Senator ADAMS—Right. I just wanted to know why there has been a decrease. I need to probably do a little subtracting to get the right amounts, but I will leave that up to you.

Dr Harmer—Thank you.

Senator ADAMS—We have this evening discussed the issue of the single woman or the widowed woman and the problems that they have associated with their pensions. I was quite shocked when I saw that there was a decrease there.

Ms Beauchamp—Just an educated guess: the programs were closed some time ago. It may be natural attrition. The women no longer exist.

Senator ADAMS—Okay. I thought there may have been more because, as people are living longer, the number of people may have increased.

Ms Beauchamp—I have been given further advice. In addition to the reason I gave, some of the customers are moving to age pension when they reach age pension age.

Senator ADAMS—The next one is the wife pension and disability support pension. How does the government intend to boost the capacity of people with disabilities to find work?

Ms Beauchamp—Whilst this is not directly applicable to the Office for Women, I can say under Minister O'Connor that there is the development of the National Mental Health and Disability Employment Strategy. We will be looking at improving pathways for people on disability support pension within the development of that strategy.

Senator ADAMS—That also has quite a decrease in the amount of funding available. Can you explain why? Have more people gone to work? What would be the reason? It is on page 66.

Ms Beauchamp—I would have to take that on notice. It may be for the same reasons as for the other payments, but I will confirm that.

Senator ADAMS—Thank you. That is all that I have on that particular issue. I am now getting into leadership. I do not know whether you have anything, Senator Bernardi?

Senator BERNARDI—I have questions relating to the AppointWomen. Would you like me to raise them now?

Senator ADAMS—You go and I will do the next one.

Senator BERNARDI—I was just looking through the website appointwomen.gov.au, which is an online registration system for women to be considered for Australian government boards and decision-making bodies. This falls under your area. How many women are registered on this system?

Ms Beauchamp—Since the release of the new database in July 2007, more than 1,400 women have registered their details with AppointWomen.

Senator BERNARDI—I am flying a little blind here, so I am relying on your answers. What brought a new database about?

Ms Beauchamp—It was updated in July. That is all.

Senator BERNARDI—It was cleared and then started again?

Ms Beauchamp—The technology was quite dated and now the technology around the database has been improved to improve access.

Senator BERNARDI—So 1,400 additional women have registered since then, or that is the total number of women that have registered?

Ms Stodulka—If I can clarify: AppointWomen was really a paper based system prior to July 2007 and, as the deputy secretary said, it was revamped, reformed as an electronic based system. Since that IT based system has stood up, 1,400 women have registered on the system.

Senator BERNARDI—So women that were previously registered under the paper based system had to reregister through this, or were their details transferred across?

Ms Stodulka—I would have to check that for you.

Senator BERNARDI—I would be interested. I will address this question to Senator McLucas. Does the government have a quota system, for want of a better word, with regard to the appointment of women onto government boards?

Senator McLucas—Not that I am aware of. We certainly have the view that we want to promote women to positions, but I am not sure of a policy that puts a quota on positions. I will leave that as it stands. If that is not correct, can I come back and correct the record?

Senator BERNARDI—Please do, and ‘quota’ may not be the right word.

Senator McLucas—No.

Senator BERNARDI—But is there a policy of—

Senator McLucas—A proportion or—

Senator BERNARDI—an advocacy for a certain percentage of women to comprise government boards under this new government?

Senator McLucas—Yes, I know what you are asking. I think the answer is no. I am fairly sure, in fact, that the answer would be no, but let me simply confirm that.

Senator BERNARDI—Please.

Senator McLucas—And if it is wrong, I will inform the committee tomorrow morning.

Senator BERNARDI—I would appreciate that, and it is a well-intentioned question. It is not designed to be a trap. So I would appreciate a well-intentioned answer in response.

Senator McLucas—You would have noticed a lot of women being appointed to positions by the new government when boards are being reappointed.

Senator BERNARDI—I have not specifically noted how many women. My first judgement is about competence rather than gender, so I specifically do not know. But it raises the point: I would be interested in how many of the new appointments have been women. Thank you for drawing that to my attention.

Senator McLucas—I am not sure that we can honestly answer that question because you would have to truly go to every different department to answer that question. It is not possible for the Office for Women to do that work.

