



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

SENATE

COMMUNITY AFFAIRS LEGISLATION COMMITTEE

ESTIMATES

(Supplementary Budget Estimates)

THURSDAY, 21 OCTOBER 2010

CANBERRA

BY AUTHORITY OF THE SENATE

THIS TRANSCRIPT HAS BEEN PREPARED BY AN EXTERNAL PROVIDER

INTERNET

Hansard transcripts of public hearings are made available on the internet when authorised by the committee.

The internet address is:

<http://www.aph.gov.au/hansard>

To search the parliamentary database, go to:

<http://parlinfo.aph.gov.au>

SENATE COMMUNITY AFFAIRS

LEGISLATION COMMITTEE

Thursday, 21 October 2010

Members: Senator Moore (*Chair*), Senator Siewert (*Deputy Chair*) and Senators Adams, Boyce, Carol Brown and Furner

Participating members: Senators Abetz, Back, Barnett, Bernardi, Bilyk, Birmingham, Mark Bishop, Boswell, Brandis, Bob Brown, Bushby, Cameron, Cash, Colbeck, Coonan, Cormann, Crossin, Eggleston, Faulkner, Ferguson, Fierravanti-Wells, Fielding, Fifield, Fisher, Forshaw, Hanson-Young, Heffernan, Humphries, Hurley, Hutchins, Johnston, Joyce, Kroger, Ludlam, Macdonald, McEwen, McGauran, Marshall, Mason, Milne, Minchin, Nash, O'Brien, Parry, Payne, Polley, Pratt, Ronaldson, Ryan, Scullion, Stephens, Sterle, Troeth, Trood, Williams, Wortley and Xenophon

Senators in attendance: Senators Abetz, Adams, Back, Bernardi, Bilyk, Boyce, Carol Brown, Cash, Collins, Fierravanti-Wells, Fifield, Furner, Ludlam, Ludwig, McEwen, McLucas, Moore, Payne, Ryan, Scullion, Siewert and Xenophon

Committee met at 9.00 am

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

In Attendance

Senator McLucas, Parliamentary Secretary for Disabilities and Carers

Senator Arbib, Minister for Sport, Minister for Indigenous Employment and Economic Development and Minister for Social Housing and Homelessness

Department of Families, Housing, Community Services and Indigenous Affairs

Executive

Dr Jeff Harmer, Secretary

Ms Liza Carroll, Deputy Secretary

Ms Peta Winzar, Acting Deputy Secretary

Mr Andrew Tongue, Deputy Secretary

Mr Bruce Hunter, Deputy Secretary, Chief Operating Officer

Mr Rob Heferen, Deputy Secretary

Group Managers

Ms Cate McKenzie, Group Manager, Women and Children

Mr Evan Lewis, Group Manager, Community Engagement and Development

Mr Tony Kwan, Group Manager, Information Management and Technology

Mr Anthony Field, Group Manager, Legal and Compliance

Ms Alanna Foster, Acting Group Manager, Social Policy

Mr Mark Warburton, Acting Group Manager, Families

Dr Nick Hartland, Group Manager, Disability and Carers

Mr Scott Dilley, Acting Group Manager, Business and Financial Services
Mr Sean Innis, Group Manager, Housing and Homelessness
Ms Donna Moody, Group Manager, Program Performance
Ms Julia Burns, Group Manager, Corporate Support
Ms Helen Hambling, Group Manager, Problem Gambling Taskforce

Cross Outcomes

Mr Kurt Munro, Branch Manager, Budget Development
Mr Andrew Cameron, Section Manager, Budget Development
Ms Meg Hargreaves, Acting Branch Manager, Business Planning and Financial Governance
Mr Dave Agnew, Branch Manager, Property, Environment and Protective Security
Mr Brian Quinlan, Acting Branch Manager, Communications and Media
Ms Susan Black, Branch Manager, Ministerial, Parliamentary and Executive Support
Ms Lynette MacLean, Branch Manager, People Branch
Ms Andrea Wallace-Green, Acting Branch Manager, Strategic Policy
Mr Ty Emerson, Branch Manager, Social Security Policy
Ms Michalina Stawyskyj, Branch Manager, International
Ms Christine Williams, Branch Manager, Performance Management and Modelling
Mr Russell Maher, Section Manager, Performance Management and Modelling
Ms Agnieszka Nelson, Section Manager, Performance Management and Modelling
Ms Carol Ey, Branch Manager, Research and Analysis
Ms Fiona Sawyers, Acting Branch Manager, Seniors and Means Test
Mr Simon Crowther, Branch Manager, Compliance
Mr Simon Taylor, Branch Manager, Public Law
Mr Andrew Lander, Branch Manager, Audit
Mr David Fintan, Branch Manager, Commercial and Indigenous Law
Mr Scott Glare, Branch Manager, Infrastructure Services
Ms Ginevra Wallace, Branch Manager, Information Services

Outcome 1—Families

Ms Karen Wilson, Branch Manager, Children's Policy
Ms Lee Emerson, Branch Manager, Family Support Program
Mr Andrew Whitecross, Branch Manager, Family Payments
Ms Jane Dickenson, Acting Branch Manager, Paid Parental Leave
Ms Allyson Essex, Branch Manager, Child Support Policy
Ms Elizabeth Stehr, Branch Manager, Family Support Program Strategic Reforms
Ms Fiona Smart, Branch Manager, Safety Taskforce

Outcome 2—Housing

Mr Leon Donovan, Branch Manager, Homelessness Implementation
Ms Leesa Croke, Branch Manager, Office of Housing

Outcome 3—Community Capability and the Vulnerable

Ms Michelle McLinden, Acting Branch Manager, Money Management
Ms Liz Hefren-Webb, Acting Branch Manager, Welfare Payments Reform
Ms Jill Farrelly, Branch Manager, Community Investment
Ms Sharon Rose, Branch Manager, Disability and Carers Payments

Ms Leonie Corver, Section Manager, Disability and Carers Payments
Mr Andrew Hatch, Section Manager, Disability and Carers Payments
Mr John Riley, Acting Branch Manager, Disaster Preparedness and Recovery
Ms Robyn Oswald, Branch Manager, Problem Gambling Taskforce

Outcome 4—Seniors

Ms Fiona Sawyers, Acting Branch Manager, Seniors and Means Test
Ms Jill Farrelly, Branch Manager, Community Investment

Outcome 5—Disability and Carers

Ms Deborah Winkler, Branch Manager, Mental Health and Autism
Ms Sharon Rose, Branch Manager, Disability and Carers Payments
Ms Leonie Corver, Section Manager, Disability and Carers Payments
Mr Andrew Hatch, Section Manager, Disability and Carers Payments
Mr Patrick Newton, Acting Branch Manager, Disability and Carers Programs
Ms Helen Bedford, Branch Manager, Disability and Carers Policy

Outcome 6—Women

Ms Sally Moyle, Branch Manager, Office for Women
Ms Fiona Smart, Branch Manager, Safety Taskforce

Equal Opportunity for Women in the Workplace Agency

Ms Mairi Steele, Acting Director
Ms Monica Berrigan, Strategic Partnerships Manager

CHAIR—I declare open this hearing of the Senate Community Affairs Legislation Committee considering the supplementary budget estimates for the portfolio of Families, Housing, Community Services and Indigenous Affairs. The committee has before it a list of the outcomes relating to matters which senators have indicated that they wish to raise at this hearing. In accordance with the standing orders relating to supplementary hearings, today's proceedings will be confined only to those matters.

Senators are reminded that written questions on notice in respect of the supplementary hearings must be lodged with the secretariat no later than 4 pm on Friday, 22 October 2010. The committee has set 10 December 2010 as the date for the return of answers to questions on notice. I know officers and senators are familiar with the rules of the Senate governing Senate estimates hearings. If you need assistance the secretariat has copies of these rules. I particularly draw attention to the Senate order of 13 May 2009 specifying the process by which a claim of public interest immunity should be raised and which I now incorporate into *Hansard*.

The statement read as follows—

Order of the Senate—Public interest immunity claims That the Senate—

- (a) notes that ministers and officers have continued to refuse to provide information to Senate committees without properly raising claims of public interest immunity as required by past resolutions of the Senate;
- (b) reaffirms the principles of past resolutions of the Senate by this order, to provide ministers and officers with guidance as to the proper process for raising public interest immunity claims and to consolidate those past resolutions of the Senate;
- (c) orders that the following operate as an order of continuing effect:

- (1) If:
 - (a) a Senate committee, or a senator in the course of proceedings of a committee, requests information or a document from a Commonwealth department or agency; and
 - (b) an officer of the department or agency to whom the request is directed believes that it may not be in the public interest to disclose the information or document to the committee, the officer shall state to the committee the ground on which the officer believes that it may not be in the public interest to disclose the information or document to the committee, and specify the harm to the public interest that could result from the disclosure of the information or document.
- (2) If, after receiving the officer's statement under paragraph (1), the committee or the senator requests the officer to refer the question of the disclosure of the information or document to a responsible minister, the officer shall refer that question to the minister.
- (3) If a minister, on a reference by an officer under paragraph (2), concludes that it would not be in the public interest to disclose the information or document to the committee, the minister shall provide to the committee a statement of the ground for that conclusion, specifying the harm to the public interest that could result from the disclosure of the information or document.
- (4) A minister, in a statement under paragraph (3), shall indicate whether the harm to the public interest that could result from the disclosure of the information or document to the committee could result only from the publication of the information or document by the committee, or could result, equally or in part, from the disclosure of the information or document to the committee as in camera evidence.
- (5) If, after considering a statement by a minister provided under paragraph (3), the committee concludes that the statement does not sufficiently justify the withholding of the information or document from the committee, the committee shall report the matter to the Senate.
- (6) A decision by a committee not to report a matter to the Senate under paragraph (5) does not prevent a senator from raising the matter in the Senate in accordance with other procedures of the Senate.
- (7) A statement that information or a document is not published, or is confidential, or consists of advice to, or internal deliberations of, government, in the absence of specification of the harm to the public interest that could result from the disclosure of the information or document, is not a statement that meets the requirements of paragraph (1) or (4).
- (8) If a minister concludes that a statement under paragraph (3) should more appropriately be made by the head of an agency, by reason of the independence of that agency from ministerial direction or control, the minister shall inform the committee of that conclusion and the reason for that conclusion, and shall refer the matter to the head of the agency, who shall then be required to provide a statement in accordance with paragraph (3).
 - (d) requires the Procedure Committee to review the operation of this order and report to the Senate by 20 August 2009.

(Agreed to 13 May 2009.)

(Extract, Journals of the Senate, 13 May 2009, p.1941)

I welcome back Senator the Hon Jan McLucas; the departmental secretary, Dr Harmer; Ms Carroll; and officers of the Department of Families, Housing, Community Services and Indigenous Affairs. Senator McLucas, do you want to make an opening statement?

Senator McLucas—Not in a formal sense, Chair, but I want to thank the committee for their cooperation in organising the timing for this hearing. I really appreciate that. I also want to say that this is national Carers Week and we should all be celebrating our carers.

CHAIR—We are going to start today's proceedings, and I am so pleased, and this is putting it on record, with Outcome 6—Women, which I do not think I have managed to have happen before in this committee. The officers from that area have, for many years, been the last people called. We finally have them appearing at the start of proceedings. Dr Harmer, I know that you will be clutching a statement about administrative arrangements. Would you like to put that on record before we go to outcome 6?

Dr Harmer—Thank you. If it is acceptable, there are a couple of things I just want to say at the beginning?

CHAIR—Absolutely.

Dr Harmer—I will start with the administrative arrangement orders. Many senators will be aware, but I will just make it clear, that as part of the administrative arrangement orders issued in September there were a number of programs which have been transferred from FaHCSIA to the Department of Sustainability, Environment, Water, Population and Communities; to Prime Minister and Cabinet; and to the Attorney-General's department. I hesitate to use the acronyms.

CHAIR—I would not even try Dr Harmer, no.

Dr Harmer—Detailed advice has been provided to the committee secretariat providing details on the changes. I was very anxious that senators were aware of the programs that are now not in this portfolio rather than leaving it until we get to the area, which is frustrating.

The key change for this estimates process is that several of our housing programs, such as the National Rental Affordability Scheme and the Housing Affordability Fund as well as the support for the National Housing Supply Council have been transferred to the Department of Sustainability, Environment, Water, Population and Communities. Therefore we will not have officers present able to answer those questions as they are now officers of that other department.

In addition, for matters relating to disaster recovery considered during outcome 3, FaHCSIA will answer questions of fact on past disasters—and we have at outcome 3 our regular report on what we have been doing in relation to the Victorian bushfires—but in terms of prospective involvement in disaster recovery, that will be a matter for the Attorney-General's department. That is the first issue.

I apologise that unfortunately unlike in the past where FaHCSIA has had available the annual report for these estimates, we have not been able to have it for these particular estimates. We anticipate it will be tabled shortly but we were not able to finalise it because of the extended caretaker period and the process around the election. It has held us up a little bit but we are in the final stages of completion of that report and it should be available soon.

In relation to questions on notice, we took 248 questions on notice at budget estimates. We did not have any of the questions tabled by 30 July 2010, which was the deadline, and I apologise for that. We are usually pretty good at getting a lot of them done. We have now finalised all of them. But again, because none were tabled before the election and because of the extended caretaker period, we were late. We now have tabled all 248 questions and they have been finalised.

CHAIR—Are they all in now, Dr Harmer?

Dr Harmer—Yes, every single one. Another issue is the Bath report, a major report of which senators will be aware that was delivered in the Northern Territory recently. I understand the committee or some members wish to make a statement on the recently released report. I note that the committee might make reference to that report tomorrow because it is related. I have officers who can answer questions on the Bath report here today. I should note that the Bath report is over 700 pages and we only received it on I think Monday or Tuesday. So the extent to which they will be across the minute detail of that, we have to be understanding. It is a very big report and we are working our way through it, but it is 700 pages and it is quite dense. It is written in a very academic style as many of you who have seen it will know. We have people here at outcome 1 today in the families area who will be able to answer questions on that. They will not be available tomorrow, so it would be helpful if senators can bring their questions on the Bath report today. Tomorrow we will have people here who might have a general understanding of its relationship with, for example, the Northern Territory Emergency Response, but detailed questions on the Bath recommendations and child protection will be in the families space at outcome 1.

CHAIR—Dr Harmer, on that point the committee did address that issue when we met earlier this week because of the sensitivity and the fact that we knew the Bath report was due.

Dr Harmer—Yes.

CHAIR—What we agreed was that we would ask questions. We would make sure that tomorrow it is noted, because of the fact that we believe it does have great impact for the purpose of tomorrow. We did make the statement though that we understood that it was only being brought down this week and that we would probably be seeking a committee briefing as soon as possible so that we can get more discussion around the report.

Dr Harmer—Yes.

CHAIR—Senators understand that there will be questions they will want to put there but I think they will understand that the questions would mostly be put on notice, that was the discussion we had. I am just checking that all senators agree that that reflected the discussion we had?

Senator ADAMS—Yes.

CHAIR—We totally understand, Dr Harmer, but I think because of the importance of it and the history of this committee seeking information about these issues, we needed to address it in some way. Thank you for your information.

Dr Harmer—Thank you. We will cooperate with you with any additional briefing that the committee wishes to have.

CHAIR—Do you want to add anything to that, Senator Siewert?

Senator SIEWERT—Dr Harmer, the point that we made in the committee meeting that we held was that the interaction with the intervention is obvious; and what it raises in terms of the intervention is absolutely, for some of us, very critical. That is the area that, for example, I am particularly keen to explore tomorrow. It obviously raises significant questions around the

intervention. Those questions I think I will start to flag tomorrow. I appreciate that you cannot answer all of them but that is certainly the direction I will be going in.

Dr Harmer—We will do our best tomorrow but the extent to which your detailed questions around the child protection report itself—

Senator SIEWERT—Yes, I appreciate that.

Dr Harmer—I understand, thank you. I know we have been working with the committee on the agenda for tomorrow and I will have the people available for the bits that we have agreed. I am assuming that if there is a change to the program, particularly with people coming from interstate, then we will get early warning. The Victorian bushfires update I mentioned already, we will have that at outcome 3. If there are any changes in today's agenda, I think it is pretty fixed, we have been working well with the committee, then it does help us to know in advance because there are a lot of people in FaHCSIA across the various programs and it will help me manage their attendance if there is any change.

CHAIR—It helps me to know in advance if anything is going to change.

Dr Harmer—Thank you very much.

[9.09 am]

CHAIR—We will cooperate as much as we can, so thank you very much. It is a bit of a change so we will go directly into Outcome 6, Women. We will have officers from the Office for Women and also from the Equal Opportunity for Women in the Workplace Agency, or EWOA.

Senator CASH—I will first address the EOWA report, the recent one of 2010 entitled *Australian census of women in leadership*, which was released on 6 October 2010. One of the findings was that women continue to be unrepresented on boards in the ASX200. On radio on the same day, on ABC news breakfast, Minister Ellis announced that the government will be introducing a quota for government boards of 40 per cent women and 40 per cent men. When does the government tend to implement this quota?

Ms McKenzie—The target for government boards was announced as part of the Labor Party's election commitment. We are working through with other departments how that will be implemented. We would expect it to be implemented; I think the targets are due to be met by 2015.

Senator CASH—By 2015, so not for at least another five years?

Ms Moyle—The target is in place immediately but it is due to be achieved by 2015, so clearly there is an incremental approach to this given that the current rate of board appointments is at 33.4 per cent.

Senator CASH—That is greatly appreciated because that leads me directly into my next question, which is: has transition planning been undertaken by the department or any department in relation to this change?

Ms Moyle—Office for Women is in conversation with the Australian Public Service Commission, with Prime Minister and Cabinet, and with the Department of Finance and Deregulation in order to discuss these matters. Office for Women currently produces *Women*

on Australian government boards report. For that report we have been in contact with all of our contact officers across all of the departments who report to us to advise them that the target is in place. But clearly there is a range of work that needs to be done to develop the capacity, to make sure the names of women are available and that the supply side is dealt with. We are talking to Prime Minister and Cabinet and APSC about extra work that needs to be done to assist.

Senator CASH—Has the government sought any legal advice or is the Office for Women aware of what legal liability the Commonwealth may face if they seek to remove men from appointed positions based on their gender?

Ms Moyle—There is no intention to remove men from their positions based on their gender. Clearly—

Senator CASH—All right, could I just stop you there and interrupt, thank you for qualifying that. Is there any intention to remove men from their positions full stop?

Ms Moyle—Not in order to meet this target.

Senator CASH—Thank you very much for that clarification. On that basis I am assuming that the only way that you can therefore introduce women to these boards, if you are not going to be actually removing men, is to wait for the men to either retire, for their expiration period to actually occur or increase the number of people on the board so that you can actually meet the target? Has the Office for Women provided any advice to the government in any of those areas?

Ms Moyle—Not at this stage.

Senator CASH—Do you intend on providing any advice to the government or alternatively has the government sought that advice?

Ms McKenzie—I think one of the things that needs to be taken into account is that there has been demonstrated to be quite some capacity within what departments are doing now, and within what ministers can do now, to be able to increase the number of women on government boards. We saw quite a significant change happen in the government boards that related to the agriculture portfolio over the last term of government. I think there was also quite a significant lift in Defence. So, there are things that can be done and that gives us the certainty that all departments are currently looking at this. We have discussed it. We have an interdepartmental committee where most departments are represented and where we discuss these kinds of issues. From those discussions we believe that there are things that can be put in that are consistent with the merit principle, but at the same time will mean that women are able to be represented.

Senator CASH—Has the government commissioned any research or consultancy work by anybody, by any third party, to advise on or inquire into the issue of actually increasing the number of women on boards to meet the 40 per cent quota?

Ms McKenzie—It is not a quota; it is a target.

Senator CASH—It is a target. That is interesting because a quota would have to be met by 2015 whereas a target, on the other hand, does not have to be met?

Ms Moyle—A target is an aspiration.

Senator CASH—It is.

Ms Moyle—That is the difference between that and a quota.

Senator CASH—It is fundamentally different to a quota.

Ms Moyle—Certainly.

Senator CASH—What you are saying is the government is not implementing a quota to ensure that there is 40 per cent representation of women on boards; it has merely made an announcement that it aspires to do so by 2015. There is no guarantee at all that there will be any increase at all of women on government boards, because this is merely aspirational.

Dr Harmer—That is how it would need to work unless we were to go down the route that you are talking about, which is replacing men, which would not be something that the government would want to do either. To achieve the target they set a timeframe of 2015. It is realistic, because within that timeframe there will be people whose term will expire, giving the government the opportunity, as they have taken over the last three years, to gradually increase the number of women on boards. There has been an increase in the last three years, I think?

Ms Moyle—A small increase.

Dr Harmer—But a quota is a different matter entirely requiring the government to get into the space of insisting or requiring, and that is not the business of government.

Senator CASH—Thank you for that and that is exactly what I wanted to clarify. The government has made an aspirational statement. That is the extent to which that statement goes. It may or may not be achieved by 2015 and that is the fundamental difference between a quota and a target.

Dr Harmer—Yes, but without a target at all, then it will just bump along at sort of—

Senator CASH—Thank you for that, because I am actually going to the AppointWomen website shortly and I will discuss that further with you. For example, in relation to the all-male Companies Auditors and Liquidators Disciplinary Board, how do you intend on making way for your aspirational target of 40 per cent women by 2015?

Ms McKenzie—The aspirational target is portfolio-wide, so it means that within a portfolio there may be a number of boards. Depending on the constitution of those boards, it may be more appropriate to have slightly more males on one board and slightly more females on another board. We are allowing that decision to be made within the portfolio.

Senator CASH—What thought process has been put behind the fact that you currently have, as a government, a number of boards that are constituted solely of males. How are you going to ensure that in moving these men off, however that occurs, by 2015 to achieve your aspirational target, you are going to be replacing them with women who are properly qualified?

Ms Moyle—Can I point out that there are 5,655 positions available across government. As Ms McKenzie said—

Senator CASH—Absolutely.

Ms Moyle—These are portfolio based targets. There is one department that has one board that is constituted by one appointment, it is constituted by one single appointment, and that is currently a man. Clearly for that department it would be difficult to receive—

Senator CASH—He gets to go and then we have 100 per cent target and hey, it skews our statistics completely because we can claim great success on our aspirational target?

Ms Moyle—Clearly the target is for 40 per cent women, 40 per cent men and 20 per cent can be open. So clearly there are some issues for some departments, but overall we are seeking to have a 40 per cent target in place across government.

Senator CASH—That is interesting, so it is going to be an average. For example, you have an all-male Companies Auditors and Liquidators Disciplinary Board, you have an all-male Defence Reserves Support Council, and you have an all-male Central Land Council. What you are basically saying is you may continue with the situation in 2015 where there are going to be a number of boards that are completely all-male, but you may have a board where they have one person. If that person becomes a female, that is a 100 per cent target achieved, so you will be able to manipulate statistics to show that there has been an increase when the reality is that there are going to be several all-male boards that still exist under this government.

Dr Harmer—That would not be manipulating statistics; that would be just providing statistics. It will be a transparent process. We will be accountable, as will the government, for the progress towards that target. We will provide information about how we are going and you can ask us, periodically, as I am sure you will at Senate estimates.

Senator CASH—Absolutely.

Dr Harmer—We will tell you. The fact that the government has set a target means that as board appointments come up there will be a further consideration and pressure on ministers and departments to consider the available women to make sure that we get the—

Senator CASH—I would hope there would be no pressure on departments to do that purely because they are women?

Dr Harmer—No, no.

Senator CASH—That takes me, and that is a very good segue—

Dr Harmer—We do not need to do that because there are lots of very good women.

Senator CASH—What part will merit play in the government achieving its aspirational target?

Ms Moyle—Over the last 30 or 40 years the Australian Public Service recruitment processes have been strengthened to ensure that we do have transparent and merit based selection processes. The outcome of that has been demonstrated by the representation of women across the Public Service, including at senior levels. The processes that are in place for merit and transparency in the APS have not yet been applied to appointments to government boards. The process that we intend to take is to support departments to take the same approach with government board appointments as they have been with APS

appointments—that is, to have a transparent recruitment process and to ensure that panels for interviews do have a gender balance. It is really just to apply the merit processes that have been in place in the APS more effectively to government boards. It is at this stage intended to be done through a capacity development process, working with departments to ensure that they have processes in place that will enable them to meet that.

Senator CASH—Are you suggesting that ministers may decide not to renew appointments of men even if they are performing well just so that they can appoint women?

Ms McKenzie—At this stage, we are not suggesting anything in relation to particular strategies.

Senator CASH—Then we have a real problem, Ms McKenzie.

Ms McKenzie—We are still at the stage of developing with departments exactly how this will be implemented. As Ms Moyle said, we are talking at the moment to the Department of the Prime Minister and Cabinet and to the Public Service Commission. We will need to talk to a range of other departments about the strategies that they would be employing. Really, without that information at this point, we are unable to say which particular strategies departments will be employing.

Senator McLucas—Perhaps I can assist here?

Senator CASH—You can. Can I just make one comment, Minister, because this is directly in relation to your election commitment. What I am now hearing is the government has made an election commitment. I stated it was an announcement by Minister Ellis on a certain date. You have said no. Fantastic, it goes back further than that. It is actually an election commitment by the government. What I have just heard from you, Ms McKenzie, is that it is merely a statement with absolutely no substance or thinking behind it at all to date. You are having a talkfest.

Senator McLucas—I will assist at this point. I think you have to understand the spirit in which this commitment has been made. Let me tell you a little story. This is about significant culture change across ministers, departments et cetera. When Minister Burke became the minister for agriculture some three years ago he had to appoint a board. He received from his department a list of potential appointees on which there were no women. He sent it back to his department to say, ‘Why are there no women who are capable of serving on this particular board?’ I do not know which board it was. He got back from the department a very surprising response: ‘We do not know any women who have these experiences.’ He then sent it back to them to say, ‘Go and find out.’ This is about culture change. This is why you set a target in this circumstance, so that we are flagging to departmental officers that we as a government believe that it is important to show best practice in terms of appointments to boards and to go and find those excellent women, as you know, Senator Cash, that are there, but they are not appearing on a certain list. So that is why you use the language of ‘target’. That is why you are using that language to change cultures. That is why we are doing it.

Senator CASH—Thank you, I appreciate that, Minister. Thank you very much. Seeing as you are happy to explain that by way of a little story to me, let us now talk about the ALP National Platform and Constitution 2017, at chapter 13, point 18, where the Labor government, the now government, stated it will ‘further reduce and ultimately eliminate the

earnings gap between male and female workers', a 2007 election commitment. Now let us look at what has actually occurred during that time. My understanding is that over the last five years, or four of the five years since 2005—you were elected in 2007—the gap has actually widened, wiping out any previous gains and in fact leaving the gap slightly above the level it was almost 20 years earlier. In the light of your 2007 election commitment that you will further reduce and ultimately eliminate this earnings gap, can you please explain to me why Australia was listed at 45th in the world by the World Economic Forum for wage equality between men and women for similar work in 2006 and then was listed at 60th in the world in 2009, behind countries like Sri Lanka and Tanzania, which is a drop of 15 spots? How is that achieving your election commitment that you will ultimate eliminate the wage gap?

Senator McLucas—Just a technicality: I think you quoted from the Labor platform rather than an election commitment.

Senator CASH—It is a technicality, thank you so much. I have got it right. Have you got it wrong or have I got it—

Senator McLucas—It is a pretty significant difference.

Senator CASH—It is significantly wrong. So you are saying that is your platform—

CHAIR—Senator Cash, that is not a question. In terms of the process in this committee we actually do maintain decorum in terms of the way we ask it.

Senator CASH—Thank you, Madam Chair.

CHAIR—So if you could actually—

Senator McLucas—Thank you, but I am sure the opposition are persisting—

CHAIR—If you could continue with your question.

Ms Moyle—We know that pay equity is a very complex matter. Pay inequity is contributed to by a range of factors including women's greater involvement in part-time work, which is often paid less; their greater involvement in casual employment which is paid less than permanent employment; the fact that women's work and family responsibilities mean that they do not apply for or are not given promotions; and the fact that there is gender segregation within industries. There are a range of different factors that account for the pay equity gap. It is difficult to identify in any particular case what might be the result. However, we do know that it is a lagging indicator, that it does take time to turn that particular ship around. The work that the government has done in terms of particularly implementing the National Employment Standards and the provisions on bargaining for low-paid workers in the Fair Work Act 2009 is intended to address some of that pay equity gap. It is also the fact, of course, that the House of Representatives inquiry into pay equity and associated matters came up with a range of recommendations that are currently being considered. Clearly there is work on foot and work has already been done to address the pay equity gap, but it is a lagging indicator.

Senator CASH—In relation to my question, can I just confirm then that Labor did not make an election commitment, because it has just been pointed out that it is in the ALP's National Platform and Constitution? Whilst that is a publicly available document and people who read it may actually believe that is what you stand for—

Senator McLucas—We do.

Senator CASH—I accept it was not a commitment. Can I just confirm that, in 2007 when that commitment was made, we were at 45th in the world according to the World Economic Forum and, despite that commitment, we have dropped? Thank you very much.

Ms McKenzie—May I just clarify, very quickly?

Senator CASH—We are particularly short of time; that is all.

Ms Moyle—The Global Gender Gap Index is a comparative measure, and in fact Australia's ranking has dropped because other countries have improved their ranking. So there are a range of issues.

Senator CASH—It is still a worry. Other countries are improving and we are not.

Ms Moyle—Of course, no doubt.

CHAIR—Can I just remind you that, in terms of the officers, I will call who is making responses and I will direct the time of their responses.