Senator BERNARDI—Surely there must be a statistical basis upon which people can determine how many women comprise government board positions. That would not be hard.

Senator McLucas—Unless we went through and first of all identified all the boards or organisations that have been appointed and then worked out the gender of all the appointees, and that is a huge piece of work.

Senator BERNARDI—I am not sure that it is, because I read somewhere on this website—and I am sure about this—stating that some 34 per cent of current board appointments, and I would want to know how up to date that is, are women on Australian government boards. It must be there. It must be available. It cannot be that hard.

Dr Harmer—Aggregated data. And you are right: women accounted for 34 per cent of all seats on Australian government boards and around 23 per cent of chair or deputy chair positions.

Senator BERNARDI—So it is not that hard.

Dr Harmer—But your question was ‘since the government has come in’ and what Senator McLucas has said is that it would be, for this department, quite a big exercise to trawl around each government department or agency and collate the information about women on all of the various boards that have been appointed since the government came to power.

Senator BERNARDI—But this agency already collates the data for the number of women on government boards. Surely you must be advised when that changes, otherwise you would have the same response every year.

Ms Beauchamp—We do collect that information. You are right.

Senator BERNARDI—So you do?

Ms Beauchamp—In 2006-07 we have got figures, for 2007-08, which finishes at the end of this month—

Senator BERNARDI—That is right.

Ms Beauchamp—we will need to collate those figures.

Dr Harmer—We have not got it now.

Senator BERNARDI—No, I presume you do not, but it is not some major exercise like has just been suggested, is it?

Senator McLucas—I retract my earlier statement, I was hoping—

Senator BERNARDI—Hoping to get me out of this mode of questioning, were you, Senator McLucas?

Senator McLucas—No, I am happy to help, but I did not want the department doing work that was not for any benefit.

Senator BERNARDI—But it is part of your business as usual. This is part of the department's business as usual to collate this sort of material, isn't it?

Ms Beauchamp—Yes. It is quite a significant exercise, though.

Senator BERNARDI—That is fine, but it is not like it is anything unusual. You have to do it annually.

Dr Harmer—That is right.

Senator BERNARDI—There is no better time to ask than when it is being covered—

Dr Harmer—Yes, now is a good time to ask.

Senator BERNARDI—It is, isn't it? You have not got the pressures of budget, as we have heard so much about earlier today.

Ms Stodulka—Can I clarify: you were asking for those figures, though, under this government?

Senator BERNARDI—I am specifically interested in the updated figures overall—that will be important—but I am interested in the percentage of new board appointments because Senator McLucas drew to my attention—whether it is a fact or not—that I should have noticed the number of women that are appointed to boards under this government. So I am interested in that answer. Under this government, how many women have been appointed to boards as a proportion of the total board appointments? I want to thank Senator McLucas for giving me that line of questioning. Dr Harmer is not that impressed.

Dr Harmer—No. We will do our best to help, as we always do?

Senator BERNARDI—Yes, most helpful. Really, that is my line of questioning on that particular area. Thank you.

CHAIR—Senator Adams.

Senator ADAMS—I would like to now go to the Women's Leadership and Development Program. I note in the budget that there is \$3.84 million for this financial year. Is that correct?

Ms Beauchamp—Yes.

Senator ADAMS—As far as these grants go—applications—is anyone eligible or what are the actual criteria?

Ms Stodulka—For the current grant round?

Senator ADAMS—Yes.

Ms Stodulka—It is national women's NGOs and they can apply for grant funding to increase the capacity of women in their organisations to improve women's engagement in leadership roles or to actually try to enhance the capacity of the NGO themselves. Those grant rounds recently closed, as I am sure you are aware, and an assessment has been undertaken and advice is with the government at the moment on those.

Senator ADAMS—How many applicants are successful?

Ms Stodulka—I could not advise that until the minister makes a decision on that, but we did receive about 60 applications, which we thought was very positive.

Senator ADAMS—Approximately how many would be deemed to be successful as far as funding went? Is there any limit? If all 60 met the criteria, would all 60 be able to be funded?

Ms Beauchamp—It depends on the money available.

Senator ADAMS—That is right. That was what I was wondering.