Senator CASH—Mr Harmer, you referred to the fact that we do need to have more women on government boards and I do not think that is denied by either party. You mentioned in your evidence that we actually need to go and find the pool of women from which we are going to draw. Can you take me through then what the AppointWomen website is and what its purpose is?

Dr Harmer—I will let one of the officers answer.

Ms Moyle—Senator, the AppointWomen website is a publicly available website where women can express interest in being considered for appointments across government. They provide us with their curriculum vitae and it is loaded onto that website. Departments are aware of that website and they approach us to seek support in developing a panel for potential appointees for consideration by government by drawing on that website.

Senator CASH—This is the issue I then have: if we already have such a website, how long has the website been up and running—or the register; let us call it a register?

Ms Moyle—There has been a register in place for many years now.

Senator CASH—You can see this is part of the issue?

Ms Moyle—Yes.

Senator CASH—We are talking about having to go and find a pool of women but there is already the ability to find those women in the AppointWomen register. I am not going to take you through what it is, because we all know what it is. It is listed on the department's website. What actions are the government or your office taking to actually ensure that women across departments are aware of this?

Ms Carroll—Some of the things that we have expressed before. One of the big issues is that of cultural change. I think Ms McKenzie mentioned the interdepartmental committee that we have been holding across the whole of the Commonwealth government for a number of years. Through that interdepartmental committee we are trying to facilitate some of that cultural change—in particular, to draw the attention of departments and portfolios to things

like the website and the ability to come to FaHCSIA to the Office for Women to see the kind of support that they can get. The example from Senator McLucas shows how in some portfolios in particular the departmental officers that are putting together panel lists and things like that are not as aware as others. We have been doing a lot of work across government but it is a cultural change process and it is a slower process.

One of the things that we have been trying to do is make sure through that interdepartmental committee that we share information, that we share the tools that are available. Also, through that, we encourage departmental officers if they know of women to go and register on that website, for example. It is a process that will take some time, and we have been working on it for a little while now, but it is trying to build some momentum. Now, with the target, that creates another momentum that we will be taking to the IDC. I think we have got one set up in the next few weeks, and these are the sorts of issues we will be taking to that committee.

Senator CASH—What is the actual budget for the AppointWomen register? Is there a specific part of the budget that is allocated to it?

Ms Moyle—No, it is operated by the Office for Women so it is part of that.

Senator CASH—It is part of that—general.

Ms Moyle—Might I just point out some political will. The department of agriculture, which we have discussed, overall for 2008-09 had a 29 per cent appointment of women. At the end of the year it had 32 per cent, and the new appointments rate throughout the year was at 38.7 per cent. It shows that the commitment to this issue can in fact get us very close to the target within a short period.

Senator CASH—Thank you for that. Could you find out for me, and you can take it on notice if you do not have the exact date here: what was the actual launch date of the AppointWomen register? Since the launch of the AppointWomen register, how many women have actually put their names forward on the website? How many government departments have utilised the AppointWomen register when seeking to make appointments? Do you know how many women have been successfully appointed to a board position or other government decision-making body from the AppointWomen register since the register was launched?

Ms Moyle—I can tell you now that we do not know that information, unfortunately.

Senator CASH—Could you also then take on notice to provide the committee with a list of all successful appointments. Ms Carroll, could you also just inform the committee, since the launch of the register, what steps the department has taken to actually ensure that departments are aware that there already is the ability for women to put their names forward via the AppointWomen website?

Ms Carroll—As I described before, we do have a senior interdepartmental committee, and it is one of the things that we have talked about and shared information. The secretary of the department also raises this issue with secretarial level colleagues from time to time. Through the normal government processes we have been stressing the importance of using these mechanisms like the AppointWomen website.

Senator CASH—Have you provided any memos to departments since the launch of the AppointWomen register? The government has made a statement that it wants to receive a 40 per cent target. When I actually conducted research in relation to what was already available to ensure that women have the ability to put themselves forward, I came across the AppointWomen register. You have a lovely statement about what this is and what the department does with the AppointWomen register. What I really want to know is: what steps have really been taken to ensure that government departments are aware? Because, if you already have this facility and it has been in place for some time, I am a little worried that this is actually not working. Why do we have it if we have to then have a target to achieve this when there is already the ability to do it?

Ms Moyle—I think we do have in place both the supply-side support through AppointWomen and the reporting and monitoring processes through our Government Boards Reporting System. There is no doubt that they could be better used, clearly, because we have not reached our target yet. The target's aim is to give that senior level mandate and support for equality, and it enables the Office for Women to work with the other departments across government to ensure that there are appropriate processes in place and that these processes that are in place now are appropriately used. It is really a matter of ensuring that the processes are in place and that there is the will to implement them. That is what this target delivers.

Dr Harmer—From time to time targets do help. There are efforts by the Office for Women and the people in the department to promote the Appoint system and to inform departments about the list and the target. The department is very active in supporting achievement of the government's objective.

Senator CASH—Thank you, I appreciate that.

Dr Harmer—We are really doing our best. I am not positive of this, but in addition to raising it with secretaries I think I have also written to them drawing it to their attention.

Senator CASH—Would you be able to take on notice to provide the committee with copies of those letters or any correspondence in relation to raising the awareness of the AppointWomen register?

Dr Harmer—It might be quite a task, but I am pretty confident I have written fairly recently drawing the attention of portfolio secretaries to the Appoint register and the government's commitment. I can certainly provide that.

Senator CASH—That would be great. Could you also take on notice how many people in the department are dedicated to the AppointWomen register? Are you aware if any consultancies have been commissioned or any contracts entered into with any third party relating to the website and the register? Do you need to take that on notice?

Ms Moyle—I can answer you now if you prefer.

Senator CASH—Thank you for that.

Ms Moyle—We have had one consultancy earlier on, I think in 2008 or 2009, which involved supporting us to think about how better to improve our processes. We have had one consultancy.

Senator CASH—Thank you. Are you able to provide me with the exact details of that? You can take it on notice if you need to.

Ms Moyle—I can find that for you. It was under \$20,000. It was \$11,000.

Senator CASH—\$11,000.

Ms Moyle—It was in paid in 2009-10.

Senator CASH—Are you able to provide details of what it was for? Again, you can take this on notice if it is easier.

Ms Moyle—It was a general consideration of how we could improve the performance of board appointments for women across government. It looked at all of the components of our work. In fact, it did consider the need to have a broader mandate from government, such as a target. It did not, I do not believe, discuss targets as such, but we did explore some of that work. We have been working since then in an ongoing fashion, ahead of this target, to strengthen the processes that we have in place. As Ms Carroll has said, the departmental committee is one of those processes; we have streamlined the way we ask government departments to report on government boards and we have renewed AppointWomen. We have put in place a number of efforts to improve women's representation that have led up to this target being introduced.

Senator CASH—In relation to the consultancy report, are you able to table a copy of that report?

Ms Moyle—I am not sure that a final report was ever actually provided. If a final report was provided I would certainly do so.

Senator CASH—Thank you very much.

Senator CAROL BROWN—First of all I congratulate the government on setting a target and also on the story about the cultural change that needs to take place to assist women in putting their names forward. We have all accepted there are many talented and skilled women out there. We know they are there. I just wonder whether you have done some work about the other blockages that prevent women putting their names forward. Basically, the tools and the processes that you are putting in place now are very good and will assist, but I just wonder if you have done some other work about why women do not put their names forward. Also, are you doing any work with the corporate sector to assist them in using the huge pool of talented women that are out there?

Ms Moyle—Yes. All of our work, really, intersects in a way so that women's lower engagement in the workforce in general means that they are less likely to find themselves in leadership positions. There are also, increasingly, significant barriers as women move up the career ladder as well. For example, we recognise that men's engagement in unpaid care faces significant barriers and that men more than women now face difficulties in actively engaging in the care of their children because of their work responsibilities. We know that men's paid work responsibilities tend to be prioritised by men as the breadwinners. The government has put in place now a bill to amend the Sex Discrimination Act 1984, which will ensure that discrimination against men on the basis of their family responsibilities is unlawful.

There is a range of work that we are doing in relation to supporting a better sharing between women and men of paid and unpaid work. For example, the Office for Women has completed research on international and national initiatives that support men to more equally engage in unpaid care of their children. A lot of the work that we do relates to and ends up focusing on women's leadership aspirations. In terms of the work we are doing with the private sector to support women's leadership appointments, we have funded the Australian Institute of Company Directors to run in their boardroom courses at least 70 scholarships for women to make sure that the pipeline for women into private sector leadership is in place.

Senator CAROL BROWN—How are we going with those scholarships?

Ms Moyle—The applications will open on 26 October and the applications will close in mid-November. The decisions about the women who will be recipients of those scholarships will, hopefully, be made by Christmas time. The women then will be able to take up those scholarships during next year, depending on their availability.

Senator BOYCE—Have you published the national and international research that you were talking about earlier?

Ms Moyle—It is not published yet. The minister has spoken about it in the media, but it is intended to be published shortly.

Senator BOYCE—And will it be published by the office or by minister?

Ms Moyle—I believe the minister will launch it.

Senator CAROL BROWN—Just on the 70 scholarships—which are great—you obviously entered into some discussion with the Australian Institute of Company Directors. They are obviously very keen to be able to increase the level of women on boards as well.

Ms Moyle—That is right. They are monitoring very closely the appointments to ASX200 boards as they happen and are publishing media releases as milestones pass. Their current data suggests that over 10 per cent of ASX200 board positions are now held by women.

Senator CAROL BROWN—Ten per cent. What figure have we got on government boards?

Ms Moyle—Currently it is 33.4 per cent.

Senator CAROL BROWN—Thank you.

Senator CASH—That segues very nicely into my questions in relation to company boards. Dr Harmer, earlier on when I was talking about an aspirational target versus a quota, you gave evidence that the reason the government has set a target as opposed to a quota is that a quota will obviously require legislation.

Dr Harmer—I was assuming that.

Senator CASH—Does the government have any intention to actually formally legislate for quotas on government boards?

CHAIR—It is not a question for the department.

Dr Harmer—I do not think I could answer that. I am not aware of any plans, but you would have to ask the government that. Our officials cannot answer.

Senator CASH—Is the minister available?

CHAIR—That is a question for the minister.

Senator CASH—Minister, does the government have any plans to legislate for a quota of women on government boards?

Senator McLucas—I do not think so.

Senator CASH—Would you be able to take that on notice too?

Senator McLucas—I will certainly take that on notice, if that is helpful.

Senator CASH—Thank you. You will be aware of comments made by the Sex Discrimination Commissioner, Elizabeth Broderick, following the release of the EOWA report that she will push for quotas on company boards. What is the government's position on actually legislating for a gender quota on company boards?

Senator McLucas—Once again, I will take that on notice for you.

Senator CASH—Has the Office for Women, or EOWA, or the department been asked to provide advice to government on legislating for a quota of women on company boards?

Ms Moyle—No. The minister's position is that we are watching with great interest the developments in the private sector. As you would be aware, the Australian Stock Exchange has introduced to its corporate guidelines—

Senator CASH—Absolutely.

Ms Moyle—a requirement that private sector ASX200 boards introduce their own targets and measures to improve appointment rates. The government is watching closely those developments and is pleased to see, from the AICD data, that appointments seem to be scaling up.

Senator CASH—Minister, has the government commissioned any legal advice or other advice on whether or not it should legislate, or on the merits of legislating, for quotas on company boards?

Senator McLucas—Not that we are aware of.

Senator CASH—Are you able to take that on notice?

Senator McLucas—If that is inaccurate I will ensure that it be corrected.

Senator CASH—I very much appreciate it. Thank you very much. I do appreciate that. Turning to the *EOWA Annual Report 2008-2009*, it is stated under productivity gains that there were no reported productivity gains achieved in the year 2008-2009. If I then look at staffing structure and statistics, I see that an amount of \$32,211 was paid to staff in terms of performance pay—yet you have a statement in the annual report that there were no reported productivity gains achieved in that particular year. What are the criteria for performance pay to be paid if no productivity gains are actually achieved?

Ms Steele—The bonuses currently in the agency are paid to those members of staff who remain on Australian Workplace Agreements. For each staff member on such an agreement, there are performance agreements signed between me and the staff member, with their own

goals and achievements within those agreements. We monitor those throughout the year and chart progress against the set KPIs and objectives.

Senator CASH—Thank you for clarifying that. In relation to the statement in the annual report that there were no reported productivity gains achieved in the year of 2008-2009, the amount of the \$32,211 is paid in relation to people that you say actually met their performance targets?

Ms Steele—That is right.

Senator CASH—Just so I can make sure that the statement is actually a separate statement to why the performance pay was paid—

Ms Steele—Yes, that is my understanding.

Senator CASH—I want to quickly turn to the Equal Opportunity for Women in the Workplace Act 1999. The review of the EOWA and Equal Opportunity for Women in the Workplace Act was handed down in January 2009. Does the government intend to release its response to the review and, if so, when?

Ms Moyle—The review of the Equal Opportunity for Women in the Workplace Act and agency was an internal government process. In that sense there was no final report that needed to be responded to by government. The government, since the review finished earlier this year, has been working across government to develop the position that we will be taking forward as a result of that review.

Senator CASH—Thank you very much for that clarification. When is that expected to be finalised?

Ms Moyle—The government is working on it now. It is difficult for me to say exactly when that will be announced but, as you would be aware, the reform process was picked up through the election commitments with the commitment to retain and strengthen the Equal Opportunity for Women in the Workplace Act and agency. We are working across government. It is difficult for me to say exactly when that will be finalised.

Senator BOYCE—In Senate estimates in June you said, ‘I hesitate to say it but’—again—‘soon,’ in relation to what you described as the iterative process that was going on with the office and the women and the minister on this topic. When will soon be, please?

Dr Harmer—There has been a big event and a lot going on between June and now, which has possibly held it up.

Senator BOYCE—But that is the point I am making—

Dr Harmer—The officer cannot answer.

Senator BOYCE—it was held up. In June it was held up. We are still held up.

Dr Harmer—The officer cannot answer that question. It is up to the government and minister.

Senator CASH—Was KPMG commissioned to undertake the report or the review and produce internal—

Ms Moyle—No. KPMG was asked to run the consultations. It produced a report of those consultations, but that was not the report of the review itself.

Senator CASH—How much did the government pay KPMG to produce their part of the report?

Ms Moyle—The total cost was \$294,977.

Senator CASH—Is that a publicly available document?

Ms Moyle—I believe the consultation report is available on the website.

Senator CASH—One of the other issues that I would like to talk about is the COAG process and, in particular, what is often referred to as the ministerial council for women. My understanding is that it is actually the Commonwealth, States, Territories and New Zealand Ministers Conference on the Status of Women, but it has the same standing as a ministerial council on women. Does the government have any plans to abolish or downgrade this particular ministerial council or absorb it into another ministerial council?

Ms Moyle—Not at this stage.

Senator CASH—Is that a no, or is it a ‘not at this stage’?

Dr Harmer—I think what this officer is saying is: the government has not made such a decision. We could not answer whether they have got it under consideration or not.

Senator CASH—No. I need to be very clear because I have had a number of issues raised by people. Has that been discussed at COAG? I can put that to the minister. Has the government’s plans or potential plans to either abolish, downgrade or absorb into another ministerial council the ministerial council for women been discussed at COAG? Is it on the COAG agenda?

Senator McLucas—I can find that out for you.

Senator CASH—Yes, would you. If there is any COAG communique in relation to this, would you be able to please provide it to this committee?

Ms Carroll—There has been a broader process at COAG that has looked at a number of ministerial councils that operate across the COAG agenda. Clearly, the ministerial council for women is one of those. However, COAG has not made any final decisions, as I understand, on any of those particular councils. There has been a review report done by Dr Allan Hawke on the ministerial councils, but all of that still has to go back to COAG, et cetera. There has been a meeting of the ministerial council for women, which occurred about two or three weeks ago. The council has been continuing to meet and continuing with the business of the council.

Senator CASH—Has the Office for Women provided any advice to the government regarding the potential abolition, downgrading or absorbing of what I will refer to as the ministerial council for women?

Ms Carroll—As I described, because there has been a broader COAG process on all the ministerial councils, the department regularly briefs the ministers on any implications of those. As I indicated, as far as I understand there have been no final decisions. However, we would regularly brief on things that are coming up in the future.

Senator CASH—Sorry, I will direct my question then to the department. Has the department provided any advice to the government regarding the potential abolition, downgrading or absorbing into another ministerial council of the ministerial council for women?

Dr Harmer—Ms Carroll has gone about as far as we can go in this space. We cannot—as you probably well know—talk about advice we give to government.

Senator CASH—No, I am merely asking for a yes or no answer.

Dr Harmer—What Ms Carroll has said is that—in relation to the report undertaken by Dr Hawke, about ministerial councils in general, which, obviously, will have made recommendations that cover a lot of the ministerial councils in the portfolio—we will have provided a briefing to the minister.

Senator CASH—Is the report by Dr Hawke a publicly available document, or is it able to be tabled for the Senate committee?

Ms Carroll—I do not believe so.

Dr Harmer—I think it is a COAG document.

Senator CASH—In terms of the Office for Women, do you believe that there should be a stand-alone ministerial council for women?

Dr Harmer—The officer's opinion about that is not something that we should provide here. An officer's opinion is not something that is relevant. An individual officer's opinion about a policy recommendation is not something that we would answer.

Senator CASH—I will rephrase the question so as not to ask about a policy recommendation. What is the Office for Women's opinion of the ministerial council for women? Is it valuable to have a stand-alone ministerial council for women?

Ms McKenzie—The Office for Women is part of the broader Department of Families, Housing, Community Services and Indigenous Affairs. In the Office for Women, we do not have a view that is different from the view of the broader department. We are constrained by exactly the same rules as the rest of the department. We do not have an opinion on this matter. We really put these things forward to government for government to consider policy.

Senator CASH—Can I just confirm that what you are saying is that the Office for Women does not have an opinion on whether or not there should be a abolition, downgrading or absorbing of the ministerial council?

Dr Harmer—No, what Ms McKenzie is saying is that, to answer that question, she would get very close to giving you information on the advice we have given to government, and that is not something we will do here.

CHAIR—Do you have much more, Senator Cash?

Senator CASH—I do, but I am happy to put a lot of it on notice.

CHAIR—It is just that other senators wish to ask questions, and I had allocated until 10 am. I am prepared to go until 10.15 am, but we cannot go beyond that.

Senator CASH—For this particular outcome?

CHAIR—For women, yes.

Senator CASH—I have two more questions and I will put the rest on notice. What is the actual status of the national action plan to reduce violence against women as considered by COAG?

Ms Smart—The government released its draft plan in August of this year. As part of the releasing of that report, it indicated it would seek to agree the report as quickly as possible with the states and territories for COAG consideration. We are continuing to have those discussions with the states and territories. We have a meeting with state and territory officials on Thursday and Friday of next week to work through the plan and to continue to progress the plan. As a result of that, we will be progressing it to COAG as soon as we can.

Senator CASH—That is obviously of considerable interest to a lot of people within the community. One of the roles of the Office for Women, according to the budget papers, is to advise on legislative issues relating to women. What current legislative issues are you actually looking at?

Ms Moyle—The Office for Women has a role across government as a whole-of-government policy coordination unit, so we involve ourselves in any number of different processes. For example, we look at every cabinet submission that comes across our desks, and have the opportunity to comment on those. We participate in major policy reform processes. For example, at present we are talking about the constitutional reform in relation to recognition of Indigenous people. Also we are dealing with the work on the Henry review. We like to think we can be involved in any major policy decision and discussion that happens across government.

Senator CASH—So there are no specific hot topics at the moment? Yours is the broader role?

Ms Moyle—That is right. So we do look at any number of small things that come across our desk at short notice, and we involve ourselves in longer-term discussions—for example, as I say, the Henry review and the Sex Discrimination Act reform.

Senator CASH—That was one of those?

Ms Moyle—Yes, that is right.

Senator BOYCE—Ms Steele, you continue to be the acting director and have been now for some 18 months or so?

Ms Steele—I can tell you that, because I was rather curious myself as to how long I had been acting. As of today, I have been acting for one year, 10 months and 25 days, and I have enjoyed every minute of it.

Senator BOYCE—So even the 18 months was an underestimate. What is the status of your position at the present time? I understood that some advertising has taken place—is that right?

Ms Moyle—We are in the process of developing that recruitment process, yes.

Senator BOYCE—In the process of it?

Ms Moyle—In the process. It has not yet been advertised.

Senator BOYCE—Do we have a timeline on this in terms of when it will be advertised, when you expect an appointment to be made et cetera?

Ms Carroll—We are working on that process at the moment.

Senator BOYCE—I will probably check out what ‘soon’ and ‘shortly’ mean yet again at the next estimates. There were nine noncompliant organisations from your 2008-09 report at the last estimates. Some of them had become compliant, and you told us that JJ Richards & Sons Pty Ltd was in the process of becoming compliant. Has that happened?

Ms Steele—Yes, they are now compliant.

Senator BOYCE—How many noncompliant ones are there now? Has anyone else become compliant?

Ms Steele—None in addition to the companies I mentioned in the last estimates round. We are in the process of finalising the current noncompliant list, which should be available towards the end of November.

Senator BOYCE—When your annual report comes out?

Ms Steele—Yes, that is correct.

Senator BOYCE—Is there anything you can tell us about that? Are there more or less?

Ms Steele—At the moment, my understanding is that it is about the same.

Senator BOYCE—Is Rivers, the clothing and retail company, still a noncompliant company?

Ms Steele—Currently they are noncompliant, yes.

Senator BOYCE—Everyone might be completely amazed and startled to know that today is the first ever UN World Statistics Day.

Senator SIEWERT—Where is the badge?

Senator BOYCE—Senator Siewert, I did not know you would get upset when I told you that. One of the reports they have brought out is one indicating that globally women are more prone to be the victims of violence than men. One report that has been produced recently using Australian Institute of Health and Welfare figures said that two-thirds of the federal funding that is allocated to disability service providers goes towards services for male clients and one-third towards services that support female clients. Are you aware of this research?

Dr Harmer—I think the question would probably be better directed to the next program, outcome 5.

Senator BOYCE—I was asking it in both places because I want to know whether the Office for Women are aware of it and what their thinking on the topic is et cetera.

Ms Moyle—I was aware of the AIHW research that was published. It is true that, clearly, it is a matter for the disabilities area of FaHCSIA, but we do engage in conversation with our colleagues across government and within FaHCSIA on all number of matters, including this one.

Senator BOYCE—Just on that topic of women with disabilities, and statistics such as this, what do you do? Are there any active moves from the Office for Women to say: ‘Why is that so? What are we going to do to fix it?’

Ms McKenzie—Certainly. We engage with policy areas all the time around the need to consider gender in looking at the issues that they have to address.

Senator BOYCE—Have you done so in this particular instance?

Ms McKenzie—In this particular instance, yes, we have talked to a range of areas inside FaHCSIA. We have also had some work done with FaHCSIA looking at the processes that we use inside FaHCSIA in the different work areas to consider gender issues. As part of that, we are taking that back to the women’s IDC so that other departments will be able to see the things that were found out from FaHCSIA and look at working with their processes differently. So that is part of how we are hoping to have a broader influence on a range of policy issues.

Ms McKenzie—Was that engagement an internal evaluation?

Ms Moyle—It was an internal evaluation. In fact, the disability area of FaHCSIA was one of the areas that we worked with in that evaluation.

Senator BOYCE—Can you tell me a little bit more about this? I presume that you are suggesting that some culture change is needed in terms of how people assess service provider submissions.

Ms Moyle—The report is not yet public, so there is a process that we need to go through both internally to FaHCSIA and with our minister before a decision will be made as to whether that report will be made public. But yes, it was an internal evaluation at this stage, and we did find that FaHCSIA does pay attention, as you would expect, to gender issues as a social policy department that recognises that gender is one of the prime characteristics of many of our clients that affects outcomes for our clients. We do pay attention.

There are some really good news stories in there, but clearly we could always do better in developing processes to ensure that we take account of gender equality issues and promote equality in the work that we do. As I say, disability was one of the areas that we worked with in that evaluation and we are hoping that that evaluation itself will help to develop the capacity to do better. I am not necessarily referring to this particular case, of course, but certainly in a general sense.

Senator FIFIELD—Does FaHCSIA have a role in the funding of domestic violence shelters for women at all?

Ms Carroll—We have a role through the homelessness area. The national partnership with the state governments is where that would come up.

Senator FIFIELD—So does it come under housing?

Dr Harmer—Outcome 2.

Senator FIFIELD—I will come back then for that.

Senator CAROL BROWN—You can take this on notice or provide me the information on notice if you need to. I would like some brief overview about the work of the alliances.

Ms Moyle—Very briefly, recognising the time is close: we have six alliances that support work across the community to develop women's skills around advocacy and to provide a voice for women. The feeling is that having alliances as groups of women's organisations maximises the voice of women and enables them to access government policy discussions more easily and with a louder voice. We have six alliances, three of which are sectionally focused alliances and three of which are issues based alliances. Three of them are new and three of them have evolved from earlier alliances.

Contracts for the new alliance system were signed in May this year, and they are now well on track along their work programs. They cover a range of issues. While we think they are all doable, they are really quite ambitious work programs that each of the alliances has covering things such as engaging on issues of pay equity, homelessness and the tax system. Some of them focus on developing capacity of their own members. The Rural Women's Coalition and Network is launching its actual network this weekend, I believe. A range of work is being undertaken by those alliances, and I think we are already seeing that their voice is being heard across government.

Senator CAROL BROWN—I am very interested in the work that they will be undertaking. Are you able to provide me with a list of the work program that they currently have put together for each alliance?

Ms Moyle—We have the work programs for the alliances, and we are just in the process of confirming with those alliances that they are happy for those work programs to be made available. Four of them already have said that they are quite happy; we are just waiting to hear back from some, so I am happy to provide you with the four that we have. As we get consent, we will give you the others.

Senator CAROL BROWN—Each of the alliances has been funded by government. You mentioned the National Rural Women's Coalition and Network alliance, which is being launched this weekend. What contribution has the government made to that alliance?

Ms Moyle—Each of the six alliances receives core funding of \$200,000 per annum, and that has been scaled up from \$150,000 that the rural women's coalition received last financial year.

Senator CAROL BROWN—Has the rural alliance received any additional money for some of its work?

Ms Moyle—Last financial year it did receive some additional funding for its work in developing the network. That was one of the projects that we funded the alliances to do.

Senator CAROL BROWN—I might leave it there and I will have some questions next time, once I get their work program.

Senator FIFIELD—Not that I am questioning FaHCSIA, but at outcome 6 it does say:
Improved gender equality through coordinated whole of government advice and support for women's economic security, safety and status.

Ms Carroll—Yes. The detail of those would come if you are asking about funding to domestic violence services in the homelessness sector. That would come under housing and homelessness.

Dr Harmer—We are okay to try your question now if you wish?

Senator FIFIELD—I am just checking.

Dr Harmer—The funding of women's shelters is under the homelessness program.

Senator FIFIELD—Okay. I will ask there, then. I just wanted to double check.

Senator CAROL BROWN—Do you have a role in the nomination of the executive board of the United Nations women's board?

Ms Moyle—That would be something that would be conducted by the Department of Foreign Affairs and Trade, but we have been in conversation across government with the interested departments about the processes of the development of UN women, including discussions around the executive board. But it is a matter for DFAT.

Senator CAROL BROWN—Do you know when a nomination has to be put forward?

Ms Moyle—I could not tell you for sure, I am sorry.

[10.11 am]

CHAIR—Thank you to officers from outcome 6. We will now move on to outcome 5, disability and carers.

Senator FIFIELD—Senator McLucas, congratulations on your return to the executive and your appointment in this area. I acknowledge your long-standing involvement and interest in disability and carer issues. I might start with cinema access. Could officers provide an update on the progress of the cinema access implementation plan?

Dr Hartland—The cinema access implementation plan was announced on 17 July. The four cinema chains involved were Hoyts, Village, Events Cinema—which is Greater Union, Birch Carroll and Coyle—and Reading Cinemas. We have agreed to contribute the amount of \$470,000 over four years towards the initiative. That is about 21 per cent of the expected costs. Depending on where your interest lies, we can talk in more detail.

Senator FIFIELD—It is really what has been achieved since 17 July. I know that the aim is 242 accessible screens by 2014. What progress has been made?

Dr Hartland—Broadly we are still in negotiation with the chains about how to proportion the \$470,000.

Senator FIFIELD—How to proportion that between the cinema chains?

Dr Hartland—That is right.

Senator FIFIELD—Are the cinema chains each presenting proposals to FaHCSIA and then FaHCSIA judging their worthiness to be funded, or are you going to allocate equally between them? Is each cinema going to nominate a certain number of screens that will be made accessible and then FaHCSIA funds a certain amount per screen?

Ms Bedford—Some of the issues you have highlighted are exactly what we are exploring with the cinema chains, because there are targets that we want to meet through this funding, and there is a number of ways to approach that funding; whether we divide it equally between the chains or the chains nominate certain targets that they are willing to meet and agree to meet during that process. That is what we are working through at the moment.

Senator FIFIELD—Are you looking at a geographical spread, so that you might take elements of each chain's bid but not all of them to ensure a geographic spread?

Ms Bedford—They are all elements that we need to discuss with the chains, because it could be quite a complicated implementation.

Senator FIFIELD—Is the plan that the money would be provided to the cinemas up front once you have worked that out, or that the cinemas would do the work and then be reimbursed?

Ms Bedford—They are the details that we are still working through.

Senator FIFIELD—Okay.

Dr Hartland—We have planned to spend the money over the forward estimates on one grant this year.

Senator FIFIELD—You have planned one grant for this financial year?

Dr Hartland—No, we are planning on spending the money over the forward estimates, but we have not finalised whether within that profile of funding it would be in advance of action or as a reward for action.