Ms Beauchamp—The grants are not the only thing that is funded under the Women's Leadership and Development Program. The national women's secretariats, for example, are funded.

Senator ADAMS—I was going to ask you how that got funded.

Ms Beauchamp—Yes.

Senator ADAMS—So that comes out of that too.

Ms Beauchamp—It is research that is commissioned under this program so there are a number of elements at the moment.

Ms Stodulka—AppointWomen, as the senator was talking about.

Senator ADAMS—So when the successful applicants are notified and everything is organised and they start their program, do they have a time limit on that before it is evaluated? What is the process for it?

Ms Stodulka—It will be a 12-month—

Senator ADAMS—So it is 12 months?

Ms Stodulka—Yes.

Senator ADAMS—Then is it evaluated afterwards? I mean, do you look at whether they have spent the money properly?

Ms Stodulka—Yes. There are performance requirements under the funding agreements with those groups that are successful in being funded.

Senator ADAMS—Are there any other leadership funding opportunities; anything else that the Office for Women does, as far as a leadership conference or a forum or anything like that?

Ms Stodulka—Yes. As you would be aware, an election commitment was made around a National Rural Women's Summit and that is certainly about gathering together a group of women; looking at how they might increase their influence on policy, programs and support in their communities. We have run women in the Pacific leadership grants to support women in the Pacific Islands seeking to move into leadership roles. We have run a young women's leadership and mentoring program as a pilot. One pilot was run in WA, one in Victoria and one in Queensland. We have support through the Women On Boards program as well. I guess, whilst not directly a women's leadership program as such, it is certainly, as the deputy secretary mentioned, the support to the national women's secretariats and, under that work, we certainly do engage very closely with the secretariats. We have run training with them in the government's budget cycle and policy processes to try and enhance their capacity in leadership roles as well. So the office has quite a significant program of effort to support women and increase women's leadership and interest in taking on leadership roles.

Senator ADAMS—Do you work with DOTARS at all on leadership roles, with their leadership programs?

Ms Stodulka—We are working very closely with DOTARS at present in terms of the National Rural Women's Summit which will be held on 27 and 28 June. We have an advisory group in the development of that summit and the program and the participants, and DOTARS have provided us with a couple of women who are sitting on that advisory group with us.

Senator ADAMS—Is that open to anyone to attend or is it done by invitation only?

Ms Stodulka—The National Rural Women's Summit?

Senator ADAMS—Yes.

Ms Stodulka—What we have done is that we have taken advice from the advisory group and the women's sector to ensure a good knowledge of all the different groups that are engaged in rural issues for women, as well as sometimes individuals, and we have sent applications out to them. We have had a fantastic response. Up to Saturday, we had just under 200 applicants, and I was talking with the project officer who was saying that the quality of the applicants was outstanding. So I think we are going to have a very rich and diverse group of women that will come together at the summit.

Senator BERNARDI—Are any men allowed to attend?

Ms Stodulka—Yes, but as far as I clarified on Saturday, we had only had women apply.

Senator BERNARDI—Are they encouraged to attend or actively discouraged?

CHAIR—Why?

Ms Stodulka—Men were open to apply with an application.

Dr Harmer—Would you like to register?

Senator BERNARDI—Unfortunately I am unavailable on Saturday, I believe, but thanks for the invitation. I am just interested, that is all. But they are not prohibited from attending?

Ms Stodulka—No.

Ms Beauchamp—It is a rural women's summit.

Senator BERNARDI—Secret women's business. Yes, okay. Sorry to interrupt.

Senator ADAMS—That is all right. How many applicants can you accommodate?

Ms Beauchamp—I think we are looking at about 95.

Senator ADAMS—Oh, dear. You have had 200 applicants already.

Senator BERNARDI—Yes.

Senator ADAMS—I am not allowed to use the word 'cull' but that is just about what will happen.

Senator BERNARDI—Five hundred then.

Senator ADAMS—Carefully selected—

Ms Beauchamp—For the record, the question I took on notice earlier about the wife pension DSP, customer numbers have decreased by 3,300 to 16,600 and that is because most of the customers moved to age pension.

Senator ADAMS—To age pension, right. Thanks very much. That is a relief. What was the other one I was going to do? Senator Allison, do you want the floor? I have got something at the end.