Senator FIFIELD—Okay. Of the 242 accessible screens, will they be 242 new screens? Cinemas will not be able to say, 'Since the announcement we have made some more screens accessible; can you reimburse us for those?'

Ms Bedford—We would expect that they would be new screens.

Senator FIFIELD—New from the time that you actually reach agreement with the cinemas?

Ms Bedford—Yes.

Senator FIFIELD—Do you have a target of how many screens each year over the forward estimates would come on line? Is the objective to have that number of screens by 2014?

Senator McLucas—It is just too early days to be able to answer these questions. I am sure at the next estimates we will have more information. The announcement was made just in July, so there is a fair bit of work that is under way. These negotiations are occurring. We will have plenty more to tell you next time.

Senator FIFIELD—That would be good. I look forward to that. So there is nothing else that you want to share? No?

Senator McLucas—It is a really good idea.

Senator FIFIELD—Do you have a target date for the first screen? No? Okay.

CHAIR—Is that the end of your questions?

Senator FIFIELD—On screens, yes.

CHAIR—I thought it might be more general with that last question. Is it the end of all your questions?

Senator FIFIELD—No. Indeed not. FaHCSIA funds on a recurrent basis a number of peak disability organisations across Australia. How many peak body disability organisations does FaHCSIA fund?

Ms Bedford—Twelve.

Senator FIFIELD—Can you list their names?

Ms Bedford—Yes, the Australian Federation of Disability Organisations, Blind Citizens Australia, Brain Injury Australia, Children with Disability Australia, Deaf Australia, Deafness Forum of Australia, First People's Disability Network (Australia), National Council on Intellectual Disability, National Disability Services, National Ethnic Disability Alliance, Physical Disability Council of Australia, and Women with Disabilities Australia.

Senator FIFIELD—Is Physical Disability Council of Australia the same as Physical Disability Australia or what is referred to as PDA?

Ms Bedford—It could be.

Senator FIFIELD—Will you take on notice and provide how much each of those organisations receives?

Ms Bedford—I can tell you now, Senator.

Senator FIFIELD—Maybe you can just provide the bit of paper, that might save the committee going through it, unless you can talk quickly.

Ms Bedford—I could do it quickly.

Senator FIFIELD—Okay.

Ms Bedford—AFDO receive \$303,545 in 2010-11; Blind Citizens Australia, \$195,134; Brain Injury Australia, \$162,547; Children with Disability Australia, \$162,547; Deaf Australia, \$195,134; Deafness Forum of Australia, \$195,134; First People's Disability Network (Australia), \$162,547; National Council on Intellectual Disability, \$162,547; National Disability Services, \$271,421; National Ethnic Disability Alliance, \$162,547; Physical Disability Council of Australia, \$162,547; and Women with Disabilities, \$162,547.

Senator FIFIELD—Thank you for that. How long are the funding agreements with each of these organisations?

Ms Bedford—They are in place until 30 June 2011.

Senator FIFIELD—What criteria determines which peak bodies are funded?

Ms Bedford—The majority of these have been longstanding funding agreements. Children with Disability have recently become a peak body, and the First People's Disability Network, which is the Aboriginal disability network, went through a process of developing backing to become a peak body. It sought support nationwide to become a peak body. Part of that process is seeking support around the disability community, but also seeking funding through proposals to ministers and departments.

Senator FIFIELD—A number of these organisations are funded on what you might call a historical basis because they have previously been funded?

Ms Bedford—Yes.

Senator FIFIELD—So the decision as to which organisations to fund is really made on a case-by-case basis? A case is put to government and government decides rather than through application, through a more formal process of meeting certain criteria?

Ms Bedford—Yes.

Dr Hartland—In the mechanics, we do keep an eye on the nature of the sector and the coverage of advice that the peaks are able to give to government to ensure that we have in place mechanisms that would allow us to receive advice and views from the diversity of the sector. It is not ad hoc, but the actual mechanics of it are historic.

Senator FIFIELD—Does FaHCSIA audit these organisations at all? What sorts of audit reporting requirements are there?

Ms Bedford—They have a number of deliverables within their funding agreement. We make sure that those are delivered on time. We work with them if there is an issue around delivering on time. They are very good at delivering on time. We go through an acquittal process with their funding agreement. As these are disability peaks, the majority of them do policy papers and the policy topics are negotiated with the peak body themselves.

Senator FIFIELD—So, if there is a research paper done by a peak body, the subject matter would be decided in negotiation and in discussion with FaHCSIA?

Ms Bedford—A number of times they will deliver more; they will produce research papers that are in addition to their deliverable.

Senator FIFIELD—What are the sorts of deliverables—an annual report?

Ms Bedford—Annual report and a policy paper on an issue around disability policy that the members of the peak organisation are interested in doing and FaHCSIA would consider that that would be a worthwhile topic to receive advice on.

Senator FIFIELD—You mentioned acquittals. What sorts of expenditures have to be acquitted with FaHCSIA from these organisations?

Ms Bedford—Showing that they have spent the funding that has been provided through that grant process, that they have adequately dispensed that funding.

Senator FIFIELD—It might be that the organisation has spent a certain amount on lease costs for their office, salary costs?

Ms Bedford—Yes.

Senator FIFIELD—Would it include travel expenses by the executive officer of the peak body?

Ms Bedford—I do not think we go to that detail.

Ms Winzar—The nature of the acquittal is that the organisation must have spent our funding for the purpose for which we engaged it, and that is generally speaking with peak bodies to represent the interests of a particular constituency and to provide advice to government and the department. It might be that we ask them to do some consultation work around reforms coming up; it might be that we ask them to do some policy papers or some research papers; it might be that we ask them to engage with their constituencies around some

areas of interest to them or to us. Each of those funding agreements will negotiate a detailed list of deliverables with the organisation, as Ms Bedford has outlined, and then the acquittal process at the end requires an audited financial statement and some assurance back to the department that they have done what was outlined in their funding agreement.

Dr Harmer—But we would not be in the pipeline or in the process of approving individual travel plans. We certainly would not be doing that. The administrative costs of doing that for the 12 organisations in this area are such that it would be prohibitive.

Senator FIFIELD—Sure. So for these organisations, apart from projects that they might be tasked to do, are there more general KPIs that the organisations have?

Ms Winzar—We do not have a common set of key performance indicators across each of the peak bodies that we fund, because they often do very different work in very different domains. But, as Dr Hartland indicated, we are very concerned that they are effectively representing back to government the interests of the people for whom they purport to be a peak, and indeed that they are effectively communicating government reforms or directions back to their membership. We keep a bit of an eye on that. You would have noticed in that list that Ms Bedford read out that there is a bit of an overlap with some of the groups, and it can be quite good for us to get some competing advice from different parts of the sector on areas of interest to government.

Senator FIFIELD—So there are KPIs, but not common KPIs; they vary from organisation to organisation, although there may be some common elements?

Ms Winzar—That is right, and they are built around the deliverables in their funding agreements.

Senator FIFIELD—What action does FaHCSIA take if KPIs are not being met?

Ms Winzar—If an organisation has not delivered the requirements set out in their funding agreements, we have a regular series of meetings with the peak bodies that we fund, any performance issues that come up are usually brought to the surface fairly quickly. We might renegotiate time frames on, say, a piece of policy work that they have undertaken to do. The options open to us are to cease funding, to defer funding, to adjust the overall funding to the organisation and/or to adjust the deliverables in their agreement.

Senator FIFIELD—Does FaHCSIA take an interest in the governance issues in these organisations?

Ms Winzar—Generally speaking, the answer would be no. The Corporations Law, or in corporations laws in the states, would guide the proper conduct of those organisations, if that is where your question is going, and we would leave it to those mechanisms and the membership of those organisations to pursue any action that might be required.

Senator FIFIELD—Are you aware of any governance issues to do with Physical Disability Australia, which I think used to have ‘council’ in its name previously?

Ms Bedford—We have been working with PDA and talking with them around any issues that they have had.

Senator FIFIELD—I understand that seven directors have resigned from the PDA board in the last two years and that various matters have been referred to ASIC and to FaHCSIA for investigation. Mr Shorten, when he had portfolio responsibility, might have referred some matters to FaHCSIA for investigation.

Ms Bedford—Certainly, Mr Shorten asked us to work with PDA, and we have been doing that. The last report I have is that a number of those issues had resolved. The governance issues were settling. But I can get you an update on notice if you would like.

Senator FIFIELD—So FaHCSIA has concluded its investigation?

Ms Bedford—It was not a formal investigation. We were asked to talk with PDA and see if we could assist them.

Dr Harmer—While we give substantial funding for many of these organisations representing people with disabilities, they get funding from other sources and we are one of the funding bodies, so the extent to which we can dictate broader governance for an organisation which gets its funding from a range of different sources is sometimes constrained. But if we give them substantial funding, we take an interest.

Senator FIFIELD—I would think that a majority of PDA's budget, if not an overwhelming majority, would come from FaHCSIA?

Dr Harmer—That is possibly true.

Senator FIFIELD—I would not be surprised if it was 80 or 90 per cent or something of that order?

Dr Harmer—Sure.

Senator FIFIELD—Where FaHCSIA is providing taxpayers' dollars and there were questions in relation to dysfunction of an organisation that would be of concern to FaHCSIA?

Dr Harmer—We would be concerned with that, yes.

Senator FIFIELD—Was it brought to your attention in your inquiries into PDA that a number of directors of PDA were having difficulty accessing basic documents such as financial statements, travel claims which may have been made, or the employment contract of the executive officer?

Ms Bedford—I do not have that detail with me. I know that there were a number of complaints by directors, and as I said before, we did talk to PDA about different people within PDA about those. I can provide more detail on notice.

Senator FIFIELD—If you could. This might help prompt your memory. I understand that at least one director, after having asked for certain documents that should be made available to a board, was told that they could only view them in person at the registered office of PDA, which I also understand is the primary residence of the executive officer, at a remote property some five hours drive from Sydney.

Ms Bedford—No, Senator.

Senator FIFIELD—That does not ring a bell?

Ms Bedford—Not that particular incident.

Senator FIFIELD—As a result of those inquiries that you made into this organisation or other organisations, has FaHCSIA initiated any changes to its own monitoring processes of peak bodies that do receive funding?

Ms Bedford—Not following the PDA, no.

Ms Winzar—If those inquiries that we might make in response to those concerns of members suggested there was any fraud or improper use of the funds that we had given, we would act, but we do not run those organisations. It is a matter for their membership, and it is a matter for ASIC or for the corporations law of the particular state or territory in which the organisation is registered. We certainly are interested in their capacity and their effectiveness in representing their constituency and discharging their funding obligations to us, as required, and we certainly would be concerned if any of those investigations suggested any fraud. But beyond that, it really is a matter for the members to take up.

Dr Harmer—If an investigation is undertaken by ASIC or anyone else of any of the organisations that we fund or partly fund, we would certainly cooperate and provide information.

Senator FIFIELD—But where an organisation is overwhelmingly funded by FaHCSIA and if there were persistent reports of dysfunction in that organisation and in its governance, is that something that FaHCSIA would take into account when looking at ongoing funding for an organisation?

Dr Harmer—Yes, absolutely. Yes, we would, and if, as Ms Winzar said, there were suggestions of fraud or anything serious like that, we would absolutely take that into account and we would be advising government about what should happen.

Senator FIFIELD—I am not expecting FaHCSIA to do ASIC's job for it, but FaHCSIA has a different consideration, which is value for taxpayers' dollars. So that is something that would be taken into account.

Dr Harmer—Yes.

Senator FIFIELD—I appreciate that the officer at the table will take some of those matters on notice and provide further information. Thank you.

Dr Harmer—You can be assured that we will take a great interest in organisations that we fund to ensure that taxpayers' money is being used for the purpose we provide it for.

Senator FIFIELD—Thank you for that.

Proceedings suspended from 10.38 am to 10.56 am

CHAIR—Dr Harmer, I believe you have a clarification for us?

Dr Harmer—I understand there was some confusion about what particular housing programs were transferred to the Department of Sustainability, Environment, Water, Population and Communities.

CHAIR—Yes.

Dr Harmer—We provided a letter to the committee dated 18 October which clarifies precisely which programs have been transferred from FaHSCIA to other departments. The

reason we did that is that the administrative orders which were released just before that deal with legislation only; they do not deal with individual programs, and a number of the programs are not covered by legislation. For example, the Housing Affordability Fund is not referred to in the administration orders because there is no legislation associated with it, but we made it clear in the letter we provided to the committee that that program has been transferred to the other department. That is why we did it, to try to be helpful, because we know that the administration orders only refer to legislation. Some programs are covered by legislation and some are not, but it is clear in the admin order descriptions that housing affordability issues are now dealt with by the Department of Sustainability, Environment, Water, Population and Communities.

CHAIR—Super, that is clear. Can I check that all LNP senators have got a copy of that information? Can we take it that everyone has got a copy?

Dr Harmer—I understand from the secretariat that all senators were provided with a copy of our clarifying letter.

CHAIR—They were the committee members, Dr Harmer. Some of the people who come in have particular policy areas of interest and are not members of the committee. We have made sure that that letter is now circulated to the appropriate persons. Thank you for that, Dr Harmer. We will go back to questions under outcome 5. Senator Fifield, you were in full swing there when we left off.

Senator FIFIELD—Thank you. I might just briefly return to the issue of Physical Disability Australia. I think we characterised earlier your inquiries in relation to Physical Disability Australia as just that—as inquiries, discussions, to see if you could help PDA. I referred earlier to, and you confirmed, Mr Shorten’s office referring the matter to FaHCSIA for inquiry. I have a copy of an MOU from Mr Shorten’s staff, which was in response to the initiator: ‘It was mentioned I have asked FaHCSIA to investigate the issues you have raised with us in relation to PDA. That investigation is underway.’ It would seem, from the communication from Mr Shorten’s office to the initiator, that it was certainly characterised as an investigation in the minds of Mr Shorten’s officers.

Dr Harmer—That is a reasonable choice of words, Senator, but we would use ‘investigation’ in the sense of—

Senator FIFIELD—The formal legal sense?

Dr Harmer—Yes.

Senator FIFIELD—Again, this might assist your memory, in October last year there was a 29-page document submitted to FaHCSIA from those directors who resigned, and that report went through each deliverable, each KPI, with the view of those who had resigned of how the KPIs, the deliverables, were not being met. I understand that there was no response to that 29-page paper to those who had submitted it.

Ms Bedford—As I said before, I am just seeking some information on that because I want to answer correctly. My understanding is that we did do quite a bit of work around this agency in February but I am just seeking advice on how that went to be able to answer the question fully for you.

Senator FIFIELD—Thank you for that. Do you receive many 29-page documents from directors who have resigned from these 15 or so organisations that FaHCSIA funds which express concerns, KPI by KPI?

Ms Bedford—No.

Senator FIFIELD—Okay.

Dr Harmer—I would be very surprised if we did.

Senator FIFIELD—Yes, I would too. This is one that you would think there would be fairly clear recollection of amongst officers?

Dr Harmer—Yes.

Ms Bedford—We do take these seriously, and as I said I am getting the advice.

Dr Harmer—With the non-government organisations that are funded by us, as I mentioned before, we take great interest in the fact that they deliver for taxpayer money they receive from us, and we would look at all of those matters. We will have looked at it. What Ms Bedford is saying is that she is getting advice in terms of what we have done. I suspect the reason we have not replied is that perhaps it is inconclusive or we have not completed our inquiries; that may be the case. As you would be aware, in some of these non-government organisations different points of view emerge between members of boards. We cannot afford to take necessarily at face value a particular view. We have to go through it very carefully. If this issue has been raised with ASIC, we will also be undertaking their investigation.

Senator FIFIELD—I expect things can be acknowledged without expressing a view. Ms Bedford, you mentioned that, as far as you were aware, matters and issues had been resolved. What is it that leads you to believe that is the case?

Ms Bedford—I spoke to an officer during the break who is preparing the brief at the moment. Their advice was that they understood that the issues had been resolved; but, as I said, I cannot give you much more information until I get that brief.

Senator FIFIELD—I will just try to work out in my own mind what the process is. You have directors who resign and put up a 29-page document to FaHCSIA and to government. The matter was inquired into and, in the view of FaHCSIA, the matter has been resolved, but nothing has been communicated to those who raised the matter in the first place.

Dr Harmer—The key question there is: when was it resolved?

Dr Hartland—We just need to find out precisely what has happened before we speculate on why we had in our minds it was resolved.

Dr Harmer—Given its significance, we will try and get you that today if we can.

Senator FIFIELD—Sure, that would be great.

Dr Harmer—Just so that there is no misunderstanding (a) about how long it took us or (b) that there is a loose end that we have not finalised. It is possible that it is resolved and we have not yet replied to the people. The other possibility is that it is not entirely resolved yet and we are waiting until complete resolution, perhaps relying on information from others who are looking at it before we make a final decision. Instead of speculating about it, I would

rather wait until we get more detailed information and we will try to get that during the day if possible.

Senator FIFIELD—Thank you for that. I am sure you will provide comfort and reassurance that the significant allegations of that nature which have been made have been properly investigated.

Dr Harmer—We will have looked at it.

Senator FIFIELD—I will just move to supported accommodation. I am sure your officers recall the 2008 commitment by the government to an additional 300 supported accommodation places and would probably also recall the ABC *Four Corners* program of 15 February 2010 which reported that, at that time, according to the *Four Corners* investigation, only 40 of those places had been delivered. You will probably also recall that, on 26 February this year, Mr Shorten told the ABC through a spokesman:

We do not know when the beds were tendered for, nor when they were approved, who the providers are, nor where they were ...

I think that would have surprised those who heard the statement that—

Senator BOYCE—I do not think it is surprising to the people who want them.

Senator FIFIELD—Quite right, Senator Boyce—that the Commonwealth government, which is providing this money, was not able to answer those particular questions.

Dr Harmer—I do not know the detail of this one but I suspect one of the reasons that we would not have had all of the detail is that it is money—

Senator FIFIELD—Pesky states?

Dr Harmer—we provide through a national partnership agreement to the states and territories, and they are responsible for the administration of the program, but I may be wrong.

Dr Hartland—Perhaps we can get to the question?

Senator FIFIELD—I was getting there and I was certain that the pesky states would form part of the answer. Again, from the point of view of taxpayers, I think they would expect the Commonwealth to monitor that and have an idea. Also, with the election just passed, the Labor Party promised a further 150 places. My question is: why was government not able to answer? It would appear government did not know when the beds were tendered for, when they were approved, who the providers were or where they were. Secondly, are officers at the table now able to answer some of those questions? So it is twofold: why could those questions not be answered then and can they be answered now?

Dr Harmer—When was it? In February this year?

Senator FIFIELD—That was February this year.

Ms Bedford—The \$100 million was provided to states under an MOU. The MOU did not include reporting requirements around providing addresses or organisations that would be funded.

Senator FIFIELD—So the MOU did not include—

Ms Bedford—No, it did not.

Senator FIFIELD—where any of these were?

Ms Bedford—They included the state but nothing—

Senator FIFIELD—So, in a big state like Queensland, the degree of specificity that the Commonwealth required was that it be within state borders?

Ms Bedford—It did not require addresses.

Senator FIFIELD—Okay, so it did not require addresses. Did it require to be advised when they were tendered for?

Ms Bedford—No.

Dr Hartland—No, we were focused on the outcome.

Senator FIFIELD—If I could just interpose there for a moment. You focused on the outcome. How can the Commonwealth know that the outcome has been achieved if the Commonwealth does not know when they were tendered for or where they were? Sorry, I interrupted.

Dr Hartland—The requirement was to build, I think, 313 additional places by 2014, was it?

Ms Bedford—Yes.

Senator FIFIELD—Three hundred and three, did you say?

Dr Hartland—Three hundred and thirteen, I think it was, by 2014. We will insist that the states report on whether they have achieved that outcome. Ministers have also agreed, to be able to better inform the public about progress of the initiatives, to share data, but the Commonwealth is not project managing these capital constructions.

Senator FIFIELD—You said that part of the arrangement is better share data. I would have thought pretty basic data is where the beds are. How much more basic can it get than where the beds are in terms of the Commonwealth and states sharing data?

Dr Hartland—The states are responsible for planning for disability services within their jurisdictions, so they have robust mechanisms to know where the need is. The Commonwealth does not have a source of data which would allow us to make a judgment as to whether Ipswich or Townsville were more deserving of additional accommodation. Where the beds are is very material to the states but it is not a first order issue for the Commonwealth.

Senator FIFIELD—It is nice to know, surely, for the Commonwealth?

Dr Hartland—Sure.

Senator FIFIELD—If you are putting taxpayers' dollars into the state jurisdiction, the Commonwealth should know. Surely the most basic way of auditing, of confirming, that the states have delivered is to say, 'This is where they are; this is the address.' I would have thought that is the most—

Dr Hartland—We are very concerned to track progress. We have, I believe, recently tabled or are about to table an answer to one of your previous questions on notice about progress with this measure. We certainly track the progress of this but we do not go to the

detail of the tender arrangements or all the various phases that you would expect the project manager to monitor.

Dr Harmer—When we provide funding to the states we do it under a whole range of different arrangements—national agreements, national partnerships, MOUs. Each of those has reporting requirements and deliverables consistent with agreements, MOUs, partnerships et cetera, as negotiated around COAG. In areas where we provide funding to the states in areas which are their primary responsibility, we get naturally less information than where it is a joint responsibility, say in hospitals et cetera. I doubt whether in health we know the allocation precisely, when we give money to the states, between hospitals in a particular city but we know how many beds are available. I think it is probably similar in the area of disability accommodation, which is an area of state responsibility under an agreement negotiated in COAG at a special premiers' conference many, many years ago where the Commonwealth took over responsibility for employment related services for people with a disability and the state took over sole responsibility for accommodation. We still provide money but they do the administration, the delivery, the contracting et cetera.

Senator FIFIELD—You do not get information if you do not ask for it.

Dr Harmer—Indeed, but in some cases we get information about locations; in some cases, where it is entirely a state responsibility, we get more general information about numbers et cetera and not specific locations. I would be surprised, though, in this area, where it is relatively early days I think in the agreement—when did the money start to flow?

Dr Hartland—The period for the MOU is 2008 to 2012. I said 2014 before but it is 2012.

Ms Bedford—The MOU was pre the National Disability Agreement, so it is separate to that.

Senator BOYCE—Does that cover 450 beds? I have a figure of 450 beds that have been promised since 2008; is that correct?

Ms Bedford—There were 313 with \$100 million and then, with the \$60 million that was announced as part of the election commitments, there were another 150. So that might have been your 453.

Senator FIFIELD—I know you cannot tell me locations but are you able to tell me at the moment how many of those 313 additional ones—yes, there is until 2014 to provide them—are provided as of today?

Ms Bedford—From 18 October?

Dr Harmer—I was hoping the answer to that would be yes. We know numbers.

Dr Hartland—Yes, we can.

Ms Bedford—From 18 October, I will go by states.

Senator FIFIELD—Yes, that will be great.

Senator BOYCE—Is this an update on the figures provided to the question on notice?

Ms Bedford—169?

Senator BOYCE—This is the answer to 169. So if you have got 169 you have the answer already.

Senator FIFIELD—Let us whip through them quickly.

Ms Bedford—In New South Wales, there are 54; Victoria, six; Queensland, 31; none in South Australia; 46 in WA; none in Tasmania; ACT, four; and the NT, one. So 142 is the total.

Senator FIFIELD—Why are there none in South Australia and Tasmania?

Ms Bedford—They are still developing properties. They have not come on line yet.

Senator BOYCE—When we are told we have those beds, does that mean that they are now in a situation where people are occupying them?

Ms Bedford—Yes.

Senator BOYCE—What level of confidence do you have that that figure is right?

Dr Hartland—Those figures have been provided to us by the states and we have taken some care to make sure that we have asked the right questions with regard to that, so we would have a high degree of confidence that those figures are correct.

Dr Harmer—FaHCSIA does have officers in each of the states and territories, usually in the capital, and part of their responsibility is giving us information about state activities and programs which we are funding but they are responsible for.

Senator BOYCE—They could not do a random audit by driving past a house because they have not got the address.

Dr Harmer—No.

Senator FIFIELD—Dr Harmer and Parliamentary Secretary, in your experience do the states ever fudge or fib?

Senator McLucas—You had the same question in your former role.

Senator FIFIELD—Absolutely, states do.

Dr Harmer—In most cases there is a sort of an independent body which—there is a bit of a lag—does provide independent information. The Australian Institute of Health and Welfare, for example, periodically produces a report on things like beds and numbers et cetera. It is an independent body; it is pretty reliable. States and territories, while they are pretty careful about not providing the Commonwealth with more information than we are entitled to under an MOU or an agreement, usually furnish pretty good information to that independent body.

Senator FIFIELD—With this sort of MOU there would be nothing, though, to stop the Commonwealth putting in there—and I am sure the states would not object—that the Commonwealth be advised when tenders are called for, when they are let, when the beds are in place and where they are?

Dr Harmer—You say they would not object. I have been involved in a very large number of negotiations between the Commonwealth and the states and territories on agreements, and the amount of information that the Commonwealth requires is always hard fought by the states and territories because the administrative costs in providing it through to us, often in a form in which they do not collect it, are—

Senator FIFIELD—I am sure they collect where the addresses are.

Dr Harmer—They may but they do not generally, unless we have it explicitly in the agreement, provide individual addresses and that detailed information.

Senator FIFIELD—I am not being critical of FaHCSIA, because I think this is something that the responsible ministers should insist on, but ultimately it is the ministers who are responsible for justifying to the public that money has been spent and spent well. I think, Senator McLucas, that it might be something that the government should insist on, that we at least know where these Commonwealth funded places are.

Senator McLucas—I think we do know that, to this point in time, 142 have been completed.

Senator FIFIELD—I do not know that we do know, because we do not know where they are and if you do not know where they are how can you be certain? I am old fashioned. I would like someone to actually say, ‘I have seen it, it is there and there is someone who is making good use of it.’

Senator McLucas—The question, I think, is about the balance between the expenditure of moneys monitoring an agreement—in this case, an MOU—and the level of risk that you expect that is inherent in that MOU. It is clearly the view of the department that the level of risk is not high. I do not know that you share that view. I think it is important that we be a bit sensible here and work out what the level of risk is. I take your point, though, that there are a lot of people out there who are really looking for accommodation. We have given a significant amount of money to the states and territories, and I think it is reasonable that we know that these sets of accommodation have been constructed. I will take the opportunity now to have a look at this MOU and work out if there is a way that we could be clearer, to put your mind at risk—not only your mind but also the minds of people who are looking for accommodation. We have made a big investment and we do expect it will be delivered. We do not expect that the states and territories will shift any of their expenditure or replace any of their proposed expenditure with ours because this is on top of what is expected.

Senator FIFIELD—Senator McLucas, you are not in a position to tell us where these places are, are you?

Senator McLucas—No, and I would not because people who live in supported accommodation do not want their addresses made public. I would not tell you where those pieces of accommodation are.

Senator FIFIELD—You can certainly provide a postcode or a suburb?

Senator McLucas—I might. But let us be very clear here, Senator, that people who live in supported accommodation have a right to have a private life.

Senator FIFIELD—No-one is suggesting that the names and addresses of people in supported accommodation be provided. What we are asking for is the base level of accountability for Commonwealth expenditure, which is that the Commonwealth be able to tell the Australian people when something has been tendered for, when it has been let and where it is. The Commonwealth does not have that base level of knowledge, and it is not your

fault; it is the fault of your predecessor, Mr Shorten, for not requiring that that basic accountability be in place for Commonwealth funds.

Senator McLucas—I do not know that I can go that far yet. Let me have a look at the processes that are in place, the accountability measures and the advice that we receive back from the states and territories before we jump to that conclusion.

Dr Harmer—Just for context, having been involved a long time in these agreements, as I mentioned before, this is not a new issue—debates between the Commonwealth and the state about the level of detail in information provided under such agreements and partnerships. It is, in my experience, an issue that has stretched over the last 20 or 30 years between the Commonwealth and the states in terms of the degree to which Commonwealth government ministers can get specific information.

I remember many years ago Commonwealth ministers wanting to be able to have joint announcements in housing projects, for example, which is what state ministers generally like to protect for themselves. It was really, really difficult to get the information. Both sides of politics have tried over many years to get better information on this. We do our best to get the information that is required under negotiated agreements.

Senator FIFIELD—I think if we can know where each of the funded projects is we can know where each supported accommodation project is. I do not think that is unreasonable.

Senator BOYCE—Could I just ask a couple of questions here. What is the current level of unmet need for supported accommodation?

Dr Hartland—There are a number of measures.

Dr Harmer—It is fairly difficult to measure.

Senator BOYCE—I know; that is why I asked.

Dr Harmer—I am not sure that there is agreement about the methodology to come up with it. We have certainly had discussions with the states and territories over many years about the level of unmet need.

Ms Bedford—We do not have an updated figure on that, and we are still waiting for the 2009 SDAC to look at the potential population as well. It will be too early to provide that.

Senator BOYCE—Is there any agreement on methodologies to be used now?

Ms Bedford—There was agreement at the last ministers' meeting on an unmet need model, and that is just being worked through at the moment.

Senator BOYCE—Is that a public document?

Ms Bedford—No.

Senator BOYCE—When you say 'worked through', is it a draft that you currently have?

Ms Bedford—The model has been agreed by ministers, and now states are putting their data through that model.

Senator BOYCE—You would expect that it would become a public document?

Ms Bedford—That would be up to ministers.

Senator BOYCE—Perhaps, Minister, you might take on notice for me whether you are intending to make public the methodology that has been agreed by the Commonwealth but is being used by the states; is that correct?

Ms Bedford—No. New South Wales took the lead on developing that model with a working group of disability officers.