Senator ALLISON—I would just like an update on domestic violence programs. I understand the Women's Safety Agenda is to be folded into a national plan to reduce violence against women and children. Is that correct?

Ms Beauchamp—Sorry, the Women's Safety Agenda?

Senator ALLISON—Yes.

Ms Beauchamp—There is an appropriation for the Women's Safety Agenda and, of course, we will be looking at that to see how it does support the election commitment in terms of the national plan to reduce violence against women and children, so we will be working with the council.

Senator ALLISON—This national council is a new organisation, a new body?

Ms Beauchamp—Correct.

Senator ALLISON—Who is on it? Has it formed already?

Ms Beauchamp—It is formed already. Minister Plibersek put out a press release identifying council membership and I have got a copy of that. I can go through the names now.

Senator ALLISON—So the councillors—are they called 'councillors'—named?

Ms Beauchamp—Libby Lloyd AM is the council chair; the deputy chair is Heather Nancarrow from Queensland. The members are Associate Professor Moira Carmody from

New South Wales; Dorinda Cox, WA; Maria Dimopoulos, Victoria; Dr Melanie Heenan, Victoria; Rachel Kayrooz, Queensland; Andrew O'Keefe, New South Wales; Vanessa Swan, South Australia; Lisa Wilkinson, New South Wales; Pauline Woodbridge, Queensland.

Senator ALLISON—Have they met yet?

Ms Beauchamp—They are meeting on Wednesday.

Senator ALLISON—Really?

Ms Beauchamp—The first meeting is on Wednesday.

Senator ALLISON—They are doing what? They are developing this national plan for reducing violence against women and children.

Ms Beauchamp—They are assisting the government to prepare that plan.

Senator ALLISON—Is there any idea at this stage as to how this will be different from the Women's Safety Agenda or that which has been done before? Are there riding instructions to the council?

Ms Beauchamp—The government has announced a number of commitments in relation to domestic violence. The council is to deliver a national plan, in consultation with a range of other key stakeholders, by December 2008. Regarding its terms of reference, I will have to take that on notice.

Senator ALLISON—They are on the press release, aren't they?

Ms Beauchamp—Sorry?

Senator ALLISON—Are they on the press release?

Ms Beauchamp—I have not got the terms of reference in front of me.

Senator ALLISON—So you are not able to tell us how they are different from what has gone before, in broad terms. I do not mean line by line.

Ms Beauchamp—There is only a draft terms of reference which the council will be looking at at its meeting. At this stage, I am unable to provide that until we have had that confirmed by council members.

Senator ALLISON—Some of those names are not known to me. Where were they sourced from? What sort of expertise is within the council?

Ms Beauchamp—We were looking for a mix and match of expertise—or the minister was—in terms of subject matter expertise in the areas of domestic and family violence, sexual assault, prevention, crisis intervention, legal issues, and children's issues. I think we have covered the field with the names that have been selected.

Senator ALLISON—That is to be finished by December 2008. I am sorry, I do not have the appropriations in front of me. Does it continue the \$15 million a year that was, roughly, set aside in the forward estimates in the last budget?

Ms Beauchamp—Yes.

Senator ALLISON—There is no extra funding?

Ms Beauchamp—There is a slight increase from last year.

Senator ALLISON—There is no plan at this stage on how any of that is spent? Is it all up for grabs again? I notice that last time I asked about this subject, the question was whether or not a couple of contracts under this program—and I cannot see them for a minute.

Ms Stodulka—Are you talking about the contracts with the clearing houses?

Senator ALLISON—That is it.

Ms Stodulka—Yes. They certainly will be continuing until December 2010. They are contracts with the clearing houses, AXA and the Domestic Violence Clearing House.

Senator ALLISON—What about the helpline?

Ms Stodulka—The helpline is being extended until November 2008 and, in that time, with the support of the council, we will be looking at what is the very best model of service delivery provided for crisis response and referral. So it is under consideration but the contract is running, is being extended, to give us more time to consider if we still have the best model in place.

Senator ALLISON—This is a model for the helpline or a model across the board for domestic violence? What do you mean?