Senator BOYCE—We apparently now have an agreement on the sort of methodology to use to assess what unmet need is. I am asking if that document will be made public, please.

Dr Harmer—I do not think it is completed yet, just to clarify. I do not think that work is finished, is it?

Ms Bedford—The model has been agreed, but the work is still ongoing around putting the data through that model.

Senator McLucas—That is a MINCO document, so I will take advice.

Senator BOYCE—I would like the answer but I would also like to see what the agreed methodology is.

Senator McLucas—Sure. It is a legitimate question. I will take advice. As I understand it, it is a MINCO document, so I do not know whether I will have the ability to release it.

Senator BOYCE—Just one last question in the supported accommodation area: what is the maximum number of beds provided in any one building that has been built as a result of the MOU?

Dr Hartland—We do not have the data in quite that form. We do have some—

Ms Bedford—I can read out the—

Dr Hartland—We do not have the data in quite the right form to be able to give that to you. They are not, by and large, very large facilities. They are in the range of four to seven beds perhaps.

Senator BOYCE—A range of four to seven?

Ms Bedford—Or smaller. There are some that are smaller than that—one or two places. I can read out what we have got if that would be helpful, but—

Senator BOYCE—How long is that going to take you? Is it something that could go on notice?

Ms Bedford—It would be better to go on notice.

Senator BOYCE—Okay. My concern here is to ensure that community inclusion principles are being observed and that we have enough information from the states to know that. Thank you.

Senator FIFIELD—Just moving to the 150 supported accommodation places announced during the election, will a fresh MOU need to be negotiated with the states for that?

Dr Hartland—We anticipate at this point that this will be a different process, that a tender process will be undertaken for this measure.

Senator FIFIELD—By the Commonwealth rather than through the states?

Dr Hartland—By the Commonwealth, yes. This measure will not be funded through the states.

Senator FIFIELD—That might potentially be good news.

Dr Harmer—We will not be able to tell you—

Senator FIFIELD—Or not!

Dr Hartland—It certainly goes to the point about who is project-managing it and, therefore, the accountabilities that arise, yes. Obviously, with that type of process we would certainly be the organisation responsible for reporting on the list of time points that you were asking us before.

Senator FIFIELD—And you would know where they are.

Dr Hartland—We would certainly insist that someone we contracted with directly provided us with that information.

Dr Harmer—We would be able to give you broad information on the location.

Senator FIFIELD—Why the decision to handle the 150 differently to the 313?

Dr Hartland—There is a shared and slightly different objective. The objective with this one, of course, is to increase supported accommodation and respite places available, in recognition of the need there, but it is also to encourage innovation and different service models. We are looking to see whether community organisations can play a bigger role in this area. That leads you to consider a different delivery mechanism.

Senator FIFIELD—Does this indicate an intention by the government to be more directly involved on an ongoing basis in the provision of supported accommodation and respite places?

Dr Harmer—I will let the senator answer that, because that is a question that really should not be really answered by Dr Hartland.

Senator FIFIELD—Sure.

Senator McLucas—I think it is flagging to the community that we are looking for innovative options. It goes to Senator Boyce's question: what is a reasonable size? It also, I think, responds to the reality that people with disabilities have different accommodation needs, and we are therefore trying to encourage an innovative response to those different needs. It is a real attempt to try and encourage innovation in housing for supported accommodation. Your question goes to whether this is ongoing, and I think it is too early in the day to answer that question.

Senator FIFIELD—Thank you. What is the time frame for having these 150 places?

Mr Newton—The places are meant to be in place by 2014.

Senator FIFIELD—Okay, so it is the same time frame as the original 313.

Dr Hartland—I did try to correct the record but I should do it very clearly. I did say 2014, your memory is right on that, but it actually 2012 for the first one.

Senator FIFIELD—2012.

Dr Hartland—We anticipate that a funding round will commence in 2011-12, so we are still in the planning stages for this.

Senator FIFIELD—I think before, Mr Hartland, you indicated, or it might have been your colleague, that the Commonwealth does not necessarily know where the need is or where the demand is. That is why we go through the states, as they are in a much better position to identify where supported accommodation is required. That was the case with the 300. Why is it different for these 150? Why is the Commonwealth in this position?

Dr Hartland—That is one of the things that we will have to deal with as we go through the planning stages for this project. There is a fairly long lead time in developing the tender documents for this, and it is going to be a fairly complex tender process. One of the things that we will need to sort out is our views on exactly that question.

Dr Harmer—Also, the objective, as the senator pointed out, is something different. There are two things which are priorities which will not be delivered by the previous MOU: one is the generation of more innovative projects; the other is more involvement from the not-for-profit sector in providing the accommodation. Those two things have driven the government down the route of a different process.

Senator FIFIELD—I guess as a result of this process the Commonwealth will have a much better idea itself, in its own right, of the level of need around the nation?

CHAIR—I am just checking on your time frame, Senator. We have half an hour, and I know Senator Siewert has some questions.

Senator FIFIELD—When are we concluding disabilities?

CHAIR—Twelve.

Senator FIFIELD—I will give another colleague a go.

CHAIR—Thank you, and we will come back to you.

Senator SIEWERT—I have a variety of questions across some of these outcomes. I am also wondering: is it here or under one of the other outcomes that I should ask about some of the mental health funding such as PHaMS? I know I ask this every time and I forget every time.

Ms Winzar—Outcome 5.

Senator SIEWERT—Can I go to that area first, because I thought it would be under the targeted community care. I have a question around PHaMS. I understand you have done an evaluation of some of the services that are at capacity or near capacity. That is correct, is it not?

Ms Winkler—Yes.

Senator SIEWERT—I am wondering if you have any more detail around which of the services are at capacity or near capacity.

Ms Winkler—There are a large number of those organisations. What we have done in the past for the committee is provide a table that identifies the number of services at capacity within each state. We have that information available that we could provide to you.

Senator SIEWERT—Okay, if you could provide that. That is services at capacity within each state?

Ms Winkler—Yes, at or nearing capacity.

Senator SIEWERT—That would be appreciated. Do you then have a process for analysing what the unmet demand is in places that are at capacity or near capacity, or a waiting list process?

Ms Winkler—We do not have a formal waiting list process. We have had some discussion with our providers about the sorts of data that they are collecting currently in relation to that. Obviously, there is a bit of variability in how they are doing that. Certainly, where we think the numbers are high for particular sites, we would ask our state and territory network staff, who do the day-to-day funding management, to have some conversations with those providers about the pressures. Some of those providers are quite proactive in terms of coming to the department and raising issues.

Senator SIEWERT—Is that a formal process where you prepare a report so that you can look at how you can support some of the services if it looks like there is going to be increasing demand?

Ms Winkler—We do not have a formal process in that sense. We have had a range of program development activities over the last period, where we brought all service providers together in June for PHaMS and the other two service streams. We also did that with the respite providers in late August, and we have conducted training for PHaMS providers, particularly in relation to working with some of the more vulnerable groups that they need to deal with. Some of those issues would get raised on a one-to-one organisational basis, and what we then tend to do is keep a record of that information in terms of our broader planning processes. However, the strategies would be discussed with each individual organisation, depending on the nature of the issues and whether there is any capacity in surrounding services.

Senator SIEWERT—I want to take up two issues there. Firstly, you have brought a lot of people together and conducted a review; is that correct?

Ms Winkler—It was not a review; it was a follow-on, basically, at the end of the implementation of all the measures. This was really the first opportunity that we had had to bring together all of the key service providers and other key stakeholders. There had been some evaluation happening, and we were looking at the broader themes and issues that had come up from that process to work out: what do we know about the program to date, the program in total; what are the areas where we might need to continue to do some development; what are the things that work well or do not work so well; and what support and resource development might we need to do from a broader program perspective to support the providers in continuing to operate in this space?

Senator SIEWERT—I realise it was a learning exercise and an improvement exercise. There was no formal review per se?

Ms Winkler—No. Certainly, we wrote up a report that we circulated to all the stakeholders who participated. They had an opportunity to rate how good they found those sessions and

whether they met their needs or did not meet their needs. We had an overwhelmingly very positive response to both the framework of the two-day forum and the range of issues that were raised. We were trying to be as transparent as possible with those stakeholders so that they knew that we were hearing the issues that were being raised.

We are in the process of developing a strategic and operational plan for the program which will guide our activity over the next 12 to 18 months in terms of key projects that we might engage in with stakeholders. Some of those areas might be peer workforce development or other training supported initiatives that we might need to put into place; other resource development; and information that they need to have available so that people know that the services are there.

Senator SIEWERT—That leads me to the next question, which is around funding. I should put on record here that, at the last estimates, we were promised a briefing and we have received that. The committee has received that, and I appreciate that; thank you very much. Some of these questions come out of that briefing, such as issues around funding. Funding for the first couple of rounds ceases in July next year, at the end of this financial year; is that right?

Ms Winkler—For the record, PHaMS round 1 and 2 providers are now funded out until 2013.

Senator SIEWERT—Okay.

Ms Winkler—Those services that were funded through PHaMS round 4 are funded through to the end of 2012. That includes some of the PHaMS round 1 and 2 providers who were at capacity but got additional funding to service particular vulnerable groups like Indigenous people, homeless people or people with humanitarian needs. We have a large cohort of providers whose funding all comes due 30 June 2011, which is the PHaMS round 3, which includes all of our respite providers and the community based services. We sought to try and bring them all into the same funding cycle, basically.

Senator SIEWERT—Sorry; I was slightly distracted by being told I am supposed to be in another committee now. So you are working now with the providers for whom funding runs out in June next year?

Ms Winkler—We have done some initial work with those providers, because obviously we want to look to the next funding cycle and the contracting arrangements to determine if there is any tinkering we need to do in terms of the program delivery. We anticipate that we will be going to the minister in the next month or so with proposals around what should be the continuity of service arrangements.

Senator SIEWERT—I am conscious of ensuring that, where we have good quality services, they continue. I appreciate that you need to do reviews to make sure that services are meeting the targets and providing quality service.

Ms Winkler—Yes.

Senator SIEWERT—I am also conscious of the fact that we are not in a cycle where we have stop-start funding and that services are aware in plenty of time of whether or not they are

continuing. If you are providing that to the minister, is there an understanding that there is going to be prompt notification to those services before June next year?

Ms Winkler—The intention is that we will give services as much notice as we possibly can about the next funding cycle.

Senator SIEWERT—In terms of the spread, I understand that there are some areas that you believe are well covered now by services, and there are some geographical areas that are not necessarily. What is the time frame for looking at that analysis and filling in those gaps?

Ms Winkler—Obviously, all of the funding within the program is currently committed. We are doing a review of where services are currently and of their geographic coverage, with the hope of informing the minister if there is any tweaking we might be able to do around some of that geographic coverage. If there are still gaps, then within the current appropriation there is not necessarily capacity to provide additional service coverage.

Senator SIEWERT—Do you have a map or a table of the areas that are not covered by services?

Ms Winkler—No, we do not have a table of areas where they are not covered. We are certainly doing some mapping work at the moment to look at the coverage. Some of the services cover quite large areas, and the question there is: if the population is quite dispersed, how accessible are services to those individuals? We are reviewing where we have got them to ensure that, with the funds that are available, we have the best coverage we can possibly have.

Senator SIEWERT—If it is not available yet, it is hard for me to ask you to take on notice to provide us with a copy of that, but I am going to do it anyway. If that is developed within the time frame for answering questions on notice, can I ask that we receive that information on notice? Will I have to wait until February?

Ms Winkler—You may have to wait until February.

Senator SIEWERT—I will wait until February. The other question on this is about the screening tool that is used. I am wondering if it is possible for us to have a copy of the screening tool.

Ms Winkler—Yes, it is possible for you to have a copy.

Senator SIEWERT—Okay. If you could table that, that would be appreciated. Thank you. The other questions I have on PHaMS in Aboriginal communities I will ask tomorrow. Is that appropriate?

Ms Winkler—Ask them now.

Senator SIEWERT—Ask them now?

Ms Winkler—If you have five minutes now.

Senator SIEWERT—I might put those on notice because I have a couple of other questions in this area, if that is okay.

Ms Winkler—Yes.

Senator SIEWERT—Can I move on to another issue?

CHAIR—Yes, you have five minutes.

Senator SIEWERT—Thank you very much for that. Can I ask about the individualised disability packages that were announced during the election?

Ms Carroll—The developmental delay packages—is that what you are speaking about?

Senator SIEWERT—Yes, the \$12,000 individual packages. What is the time frame for starting the delivery of those packages, and what is the process for planning all of that?

Ms Carroll—Just to give you a little bit of background information, the funding was committed as an election commitment, and it is that the eligible children will receive up to \$12,000. The plan is for the packages to start to be available from 1 July 2011. We are obviously in the developmental process at the moment, finalising the details around that.

Senator SIEWERT—The planning is on target for delivery of those packages?

Ms Winkler—We are in the very early phases of planning. We have done the implementation overview. There is obviously a range of consultations that will need to occur in that process, but we do have a timetable that leads up to 1 July 2011.

Senator SIEWERT—Does that process involve consultation with some of the key stakeholders? I am thinking of the NGO stakeholders as well.

Ms Winkler—Yes, it will.

Senator SIEWERT—I have one more. Is this the area where I ask about portability of DSP?

Dr Harmer—Yes.

Senator SIEWERT—I want to ask about portability of DSP for a recipient who is being cared for by their parents, where their parents move overseas for a period of time longer than the 13 weeks that currently apply. Why were the rules changed? I am aware there is an exemption for people who go overseas with a terminal illness. I have had reported to me there are some problems for parents who are travelling overseas and taking a son or daughter who is a recipient of DSP: if they are away for longer than 13 weeks, they have to reapply. Can you explain to me quickly the rationale for that; and has consideration been given to an exemption?

Ms Stawyskyj—In 2004 the government changed the portability rules and restricted them to 13 weeks. There are a number of exemptions in that but they are fairly limited.

Senator SIEWERT—That is what I understand, yes.

Ms Stawyskyj—They are quite tight. Currently these are the only exemptions that exist. I am happy to read them out to you, but they do not cover any change for somebody who is travelling with their carer.

Senator SIEWERT—Yes, okay.

Ms Stawyskyj—Currently the legislation of 13 weeks remains in all other circumstances.

Senator SIEWERT—Can people apply for an individual exemption?

Ms Stawyskyj—No, there is no scope for individual exemptions.

Senator SIEWERT—Why is that?

Ms Stawyskyj—It is in the legislation, and—

Dr Harmer—I think it is a government decision.

Ms Stawyskyj—It is a government decision.

Dr Harmer—Ms Stawyskyj can correct me if I am wrong, but I think what this measure did was bring disability portability into line with other payments that had this same condition. I think it was about bringing this into the same position as other income support payments.

Senator SIEWERT—I understand it is in the legislation. The point is it is a different issue to some of the other income support payments.

Senator FIFIELD—On the same subject—and Senator Siewert and myself may be thinking of a similar scenario—you might have an individual who is on the DSP who might be in a situation where they might even be an adult. They might have an intellectual impairment so that the parents are in a guardianship situation with that individual. It might be that they are someone who finds themselves overseas not through a decision of their own but through a decision of their parents. Is it right that that adult on the DSP, whose parents are in a guardianship position, be penalised for a decision which they do not have a say in? It is probably a fairly limited number of people who would be in that sort of situation. Following up on Senator Siewert's question, there is presently no way that someone can register that particular set of circumstances for consideration?

Ms Stawyskyj—No, Senator. As I said, the current legislation has a number of exemptions, and they are quite limited. There is no provision for individual circumstances.

Dr Harmer—The 2004 measure did not provide for that.

Senator FIFIELD—This is probably outside the scope of estimates, but I seek your indulgence. Would it be a relatively straightforward amendment that would be required to the legislation to carve out particular people in that category—who are on DSP and whose parents are in a guardianship position—where the parents' work takes them overseas?

Dr Harmer—None of us at the table here are lawyers, so to comment on how simple or difficult the particular legislative change would be would be difficult.

Senator FIFIELD—I guess the background to that question is: are there any great technical difficulties or complications that would be created as a result of a policy change of that nature given effect through legislation?

Dr Harmer—The judgment that would have to be made by the decision makers in Centrelink would clearly be a complex thing, and would require additional resources to make the judgment. Other than that, I do not think it would be particularly difficult. I would rather not answer that without some legal advice, though.

Senator FIFIELD—Sure. This scenario is one that I wrote to Mr Shorten about when he was the minister. It may also be the one that Senator Siewert has raised. I wonder if the minister at the table—I know it is not his portfolio—could take on board to examine this particular situation where you do have an individual on the DSP whose parents are in a guardianship situation, the parents' work takes them overseas for a period of time, which is

not the decision of the individual concerned, but that individual forfeits their DSP if they are overseas for more than 13 weeks.

Senator Arbib—Sure.

CHAIR—Senator Fifield, Senator Boyce has some questions as well.

Senator FIFIELD—I will just ask one quickly, and then yield to Senator Boyce.

CHAIR—Then we will go to Senator Boyce. Only a few minutes, Senator. We will get to you.

Senator FIFIELD—As it is Carers Week, in relation to the carer adjustment payment which was due to cease to be at 31 December. I think I discovered in February estimates that it had been extended until 30 June this year. Has it been extended again?

Dr Hartland—Yes, I was just flicking through and it is still current. It has been extended, I think, until 30 June next year.

Senator FIFIELD—At each estimates we have been advised that the government is considering what to replace it with; are those considerations continuing?

Dr Hartland—Yes, that is right.

Senator FIFIELD—They are? It has been a slow death for the carer adjustment payment.

Dr Hartland—I do think we should anticipate an outcome.

Senator FIFIELD—We should not anticipate an outcome?

Dr Harmer—We can speculate on what the outcomes will be.

Dr Hartland—A speculated outcome, yes.

Senator FIFIELD—Anyway, there will be an outcome, but in the meantime it is good that the payment is still there until 30 June next year?

Dr Hartland—That is right.

Senator FIFIELD—Was that announced before 30 June this year, or the website details were changed shortly before, as per usual?

Dr Hartland—The agreement to extend it was in April 2010. I have not checked the website as to whether we failed to update that. I would be concerned if we had.

Senator FIFIELD—No, I think the website is updated, but I just do not think there is any other formal notification. There was no announcement when the decision was made.

Dr Hartland—No, I do not believe we did. I do not believe we did because it was just continuing a program; it was nothing new.

Senator FIFIELD—Nothing particularly turns on that, so that is fine. I will yield to Senator Boyce.

Senator BOYCE—My first question I would ask of DEEWR but I was told to also see what FaHCSIA had to say on the subject. There was a survey this year by the Australian Education Union called *State of our schools* survey, which found that 70 per cent of

government school principals thought they were less than adequately supported to educate students with disabilities. Is the department aware of this survey?

Dr Hartland—No.

Senator BOYCE—Can you sort of—

Dr Harmer—Senator Boyce, what Dr Hartland means is that he is not—

Senator BOYCE—I realise that you are not responsible for the funding. Yes, sorry, Dr Harmer?

Dr Harmer—When you say FaHCSIA, Dr Hartland is not aware.

Dr Hartland—No.

Dr Harmer—Maybe we could take on notice whether someone else in the organisation is.

Dr Hartland—To add more to my answer of no, I am not aware of this particular survey. We are certainly aware of the issue about the outcomes that are achieved for young people with disabilities in the education system. The National Disability Strategy that was recently announced by the government has substantial sections on education outcomes. This was prepared in consultation with our colleagues in DEEWR, and indeed with central agencies and state bureaucracies. This is a high-profile issue.

Dr Harmer—The issue of comments by principals about their preparedness to support kids with disabilities in schools is an issue—

Senator BOYCE—No, it is the fact that they did not feel they had the resources to support.

Dr Harmer—Indeed, and that is an issue, obviously, of funding, and it is between the Commonwealth and the states in terms of education funding, schools funding—

Senator BOYCE—Well, there are quite a lot of programs outside the agreements between the Commonwealth and the states to support—

Dr Harmer—Support being brought into the schools et cetera, yes.

Senator BOYCE—Yes. Given that it is a disabilities issue as well as an education issue, I would be interested to know what, if any, knowledge the department has about it, and what, if anything, has been done on the issue.

Dr Harmer—There are quite a few programs available to schools, but the programs that are available are available for schools putting in submissions for assistance, and often the capacity of the school to provide disability assistance depends on how active are the special education teachers, how well equipped and active they are within the school to be applying for funding, and how much emphasis the school gives to special education.

Senator BOYCE—This is FaHCSIA funding you are talking about?

Dr Harmer—No, a range of different department providers, state and Commonwealth. I know, because my wife is a special education teacher.

Dr Hartland—We do not have a programmatic involvement in funding schools.

Senator BOYCE—No, I realise that.

Dr Hartland—We do have a policy interest in this area through our work on the National Disability Strategy and, if it would help, Ms Bedford could talk a bit about what that strategy has in relation to education, if that is what you are interested in; if it is this very specific issue about this study about principals, we have not seen that study.

Senator BOYCE—Are you going to tell me what is in the strategy?

Ms Bedford—One of the policies—

Senator BOYCE—That is a public document?

Ms Bedford—Yes, it is. One of the policy directions under learning and skills is to strengthen the capability of all education providers to deliver inclusive, high-quality educational programs for people with all abilities.

Senator BOYCE—Yes; I can read that, I think. I might just move on to one more question area. I want to know about what action and involvement the department has had on this. The problem of institutionalisation appears to be growing again in states. I am talking particularly about Queensland at the present time, where there is a campaign called the Wasted Lives campaign being organised by a group called Queensland Advocacy Incorporated. This is based on the fact that there are people who had been diagnosed only with an intellectual disability—36 of them, who live in accommodation in the grounds of a hospital in Toowoomba and have done so for many, many years; they were not deinstitutionalised—and the state government was intending to move them into new mental health facilities on the basis that this was more modern accommodation. It seemed very strange. There are currently 869 people with a disability in Queensland living in institutional accommodation, large buildings that I think the Australian community thought had disappeared in the sixties and seventies. Is it possible to tell me how many people with disabilities live in accommodation of more than 10 people together, nationally and state by state?

Ms Bedford—I could take that on notice.

Senator BOYCE—Would you be able to provide that information?

Dr Harmer—I am not sure. It is not our responsibility, but we will try.

Senator BOYCE—The problem is that this is being handled state by state, yet the idea of deinstitutionalisation was certainly not a state issue but a national issue. It would appear that there are still thousands of people who reside in very old fashioned accommodation. One woman in Toowoomba talks about her 'room' being delineated by the curtain. She has no personal possessions whatsoever apart from a photo of her family. This has been home for this woman for nearly 60 years. We must be able to do better.

Dr Harmer—We will try to get the information. We will take it on notice. We will do our best.

Dr Hartland—It is a difficult issue. Some of these institutions are very hard to break groups or find alternatives, but we are aware of the issue. We will look to see what data we can provide and come back to you.

Senator BOYCE—When you say you are aware of the issue, is the Commonwealth taking any sort of lead on this, or is FaHCSIA simply just reacting when the problem is brought to them?

Dr Hartland—I think you would say that, with the work that we are doing through the National Disability Agreement and the National Disability Strategy, we are trying to set a context that would mean that we do not find ourselves back in an institutionalised arrangement. But we are not the direct providers of these supported accommodation places.

Senator BOYCE—Many would argue that seven beds is just a small institution anyway.

Dr Hartland—Yes, and that is one of the difficulties.

Dr Harmer—There is lots of debate about this.

CHAIR—Thank you for the officers for outcome 5. We will now move, strangely, to cross-outcomes and corporate matters.

[12.06 pm]

CHAIR—Senator Fifield, do you have questions in this area?

Senator FIFIELD—Thank you. Dr Harmer, have any staff been allocated within FaHCSIA to administer any elements of the Labor-Greens agreement?

Dr Harmer—To manage the Labor-Greens agreement, no.

Senator FIFIELD—I would have been surprised if the answer was yes, but we need to ask these things.

Senator Arbib—So would I.

Senator FIFIELD—Have any meetings been arranged between officers of the department or portfolio ministers and Greens members of parliament on policy issues in the new parliament?

Dr Harmer—I would need to take that on notice. Not that I am aware of. We will, of course, be involved in providing briefings, as we have done with Senator Siewert, who was very grateful for some briefing that we provided to her on a matter that came up at the last Senate estimates. We would continue to do that and support all members of parliament for requested briefings.

Senator Arbib—I have offered a few briefings as well to coalition members and senators which they have and have not taken up—most have not taken up, but that does not surprise Senator Bernardi.

Senator FIFIELD—I think there are lots of briefings being offered all around the place at the moment.

Senator Arbib—No, it is just the new paradigm.

Senator FIFIELD—I am not suggesting there is anything dubious about such meetings.

Dr Harmer—I can assure you there is nothing dubious going on about the way we run FaHCSIA and the staff there.

Senator FIFIELD—Certainly not. Would you have the figure for the cost of media monitoring services in FaHCSIA, including press clippings, electronic media and transcripts?

Dr Harmer—Certainly we have it; whether we can bring it to hand quickly is the question.

Mr Quinlan—For the financial year 2009-10, the department spent \$424,517 on media monitoring. For the current financial year to date, to 31 August, we have spent \$83,160 on media monitoring.

Senator FIFIELD—Is any of that media monitoring provided as a courtesy to opposition or Greens or minor party members of parliament? I know that it happens in some portfolios such as foreign affairs and defence?

Mr Quinlan—Not at this point.

Senator FIFIELD—The new paradigm has not extended to media monitoring. Has the department instituted any policies or protocols that restrict the way that FaHCSIA staff can use things like YouTube or online media, Facebook, MySpace, those sorts of things?

Mr Quinlan—We are currently in the process of finalising our new social media guidelines for the department.

Mr Hunter—Last year we also blocked a lot of those sites and continue to do so to ensure appropriate usage while we are undertaking the work on the social media and its usage.

Senator FIFIELD—They are being blocked from a productivity point of view in terms of the department?

Mr Hunter—To ensure and ascertain the business use for it. There are some areas that do require it for business uses. As we have mentioned, we are looking at how we want to use social media and how do other departments and organisations use it.

Senator FIFIELD—The department monitors the staff use of those sorts of sites?

Dr Harmer—Yes, we do.

Senator FIFIELD—As to questions on notice outstanding from the budget estimates 2010, were there any in FaHCSIA? I know that FaHCSIA is usually pretty good.

Dr Harmer—No. We are. We were not great, because we were not able to get all of our questions in by the due date. In fact, we did not get any in by the due date, but they are all in now. I suspect our media departments have put them all in by now.

Senator FIFIELD—How many did you get in by the due date?

Dr Harmer—We did not get any in by the due date.

Senator FIFIELD—Was that for reasons within FaHCSIA's control or for reasons outside FaHCSIA's control?

Dr Harmer—We took a lot of questions; we were progressing through, but just did not get them done. Then the caretaker period came, and we had to resubmit them to our new minister.

Senator FIFIELD—It is not that they were submitted to the relevant minister and did not get signed?

Dr Harmer—No.

Senator FIFIELD—So we cannot blame the minister?

Dr Harmer—No.

Senator FIFIELD—That is always frustrating, Dr Harmer. Just touching on the caretaker period, did the relevant portfolio ministers return any documents to the department once the caretaker conventions commenced?

Dr Harmer—I am not sure. However, I can assure you that FaHCSIA did this time, as we do always, stick rigidly to the caretaker guidelines.

Senator FIFIELD—I know FaHCSIA, absolutely.

Dr Harmer—In terms of contact, in terms of documentation, briefings et cetera, so if there was a requirement for ministers to return material to the department, it would have been done. We would have followed that.

Senator FIFIELD—What are the requirements under the caretaker conventions for ministers to return documents?

Dr Harmer—I might ask Ms Black. I cannot remember.

Ms Black—There are no requirements as such under the caretaker provisions. They are still the government of the day, and hence they are their documents. If there is a change in government at the end of the caretaker period, cabinet documents are returned to the department and shredded.

Senator FIFIELD—Were there, for instance, any unread or unsigned or undealt with ministerial submissions, briefs, notes or correspondence that came from your portfolio ministers' offices back to the department at the commencement of the caretaker period?

Ms Black—No.

Senator FIFIELD—Thank you for that. Were there any of what became the Labor Party's election commitments announced during the election campaign which were costed before the caretaker period?

Dr Harmer—I would have to take that on notice. We would be able to provide you with an answer to that. I do not think we did. We certainly did not provide any policy advice or costing of election commitments to the current government during the caretaker period. We adhered to the guidelines strictly.

Senator FIFIELD—I am sure that is the case.

Dr Harmer—We would have provided information to the department of finance, who is the responsible agency for costing both government and opposition election commitments during the campaign. We would have certainly done that.

Senator FIFIELD—No doubt. I appreciate your taking it on notice. The question was: were there any things which subsequently became election commitments which were costings formulated before the caretaker period?

Dr Harmer—I do not recall any, but we will check.

Ms Black—Because we do not know when the caretaker period starts, as you would understand.

Senator FIFIELD—No, I appreciate that. Again, I am not suggesting there is anything improper.

Dr Harmer—I doubt it, but we will just double check.

Senator FIFIELD—Thank you for that. Again, this is something that you might want to take on notice, but are you able to provide the status of each election commitment from the 2010 election where—

Dr Harmer—We would be working currently on all of the commitments that are in our portfolio. There are various processes, depending on the nature of the commitment. You want the status? I will take that on notice.

Senator FIFIELD—Yes, just where things are at. I know not long has transpired.

Dr Harmer—We will take it on notice and see what we can come up with.

Senator FIFIELD—If you can, that would be lovely. Also for the 2007 election commitments within the portfolio?

Dr Harmer—We would have to take that on notice also.

Senator FIFIELD—Sure, I appreciate that you would have to do that. That would be helpful.

Dr Harmer—Mr Hunter has just informed me that we are aware that we do monitor that for the government, obviously. The vast majority of commitments for the 2007 election in FaHCSIA's responsibility are either underway or completed. Most are completed, I think.

Senator FIFIELD—During the caretaker period itself, apart from the usual ongoing roles and responsibilities of the department in providing advice to Finance to assist with their costings and I guess providing input into the red and blue books, are there any other particular activities in which the department engages that are unique to the caretaker period?

Dr Harmer—We strictly adhere to the caretaker guidelines that have been in place for some time. We support ministers, junior ministers, parliamentary secretaries in the way that the caretaker provisions provide for, which is the normal ongoing business of government. We do not provide policy advice to the caretaker minister or ministers, and we continue to run the programs as our responsibility. I am certainly not aware of anything that stands out in our process.

Senator FIFIELD—Did you receive any requests for information from portfolio ministers during the caretaker period?

Dr Harmer—None that could be in any way regarded as a breach of the conventions of normal business of government, certainly none that I am aware of, and I kept a very close eye on that, as did Ms Black, who is my point of contact for all communication. In caretaker periods I bring the single point of contact into place so that Ms Black, who is on my floor in FaHCSIA, monitored that content.

Senator FIFIELD—What is the nature of the routine business of government—the sorts of requests that you did receive for information? Could you give me a flavour of those.

Ms Black—Numbers of DSP recipients, factual information and ABS data. Every request that came from ministers' offices was vetted, as per the conventions. We analysed them against that, and only requests for purely factual information were provided. So there was no analysis and no policy advice.

Dr Harmer—I briefed Minister Macklin and her staff in advance of caretaker about the way the department would operate during caretaker. She was very accepting and understanding of that, knew a lot about caretaker rules and assured me that she and her office would abide by them, and that is exactly what happened.

Senator FIFIELD—Do you keep a log or a register of those requests?

Ms Black—We did for the purposes of tracking them, yes, as we do for all requests from ministers' offices at any point in time.

Senator FIFIELD—Given that, I guess as a matter of logic, the information provided could not be construed as advice to government, because it is not looking at policy options or providing analysis—it is simply factual information—is it possible for that log or register to be provided?

Dr Harmer—I would need to take that on notice about whether it is something we could provide. It is a fairly unusual request. I take it that what you are after is the communication between the office and the department for the whole of the caretaker period—is that right?

Senator FIFIELD—Not routine minutes from the department to the minister which need a sign-off for formality—not things of that nature—but requests from portfolio ministers to FaHCSIA for factual information during the campaign.

Dr Harmer—It would have been minimal. I think we could probably provide some information.

Senator FIFIELD—Just the subject matter, assuming you do not actually want to provide the briefs themselves, but the subject matter.

Dr Harmer—There were very few briefs that went to the minister during that period, frankly. We certainly could not provide them to you, but we can do our best to give you an indication of the nature of the interaction. I can assure you that the interaction was by the rules, as it was in 2007.

Senator FIFIELD—I am sure it was all aboveboard. I know that you cite on occasion the fact that something is advice to government. I know the Clerk, if he is listening, does not accept that as a reason for not handing information across, but I think it would be hard to construe this particular material as advice to government, because it is not suggesting policy options or providing analysis.

Dr Harmer—I am just not sure, without talking with Ms Black, just how onerous it would be to compile the log. But, if it is straightforward and simple, we will provide it to you.

Senator FIFIELD—That would be great, thank you. Does the department intend to release its own red book and blue book?

Dr Harmer—No.

Senator FIFIELD—I know a number of other portfolios have through FOI requests and other means. It is not the intention of FaHCSIA?

Dr Harmer—If we are requested to provide the incoming government brief to the current government, that is clearly a final document and available, although there is lots in the brief, as other departments have discovered, that is deliberative material and would not be provided under FOI. But the vast majority of the standard bits—the overview brief, the largest part of the brief which is a brief indicating the nature of the programs and the funding et cetera—is public information. So there is not very much that is not public information that would be available to anyone looking for it under FOI anyway, to be honest. But in terms of the brief we prepared for the current opposition, as is normal practice, we did not finalise that brief.

Senator FIFIELD—Does it get shredded?

Dr Harmer—Yes, it does.

Senator FIFIELD—Unless, of course, a media outlet gets their FOI request in before it is shredded.

Dr Harmer—Indeed, but that was not the case with FaHCSIA.

Senator FIFIELD—No, you were quick with the button.

Senator FIFIELD—With respect to hospitality in the department, I think that last estimates we discovered the term ‘sustenance’ to cover some elements of hospitality which were to support people in long meetings and other things.

Dr Harmer—I think that was a term used for morning teas and biscuits, yes.

Senator FIFIELD—It is what I took it to mean.

Dr Harmer—I do not think we use it commonly in the place.

Senator FIFIELD—I think it is a fixture now.

Dr Harmer—Our Chief Finance Officer used it.

Senator FIFIELD—Could you update us with the department’s hospitality spend since the budget estimates.

Mr Hunter—Since the budget estimates, so the total for 2009-10—

Dr Harmer—I do not think we have the figures between the budget estimates and now. What we have is for the year, and we have a figure of \$233,000 for the year to date.

Senator FIFIELD—Okay, including sustenance?

Dr Harmer—It is an aggregated figure. I must say that we gave you a split in a question on notice, but in preparing for these Senate estimates I am not confident that we have the coding right across the two categories. We are working on that. I may have to update that figure.

Senator FIFIELD—You are working on the coding—okay. If you could take that on notice and provide the coding, that would be good.

Dr Harmer—Yes, we will.

Senator FIFIELD—I guess part of that hospitality might include hospitality provided in support of a function that the minister or parliamentary secretary is hosting.

Mr Hunter—If they host it specifically, we do not pay for that. That goes through the Department of Finance and Deregulation. If it is something that the department is putting on and invites the minister or the parliamentary secretary to, we do pay for that. But, if it is something officially from the minister, it is through the Department of Finance and Deregulation.

Senator FIFIELD—I did not know that Finance supported those sorts of activities. It might be news to them, too. Thanks for that. With respect to community cabinets, would there have been a community cabinet since the budget estimates?

Dr Harmer—Possibly. We have that information. I attend many of the community cabinets with the minister. We have information about our involvement with community cabinets. If we do not have it immediately at hand, we can certainly provide it to you.

Senator FIFIELD—First, has there been a community cabinet? I must say that I do not follow them that closely, tending not to be invited when they are in Victoria.

Dr Harmer—I suspect there were one or two, because the previous government tended to have them about monthly. Given that we were at estimates in June, there may have been one in July, I suspect.

Ms Black—The last community cabinet was 9 June.

Senator FIFIELD—Would Dr Harmer have attended on that occasion? I will not test Dr Harmer's memory.

Ms Black—I believe that Dr Harmer attended, but I would have to check that for you. I just have the number of departmental staff that attended, not the names.

Dr Harmer—Let me say that I attended most.

Senator FIFIELD—I do not need to know their names, but how many departmental staff attended on 9 June?

Ms Black—Four departmental staff attended that one.

Senator FIFIELD—Which may or may not have included Dr Harmer.

Ms Black—I am pretty confident it did, but I will double-check that for you.

Senator FIFIELD—What was the total cost of the travel and accommodation and support for that?

Ms Black—For departmental staff, FaHCSIA—

Dr Harmer—While Ms Black is looking at that, I will say a couple of things about that. Usually, for myself, if it is interstate—and they almost always are—I combine it with a visit to the state office or do other things. The majority of support for the minister and parliamentary secretaries and junior ministers that attend community cabinets is provided by the local state or territory office. I cannot remember who the four staff were, but most of them—probably all but me—were from the state or territory office.

Ms Black—My recollection is that it was three from the state office and Dr Harmer, but I would have to check that for you. The cost was \$3,009.94.

Senator FIFIELD—Thank you. We are about to break, so I have just one more question before we do. The stationery requirements of ministers and parliamentary secretaries in the portfolio are provided by the host department—is that right?

Ms Black—The portfolio department, yes.

Senator FIFIELD—Different jurisdictions use different terms. Do you have a breakdown of the cost of stationery over the financial year?

Dr Harmer—Yes, we do it by financial year, and we will have to take it on notice.

Ms Black—We would have to take that on notice. A lot of it is electronic as well. We use electronic letterheads et cetera, so we do not print everything.

Dr Harmer—It is actually not an easy figure to get, I suspect, because of that, but we will do our best.

Ms Black—Yes, I will do my best and take it on notice.

Senator FIFIELD—Okay. Could you do that by minister and by parliamentary secretary. Also, could you advise the type of stationery—the type of paper and the type of envelopes.

Dr Harmer—I do not know, because I have not seen the data, but I make this point from time to time about the extent to which you could require a lot of primary source gathering. If it does, we will have to be a bit limited in what we can do. I do not want to devote a lot of resources onto that. If we have it available easily, I will give it to you.

Senator FIFIELD—Okay. Thank you.

Senator SIEWERT—Is it possible to tell me now—or you can take it on notice—how many staff you have lost from the department with the restructure?

Dr Harmer—We will take that on notice. It is not very many, but we will let you know.

Senator SIEWERT—Okay. Thank you.

CHAIR—Dr Harmer, that ends questions on Cross Outcomes. We will come back at 1.30 and go into Families and Children. My plan, which is always aspirational, is that from 1.30 until 3 is the time for Families and Children, and 3 until 4.30 is for Housing. If we finish earlier, that will flow, but they are the outside times.

Proceedings suspended from 12.32 pm to 1.29 pm

CHAIR—We are on outcome 1, Families and Children.. Senator Abetz has questions on paid parental leave. Dr Harmer, is this the right area?

Dr Harmer—Yes.

Senator ABETZ—In relation to the paid parental leave scheme, will this department be administering it?

Ms Carroll—Yes, that is correct.

Senator ABETZ—What safeguards will be placed when the moneys are paid to the employer for forwarding on to the employee in the event that the employer—if I can use the

technical term—‘goes bust’, after the money is provided to the employer, but before it is paid out to the employee?

Mr Warburton—There was a budget measure in the 2010-11 budget that sought resources for compliance for the program broadly. There are a number of protections in that. One is if an employee believes that they have not been paid the correct amount by their employer they would normally approach Centrelink and Centrelink would see if it could readily resolve the matter. If it could not, the matter could be referred to the Fair Work Ombudsman and the Fair Work Ombudsman would investigate that in accordance with the same sorts of procedures.

Senator ABETZ—And they have been given extra resources?

Mr Warburton—They have resources for that in the budget context.

Senator ABETZ—To help contain the time, can you confine your answer—

Dr Harmer—To a specific case of an employer going bust after they have been given the money?

Senator ABETZ—Yes. Is there any safeguard built into the system in relation to that?

Mr Warburton—We are putting in place some measures to make sure we receive notification about those sorts of cases straightaway, and at the end of the day the employee is basically guaranteed to get their parental leave paid.

Senator ABETZ—Will the paid parental leave entitlement be paid out fortnightly?

Mr Warburton—The legislation provides that the responsibility for payment can shift from a bankrupt employer back to Centrelink, and Centrelink will ensure that the employee receives their full entitlement. There is some exposure to the Commonwealth in that process, but that is basically what we have built.

Senator ABETZ—That is after they have gone bust, after you guys know about it, then the moneys will be paid direct to the employee; is that correct?

Mr Warburton—Yes.

Dr Harmer—Yes.

Senator ABETZ—That is unless the administrator or liquidator continues.

Dr Harmer—Yes.

Senator ABETZ—Thank you for that clarification. What if a payment has been made? Can the employer pay it out monthly if they are paying their worker monthly?

Ms Carroll—There is quite a lot of flexibility in that the employer is able to align with their normal pay cycles. The key is the payment cycle. They get that payment from the Commonwealth and it is paid through to the employer, so the employer themselves can utilise that money and pay it in the way that it best fits, but there is a process by which that funding will flow from the Commonwealth to the employer.

Senator ABETZ—I pay my people monthly. Therefore, if I had somebody on paid parental leave you guys would be paying me monthly for forwarding it on, or would I, as an employer, get it on a fortnightly basis?

Mr Warburton—Employers have a choice. The Centrelink system basically pays people fortnightly and if the employer is happy with that, they can, but an employer can elect to receive the moneys in three instalments.

Senator ABETZ—Three instalments?

Mr Warburton—You can get it in as few as three instalments. That is the policy.

Senator ABETZ—There is the possibility of somebody losing out on two months payment?

Mr Warburton—No.

Dr Harmer—The only exposure is to the Commonwealth, because the employee is guaranteed a payment, whether it be from the employer or Centrelink.

Senator ABETZ—If the employer defaults, the employee just knocks on your door and says, ‘The employer has defaulted’ and you would pay? Is that quick summary correct?

Mr Warburton—As a quick summary.

Senator ABETZ—It is too simplistic, no doubt.

Ms Carroll—Some would say it is too simplistic, but clearly if someone just knocked on a door and said they did not get the payment and the employer has gone bust, then there would have to be—

Senator ABETZ—You would check and verify?

Ms Carroll—We have to check the process.

Dr Harmer—We would need to check with the liquidator or whoever is involved about the possibility of recovery. All sorts of things would happen.

Senator ABETZ—That was the basis of my concern. The employee would be guaranteed payment expeditiously if the employer had gone bust and could not make the payment?

Mr Warburton—I think that is broadly right.

Senator ABETZ—What if I am, as an employee and a beneficiary of an enterprise bargaining agreement, which includes in it some paid parental leave; does that mean I get that paid parental leave plus the Commonwealth’s?

Mr Warburton—Yes. Employers are required to continue to honour their current agreements. Employees get to specify the start date for their paid parental leave. They have choices. They can, if you like, stack it on top of an existing employer provided amount of paid parental leave or they can stagger it and receive it after their employer’s leave or before their employer’s. Essentially, it is a matter of employee choice.

Senator ABETZ—So before, after or during?

Mr Warburton—Yes.

Senator ABETZ—Let us say the enterprise agreement had six months paid parental leave by the employer. The employee takes that. Then at the end of the six months can they ask for a further six months paid parental leave courtesy of the Commonwealth and thus be absent from the employer for a period of 12 months altogether?

Mr Warburton—There are a couple of things to clarify. The paid parental leave legislation provides pay. It does not provide an entitlement to leave. Agreements can provide entitlements to leave. There are also entitlements to leave that arise under the Fair Work Act under the National Employment Standards. They already essentially provide for employees with 12-month service, if I am correct—that is not my portfolio—they already provide 12 months leave to each of the parents.

Senator ABETZ—How far out can the employee then ask for the Commonwealth payment of six months paid parental leave?

Mr Warburton—There is an end date. Essentially they have 18 weeks of pay to complement whatever leave provision they have or, if they do not have leave, they can receive it direct from Centrelink. They have to take all of that 18 weeks within 12 months of the birth or the date of placement, in the case of adoption.

Ms Carroll—And that aligns with what is in the Fair Work Act.

Senator ABETZ—I can also simply receive the money without taking leave; is that correct?

Mr Warburton—You cannot be in work and receiving the payment. For instance, you could have been in the workforce for some years. You have recently changed employer. You might not have an entitlement to take leave from that employer. If you do not get leave, if you are not still in the employ of your employer, then Centrelink will pay you directly. Centrelink makes a decision about your eligibility and then it makes a decision about your method of payment. It makes a decision as to whether your employer has to pay and if it does not make that decision it pays.

Senator ABETZ—At the end of the day somebody could potentially get the employer contribution and the Commonwealth contribution at the same time?

Mr Warburton—That is correct.

Senator ABETZ—Thank you.

CHAIR—Senator Furner indicated interest earlier today in asking questions about paid parental leave as well, so I think we will do this issue by issue. I know Senator Bernardi has a range of questions. Do you have paid parental leave questions as well?

Senator BERNARDI—I do.

CHAIR—We will go to Senator Furner and then Senator Bernardi on paid parental leave.

Senator FURNER—In terms of the implementation stages, can you give us a progress update in regard to where we are at with it?

Mr Warburton—We are working with Centrelink on the implementation. Claims commenced on 1 October. People can claim up to three months in advance. We have already had some claims for people anticipating to have children after 1 January 2011.

Senator FURNER—How many lodgements?

Mr Warburton—We have had 331 claims come in so far. People can claim online. The paid parental leave estimator is up and running and people are using that. We are continuing

to work on the employer role. We had the first meeting of the PPL implementation group last week, so we have started a dialogue with employers, community organisations and other people about aspects of the delivery. There are products that Centrelink is developing to assist employers. We are looking to try to get some feedback on those things. We have the paid parental leave rules. That is a disallowable instrument under the legislation. We are working on that and hope to have that finalised in the near future. It will do things like provide for people to get the payment in special circumstances. It will clarify the notices to employees. That is broadly being aligned with payslip requirements that exist under the Fair Work Act. The implementation is on track and there is still plenty for us to do, but it is going well.

Senator FURNER—In respect of your information sessions with employers, workers and organisations, are you developing any marketing opportunities for people to be aware of it, like brochures, newsletters and that sort of thing, that Centrelink, employers or organisations like unions can disseminate to workers?

Mr Warburton—Yes. We receive funds for communications. Advertising started last Sunday, so there is some advertising. There are introductory brochures for employees and employers and we have a range of public relations activities that we are undertaking to disseminate those to employer organisations and then to employers, to unions, community organisations and so forth. We have PR activities going on on that front.

Senator BERNARDI—My question is in regard to the evaluation of the Paid Parental Leave Scheme, which was announced in a press release, which I have here, on 7 July. Are you the appropriate person to ask about that?

Mr Warburton—Yes.

Senator BERNARDI—The evaluation of the Paid Parental Leave Scheme is scheduled to spend to \$2.7 million and it is being provided to the University of Queensland. It says it is going to take place over four years. Has the framework of the evaluation been drawn up yet?

Mr Warburton—We prepared an evaluation strategy which I think was used when we tendered for the evaluation. I might defer to my colleague in a moment. We are now working on a more detailed plan with the Institute for Social Science Research at the University of Queensland.

Senator BERNARDI—What was the logic behind choosing four years as a timeframe for evaluation?

Mr Warburton—When you work through what you need to do as part of the evaluation you virtually end up there. We are undertaking some initial baseline surveys to make sure we have a good handle on the behaviour of the people we are talking about prior to the PPL scheme. We then need to essentially wait until we have about 12 months worth of customers. From that we can then select a sample to see to what extent behaviours have changed, and then there are lags before you can interview them. Then you have to get the data in and analyse it and then you have to write your report. It is really quite a comprehensive evaluation. For this sort of evaluation they require that sort of timeframe.

Senator BERNARDI—How often will the ISSR be required to report?

Mr Warburton—We are in detailed discussions with them quite regularly. We have a whole range of reporting points and deliverables to which payments are hinged. I do not have the exact detail here, but we are working very closely with them. We are working with them on the plan and commenting on the plan. We do have a reference group within the Commonwealth that we are using to try to make sure we get all the broad perspectives on that and do a good job on it. They will be running the various survey instruments by us. It is quite an active dialogue between the university and us, but within the normal framework. We are using a research institute in a university and they do protect their independence and objectivity.

Senator BERNARDI—Sure. Be assured there are no obvious traps in the questions I am asking. Dr Harmer knows that I am very direct in these things. It is good to be back, Dr Harmer, isn't it?

Dr Harmer—Absolutely.

Ms Carroll—Perhaps we could clarify this. I suppose there are two communications that happen. One is the formal side of the kind of reporting required, as Mr Warburton said, around the deliverables and that is required in the funding agreement with the organisation. Then the other is the ongoing dialogue that we have that actually kind of tests ideas and brings them forward so you can get to final conclusions. There is a less formal part of the dialogue and then there are the formal reporting requirements involved.

Senator BERNARDI—Let us deal with the formal reporting requirements, because I am interested in how often the department is going to be advised or updated in a formal manner about the progress of the review. I would like you to be able to get that information for me. It does not have to be now, you can take it on notice. But I would like to know whether those milestone reports, if you like, are going to be made public.

Dr Harmer—I suspect the decision will not have been made yet about whether or not they are going to be public. It would be a matter for the government whether they are. We could take it on notice, but I suspect the minister will not have decided yet.

Mr Warburton—It is not a matter that we have raised with her, no.

Senator BERNARDI—Once again, I would be interested in knowing the schedule of reporting dates so that we can continue to follow it up.

Dr Harmer—We can provide that.

Senator BERNARDI—You said in your remarks that there was a pre-implementation evaluation almost—they are my words—and that it was about looking at your clients that are undergoing this and examining their previous behaviour and comparing it with behaviour post the implementation. Is that a fair characterisation?

Mr Warburton—We are broadly drawing on a sample of current baby bonus customers. They are very close to the sort of people. In the future that population will be split between those who claim baby bonus and PPL, and we have constructed a sample out of that.

Senator BERNARDI—Out of that sample how many people were in it?

Ms Dickenson—I think we provided 10,000 baby bonus customers between October and November 2009.

Senator BERNARDI—To the sample?

Ms Dickenson—To the sample.

Senator BERNARDI—How were they contacted?

Ms Dickenson—It has not started yet. We are actually just in the process of going through the contract negotiations with the researchers in relation to the people who will be conducting fieldwork.

Senator BERNARDI—ISSR is not conducting the fieldwork? They are not in charge of that? Have they not been given \$2.7 million to do this?

Ms Dickenson—They have not been given \$2.7 million yet.

Senator BERNARDI—But it is their agreement.

Ms Dickenson—They are subcontracting to the SRC, the Social Research Centre, at the University of Melbourne to conduct the actual surveys of parents.

Senator BERNARDI—Why is the department negotiating?

Ms Carroll—As often happens with these kinds of contracts, the organisation that won the tender has won the tender based on their capacity to either do the work themselves or to contract the right skill set. Clearly as part of the contract there has been a decision that they will subcontract this particular component, because of the right skill set of different organisations. That is quite a normal—

Senator BERNARDI—I do not have dramas about it.

Mr Warburton—There have been academics across five institutions involved in the exercise, but it is all being coordinated and managed by the ISSR. There will be components that they contract out. So, when you are running a survey—I do not know this definitely—they are highly likely to have people who are experienced in administering the questionnaires that they use and so forth.

Senator BERNARDI—I understand that. My question is actually a little bit more perfunctory than that. It is that you have contracted the ISSR to perform this evaluation. You have provided them with a sample of 10,000 people who receive the baby bonus to evaluate their prepaid parental leave behaviours, and yet the department is doing the negotiations with the people who are going to be doing the research; is that correct? Why wouldn't the ISSR be doing that?

Ms Dickenson—The ISSR are actually doing the negotiations with the survey company, but we do have to actually approve the SRC as a subcontractor.

Senator BERNARDI—As part of your approval process have you indicated or suggested to the ISSR that there should be public forums or the opportunity for members of the public who are in that sample group to make contributions?

Mr Warburton—Can I just clarify that we are on the same page? We are doing two things. It is just that before you mentioned 'the review'. I nearly spoke up then. There is an

evaluation going on, which is a piece of academic work, and there will be a separate review of the scheme that commences two years after it starts. The emerging findings of the evaluation will feed into that review. While employers and employees will certainly have opportunities in the evaluation to talk about their experiences and so forth, it is not the review, and so there is no component in the evaluation asking people to recommend policy changes to the scheme. I do not know if that assists you.

Senator BERNARDI—It might shortcut a couple of things. Just let me put it in my language, which is probably less delicate than yours. You are spending the first two years assessing the 10,000 or thereabouts sample of people who are in receipt of the baby bonus; is that about right?

Ms Carroll—Can I just clarify?

Senator BERNARDI—Yes.

Ms Carroll—What we are trying to explain is that there are two processes. One is what would possibly be termed in other programs a post implementation review, which is a like a normal review that departments do when new programs come out. That was announced when the Paid Parental Leave Scheme was first announced. There was that post implementation review, which starts after two years because you need people in it. Then we also have the process of the evaluation, which is the evaluation of the behavioural issues.

Senator BERNARDI—Now I am confused. I think Mr Warburton might be confused, too. There is \$2.7 million that was awarded to the University of Queensland Institute of Social Science Research. I am reading this. It says that was 'to undertake an evaluation of the government's Paid Parental Leave Scheme'. Are you telling me that does not start until two years after—

Mr Warburton—No.

Senator BERNARDI—There are two separate processes?

Mr Warburton—The evaluation has started. The contract is in place and the work has really commenced.

Senator BERNARDI—What have they done so far?

Ms Dickenson—They have developed an evaluation plan, which we have agreed with. They have developed the draft questionnaire for the survey of parents. They have given us a draft of the data and literature review, which looks at existing research around parents' behaviours around the time of birth. They are just doing some recruitment of staff and are setting up the contract with the survey company.

Senator BERNARDI—The first part of their process is going to be for that 10,000 subset, that sample; is that right?

Ms Dickenson—The survey will be done of the subset of that sample. I just want to make clear that it is about 1,000 they will survey. Yes, that is true.

Senator BERNARDI—So you gave them 10,000 and they will choose 1,000 out of that randomly?

Ms Dickenson—Yes.

Mr Warburton—They are not compelled to participate in the survey.

Ms Dickenson—People have to be able to opt out if they do not want to be involved.

Senator BERNARDI—I would agree with that.

Mr Warburton—Generally it will be random—as random as we can make it—but there are a couple of caveats like that on it.

Senator BERNARDI—That is the first part of the program. Then there is the second part, which starts in a couple of years time, which is to assess the paid parental leave impact; is that right?

Mr Warburton—They will then be doing similar work with people who have received paid parental leave to see whether it has affected their behaviour and how it has affected their behaviour. We will need to look at questions such as do they take longer away from work to look after their children, how much time do they take off, and are they more likely to stay connected with their employers. There is a range of other things the evaluation will do. It will look at how the scheme was implemented. We are trying to work out whether it has been effective, and step one of that is: did you really implement what you said you were going to implement? You need to know that so that you can draw proper conclusions about it. There is another part of the work, which will look at how employers have responded and how employer provision of paid parental leave may change over time.

Senator BERNARDI—I do not need those details now, but I appreciate them. Are you able to table the initial questionnaire that has been developed either today or on notice?

Ms Dickenson—At the moment it is in a very draft stage and it is way too long, so we are actually working—

Senator BERNARDI—I thought you said it had been completed.

Ms Dickenson—No, I thought you asked whether we had a draft—maybe I made a mistake—of the questionnaire, which we are actually working on right now. We did face a bit of uncertainty around the election—

Senator BERNARDI—I detect that.

Mr Warburton—which would have had a reasonable impact on the evaluation. There was some nervousness in the ISSR and it was a bit hard for us.

Senator BERNARDI—I will cut you a bit of slack because of that uncertainty. I am sorry, it could not have been more uncertain for you—a personal view.

Mr Warburton—We all support democracy.

Senator BERNARDI—I am interested in when it is available, if you are able to table the initial questionnaire when it is finalised. I am interested in the reporting—

Dr Harmer—We will take your advice on that. We will take it on notice.

Senator BERNARDI—I would like the reporting dates, please, and if you can establish whether the reports will be made public. In conclusion on this particular topic, 19 academics have been chosen to take part in the evaluation; is that correct?

Ms Dickenson—Yes.

Senator BERNARDI—And they are spread across how many campuses or universities?

Mr Warburton—Five institutions or campuses.

Senator BERNARDI—Okay. What are those institutions?

Ms Dickenson—I have them here. The University of Queensland, for the ISSR, the Australian National University, the University of Sydney, the Melbourne Institute for Economic and Social Research, and the University of Tasmania.

Senator BERNARDI—No-one from Adelaide?

Ms Dickenson—No.

Senator BERNARDI—I am most disappointed. How were those five institutions chosen—all those 19 academics, more or less?

Ms Dickenson—We ran a tender process, and groups of researchers, in all cases I think, came together and put forward a proposal, and then we did our selection based on that and chose this group, who had actually formed to put a tender in together.

Senator BERNARDI—So this was a single tender, those 19 people. Are the names of the 19 individuals on the public record?

Ms Dickenson—No.

Mr Warburton—They are not on the public record at this stage.

Senator BERNARDI—You will be able to track them down and let me know, will you?

Dr Harmer—We will take that on notice, too. I am not sure whether we have to get permission from the contractor about individuals. I do not see any reason why we would not be able to give it to you, but I would just like to take it on notice and take advice on it.

Senator BERNARDI—Okay. Just finally, as part of the contract, is there a scheduled meeting of these 19 researchers on a regular basis or do they do their own research in their universities, in their pods, and then feed it into the broader review?

Mr Warburton—I think they are all working together on this project. To some extent we leave that to them; whether they choose to email, how often they meet and so forth.

Senator BERNARDI—But that is a decision for them? There is no formal structure, like a board structure or anything else, that has been set up by the department?

Ms Dickenson—Not by us. They have actually set up a sort of a management structure of their own whereby one person from each of the areas of expertise is in charge of the rest of them.

Senator BERNARDI—Okay.

Ms Dickenson—They have met all together once for a workshop, and we are meeting them again with all the academics and FaHCSIA in about three weeks time.

Senator BERNARDI—Their costs associated with either meeting with FaHCSIA or travelling is out of the \$2.7 million?

Ms Dickenson—That is right.

Senator BERNARDI—That is out of their part of the contract; there is no additional cost for FaHCSIA?

Ms Dickenson—No.

Senator BERNARDI—You will be grateful to know that is all I have on that.

CHAIR—Senator Ryan, I believe you have paid parental leave questions.

Senator RYAN—I would just like to turn to the tax treatment of the PPL. I missed Senator Abetz earlier, so if it has been covered please say so. What are the terms of the agreement with the states to exempt PPL payments under the government scheme from state levy payroll taxes?