Ms Stodulka—The helpline provides a service around assessment and referral, I guess, to people who have suffered domestic violence or sexual assault. We are looking at options as to whether the model of service delivery that we have in place at the moment is providing the best and most efficient source of support and advice and referral to women.

Senator ALLISON—By ‘service’ you mean just the helpline.

Ms Stodulka—Yes.

Senator ALLISON—You are not talking about the services you refer people to?

Ms Stodulka—No.

Ms Beauchamp—That is correct. We will be working in consultation with state and territory governments to ensure that we do not duplicate effort and to ensure that services are targeted to those that need the service.

Senator ALLISON—It has often struck me that, in tackling domestic violence, it is important to get to young people; children even. I have been into some schools which have tackled bullying, which has turned out to be, if you get it right, very good at educating children to form positive relationships, and I think this is what it should be all about in trying to overcome domestic violence. What sort of work has the department done on those formative years? Have you had input into curriculum considerations, even in primary schools, on this subject?

Ms Beauchamp—In the government announcing its commitment to implement the national plan, it also highlighted a key element of that plan around respectful relationships, and the Respectful Relationships program aimed at particularly high school students, particularly boys. We are doing some background research and development of appropriate materials to make sure that is well targeted and, yes, we will be working with and through the departments of education.

Senator ALLISON—Can I respectfully suggest that you start in primary school or even in preschool, and that adolescent boys in high school is already too late. Okay. So you are looking at that and this will be part of the national plan, will it?

Ms Beauchamp—That is correct.

Senator ALLISON—The other link with domestic violence is, of course, drugs and alcohol. They are often implicated in domestic violence. What thinking is going on at present about how that may be addressed?

Ms Stodulka—As the deputy secretary mentioned, in the government's selection of the council members, it was because of their depth of experience, not only in domestic violence and sexual assault. It is a highly complex area with a number of significant problems associated with it, and the council in the development of the national plan will be looking at not only issues, for example, that might sit principally within Health, but also issues to do with child protection.

There are a number of other areas where government is working to ensure safety and wellbeing and the health of women and their families, so an important task for the council, supported by the Office for Women, will be to ensure that the work that the council is doing is complementing those other programs and complementing, as the deputy secretary said, certainly the service delivery programs that are happening in the states and territories.

To answer one of your earlier questions, one of the ways that the plan, we think, will move will be to invest in and build the capacity of workers to be able to work across a complex range of issues: somebody may present with a domestic violence issue, but knowing that there may be alcohol and drug issues, child protection issues, debt issues, gambling issues associated with the domestic violence. So we are looking to enhance the capacity of service deliverers on the ground to work with such complex individual and family dynamics.

Senator ALLISON—That is probably all on that subject. Can I raise one other matter. It has come to my attention recently that state public health hospitals—and I do not know the extent to which this is in private health as well—now routinely have male and female wards. I think it is a measure which makes it easier to run hospitals and it is probably cheaper, too. But there is now, what I sense, a movement to challenge that, particularly in psychiatric wards of hospitals. Is this something that the department is looking at at the present time? Do you have a view about the safety of women in these hospital environments?

Ms Stodulka—In the Office for Women we have been doing some research, as well as discussions with colleagues in other departments, around women and mental health and the sorts of services that women may need compared to men, and also looking at women as carers of people with mental health issues. We have indicated to our minister that we have been doing some thinking around that and are very close to preparing a paper on some of the issues that we think are important around women and mental health.

Senator ALLISON—I do not think this is quite what I am talking about.

Ms Stodulka—Okay.

Senator ALLISON—It is women in mixed wards who feel uncomfortable because they are in hospital and there are men and women in the same ward and they feel that this is a

place where they need to be private, and they also need to feel safe, and they do not at present. I am wondering whether this has come to your attention or not.

Ms Stodulka—Only in the context of that work that we have been doing around mental health, because a lot of women with mental health issues end up being hospitalised. So it has been an issue that we have been thinking about and researching and looking at models overseas.

Senator ALLISON—Okay.

Ms Stodulka—But in the context of mental health, not in the context of broader—

Senator ALLISON—That is a good start. That is where the biggest problem is.

Ms Beauchamp—We have not done any direct work on this, but now you have raised it I think we will talk to the Department of Health and Ageing to see if there is an issue that has been raised through those channels.