Mr Warburton—You will recall we put out an exposure draft of the Paid Parental Leave Bill. That was provided to every state and territory. The then Deputy Prime Minister wrote to every state and we received responses from every state. So essentially once they had the draft legislation they could definitively answer the question, ‘Would it be subject to payroll tax in their state?’ Every state responded that it would not be subject to payroll tax, and the complete set of letters was tabled during the Senate debate.

Senator RYAN—Are you aware of whether the states have actually changed their legislation to reflect that commitment? Has the department monitored that?

Mr Warburton—My understanding is that they do not need to do that. We are talking eight states and territories here and I do not think anybody did have to change—

Ms Dickenson—I think they did not have to change.

Mr Warburton—I will leave it at that. My understanding is none of them need to change their legislation and it is all good. If that is not the case I will come back.

Senator RYAN—I am happy to be corrected on this, but on some various rulings and information sheets that I have taken off state websites it seems to be that they have a 14-week exemption rather than 18 weeks. I’m reading from Victoria here. If the legislation has been changed in the last few weeks, I am happy to be corrected, but Victoria limits the exemption to a maximum of 14 weeks pay. So does New South Wales; Victoria and New South Wales have a complementary legislation. It also specifically says in the information sheet, ‘This exemption does not apply to paternity leave which is granted to a male employee after his spouse has given birth.’ It is limited to a female employee.

Mr Warburton—Our advice is that there is no ambiguity whatsoever here. We were in consultation with the states and territories for quite some time about what was going on, and a process was put in place to ensure that they could get our legislation. They could get legal advice on our legislation, and I think that goes to the nature of the payment. All states and territories were asked to confirm that we did not have an issue that had to be managed and we got that advice and tabled those letters in the Senate.

Senator BERNARDI—I am not doubting that that is the process that you went through. Excuse me for being cynical. I do not always take the commitments of some of these state governments on paper at face value. We can all remember examples when letters might have been written to people at election time and then were subsequently backflipped on. I would be

interested in knowing whether the department undertook its own examination of the state legislation as opposed to simply having letters written to you from state premiers or treasurers.

Dr Harmer—I doubt whether we would have undertaken our own evaluation of legislation. I stand to be corrected. It would have been crystal clear in the draft legislation that we were talking about 18 weeks. It was a very public figure. The Deputy Prime Minister was sent replies from all jurisdictions indicating that it was compliant.

Senator RYAN—It could be that they have not updated their websites, but I just want to get to the point that it is not a commitment from the states to not levy a payroll tax?

Dr Harmer—That is possible, too.

Senator RYAN—I am sorry, I do not have the letters on me, but if it is a commitment from the states to not levy the tax or if it is a commitment to change legislation to make sure a tax cannot be levied; I think you will appreciate the difference.

Dr Harmer—Sure. We do. I do not think we have the letters here, have we?

Ms Dickenson—We have one.

Mr Warburton—They have been tabled, so anybody can get them.

Senator RYAN—I appreciate that, Mr Warburton. I just do not have them with me, but I think you—

Mr Warburton—My understanding is that no state needs to change its legislation. The nature of the payments is quite different here. The material on state websites relates to employers' provision of payments for their schemes. We are dealing with something quite different here, where the Commonwealth is funding employers to provide paid parental leave. Our understanding is that the advice from the states is quite unambiguous that it will not be subject to payroll tax, and as part of our communications we are trying to get that message to employers. We are trying to make sure that employers clearly understand the scheme and that there is not confusion about it. Our communications campaign started last Sunday, and this is one of the things we are trying to achieve.

Senator RYAN—If I became aware of a different interpretation or some concerns about that, the department would be happy to hear such concerns, because to you it is an unambiguous issue?

Dr Harmer—Absolutely, yes.

CHAIR—That concludes questions on PPL. Dr Harmer, I have three areas of clarification I am seeking from you. Questions to do with social inclusion?

Dr Harmer—Outcome 3. To the extent that we can answer them they will be in Outcome 3. There has been a change in that space as well.

CHAIR—That is right. But in terms of issues that may have links to FaHCSIA—Outcome 3.

Dr Harmer—We will do our best.

CHAIR—Questions to do with Forgotten Australians—the people known as Forgotten Australians?

Ms Carroll—Outcome 3.

CHAIR—Outcome 3.

Dr Harmer—Outcome 1. This one.

CHAIR—Outcome 1. The questions around the Bath Report; that would be Outcome 1?

Dr Harmer—Outcome 1.

CHAIR—We are going issue by issue, and Senator Bernardi has the call.

Senator BERNARDI—Let me just make sure I have got this. I want to ask some questions about the advance payment option and quarterly payment options for pensioners. Right outcome?

Ms Carroll—Seniors or family payments? Were they the election commitments?

Dr Harmer—No, it will be the one for seniors. That will be Outcome 4.

Senator BERNARDI—Let us try this. Family support services in Cardinia Shire?

Ms Carroll—Family support is this outcome.

Senator BERNARDI—That is this one. Can we start with that?

Dr Harmer—Yes.

Senator BERNARDI—All right. There is \$3.7 million allocated for family support services, and Cardinia is one of the eight Communities for Children Plus sites that has received this money. How was the amount of money chosen for each of the particular eight sites?

Dr Harmer—Just bear with us until we get the right person and the right piece of paper.

Ms Carroll—Just to clarify, you were after how the funding amount was arrived at for each of the Communities For Children Plus sites?

Senator BERNARDI—Yes.

Ms Emerson—I will have to take that on notice. I just do not have that information with me, I am sorry.

Senator BERNARDI—Okay. I would be interested in a breakdown of how the \$3.7 million for Cardinia is to be spent.

Ms Emerson—I can give you the figures for that period. I can give you the breakdown. I just cannot give you the detail of the rationale behind it at the moment. Would you like me to read those?

Senator BERNARDI—You could give me the figures for the forward estimates or something?

Ms Emerson—Yes.

Senator BERNARDI—Okay. That is fine. I am happy to have those, but I am interested in what is actually going to be spent on it in more detail.

Ms Emerson—Specifically?

Senator BERNARDI—Yes.

Ms Emerson—Can I take that on notice, please?

Senator BERNARDI—You can take that on notice.

Ms Emerson—So, would you like the figures now or not?

Senator BERNARDI—Yes, we will get them on the record.

Ms Emerson—For 2009-10, \$750,000; 2010-11, \$1,250,000; 2011-12, \$900,000; and 2012-13, \$800,000. Each of the sites is quite individual in the plans that they put together for the services, and that is why it is difficult to speak specifically without more detail to answer your question.

Senator BERNARDI—Aside from providing the funding to those eight sites, what are the federal government's responsibilities in regard to the Communities For Children Plus sites? Do we have any other ongoing obligations in management terms or engagement?

Ms Emerson—Our state and territory network does the contract management for each of the sites, and they obviously negotiate the initial contract, monitor the performance against that and problem-solve concerns of the organisation if they come up. Generally it is about setting the parameters and encouraging the service to be able to deliver on the outcomes that they have said that they can.

Senator BERNARDI—Do the state and territory governments have any involvement or any engagement in this?

Ms Emerson—Yes, on the Communities for Children Plus, there is a committee system that is built into the actual design of the model. The state government has a representative on that.

Senator BERNARDI—Is the state government representative a ministerial representative or a departmental officer?

Ms Emerson—It is usually someone from the department.

Senator BERNARDI—Have all of those representatives been chosen?

Ms Emerson—I would have to take that on notice. Most of these are relatively recent, in terms of getting up operationally. They might all be in a slightly different situation.

Senator BERNARDI—The establishment of the eight centres was based around communities of what is termed 'high disadvantage'; is that correct?

Ms Emerson—That is correct.

Senator BERNARDI—How is a community determined to be of high disadvantage? What are the benchmarks?

Ms Emerson—In broad terms, they were identified as communities that would be targeted to really benefit from integrated service delivery and to be able to work in areas where there is a large number of children at quite heavy risk of disadvantage. They would be areas where

there is evidence of mental health issues, drug and alcohol issues, family violence, housing issues, and the main emphasis is about preventing child abuse and neglect.

Dr Harmer—Broadly, measures of social disadvantage are low incomes, large numbers of children and many people on benefits. There is information about child protection issues and all of those sorts of things.

Senator BERNARDI—I do not have any problems with the sentiments. I am interested in whether there are thresholds or is this a subjective assessment based on whether poverty is a benchmark, a percentage of people living under the poverty line, or is it just that it is reasonably representative of a problem?

Ms Carroll—One of the things that we always use in terms of a hard piece of data is the factual information about standard of living socioeconomic status of people in a particular area, but what normally happens in circumstances like this, where you have a limited number of sites, you are saying as well as being areas where there is high economic disadvantage, what other components are you bringing in to choose different sites. Some of those things were the things that Ms Emerson was describing that are then taken into account. There is not a series of things where we think that looks like a disadvantaged site, it is actually based around the socioeconomic.

Senator BERNARDI—Which is right, and they are all measurable. I am interested in what your thresholds were. Are you going to have 27 per cent of the people receiving welfare payments; a high percentage of single parent families or certain number of child abuse or neglect cases? Did you make the decisions based on those?

Ms Emerson—In general terms, yes. The science is not as exact as that because what we find is a clustering of disadvantage in a number of areas, and they are areas that come up repeatedly in a number of ways when mapping disadvantage. With Communities for Children Plus it was not about seeking the eight most disadvantaged areas in Australia and putting sites there, we actually have a site in every state and territory, other than the ACT. We have negotiated with the state government about an appropriate placement where it would be beneficial to target an area and to work very closely with the state government to trial an enhanced way of delivering services in a joined-up way. While it was very important to get areas of disadvantage, there was also this way of negotiating with the states where we could work together in a new way through community.

Senator BERNARDI—You said there was a centre in every state or territory except the ACT. I am missing one. Can you tell me where they are?

Ms Emerson—Yes. Launceston in Tasmania; Ipswich, Queensland; Cardinia, Victoria; East Arnhem, Northern Territory; Campbelltown, New South Wales; Kempsey, New South Wales; Midland, Western Australia; and Playford, South Australia.

Senator BERNARDI—Thank you for that. I have nothing more on that.

CHAIR—On another topic?

Senator BERNARDI—Yes, indeed, the Saver Plus program.

Ms Carroll—Outcome 3.

CHAIR—At least we know we are going to have questions in Outcome 3.

Senator BERNARDI—That is right. I am warning everyone. There is no excuse to take them on notice. IT grants for family services.

Ms Emerson—Yes.

Senator BERNARDI—In July the minister announced that there were going to be some IT grants for family services. The press release from the minister said that almost 150 local organisations would receive these one-off payments. How were these almost 150 groups chosen?

Ms Emerson—They are essentially the organisations under the Family Support program.

Senator BERNARDI—Are all of them under the Family Support program?

Ms Emerson—I will take that on notice.

Dr Harmer—I think it was all of them, but I will just clarify.

Senator BERNARDI—I presume the list of organisations under the Family Support program is available publicly?

Ms Emerson—There are lists available on the website of funded organisations, yes. If you would like the list of the particular organisations that received these grants then it might be easier if I gave it to you. I could table it.

Senator BERNARDI—That would be most helpful. It is so refreshing. What is the process of evaluating that the money is spent on what it is meant to be spent on?

Ms Emerson—It is basically a contractual arrangement. A letter of offer was made and undertakings were made by the services of what they would spend in accordance with that. We follow up in the usual way. As all of these organisations have an ongoing contractual relationship with the department on a large range of issues, it would be part of that.

Senator BERNARDI—It was unclear in the release whether the grants could be spent on things like the installation and maintenance of computers and services. Is it just purchase of the actual physical equipment?

Ms Emerson—There was a fair bit of flexibility in what was allowed. What we have found is that there is a very different capacity in organisations around IT. Some have already invested in certain aspects, such as physically getting computers, but they might need some additional software or they might need to enhance their internet connection. We have basically listed a range of things that would be appropriate for them to spend money on.

Senator BERNARDI—Is having a technical support service or having someone come in to install your computers and things like that on your list?

Ms Emerson—I would not like to make that call, but I think that would fall within it. I think the language used was something like to purchase and upgrade computers, software, telephone systems, internet connections and other IT costs.

Senator BERNARDI—Would you say that falls under other IT costs?

Ms Emerson—I think a case could be made for that, yes.

Senator BERNARDI—You are making the call on it in the end, aren't you?

Ms Emerson—If that question was put to me, yes.

Senator BERNARDI—Nothing further on that one.

CHAIR—Dr Harmer, I am planning to go through with individual questions until about a quarter to three and then both Senator Scullion and Senator Siewert want to ask questions about the Bath report. I thought the easiest way was to focus on that in the last 15 minutes. We have the next 20 minutes to do individual questions. Senator Siewert.

Senator SIEWERT—I have questions on family relationship centres and the program. It would not be estimates without that.

Ms Emerson—That is right.

Senator SIEWERT—I understand you have done a needs analysis about what services and changes are required.

Ms Emerson—We are currently undertaking a mapping exercise. Is that what you are inquiring about?

Senator SIEWERT—Yes.

Ms Emerson—I will ask my colleague to answer your questions.

Ms Stehr—Firstly, I will clarify for you that our needs analysis is around the Family Support program more broadly, so not around the family relationship centres. Is it around the broad question that you are interested in?

Senator SIEWERT—Yes.

Ms Stehr—In 2009 Minister Macklin announced that there would be a new Family Support program and one of the elements of doing the work to implement that program by 1 July next year was to undertake an analysis of where services are to ensure that they are delivered in the highest needs areas, especially where families and children are at risk, and also to look at gaps and/or duplication of services. That work is well progressed. The needs analysis is nearly finalised. I am not able to tell you today what all the detail is, but we will shortly have that.

Senator SIEWERT—How long is shortly?

Ms Stehr—Before the end of the year. We have made a commitment to advise any organisations that would be affected by the changes, but I want to say that our very clear understanding on the analysis to date is that we are expecting minimal changes for most services.

Senator SIEWERT—Your last comment was that you were expecting minimal changes; is that correct?

Ms Stehr—Yes.

Senator SIEWERT—I would like to firstly go to where you have found gaps. Have you found gaps in services, geographically, and the types of services provided?

Ms Stehr—We are wanting to test that analysis with some of our stakeholders and we are also in the process, at the moment, of testing it with our state and territory officers for their local knowledge of what exists in those areas. We have identified a number of areas where the data appears that they may not be as well serviced as some areas, but we are in the process of testing that now, and there is only a small number of areas across Australia.

Ms Carroll—One of the things that we are trying to test in that process as well is, for example, that it is easier if they are actually happy to travel out of the area where they live to another area. For some family relationship services, they may prefer to go to services that are not directly in their community. It is not just a matter of mapping exactly where the services are and where the people are, because we also need to understand the flows of, firstly, how far people will travel and, secondly, whether they prefer to go to services slightly outside or not.

Senator SIEWERT—Is the work that you have been doing going to be contained in a type of report that can be released for public information?

Ms Stehr—That would be a matter for the minister to consider. We have not had that discussion at this point in time.

Senator Arbib—I am happy to pass that on.

Senator SIEWERT—That would be appreciated; thank you. In terms of the process that you used, how did you formulate that?

Ms Stehr—It goes back to the same issues that we were discussing in an earlier question about disadvantage. We have certainly taken into account a range of factors, including the socioeconomic index for areas; concentrations of people on the maximum rate of family tax benefit; the remote service delivery sites; social inclusion areas; Family Relationship Services online data, which tells us about client movement and where they seek services; and we have also looked at the Australian Early Development Index. That is the broad range of things.

Senator SIEWERT—Who has been consulted? Have you consulted those clients, stakeholders and providers in the process?

Ms Stehr—In the development of the redesign of the program all those people you just mentioned were consulted. Around the needs analysis and the mapping, the department is just about to start a series of meetings with stakeholders, including peak organisations, some of our major national providers and state-by-state meetings with local service providers to discuss with them the next steps in the redesign process, including testing what we think the data is telling us about service usage and high-need areas.

Senator SIEWERT—Going back to the issues around minimal change, is it anticipated that some of the existing providers will be asked to change some of the nature of the programs they deliver? Will there be resources to establish new services in particular areas or in areas where you have seen geographical gaps? I am sorry; that was a three-in-one question.

Ms Stehr—I think when Minister Macklin announced the program she did signal that she was expecting that there be a broadening of some services to look at the broader family and parenting and children skills. That will be part of the discussions with service providers.

Senator SIEWERT—You have found in your analysis that there is in fact a need for that? I must admit I do not think there would not be, but I am just double-checking that against the evidence?

Ms Stehr—It is very much the evidence around broader family functioning, I suppose. There might be some locations where at the moment they are well serviced by marriage counselling or some sort of counselling that is aimed at the parents but they might benefit from some of that broader family and children focus as well.

Senator SIEWERT—It seems to me that program will be something existing providers can pick up. It is also the type of program that may be provided into new areas. Is that potentially going to happen?

Ms Stehr—Where there are changes for any service providers we will look at a staged implementation to give service providers the capacity and the ability to broaden their services if that is what is needed in a particular area. It certainly will build on existing services, so it will depend on what the service system is in a location as to what is needed and it will be very much a location-by-location issue.

Senator SIEWERT—You said that in providing a report to the minister there is an undertaking that you will notify providers of potential changes. Will that be a public announcement or will you be working specifically with providers? Firstly, will it be a public announcement? Secondly, if there are new programs will you be going through a tender program for that or will providers just take on the new programs?

Ms Stehr—I will deal with the last one first. We are not envisaging a major tendering program process for this. We are very much looking at trying to minimise the overhead for providers in doing that. Because our analysis certainly appears to be telling us that, largely, services are in the right places, it would be more about working with providers, not an open tender.

Senator SIEWERT—Once you have done the evaluation et cetera, will the minister be making an announcement about where to from here in terms of the new services and location of the new services?

Ms Stehr—Obviously that will be a decision for the minister. Certainly for individual services and the changes, the department will be working one-on-one with those service providers.

Senator SIEWERT—Can I move onto FRSP online?

Ms Emerson—Yes.

Senator SIEWERT—I am told there has not been a report delivered on this for two years; is that correct?

Ms Emerson—The national report?

Senator SIEWERT—Yes.

Ms Emerson—Yes, that is correct. We actually have the 2008-09 ready to go up. We just got a bit held up with caretaker. We will probably the 2008-09 and 2009-10 up fairly soon.

The service providers can still make their inquiries of FRSP online to get both their own organisational data and state data.

Senator SIEWERT—So they can make individual inquiries?

Ms Emerson—Yes.

Senator SIEWERT—When is soon? I am sorry but I keep hearing ‘soon’, so I try to clarify it. Will it be by the end of the year?

Ms Emerson—Yes, by the end of the year.

Senator SIEWERT—I am also told that there seems to be some concern around the system no longer working with other data collection systems; is that an issue?

Ms Emerson—You might be referring to the third party software issue that had four disks in it. We have two ways of entering data into the system. One is directly into FRSP and another is actually using a third party software, which obviously has to be tailored specifically to work with FRSP online. We have experienced some technical problems over the last couple of months which I am informed appear to have been resolved last week and we are just doing final testing now. It was quite unexpected.

Senator SIEWERT—It was unexpected when the upgrade happened?

Ms Emerson—Yes. The responsibility to make the software conform with FRSP is actually with the providers themselves, and it was only when they tried to make it go live that we realised it impacted on one of those providers, Data Systems, and that is a four-disk system which is a very significant one in terms of input. People have really been pulling out all stops and I believe we had a technical fix just in the last week.

Senator SIEWERT—Can I go back to an issue that we have visited a couple of times, and that is the number of people who were choosing to provide information voluntarily. What is the percentage at now?

Ms Emerson—I will have to take on notice the overall percentage. But the technical issues we had with 1 July also coincided with the new system about being able to get the de-identified data into place. Hopefully by next estimates we will actually have some meaningful comparisons for you. I think that is probably best.

Senator SIEWERT—Can you take it on notice, but if you cannot get it I will obviously be asking at the next estimates. It may be too early to ask around the de-identified data and the feedback that you are getting from the providers, but is the new process being adopted or supported by providers better?

Ms Emerson—In principle it is well supported, but we have had these glitches in the system so far and we have to smooth those out. It has delayed our ability to get that system actually up and running. I would say within the next four weeks we will have most of that actually out there with providers to sign up. There are specific permissions that had to be granted to be able to access and change over from which system they were on. That has sort of been delayed with some of these other technical problems. But I was informed even this morning that is back on track. Again, hopefully, next estimates we will have a good story for you.

Senator SIEWERT—We can then compare the data?

Ms Emerson—Yes.

Senator CAROL BROWN—I want to ask a couple of questions about the forgotten Australians and the commitments that were given. Could you provide me with an update as to where we are with the commitments?

Ms Essex—Yes. There is a range of commitments that were made by the government in relation to the apology to the forgotten Australians last year. I will list the commitments first and then go back and give you an update as to where we are with each one if that is okay?

Senator CAROL BROWN—Yes.

Ms Essex—A National Find and Connect Service; funding the National Library of Australia and the National Museum of Australia to host two key history projects, which is this scholars support organisation for the public and forgotten Australians and former child migrants and their families to understand and reflect on and remember the experiences of those involved; funding to assist both the Alliance for Forgotten Australians and the Care Leavers Australia Network to support forgotten Australians and continuing to support the Child Migrants Trust; and the identification of care leavers as a special needs group for aged-care purposes, which is an item that is taken forward by the Department of Health and Ageing.

The government is investing \$26.5 million over four years, from 2010-11 to 2013-14, to support the National Find and Connect Service. It will provide an Australia-wide coordinated family tracing and support service for the forgotten Australians and former child migrants. And we will include a number of elements on the national website such as a 1800 number to assist care leavers, a national network of trained case managers and some new counselling support tailored to the specific needs of care leavers and national coordination on matters relating to care leavers and access to information.

The department is very conscious of the fact that for forgotten Australians and for former child migrants lack of consultation in the past has been a complaint about responses to their particular needs, so we have been very careful to devise a model for implementation that involves consultation with forgotten Australians and care leavers. We have completed a scoping study that was undertaken by Encompass Consulting Pty Ltd in September and we have a meeting scheduled with a consultative forum on 27 October to talk about the ways forward and design for the Find and Connect Service. We would expect a tender process for that service to follow on fairly shortly after that meeting, certainly by the end of this calendar year.

As to the national history projects, the government has provided the National Library with funding of \$1.7 million—

Senator CAROL BROWN—Was the consultancy in connection with the Find and Connect Service?

Ms Essex—Yes.

Senator CAROL BROWN—When are we hoping all that work will be done?

Ms Essex—We would anticipate the service starting early next year. In the first quarter of next year is currently our anticipation.

Senator CAROL BROWN—I am sorry, national history projects?

Ms Essex—The government provided the National Library with funding of \$1.7 million, which included \$500,000 for counselling support for those who participate and share their experiences. Funding of \$1.2 million has been provided to the National Museum of Australia to fund a material culture collection and exhibition, and I understand that will include a travelling exhibition component.

Senator CAROL BROWN—When will we see those projects being able to commence?

Ms Essex—The National Library of Australia will complete their oral history interviews in 2011 and we expect a number of oral histories to be publicly available from November 2010. The National Museum of Australia's visual history exhibition of the experiences of children in institutional and other out-of-home care will be officially launched in November 2011.

Senator CAROL BROWN—Is that the target we were hoping for?

Ms Essex—Yes, it is. Both of those projects are on track. In relation to aged care, as I said, that is a matter that the Department of Health and Ageing has the lead on. It is recognising care leavers as a special needs group in the aged-care allocation principles to ensure that the needs of care leavers are considered by the Department of Health and Ageing in planning and allocating aged-care places. Further detail of where they are at with that would have to go to the Department of Health and Ageing.

Senator CAROL BROWN—Is there an education package involved in that as well?

Ms Essex—Yes, an education package for service providers that we anticipate will be rolled out from mid-2011.

Senator CAROL BROWN—That is by the Department of Health and Ageing?

Ms Essex—Yes. For the continued support for advocacy groups, Forgotten Australians and former child migrants, the government has funded Care Leavers Australia Network, Alliance for Forgotten Australians and the Child Migrants Trust to continue their advocacy work on behalf of care leavers. The government has previously allocated \$100,000 in Commonwealth funding to be shared equally by each of the six states to contribute to the construction of memorials to commemorate Forgotten Australians. Each state received \$16,666, excluding GST. To date, the memorials to Forgotten Australians have been unveiled in South Australia, Tasmania, New South Wales and Queensland, and I understand events are planned to unveil memorials in Victoria in late October 2010 and Western Australia in December 2010.

Senator CAROL BROWN—Thank you.

Senator FURNER—Who has the responsibility for overseeing these programs?

Ms Essex—In relation to the Forgotten Australians?

Senator FURNER—Yes.

Ms Essex—The Department of Families, Housing, Community Services and Indigenous Affairs.

Senator FURNER—You have indicated that there has been some interaction with DOHA on aged care?

Ms Essex—Yes.

Senator FURNER—Are there any other forms of interaction occurring?

Ms Essex—We also have strong interaction with the Department of Immigration and Citizenship in relation to former child migrants. I would have to take on notice all of the interactions. There has been quite a lot of interaction and discussion, both with the care leavers themselves and with state governments. I am happy to take that on notice and get you some detail around that.

Senator FURNER—Thank you. What is involved in the interaction with immigration?

Ms Essex—I will take the detail on notice, just because there has been quite a lot of interaction over the last 12 months and I would hesitate to leave anything out.

Senator FURNER—I appreciate that.

Ms Essex—In general, we speak closely with our colleagues in immigration in relation to all matters regarding Forgotten Australians and child migrants, and members of my staff meet regularly with officers of the Department of Immigration and Citizenship.

Senator FURNER—I imagine that is growing on a regular basis.

Ms Essex—We both continue to have a strong interest in progressing the government's commitments.

Senator FURNER—Thank you.

CHAIR—We will now move into questions from Senator Scullion and Senator Siewert around the Bath report. Senator Scullion, would you like to lead off on that?

Senator SCULLION—Certainly. The minister or Mr Harmer can perhaps give me a more general response. The report notes that the Commonwealth government funds a proportion of services across the spectrum of services for children in the Northern Territory, and is a significant stakeholder. In that context, and what the process is for the Commonwealth in responding to this, I think we can reasonably call it a pretty damning report card. Will you respond officially? It is not your report, so normally the process is for somebody else to do so, but given the huge and long-term investment by the Commonwealth in services in this area, will you specifically respond as the Commonwealth to this? It has been referred to as a tsunami of need in child protection services.

Dr Harmer—I will let my people talk about it, but first of all, it is essentially about child protection. As we all know, child protection is a Northern Territory government responsibility, although we have a number of levers which, as you say, assist the Northern Territory government with their statutory responsibilities. We have used those and continue to use those to support and help the Northern Territory government with this massive challenge which you know a lot about because you live there, and which we know a lot of about because we have been heavily involved in the Northern Territory since mid-2007.

Ms Carroll—I can explain. We are in the process of reading the report in full and understanding what the recommendations mean. We will meet quite shortly with the Northern

Territory government to understand the components of their response to the Bath report and unpacking all the elements of that. We will work very closely with the Northern Territory. As you identified, the Commonwealth has put significant investment into the Northern Territory. I think there is about \$1.2 billion through the Northern Territory Emergency Response. We are obviously very interested in making sure that there are the best outcomes for children.

I would not be able to say whether the government is or is not going to respond specifically to the report, because, obviously, that will be a decision for the minister. But we are certainly reading the report in detail, trying to make sure we fully understand the recommendations and the interaction between the Commonwealth and Northern Territory governments around those recommendations. I am sure, as you have read them yourself, that we have already identified all the things that we need to do together, with some of them quite specifically for the Northern Territory government. We are working through all of that at the moment.

Senator SCULLION—This is why I thought perhaps, Mr Harmer, the minister may be able to make a decision. I acknowledge that it has not been long, but given the investment of the \$1.2 billion that was predicated on a motive to help stop child neglect and abuse, that was it. I will go further and I know Senator Siewert will also, but is it the intention of the government to consider whether or not we would have a response? One would see, given that investment, that the Commonwealth would also respond to this report?

Dr Harmer—Ms Carroll has just indicated that we are going through the report carefully. We are working with the Northern Territory government. Ms Macklin has already responded with some initiatives, which were announced on the 18th. There are clearly lots of other things. We have a big review and evaluation of the Northern Territory Emergency Response that we are starting to plan for now. A lot of elements of that response go to assistance measures for the Northern Territory's responsibility on child protection.

Senator SCULLION—Just to help you with that: are you unlikely to put in a separate response to the Northern Territory government report? Is that what you are telling me, or have you still not made your mind up on that?

Dr Harmer—I do not know. We have not settled that yet.

Senator SCULLION—That is fine. If you are not aware at this time, I would understand that.

Senator SIEWERT—Dr Harmer, I find it really difficult when I hear you say the Commonwealth has not got any jurisdiction. It is like we are hands-off in the NT when we have just spent \$1.2 billion on an intervention.

Dr Harmer—I did not say that we are hands-off in the NT. I said that to begin the response on the Bath report, the Bath report is about child protection, and child protection is the responsibility of states and territories across the country. That is all I was saying.

Senator SIEWERT—I was paraphrasing you. It is a responsibility, but the Commonwealth government did not seem to worry about that when it put \$1.2 billion into an intervention—measures that were supposed to address child safety and child protection. It has not worked. There is \$1.2 billion, and three years down the track we have still got this report—and you know what it says.

Dr Harmer—Yes. I do not think that you could claim at all that the intervention with its objectives, which were quite broad, has not worked.

Senator SIEWERT—Its objectives were about child protection. That was the bottom line.

Dr Harmer—The reason for the Commonwealth getting involved in the intervention arose from a damning report called *Little children are sacred*.

Senator SIEWERT—Was that not about children and children's safety and protection?

Dr Harmer—It was.

CHAIR—Let the officer answer.

Dr Harmer—The measures that the previous government put in place and that this government have continued went to some of the causes. The rivers of grog which were said by the *Little children are sacred* report were causing it, so alcohol restrictions. They are proving quite effective in many parts of the territory. The income quarantining was intended to stop households who had a lot of discretionary cash being able to spend it all on substances and so on which were damaging the environment for children and families. There was housing and so on. There is a whole range of things.

Senator SIEWERT—How has that addressed any of the issues from this report? The recommendations do not talk about income management, they talk about needing to provide a whole lot more support around collaboration and cooperation and addressing underlying causes of disadvantage. It does not talk about income management.

Dr Harmer—Basically, the key recommendations and the key criticisms coming out of the 700-page report are about the child protection system in the Northern Territory, run by the Northern Territory department. That is where the report focuses on what needs to be done.

Senator SIEWERT—We have been spending \$1.2 billion with lots of Commonwealth people up and down the NT and yet you did not think that there was a massive problem in the NT child protection services and did not seek to try to get those changed or address them?

Dr Harmer—I did not say that we did not see that the Northern Territory government were not doing as well as they could in child protection. We have always believed that. The damning report in 2007 demonstrated that.

Senator SIEWERT—We are three years down the track.

CHAIR—Senator, you need to let Dr Harmer finish his answer.

Ms Carroll—One of the things in the Northern Territory Emergency Response was that a number of what you would call platform things were put in place through that. Dr Harmer talked about the alcohol restrictions. There are also police numbers, night patrols and a range of other things that broadly go to making sure that communities and children are as safe as possible. Clearly, the report has identified more things that need to be done. In terms of the specific child protection areas, the Commonwealth, through the Northern Territory Emergency Response, was funding some remote child protection workers and Indigenous family workers. In the response that Minister Macklin gave on Monday, there were some increases in those remote child protection teams. I would think that, more broadly, the Northern Territory Emergency Response went to some of the platform things like police,

alcohol, night patrols, meals and those sorts of things. There was a range of platform things that were put in place through the Northern Territory Emergency Response.

Dr Harmer—No-one can be absolutely certain, but I would maintain and I think most of the government would maintain that had the government not done some of the things that were done in the Northern Territory Emergency Response then the situation reflected in the current report would have been a lot worse.

Senator SIEWERT—We will not know because it was not evaluated properly, will we? An amount of \$4.1 million is now about to be spent on income management. Has thought been given to the fact that some of these issues are going to be of a higher priority and deliver better outcomes?

Dr Harmer—We are in the process of planning the evaluation of all of the elements of the Northern Territory Emergency Response, and income quarantining and welfare reform will be part of that. The early information and advice we get is that income quarantining has done a terrific job in changing the balance of power in families towards women having more money available to send their kids to school, to buy food and so on.

Senator SIEWERT—Where is that evidence?

Dr Harmer—There is already quite a bit of evidence. It is mainly anecdotal at the moment. We will be collecting that information for the detailed evaluation.

Senator SIEWERT—There is also a lot of evidence that is showing that it is impacting on people's feeling of social and emotional wellbeing. One of the things mentioned here is about dealing with social and emotional wellbeing. You have a measure here and we do not know whether it works. You are relying on anecdotal evidence, but there is other evidence that shows it has a detrimental impact and actually contradicts stuff that is in the Bath report.

CHAIR—Quarantining does tend to go into tomorrow, rather than general questions.

Senator SIEWERT—I accept that, but it does belong here because we are now rolling income management across the whole of the NT. I apologise if you want to cover it tomorrow. We can cover it tomorrow, but it will be the same questions.

Dr Harmer—I think we have agreed that income quarantining in the Northern Territory is covered today.

Senator SIEWERT—I think we agreed that we would do the general stuff today and detailed stuff tomorrow. The point is still there about the issue of social and emotional wellbeing, and the fact that we need to be doing more about addressing those underlying causes. I notice here, when it talks about what we could be doing, it does not talk about income management; it talks about more community control and Aboriginal focused control organisations.

Dr Harmer—Part of the reason is that it is particularly focused on the Northern Territory child protection system and the recommendations go to the things that the Northern Territory need to do with their child protection system.

Senator SIEWERT—It talks about other issues.

Dr Harmer—It does, but it focuses on child protection. I do not think the terms of reference for the inquiry asked them at all to evaluate, for example, any of the elements of Northern Territory intervention. That will be done in a separate exercise.

Senator SIEWERT—I accept that, but it does focus on the need for longer term safety and wellbeing. It talks about the need for more Aboriginal controlled organisations. It talks about Aboriginal controlled welfare organisations. It talks about community safety, child safety and wellbeing centres. That is about the wellbeing of the community.

Dr Harmer—I agree. It was a 700-page report that was only available to us and to the minister on Monday. They are the sorts of things that Ms Carroll was talking about earlier as we are working with the Northern Territory government and we are looking at them, including comments about what the Bath report recommendations picked up about the feeling in the community and what we need to do about that. All of those things will be looked at.

Senator SIEWERT—I read and I get really angry about not only the issues that it raises but also the fact that a lot of this is not rocket science. The issue around the Aboriginal controlled organisations the community was raising in 2007, when the intervention was brought in. Three years later—surprise, surprise—the recommendation is yet again made and we still do not see that being enacted.

Dr Harmer—I think it is fair to say that there are quite mixed views about the extent to which we can address child protection in the Northern Territory by dealing with organisations as opposed to the system of child protection and the resources of child protection which the Northern Territory has put in.

Senator SIEWERT—I may have misunderstood what you said. I do not mean to imply that that is the only solution. As you very rightly say, there are dozens of recommendations here that address the system as well. But they are saying you need both. If I read this correctly, you need both.

Ms Carroll—I think one of the things that we will certainly be endeavouring to do with the family support services and other things that we will be implementing in the Northern Territory and by talking to the Northern Territory government is looking at that very issue of how we do make sure that the kinds of community organisations we are developing are a skilled workforce from within the community. Those things are quite long term, but they are certainly things that we have taken note of from the report. As you say, we have known from other things that have been provided, and it is a matter of what are the best ways to actually build the strength of the community organisations and also individuals within the community to work in those community organisations. We are certainly looking at that and thinking very closely about that. The other thing I would just add is that that is one of the clear messages that we took out of the Bath report as well was the importance of family support across the Northern Territory. One of the things that we will be doing with the additional funding into the family support component is looking at not only how we best do that but how we do that with local organisations.

Ms McKenzie—One of the important reasons we need to talk to the Northern Territory government is that as part of the Chief Minister's announcement on Monday he said the Northern Territory would work with SNAICC and AMSANT to establish an Aboriginal peak

body to support the development of other Aboriginal agencies required to deliver culturally appropriate child safety and wellbeing as family support services and also to establish two Aboriginal childcare agency services based in Darwin and Alice Springs. Obviously with those announcements by the Chief Minister we need to see how the things that the Commonwealth can do can fit in with that.

Senator SCULLION—I will just talk specifically about Ms Macklin’s announcement—it was probably prepared for today—of \$34 million to boost the measures to protect children from neglect and abuse in the Northern Territory. Is that all new money?

Ms Carroll—The funding for that \$34 million comes out of existing funding that is available within different programs.

Senator SCULLION—What programs? If it is difficult today, the great thing is you will be able to tell me tomorrow if you take it on notice. What programs is that \$34 million going to come from?

Dr Harmer—We may be able to have it here, but I think we might be better off taking it on notice and providing you with the specific amounts.

Senator SCULLION—Yes, it is quite clear.

Ms Smart—The funding is drawn from within outcome 1, the Family Support program, as the overarching program. Specifically the bulk of funding comes from the Indigenous Family Safety Agenda, which forms part of the Family Support program. The remainder of the funds is drawn from across various areas of the Family Support program as well as from the NT national partnership for alcohol measure.

Senator SCULLION—The family safety agenda has alcohol, police protection, strengthening social norms and coordinating support services. So, it is just generally coming out of that. I might have a closer look at that tomorrow. In terms of the practical things, this is basically an investment in early intervention, but particularly supporting playgroups and programs to develop parenting skills. That seems to be the actual practical measure that I can find in the announcement.

Ms Hefren-Webb—I think it talks about home visiting and parenting programs.

Senator SCULLION—One of the interesting things about the childcare program that I have seen and from what I have been told anecdotally by some of the staff about some of the problems, particularly with families that are facing some challenges, is that it is just a drop-off point. It is fantastic. There are no problems with people actually being picked up there and those sorts of things. It is a great program. It is obviously great for the kids in those places that exist. I would welcome the expansion of that, but I want to make sure it does not cause too much grief for other programs. It is supposed to be a parenting program, not a ‘throw them out the door’ centre. Is there going to be some thought about perhaps leveraging it such that, if you want to bring your kid here, then you have to stay for some of the time?

Ms Carroll—That is exactly the design of this program. While we recognise that it is important to have activities and things for the children to do, the focus for us is actually on engagement with the parents and utilising things like a playgroup to draw the parent in. But as you have said, it is absolutely not for the parent to drop the child off and go away. The

purpose of this funding and the way it will be utilised is for exactly that: the engagement with the parents and to build their skills and capabilities.

Senator SCULLION—A lot of the evidence that you are no doubt aware of is that it is difficult to get the parent to actually drop them off. We do have the challenge that is there at the moment that there is not a large engagement of parents, apart from those who are actually working at the centre. It is pretty much the truth. It is not a criticism; it is just very difficult. But if we are making this extra investment it will just be more places doing the same thing. I am just wondering—perhaps you can think about it by tomorrow—if there is an opportunity to actually lever some different activity. There has to be a parent to drop them off. It has to be some of those things. In any event, that is some of the anecdotal sort of stuff we have heard. I have a number of further questions on this issue. We spoke briefly about some of the recommendations—

CHAIR—I did advise that this session would finish at 3.00 pm. Before anyone came in I actually advised that clearly.

Senator SCULLION—Given that this is principally under intervention, I can then tell the department that tomorrow we would like to have a bit more leeway to examine these further.

CHAIR—Yes.

Senator SCULLION—I understand. There is no mischief. But it is very difficult to decouple these matters.

Dr Harmer—I am happy to have some general stuff on this tomorrow, but we will not be able to deal with some of the specifics as Ms Carroll, for example, has to be in Melbourne so we will not have all the people we might need there tomorrow. As long as they are general questions—

CHAIR—As we advised at the beginning of the session this morning—and it was something our committee had discussed yesterday or the day before, I think—in terms of the recent publication of the Bath report we realised we would not be able to get the detailed questions answered in this round of estimates. We said we would have some general discussion today, some discussion tomorrow because of the very clear link with intervention, and then we would reconvene a special briefing of this committee including people who are involved in the committee to look at it in greater detail.

Dr Harmer—We are happy with that. It is 700 pages; it is very difficult.

Senator SIEWERT—That is great. That is really appreciated. Can we set a time fairly soon once you have had time to review it—like before the end of the year?

CHAIR—We will talk about the people who are most keen, and we will talk with you tomorrow to set a date.

Dr Harmer—We are very happy to provide a briefing to the committee on this topic as a special briefing. That is not a problem at all. We will do it at your convenience, but you will have to give us enough time to do a bit more work on it, because it is a very big report.

Senator SIEWERT—I absolutely appreciate that, but if we could do it before the end of the year that would be great.

Dr Harmer—I think we should be able to do it before the end of the year.

Senator SCULLION—On the two areas I would like to touch on tomorrow—Ms Carroll may not be responsible for these—one is about the planning for the removal of the AFP officers, which is part of the recommendation, and the planning that goes around it.

Dr Harmer—We will probably be able to deal with that tomorrow.

Senator SCULLION—The other issue is basically the review that we talk about between the NT and the Commonwealth and is all about getting around the fragmentation and duplication issues. Yet fundamentally that is about the GBMs, and that is their role. How do you see that? I will have some questions on that. Obviously you can imagine the questions around that, and you will have to be prepared for that.

Dr Harmer—Sure.

[3.12 pm]

CHAIR—I thank the officers from outcome 1. We will now move to outcome 2, which is ‘Housing’. Dr Harmer, do you have a note you want to put on record?

Dr Harmer—Yes, I do. I just want to correct something, Senators, from the last session. Mr Warburton, when he was asked by Senator Bernardi about the size of the sample in that evaluation of paid parental leave, said that there was a sample of 10,000 baby bonus people. It was actually 15,000. It is just a straight correction of fact, thank you.

Senator PAYNE—I understand that at the commencement of committee proceedings this morning you made a statement and made reference to some changed administrative arrangements, which I think I could probably only describe as a closely guarded secret, in relation to the operation of this particular estimates committee process. As I understand it, there was an administrative arrangements order signed on 14 September, which indicates that FaHCSIA matters dealt with would include welfare housing and rent assistance and that legislation would include housing agreement acts, housing assistance acts and the National Rental Affordability Scheme Act 2008. In relation to the Department of Sustainability, Environment, Water, Population and Communities, matters dealt with included housing affordability but made no mention of administrative responsibilities for any housing related acts. I understand that that was the administrative order of 14 September.

Dr Harmer—I did make a statement this morning, which is accurate in terms of the responsibility of FaHCSIA compared to the other department. I am advised by Mr Tongue that the document that was given to us in estimates was in error—is that right?

Mr Tongue—As is the way with the first set of administrative arrangements orders that come out after an election, it is the case that we go through a process to ensure that they are accurate. In error, NRAS was allocated to FaHCSIA when it should have been allocated to what we now affectionately call SEWPAC

Senator PAYNE—It is an attractive acronym. I wondered if anybody had thought about that when they made it up.

Dr Harmer—In the normal process there is a draft admin order arrangement released.

Senator PAYNE—I understand.

Dr Harmer—Because it is inevitably very complex and a lot of programs are involved, there is a 30-day period when departments comment and make arrangements to have it corrected, fixed or changed, and that was done over the period until 14 October, when the final was released. I understand the final document shows the National Rental Affordability Scheme with the other department. We wrote to the committee chair on 18 October just making it very clear, because I did not want to be in the situation where at Housing we are saying, ‘No, we cannot do that.’ I wanted to make sure that the committee was aware that we were not going to be able to answer questions on NRAS, the Housing Affordability Fund or the Housing Supply Council, the three bits which have gone across to the other department. While the admin orders only refer to legislation—and that is why we put the letter in, because there is no legislation around the Housing Affordability Fund—it is simply covered in the description of the areas covered by the new department as housing affordability. It would be reasonable that senators might not understand that the Housing Affordability Fund program had gone across, which is why we put the letter together making it clear about the programs that we would not be able to answer questions about. So we did our best.

Senator PAYNE—Yes, I am sure you did. I appreciate that in part, I must say, but the difficulty that pertains in relation to the estimates process, which is the matter that is close to our minds in this context, is that, with the transfer of those policy areas to the Department of Sustainability, Environment, Water, Population and Communities, the deadline for notice of questions to be asked of that committee was 13 October. The letter that was sent from your department on 18 October was in fact sent on the day that that committee was meeting and the day on which questions of that nature should have been pursued. So the practical outcome of the process is extremely difficult, not just for me but for Senator Ludlam, I assume, and for other senators.

Dr Harmer—I do understand that and, in the spirit of trying to help, if you have questions on notice for that program then we would be pleased to take them and pass them across to the other department.

Senator PAYNE—That might be helpful. I am not sure whether I have to negotiate on bended knee with Senator Cameron—I may need Minister Arbib’s intervention—to have them placed on notice for the committee which he chairs, if that is more appropriate, but that is a mechanical process and I am not sure whether Minister Arbib would be willing to intervene on my behalf in that regard.

Senator Arbib—It has obviously been explained, and I will do my best and I am happy to talk to Senator Cameron, but I also note that Senator Back was in attendance and did ask questions on NRAS.

Senator PAYNE—He was, but it leaves the other areas unquestioned.

Senator Arbib—I am happy to take it up with Senator Cameron.

Senator PAYNE—Thanks, Minister. I appreciate that. Thank you, Dr Harmer, for the clarification. I appreciate that too. The reading of the administrative arrangements is a revelatory experience, as you can imagine. Thank you, Madam Chair. I just wanted to go to a question which is perhaps for the minister, I suspect. I know that in response to the HIA’s election survey in this calendar year your party said that federal Labor ‘recognises that

housing is one of the key drivers of our economy in part', and then went on to say that that is 'why federal Labor has built up a specialist portfolio within the federal government and created a stand-alone minister for housing'. Why is there no longer a stand-alone minister for housing?

Senator Arbib—These were the decisions obviously taken by the Prime Minister in terms of portfolios. Housing is an extremely important area for the government. Prior to the Labor government in 2007, there was no minister for housing under the Howard government whatsoever. The government established a ministry for housing and has done a great deal of work in that area, as you would know, with almost \$20 billion spent in terms of housing and the social housing area. The Prime Minister made a decision. In effect, what it means is that there is now a minister who is dealing with social housing and homelessness and putting efforts into that area. In relation to housing affordability, there is a minister involved in sustainability who is responsible for that area. Of course, housing is a very important part of our sustainable Australia agenda. So, while the issues are very intertwined and interconnected—and I will obviously be ensuring that social housing is on the broader housing agenda—I think that the split that the Prime Minister has made is appropriate and will allow us to focus on the critical issues.

Senator PAYNE—Is that how the government is responding to peak organisations like the Housing Industry Association, which in its media statement of 6 October noted what they described as 'the disappointing fact that Australia does not have a federal ministry dedicated to housing'?

Senator Arbib—We have two ministers who are dealing with housing, as I have said.

Senator PAYNE—I think that is—

Senator Arbib—I have spoken to a number of the key groups in the housing area and in the social housing area, and they understand the situation. The vast majority are supportive. I fully accept and understand that I will have to work closely with Minister Burke on the issue of housing, because you cannot deal with social housing and homelessness out of context and out of sync with the housing agenda. Housing affordability is closely intertwined with the work we are doing in social housing.

Dr Harmer—Can I just add that, in supporting the two ministers who now have a very key interest in housing, the two departments will clearly have to establish some initial mechanisms to make sure that we are sharing information, meeting together and so on, because there will be agenda items at future ministerial meetings, Commonwealth-state meetings and COAG meetings where both departments will need to be involved and that will force us to work with them very closely, as the senator has said.

Senator PAYNE—How far advanced is that process, Dr Harmer?

Dr Harmer—It is very early days. The admin rules were only confirmed on—

Senator PAYNE—On 14 October, yes; I am aware of that.

Dr Harmer—Yes. Let me assure you that we already have been in quite a lot of contact with the other department about. Mr Innis, on my right, who runs the key division in my

department, has already been talking with the division head who is going to be responsible for the affordable housing part of the other department about how we are going to work together.

Senator PAYNE—Will both ministers attend Commonwealth and state housing ministers conferences or will they pick and choose?

Dr Harmer—I do not think that has been decided yet.

Senator PAYNE—Could you take that on notice.

Dr Harmer—Yes.

Senator PAYNE—Do you know the date of the next COAG meeting that is going to be considering some of these housing issues?

Dr Harmer—I think the next COAG meeting is scheduled for December, but I am not sure of the dates yet.

Mr Tongue—A date has not been set, but there is some expectation in the bureaucracy that it might be.

Senator PAYNE—Christmas COAG?

Dr Harmer—I am not sure. I need to be careful. I would need to take it on notice. Certainly a date has not been set. There have been discussions about an end of year or early new year COAG.

Senator PAYNE—I wanted to ask some questions in relation to some of the observations made by Treasury in what is known as the red book, if I may, and get some idea from you, Dr Harmer, as to what input the department has in relation to matters concerning housing made in that document.

Dr Harmer—I am happy to take the questions. I think that at the outset I have to say that it is unlikely that we had significant input into the Treasury briefing for the incoming government. The Treasurer, as you know, has a very keen and important interest in housing because of his responsibilities for monetary and fiscal policy and has always maintained a significant interest in housing. He has considerable expertise in the economic divisions of Treasury that would have put that information together. Depending on the question—I have not seen the red book—

Senator PAYNE—Really?

Dr Harmer—No.

Senator PAYNE—Not even the observations on housing?

Dr Harmer—No. So go ahead and ask your questions and we will let you know whether we have been involved in those bits, but generally I think it is unlikely.

Mr Innis—As an overall observation, were we involved in discussions about what should appear in the Treasury's red book? The answer is no. Obviously some of the issues that will be covered in the Treasury red book will have had conversations and policy work done in advance of them, and so there may have been some work we were influential on, but we played no part in drafting or advising on what should be in the Treasury's advice to their minister.

Senator PAYNE—So there is not a formal process—or an informal one, for that matter—of consultation between this department and Treasury for a document like that?

Dr Harmer—Not really. We are concentrating on our own document. FaHCSIA is a massive portfolio. We are the biggest spending of all. Our budget is \$72 billion, with 80 programs. In the caretaker period we get to put our two or more folders together and we are concentrating pretty much on that and I am sure the Treasury is doing that as well. Obviously, if it is critical, there would be some liaison—I am not aware of any—but, of course, Treasury had a very good base of understanding about our programs and we theirs, because I was on the tax transfer review with Ken Henry. There is a chapter in the review on housing. We had quite a lot of input with Treasury in producing that review. I was on it. I had a secretariat supporting me with considerable expertise in income support and housing, and so Treasury had the benefit of a lot of information, advice, modelling work and data from us in putting that together. I suspect they drew heavily on that when they put their red book and blue book together.

Senator PAYNE—A couple of the questions I wanted to ask about concern the areas identified as ‘opportunities and challenges’, for example. I will just go to the page that I want. Particularly in relation to housing affordability—you may tell me I am in the wrong committee, but let me have a go—there is a reference on page 32 that identifies ‘worsening housing affordability’ as a feature of Australian cities and in part blames ‘fractured and ineffective governance arrangements’. It notes:

... the Australian government could contribute and expedite reform through developing the National Urban Policy Reform Agenda, and implementing COAG’s Capital City Strategic Planning Systems and the Housing Supply and Affordability Reform Agenda, which involves ... the ways underutilised government land could be reallocated to uses such as housing.

Is that an observation with which your department would agree, Dr Harmer?

Dr Harmer—There are two things about that. Firstly, I do not think it is appropriate—nor are we qualified—to make comments on Treasury’s statements in the red book. Secondly, if it were appropriate, it would not be this department now.

Senator PAYNE—But it might have been last week. Probably the best thing for me to do with those is to put them on notice here and if you need to redirect them then we can do that, rather than waste everybody’s time with you telling me I am in the wrong department. I would like to go to some answers to previous questions on notice. Some of the more detailed questions, which one of my colleagues, Senator Humphries, placed on notice after the last estimates, were only answered in the last couple of days, which does not make it necessarily easy for those of us who are trying to—

Dr Harmer—My opening statement apologised for that.

Senator PAYNE—Let me go to answer to question on notice No. 73 in relation to some of the department’s responsibilities under schedule C of the NPA on the Nation Building and Jobs Plan: Building Prosperity for the Future and Supporting Jobs Now. There are some answers in relation to progress on some of those outcomes. In the second paragraph of the answer in part A it says:

... the states and territories have advised that approximately half of the dwellings to be constructed will be targeted at persons who are homeless or at risk of homelessness.

I understood that the target in that NPA was that those 20,000 new social housing dwellings would be built primarily for people who are homeless or at risk of homelessness. I am not trying to quibble. I am trying to get an idea of whether half equals primarily or whether there will be an increasing number of those dwellings targeted at people who are homeless or at risk of homelessness.

Mr Tongue—All of the people who will occupy the dwellings will come off the state public housing waiting lists. People are on those waiting lists for a variety of reasons and are assessed into multiple categories, if you like, of need. The allocation and the way we have described the process there are some of what has been built, common ground type projects and those sorts of things, under the stimulus measure are directly targeted at people coming off the streets, if you like, or sleeping rough. Some of the housing will go to people who are right now vulnerable to homelessness, and then other parts of the housing will go to people who have been on the public housing waiting list for an extended period. There are 140,000 people on the public housing waiting list nationally.

Dr Harmer—Many of those who have been on the list for some time are potentially at risk of homelessness. They are usually there because they are paying high proportions of their income in rent in the private market and they are a rent increase away from not being able to afford it. That is the issue.

Senator PAYNE—I understand that. I see it every single day. I know exactly what you are saying. I just wanted to get an understanding because we are not dealing in precise numbers—‘primarily’ versus ‘half’—I just was not sure where that was all fitting in.

In the answer to question No. 73 at point C it indicates that it is too early to provide information on this outcome, which I understand to be outcome I, ‘new dwellings will provide around a 50 per cent reduction in the waiting time for people with high need on the housing lists’. If it is too early to provide information on this outcome at this stage, when do you expect that you will be able to report to the Senate on the process?

Ms Croke—So far we have some tenant dwelling information, so we know about some of the tenants that are housed. At this stage, it is too early to tell what we are seeing, in terms of a reduction in the waiting list. One of the things that we will have to think about is sometimes with waiting lists when people think that there is additional supply, more names will appear on a waiting list. What we need to do is work out an approach to measuring a waiting list reduction that looks over time and looks at an overall picture. We need to do more work on that.

Senator PAYNE—Do you have evidence, anecdotal or otherwise, of more names appearing on waiting lists at the moment?

Ms Croke—No, we do not have evidence of that. It is something that we need to think about in our approach to it.

Dr Harmer—As we have learned with housing waiting lists, it tends over long periods of time to fluctuate according to the level of funding. It is not huge. If the prospect of getting a public house increases then people who are marginally eligible might stick their name on the

list. What Ms Croke is saying is that if we are going to measure that properly we need a control for that.

Senator PAYNE—What is your time line on that for the department?

Ms Croke—It is something that we need to do very quickly. I have recently picked up responsibility for the social housing initiative and it is one of the things that we need to work with our state and territory colleagues on. We know we collect public housing waiting list information on an annual basis, but we need to work out what our parameters are.

Senator PAYNE—Will it be this year or next year?

Ms Croke—No, it will be this year. We will have a methodology that we will work out by the end of the year.

Mr Innis—In terms of making an assessment, as it stands there are 2,242 places that have been tenanted. We would want to see a much larger number of places tenanted before we could start analysing the data.

Senator PAYNE—You have 4,000 completed and 2,242 tenanted, so does that mean the others are vacant?

Mr Innis—That means that they are in the process of being allocated tenants, yes.

Senator PAYNE—How long does it usually take?

Ms Croke—About four weeks. The other thing to note is the dwelling completion, the 4,000 figure, is an end of September figure. The tenanted dwellings is an August figure. There would be some tenanted dwellings that we are not aware of from our reporting. There is a lag in that.

Senator PAYNE—What sort of time lag is that?

Ms Croke—It would be the month.

Senator PAYNE—From the answer, the advice that you have received from jurisdictions is that they are on target to achieve their 75 per cent. Is that 75 per cent of the 17,000?

Ms Croke—Of the 19,000.

Senator PAYNE—That will be achieved by the end of this calendar year, so in the next 2½ months; is that our understanding? So we go from 4,000 to 13,100 by the end of the year?

Mr Innis—The one variable that we are all aware of is that it has been a particularly wet year for Australia and in some jurisdictions the wettest on record for September. When we look forward at things that might prevent the achievement of that, the rain is the biggest risk at this point, but the advice we are receiving from states and territories is that we are on track.

Senator PAYNE—If that looks likely to change because of the vagaries that you have referred to, Mr Innis, if it looks likely that you get to the end of November and you are at 6,000, as opposed to 10,000, will the jurisdictions be updating you regularly on that progress?

Mr Innis—We get monthly reports on this initiative.

Senator PAYNE—I would like to clarify, Dr Harmer. A number of the other answers received in the past couple of days, so on the 18th, the 19th and yesterday relate to affordable

housing issues. I assume, notwithstanding the fact that you have provided the answers, that further questioning on those issues goes to the environment and communications committee?

Dr Harmer—That is correct, because we would not have the capacity now to follow up on those because we have not got the staff. Those questions would have been drafted some time ago.

Senator PAYNE—But they took a while to get here, or the answers did anyway.

Dr Harmer—We had to wait until we could get clearance.

Senator PAYNE—By the minister, yes, I understand that. It is back to those admin arrangements.

Dr Harmer—Not so much that, it was just the extended caretaker period at that particular time which was the key.

Senator PAYNE—You might have to tell me whether these are still in this area or not. Question 30 was about data collection, if you recall?

Mr Innis—I apologise, I do not think I have it. I have 28 and 73. I do not have 30 in front of me.

Senator PAYNE—It was about locational reporting. The senator had asked about electorate level reporting. You indicated you did not do it by electorate. You did go on to say you used data based on the details of the organisation receiving grant funding, rather than data showing where the service was being provided. It does not accurately provide a picture of the communities being assisted. It went on to say:

To address that, FaHCSIA is currently implementing enhanced data collection and reporting to better understand the locational footprint of the organisations.

Dr Harmer—That is correct. As demands increase for better, more sensitive locational data we have had to go back to many of our programs which collect information on the address of where the grant goes, and that is not where the house will be built or where the service will be provided. Big organisations often have their own networks, so we are now revising our system so that we can get information on exactly where the service is provided or where the house is built, rather than the location of the granting organisation. That area is not the housing area, it is part of the department that manages the IT system, and they were here this morning.

Senator PAYNE—I have two quick questions to follow up on question 30. When do you expect to finalise the implementation of that improved locational data collection, and is it data that will be publicly released when it is finalised?

Dr Harmer—I will take both of those on notice.

Senator PAYNE—I assume questions on the National Affordable Housing Agreement do not go here?

Mr Tongue—Yes, they can.

Dr Harmer—That is the old Commonwealth housing grant.