Senator ALLISON—Apart from in acute care in hospitals, there has not been much by way of surveys of women to discover whether or not they do feel safe, whether they feel threatened in a whole range of ways, or not. It is probably the subject of a bit of a study for someone to do to find out that. The Alfred Hospital certainly looked at their psych unit and there was a report a few weeks ago into that, which came out with some quite alarming statistics about assaults, verbal and physical, as well as women feeling unsafe.

By the way, going back to the domestic violence question again, because the states provide most of the services for domestic violence, is there a COAG process at all looking at domestic violence?

Ms Beauchamp—Not that I am aware of, no.

Senator ALLISON—And you do not feel inclined to call one?

Ms Beauchamp—Not at this stage.

Senator ALLISON—What is your feel about the states? Are they all doing as well as they might do?

Ms Beauchamp—One of the reasons for having a national plan is to look at the monitoring and oversight and the effort that states and territories are putting in and what sort of performance.

Senator ALLISON—But can you have a national plan without the states' cooperation?

Ms Beauchamp—No, I do not think so, and that is one of the requirements—that we would work closely with the states and territories. But it does not necessarily mean that it has to be done through COAG.

Senator ALLISON—You will still bring them to the table, though, hopefully.

Ms Beauchamp—Yes, most definitely.

Senator ALLISON—One other thing: is the office doing anything about women's retirement incomes; the difficult question of superannuation accumulation and so on for women and how much lower it is than men, and it is not getting much better, from what I can gather.

Ms Stodulka—We actually are commissioning some research specifically on that issue at the moment, and we expect to have that research by the end of July and then we will be providing some advice.

Senator ALLISON—And the purpose of the research?

Ms Stodulka—To look at what strategies might be able to be put in place to—

Senator ALLISON—So we are moving beyond knowing that women have lower—

Ms Stodulka—Yes, we know that. We know that.

Senator ALLISON—Very good. So when will that be finished?

Ms Stodulka—We expect the research to be finished by the end of July and then we would be providing advice to government on that.

Senator ALLISON—Good. Thank you.

CHAIR—Senator Adams.

Senator ADAMS—The Indigenous Women's Development Program, is that still funded by your office?

Ms Beauchamp—That is not within the Office for Women program.

Senator ADAMS—Not within the office. I am reading this. It is very informative. The funding that was allocated for projects for 2007-08, that is not going to continue, from what I am reading here. It is saying that current contracts expire on 30 March 2008 and negotiations are under way to extend contracts for another three years. Are some of these programs eligible for more funding?

Ms Beauchamp—I have not got the document you are referring to.

Senator ADAMS—I am sorry.

Ms Beauchamp—I think you might be talking about some of the clearing house contracts.

Senator ADAMS—The first one is New South Wales, the Bernardos Auburn Children's Family Centre, which is domestic violence counselling and support for culturally and linguistically diverse—they are called communities—in healthy relations. So it is a whole group of Keeping Women Safe and projects along those lines. It is coming under program files.

Ms Stodulka—Yes. Some of those grants—domestic violence and sexual assault grants—ran over one year and some ran over two years. We have 17 projects running at the moment.

Senator ADAMS—Right.

Ms Stodulka—And 27 projects in 2006-07, and some of those, as I said, come over a two-year period. I do not believe there has been any announcement about grants in the upcoming financial year, but I am sure that that will be an important issue considered by the council in terms of the national plan.

Senator ADAMS—There is no funding here for them. That was really why I was asking.

Ms Stodulka—If I am referring to the same one that you are referring to, they are funded under the Women's Safety Agenda.

Senator ADAMS—Right. That looks like what it is. So some of those programs then would be eligible to be refunded? Would that be right?

Ms Beauchamp—They may have only been one-year funding agreements, so it does not necessarily mean they will be funded for further years.

Senator ADAMS—All right. They looked like a good group of projects. That was the reason I was asking. I have exhausted my questions.

CHAIR—Are there any further questions? Thank you very much, Dr Harmer, officers. We will suspend this evening before half past 10 and we will reconvene tomorrow at nine o'clock, beginning with officers representing output group 1. Thank you very much. Thank you Hansard.

Committee adjourned at 10.28 pm