Senator PAYNE—That CRC report, which is doing some of the tracking in this, noted that in no jurisdiction were there more than 40.6 per cent of homes affordable to those on moderate incomes and that one in three low-income rented households were in rental stress, with the figure just over 45 per cent in New South Wales. Are those numbers in line with the department's expectations?

Dr Harmer—I do not think we disagree. There are a lot of people paying pretty high proportions of income in rent, which is why the government has allocated significant resources for new construction.

Mr Innis—It is also worth noting the role that rent assistance plays in this area. The figures as of June 2010 are that when rent assistance is taken into account the percentage of people paying more than 30 per cent of their income in rent drops from 71 per cent to 42 per cent and, of those who are paying more than 50 per cent of their income in rent, it more than halves the incidence from 31 per cent to 14 per cent. The large investment that the government has made in building new housing stock, particularly at the social end, will make a big difference, but it is also worth noting the important role that rent assistance has played and will continue to play.

Senator PAYNE—We could talk about this for a long time, but we do not have that time. There are two other points that particular CRC report made that I just wanted to ask about briefly. One is their comment about homelessness data. This goes to other issues in the portfolio obviously but is relevant here as well. They describe it as, 'It is difficult to count homeless people.' That is not rocket science. We all know that. But in terms of the reporting arrangements, the tracking of these issues, what COAG is now asking states and territories to do and the Commonwealth is doing, what is the department pursuing to try to improve the collection of data on homelessness? I refer to the data itself. It is separate from the homelessness question.

Mr Tongue—It is a really significant challenge in public policy. The ABS stats currently suggest around 105,000 people who are homeless or at risk of being homeless. There are about 16,000 people who are sleeping rough, which is the more visible part of homelessness. The counting task that we are working on involves working with the Australian Institute of Health and Welfare to build with the state and territory housing departments a new system to capture a portion of people who come in to state assisted or government assisted housing. We are working with the Australian Bureau of Statistics and a range of academics around the ways we can use existing data, particularly census data, to try to get an accurate count.

We are working with groups such as the Council of Capital City Lord Mayors. The city of Melbourne, for example, does a rough-sleeper count. Centrelink now has 90 specialist homelessness engagement officers. They now have a vulnerability flag with around 25,000 records in it. We are trying to look at all the sources across various government programs to get effectively proxy measures for homelessness. The notion that we could have one system is pretty difficult unless we barcode people; that is not going to happen. Trying to draw all of those streams together and do the longitudinal analysis that links up the data sets, so a person with particular characteristics we might be able to track across the data sets.

Senator Arbib—Can I just add to that, it is obvious, being a new minister in the area, the first problem you come up against is the data problem, not just in terms of the collection but also the interpretation. Everyone you talk to, especially in the NGOs, has different interpretations in terms of defining what homelessness is. The department is doing a great deal of work on it. It is something that I am certainly looking at and going to be working on over the coming months because it is impossible to make change in the area unless we know what we are measuring.

Senator PAYNE—Can I ask a question which has only really occurred to me recently when I have been looking as a new shadow minister in this area at some of the issues? In terms of the involvement of the NGOs and the not-for-profits, most of them run on the smell of an oily rag as we know so I do not suggest that overnight you can automate or computerise what they do, but it seems to me that there is a kernel of potential in the new childcare vacancy management system—the acronym for which has escaped me right now—but where childcare facilities log their vacancy rates into a central system that can be accessed—it is actually for public access but the department also uses it, obviously—to make an assessment about vacancy rates. This would not be about a vacancy rate but about an occupancy level of homeless facilities, whether they are refuges or houses—well, they are all refuges. But it is that sort of thing. It seems to me that there is some potential in that. I just throw that out there. This is not necessarily the place to explore it in detail but it just occurred to me.

Mr Tongue—Part of the work that I mentioned we are doing with state and territory governments and the Institute of Health and Welfare is to try and collect exactly the style of information you are talking about for services that were funded under the former SAT program now rolled into the wider NAHA.

Senator PAYNE—Exactly. I see guys being fed under the traffic bridge in Penrith, for example. They would be able to give you an assessment of whether there were still 50 men and women coming or whether there were 35 men and women coming—that was a surprise to them—and why that might be happening.

Senator Arbib—This is probably not the right forum for it but I am happy to sit down with you and work on those sorts of proposals. If you think that is a way to do it, we can sit down with the department, have a discussion and see what work they are doing on it.

Senator PAYNE—I think there is some potential in it. In relation to one other point in that CRC report about the outcome of people having access to housing through an efficient and responsive housing market, the report indicates that governments have developed indicators for that outcome. It seems to me that a couple of years down the road on the agreement of the NAHA those sorts of indicators should not take that long to come to an agreement on. Where are we up to in that context?

Ms Croke—What we did with this year's CRC report is we actually used housing supply council data that looked at a supply gap. What we are thinking about—and the CRC have suggested to us in the report—is rather than being an interim indicator it could actually be the indicator. So something that the supply council does at this stage on an annual basis may well be the indicator that we use because it does indicate a level of efficiency in a market.

Senator PAYNE—I might have a look at what you have just said on paper and if I need to follow it up I will do that on notice. I have a lot more questions but I do not want to take up all your time.

Senator FURNER—I know you have covered off a number of questions to Senator Payne concerning the rollout of the program. I just want to cover off on a couple of those. In terms of a general update on the program in tracking and including any updated repairs and maintenance on the program figures, would you be able to supply those to us, please?

Ms Croke—The repairs and maintenance effort is now complete. To date we have a total of almost 80,000 dwelling and shared facilities that have been repaired; almost 12,000 of those are actually stock that was previous uninhabitable that is now returned to stock and will be tenanted.

Mr Tongue—Which is effectively a bit like building another 10,000 or 12,000 houses yearly. It gives a lift to the state system.

Senator FURNER—Concentrating on employment as a result of the program, what has been the result of any increased employment, in particular for apprentices?

Ms Croke—We have advice from Treasury that they have indicated to us about 15,000 positions.

Senator FURNER—Do you have a state based breakdown on that sort of apprenticeship?

Ms Croke—No, I do not, here.

Senator FURNER—Will you have a look at that on notice?

Ms Croke—Certainly, we can do that.

Mr Innis—I would not be surprised if Treasury's estimate does not have a state-by-state component to it, but we would be very happy to check.

Dr Harmer—It has certainly been that social housing has generated a lot of additional jobs.

Senator FURNER—In terms of impacting Indigenous and people who are homeless or people at risk of homelessness, can you give some rough percentages around the effects on those classes?

Mr Tongue—The numbers are roughly people who are homeless or at risk, about 50 per cent, 51 per cent; Indigenous Australians, about 15 per cent; from memory about 40 per cent or so who are older Australians, elderly people; and roughly 40 per cent of people with a disability.

Mr Innis—The deputy secretary did an excellent job on the numbers. We may have got the categories mixed up on one or two. This is based on the first tenant data, so the 2,242 tenants that I spoke of earlier; 51 per cent targeted homeless people; 40 per cent targeted Indigenous; 15 per cent, older persons; 43 per cent, people with disabilities—and I apologise.

Mr Tongue—I am glad that is on *Hansard*.

Senator PAYNE—Do you keep data on people with mental illness, because you have gone through a number of people with defined vulnerability. I am just wondering whether there is any work done on mental illness.

Mr Tongue—There is a number that is used in homelessness in the order of 70 per cent of people who—

Dr Harmer—A huge proportion of those who are homeless have some form of mental illness, either mild to extreme. Of the 51 per cent of the homeless, a very large part of those would be with mental illness.

Senator Arbib—Almost 99 per cent I think is a six-star environmental rating and we give the states a bit of a bagging, but in terms of the cost of individual dwellings it is coming in around \$272,000 and the target was \$300,000. In terms of the social housing, they are coming in under the budget.

Senator FURNER—So 99 per cent of those are energy efficient?

Senator Arbib—They have a six-star rating and the cost is under the budgeted costs, so they are good signs.

Senator FURNER—Do you have figures in respect of the dwellings in regional centres at all?

Ms Croke—Yes, we do. We know that around 41 per cent of the dwellings will be in regional locations.

Senator FURNER—Once again, on notice, can I get a breakdown in terms of those locations?

Ms Croke—Certainly.

Senator FURNER—In closing, in respect to the response given to Senator Payne on the weather, you quite rightly pointed out particularly in my home state of Queensland there has been unseasonal rainfall and I think the records have been rewritten in terms of rain falling in this particular month, and I have had reliable reports that the wet season is quickly moving into the Far North. So you are quite optimistic that the program is on line to deliver irrespective of those weather issues?

Dr Harmer—That is what they are telling us, but I am frankly a bit more pessimistic given what the wet weather has been like. I think I will be very lucky to meet the target this year.

Senator FURNER—You cannot control the weather.

Senator LUDLAM—I understand Senator Payne addressed some of the portfolio carve-up issues and the changes to administrative arrangements at length, and I am really sorry that I missed that.

Senator PAYNE—It was not that long.

Senator LUDLAM—I am going to drag it out a little bit longer. I do not understand why we abolished a housing minister just as we were starting to make some progress and fracture the portfolio among three different ministers. I recognise this is something that the departments get served up with and it is not your call. Maybe, Senator Arbib, can you

enlighten us why we have abolished the housing minister after it took an awfully long time to get one. Now we have either got three or none; I cannot determine which.

Senator Arbib—I did give a quite detailed response to it so, given the time, I will not go into it again because you can get that on *Hansard*—

Senator LUDLAM—I will check the transcript. Just give it to us in a nutshell.

Senator Arbib—It is clear that I am going to have to work closely with Minister Burke. Housing has been a major focus of the Labor government. By having a minister for sustainability established we believe housing is a critical part of sustainability and housing affordability. Therefore that part of housing is with Mr Burke. In terms of social housing and homelessness, which is for us a huge priority, it is important they remain in the FaHCSIA portfolio with of course Minister Macklin overseeing the housing portfolio. I am fully aware that social housing and homelessness are intertwined with housing affordability and therefore I will be working closely with Minister Burke. The secretary has already said earlier that he will be working extremely closely with Minister Burke's sustainability department.

Senator LUDLAM—These are folk who have worked together fairly closely over the last couple of years and are now busy shifting offices and we are actually fragmenting the expertise. Why are we doing that?

Dr Harmer—It is not fragmenting so much—

Senator LUDLAM—They will be in two different buildings?

Dr Harmer—They certainly will be. But the people who have expertise on NRAS will be going over to Minister Burke's department and the people who have expertise on the Housing Affordability Fund will be going over there and those supporting the Housing Supply Council will be going over there. The fact is that we will have quite a lot of continued link with them. We will have mechanisms set up between the two departments to make sure that we share information. We know each other and it will not be a huge problem. As the minister has said, it will give the appropriate focus to housing affordability in a department responsible for sustainability et cetera. We will be able to concentrate on the key challenges of homelessness, social housing and some of those types of issues in our portfolio.

Senator Arbib—Senator Ludlam, perhaps I can just say that you are right: we have made great progress. We do not intend to take the foot off the pedal on this. Major programs are underway and, with FaHCSIA, I will be paying close attention to the work going on in the NAHA and also with the national partnership agreements; and Minister Burke will be working closely with the housing sector in terms of affordability in the programs that come under his portfolio.

Senator LUDLAM—I think it remains to be seen. I am completely unconvinced; I will just put that to you now. I think this is going to create a bit of a headache. Senator Payne has addressed at length—and I will come back and check the transcript—the idea that we have FaHCSIA with program 2.1, responsibility for affordable housing, and the new 'department for everything' responsible for the Housing Affordability Fund and the Rental Affordability Scheme. I do not understand how that is an improvement on what we have had over the last couple of years, but we will have to take that as it comes. So I will go back to the transcript

and find out. Who is responsible for private renters or people in the private rental system, for example?

Dr Harmer—We have the key program of assistance for private renters, which is Rent Assistance, and that remains in FaHCSIA.

Senator LUDLAM—Perhaps we can start there. What has been done, apart from NRAS, to improve private rental affordability?

Mr Innis—A little earlier, I explained the impact that Rent Assistance has on affordability for people who rent. I would be very happy to—

Senator LUDLAM—I do not want you to go back over stuff that you have already done.

Dr Harmer—Rent Assistance—you will find it in the *Hansard*—is a huge plus in terms of taking people who would otherwise be in housing stress or be vulnerable, when it comes to affordable housing, into the affordability zone. It is hugely important across large sectors of the community. The other thing that will help housing affordability in the rental market is simply building additional houses to take pressure off the private rental market, which is what is going on.

Senator Arbib—We are talking about an additional 80,000 homes, under the programs that the government is providing.

Senator LUDLAM—Let us come to some of the statistics, since you have taken us there, Senator Arbib. Former Prime Minister Rudd—and most people—believed, in 2007, that housing affordability was the worst in living memory and created a housing minister for the first time, certainly in my experience. The national supply council at the time, in 2008, identified a gap of 251,000 affordable rental dwellings; this year apparently it is 493,000. So that has nearly doubled. In the period of time when some serious money finally hit the ground and we had a dedicated housing minister, the lack of private affordable rental dwellings in Australia jumped by a factor of two. So what is actually going on?

Mr Innis—I think one of the things it is important for us to say is that the large investment that the government has made in building social housing is coming through the system now. The national council's two reports are looking at the past as opposed to the impact of the investment that government is currently making.

Senator LUDLAM—So that gap doubled during the time we were getting our house in order—pardon the pun—and actually getting organised with the investment. Are we going to see that number fall? I just found that startling, because not everything took a long time to roll out; some of this stuff actually hit the ground relatively early and I think yours was the first agreement.

Dr Harmer—No-one is pretending that the huge increase in funding for housing, under the government, is going to solve this entirely. The magnitude of the problem can really only be solved largely with settings in the private market and issues around land zoning, land release et cetera. There are lots of things. This will become the focus of the other department. There will be a great deal more effort in Minister Burke's department on things around planning and zoning; that is why the Housing Affordability Fund is with him, because that is one of the levers that the government has established to improve planning, zoning, land release and

some of those key factors that impact on the supply side of land for development. That is likely to pay dividends. Going back to your point about the split, we have been here before when the housing function was split across two different departments, one of which focused on industry. It has been effective when times have been good and it is likely to be effective again with the new department.

Senator LUDLAM—As I say, really I am yet to be convinced, but we will see how we go.

Senator Arbib—But give us a chance. It is 2½ years and we are putting \$20 billion into tackling affordable housing, increasing the supply by around 80,000, and you are saying, ‘Well, I’m not convinced.’ We are not going to convince you either, but give it a chance.

Senator LUDLAM—No, I am not convinced with the portfolio cover. If we link to Minister Burke everything that has something to do with sustainability, he is going to wind up as the ‘Minister for Everything’. Yes, housing has a very important component of sustainability, which we are very aware of, but we did not fracture all other portfolios to give Minister Burke a piece of that action. It is something that has to be right across the whole of government.

Senator Arbib—But, as I have said to you, I do not view social housing and homelessness in isolation from the work he is doing in terms of affordable housing; we will be working extremely closely on that and I’m sure that you will be there to keep us honest in doing so.

Senator LUDLAM—I will do my best. Just sticking with private rentals for the moment, is any kind of review or examination into tenancy laws occurring at the moment?

Mr Tongue—Tenancy laws are largely a state government issue and, at this stage, that is not really a topic that we have been pursuing with states and territories; that is something that is within their purview.

Senator LUDLAM—Has that ever come into the conversation in COAG, for example, around uniform tenancy laws?

Mr Tongue—Not that I can recall, no.

Mr Innis—In terms of the analysis that has been done in developing the current set of reforms, we would not have viewed a move to uniform tenancy laws as having a major contribution to addressing the problems that you outlined earlier.

Senator LUDLAM—The Treasury’s Red Book for the incoming government urged the new government to do a couple things that, I guess, are directly relevant to this portfolio. One was to pursue reform agendas in planning, zoning and strata title reform; another was to use underutilised government land for housing; and another was to prioritise recommendations from the Henry tax review. Do you want to give us a bit of an overview about what has occurred since that happened? Apart from the reshuffle and the portfolio carve-up, has anything materially affected your work as a result of those three recommendations? Is anything new happening?

Dr Harmer—Senator Payne raised the Treasury Red Book before. I have not seen the Red Book and we did not have any input into it; that was recommendations to the Treasurer. From what you have just said and from what Senator Payne has said, it is quite clear to me that the Treasury incoming government briefing drew heavily on the Henry tax review. I was on that

review, so I know quite a lot about it; we inputted into it from the FaHCSIA end in terms of data modelling input. There is no doubt that the Henry review talked a lot about the need for reform in the areas of land release, zoning et cetera, as the most effective way of genuinely addressing the problems of housing affordability. That will be carried forward in Treasury and in Minister Burke's department.

Senator Arbib—He is actually developing a sustainable Australia plan and that is why it is critical that housing is there: you cannot develop a plan like that without having housing in the middle of it.

Senator LUDLAM—I agree completely, but it did not require cutting the portfolio up. Housing has to be there, agriculture has to be there, food has to be there and energy has to be there, but he did not find himself a portfolio responsibility for all those things. I am not dismissing its importance—you know that I would not do that—but this goes to whether we had to fracture the housing portfolio. I think I have made my point, anyway. You know how I feel.

Senator Arbib—Sure, yes.

Senator LUDLAM—Let us just stay with tax for a moment. We have a tax summit on the cards for next year. Will you folks take a hand in preparing some housing proposals? What will you take into that summit from a housing point of view?

Dr Harmer—I do not think the planning is very advanced regarding what various departments will do; I certainly have not had discussions yet with the minister about that. But, given that housing was an important part of the tax review recommendations, it is quite likely that there will be discussions around housing at that summit; and, if there are, I anticipate that we would be involved.

Senator LUDLAM—We would hope that you would be involved in the lead-up. In the review there were some pretty sound ideas that were passed over, which we do not want to lose.

Senator Arbib—But it is a matter ultimately for the Treasurer in his determination.

Senator LUDLAM—As to your involvement at all or the extent of your involvement?

Senator Arbib—In terms of what is on the agenda with the tax summit.

Senator LUDLAM—Really?

Senator Arbib—It is a tax summit that he has organised and he is the Treasurer.

Senator LUDLAM—He has organised that in conjunction with the Independents and the Greens, though; he is not going to be the one setting the agenda entirely. But I do not want to get sidetracked into that. My question was really about the degree to which the departments will be involved in bringing ideas to the table.

Mr Innis—It is worth noting that Treasury has a housing area and that we work very closely with that area in looking at government policies; we certainly put ideas forward in our discussions with our Treasury colleagues. How that connects exactly to the tax summit is something that remains to be developed.

Dr Harmer—And, to the extent that housing is a topic or an issue for discussion at the tax summit, I would anticipate that we will be involved, either directly or indirectly.

Senator LUDLAM—Last time I spoke with you, I mentioned the contradiction between the work that you do in affordable housing with the investment that is occurring and the work that is done in Treasury that provides structural incentives designed to benefit investors and speculators and to keep house prices going up. We had a brief discussion about that tension there between housing as an asset class, which wants appreciation and ever-increasing returns, and housing as a human right, which requires stability and for it not to be a bubble. We spoke briefly about that. Because you are looking after housing more on the human rights side of things, is there a role for the department to play—have you done this or do you do this as matter of routine—in advising Treasury on the impacts on housing of the tax policies at the other end of the scale that are actually inflating the bubble?

Dr Harmer—From time to time, we interact with Treasury on a whole range of things; it gets the benefit of the Housing Supply Council report. As I mentioned earlier, there was a lot of interaction between FaHCSIA and Treasury on housing in the development of the Henry tax review. A lot of those issues were canvassed and discussed and they contributed to the recommendations in the Henry tax review. There were quite a few specific recommendations about tax and housing and land reform et cetera in the review.

Senator LUDLAM—Yes, which were then passed over.

Dr Harmer—I am just evidencing the interaction that FaHCSIA has with Treasury in those areas.

Senator LUDLAM—That is fair enough. My understanding is that the combined total of capital gains tax arrangements, land tax exemption and negative gearing is in the order of about \$50 billion a year; that the tax system is structurally geared towards inflating a housing bubble and then you folk are trying to clean up the mess and provide affordable housing.

Dr Harmer—That is an assessment that I could not agree with. I do not know about the numbers; I do not have the numbers in my head of tax expenditures on housing. It sounds of the right order. But what I could not agree with is that they are busily engaged in inflating the prices and we are busily engaged in trying to get them down. That is a very simplistic classification of our role.

Senator LUDLAM—It is not that you are trying to get them down; you are trying to keep people in affordable housing—

Dr Harmer—Yes.

Senator LUDLAM—and the rest of the tax system is trying to keep house prices zooming up as just another form of asset.

Dr Harmer—You would have to put that prospect to Treasury.

Senator LUDLAM—Okay. They will probably give me more time than you have; thank you. I am wondering whether the social housing sector could look forward to a similar annual spend to the one that is coming out of the tax system, which is \$50 billion a year. The *Hansard* record cannot show you throwing your hands up into the air. I will move on.

Senator Arbib—They are matters for cabinet.

Senator LUDLAM—Okay. Can we come back briefly—maybe this goes to some of Tony Burke's portfolio matters—to the stuff you mentioned previously, Senator Arbib, about the reforming of urban planning in capital cities, for example, and improved housing supply? Do you folk have any direct role in that, or do we go to Tony Burke to ask those questions?

Dr Harmer—Minister Burke will be responsible largely for that now. But, as I mentioned earlier, in order to keep connected the various bits that have an impact on housing, we will have a constant liaison between the departments; and, as Minister Arbib said earlier in respect of a question from Senator Payne, he expects to have a dialogue on housing with Minister Burke regularly.

Senator LUDLAM—Do you have any role or responsibility at all—this is probably in a similar vein—with regard to housing variety, density targets and location?

Mr Tongue—We will work at the macro level with Minister Burke's department. It is the case that, for example, state housing authorities have very well located land at relatively low density currently; some of it is being used to support the government's stimulus spend. So it is an area on which we will continue to work with Minister Burke's department.

Senator LUDLAM—I was going to change the subject probably fairly soon to the stimulus spending. Essentially, I am just looking for an update on how that is going and generally ask you to table a whole range of data. So maybe you just want to take that question and just provide us with an update on how the spending is rolling out.

Mr Innis—Yes.

Senator LUDLAM—Is that the answer?

Mr Innis—We are happy to take that—

Senator LUDLAM—But do you just want to give us a little encapsulated version?

Ms Croke—I would be happy to run through some of the key figures. To date, we have payments made to states and territories of around \$4,461 million; we have repairs and maintenance projects close to a total of 80,000; new construction has commenced on about 17,000 dwellings; and, as at 30 September 2010, over 4,000 dwellings have been completed. In terms of value for money, we are looking at around \$272,000 per dwelling, which is below the anticipated average dwelling price of around \$300,000. Do you want me to keep running through these?

Senator LUDLAM—Yes, just the basic kind of top line statistics; I think it is useful.

Ms Croke—I think Sean may have mentioned this earlier: we are expecting to reach our target of around 17,000 dwellings by December; but, of course, wet weather in some parts of the country may affect that. We are optimistic but probably cautious.

Senator LUDLAM—Cautiously optimistic.

Ms Croke—I am sorry: 13,000 dwellings by December.

Senator PAYNE—I do think 17,000 dwellings by the end of the year is a very significant number. I am watching the odd dwelling being built at the moment myself, and that does seem a bit ambitious.

Mr Tongue—Part of it is the way that the program was designed, though. It was always designed to accelerate; it ramps up.

Senator PAYNE—In 2½ months that will be a lot of ramping.

Mr Tongue—We have an awful lot of dwellings under construction. The issue is, having poured a slab—

Senator PAYNE—Do you have a number for ‘under construction’?

Mr Innis—Yes. The number is 17,505, unless Andrew corrects me.

Senator PAYNE—I thought it was 19,000, actually.

Mr Innis—No; that is ‘under construction’.

Senator LUDLAM—So 17,000 around the country are currently being built.

Senator PAYNE—Yes; and you do not have the breakdown of where they are up to, do you?

Dr Harmer—Some of them have just started; some will be near completion.

Senator PAYNE—What proportion of the 17,000 is near completion? That would give us a better idea.

Mr Tongue—Of the 17,000-odd, 4,000 have been completed. We can take on notice, if you like, to give you a breakdown of the data, say, by state—unless Sean has it.

Mr Innis—I can do the breakdown by state now.

Senator PAYNE—What proportion is near completion? I think that would give us a much better idea of what will be achieved in the next 2½ months.

Dr Harmer—I do not think we have that currently, do we?

Mr Innis—We monitor this—

Senator PAYNE—I thought Mr Tongue just said that you did. You said that you had a breakdown of the stages they are at.

Mr Innis—Certainly we monitor the program monthly, so we rapidly get an understanding of construction to completion. Whether we actually have a category that goes to ‘almost complete’ and ‘only just started’, I am not certain.

Senator PAYNE—Even lockup would give us an idea.

Mr Tongue—We will see what we can dig out of the states in order to give you some comfort.

Senator PAYNE—Thank you very much. That will give us some idea.

Mr Tongue—Based on the performance of the states, you would have to back them in, I think.

Senator Arbib—Senator Ludlum, I am not sure whether you were here previously when I talked about the cost; it is coming in, on average, at \$272,000 compared to \$300,000, and there is a six-star rating for almost 99 per cent.

Senator LUDLAM—I think you were just doing that when I came in. Is it possible to identify what proportion of the stimulus spending we have gone through and what proportion of the build-out has been completed or, if we are sticking to this ‘close to completion date’, will be by the end of this year?

Ms Croke—I can give you two figures. The total allocation for the new construction was \$5,238 million. To date, the Commonwealth has paid out \$4,461 million.

Senator LUDLAM—That was the number you gave us before; okay. We are most of the way through. Ms Croke, you are reading these statistics from a document. Are you able to table the document that you are reading from? I notice that you have a fair bit there and I do not want to tie up the committee’s time in getting you to read them one by one.

Mr Innis—We would need to table a variation of the document, but we are happy to take it on notice.

Senator LUDLAM—You are probably going to take out the stuff that I am interested in.

Mr Innis—It includes some advice that we are providing to the minister.

Senator LUDLAM—That is what I am after.

Mr Innis—I understand that, and that is what we are not allowed to give you.

Senator LUDLAM—Take out the stuff that I cannot have. I think doing that would probably be useful, if you like, and it will prevent me from tying up the committee. I will probably move now to NRAS.

Dr Harmer—We are afraid that you cannot ask—

Senator LUDLAM—How come? Senator Arbib, is there a reason for my not being allowed to ask questions on NRAS in this committee hearing?

Senator Arbib—NRAS has now moved.

Senator LUDLAM—Is the other ‘housing affordability’ the same bunch of people or is it different people?

Dr Harmer—They are different people.

Senator LUDLAM—So I am going to call that exhibit A on how come we should not have done what we have just done. I cannot ask you about homelessness either?

Senator Arbib—You can ask about homelessness; of course.

Senator LUDLAM—That is good. Do you want to lead off?

Senator PAYNE—On homelessness? I did ask a few questions before.

Senator Arbib—We had a long discussion about the methodology in counting homelessness.

Senator LUDLAM—Okay.

Senator PAYNE—I want to ask about the answer to question on notice No. 95 and some of the statistical information that was provided in it. You will see in the table that there is a significant drop in the number of young people assisted in group work between 2007-08 and 2008-09. It goes to 7,146, which is a pretty low level over the last five years. Has the department done any analysis of why that is the case? Have they gone somewhere else?

Mr Tongue—No. I think I will have to take that one on notice because the number of young people assisted in group work dropped and then, in 2009-10, went up to 14,000. So clearly there is either a counting issue or a technical issue.

Senator PAYNE—You have the advantage over me because you have the 2009-10 numbers, which was going to be my next question.

Mr Tongue—In 2009-10 it has gone up to 14,000.

Senator PAYNE—In the one that I have, the table finishes at 2008-09. You will see that in the middle paragraph it says ‘full year 2009-10 combined data for homelessness prevention programs is not available until mid-August 2010’. I was going to ask you for that.

Mr Tongue—You now have the numbers.

Senator PAYNE—Can I have them across all of those categories?

Mr Innis—I can give them now. Number of individuals assisted, 8,145; number of young people assisted in group work, 14,253; and number of families supported, 3,158.

Senator PAYNE—So there are some quite significant changes in those numbers. Has the department done any analysis around any of that? Are you saying to me that, in 2009-10, 14,253 young people were assisted in group work from a number of 7,146 in 2008-09? I do not understand that.

Mr Innis—We would need to take that question on notice, noting that these programs respond to what presents.

Senator PAYNE—Yes, I understand that. But that is a doubling.

Mr Innis—It may be that there has been a change in who is coming through the doors, but we are happy to take it on notice and have a more detailed look.

Senator PAYNE—Did the change in numbers strike anyone else?

Mr Innis—The 2009-10 numbers have only just come to us.

Senator PAYNE—I know; I did not have them.

Dr Harmer—They have just struck us.

Mr Innis—They have just struck us, yes.

Senator PAYNE—I see. That would be helpful. Do you also have the 2009-10 figures for the percentage indicators that you provided in answer to question No. 96? They are the Reconnect figures and the HOME Advice figures.

Mr Donovan—For Reconnect for 2009-10, the percentage figure was 87 per cent; and for HOME Advice for 2009-10 the percentage figure was 84.

Senator PAYNE—There are actually two figures in that answer. For Reconnect, there is a percentage of clients with a positive change in their overall situation or individual goals met and a percentage of clients with an improved level of engagement with family, friends or peers and decreased social isolation. Is the second one there as well?

Mr Innis—I have a range of information about who was assisted by Reconnect in 2009-10. I am not sure that it lines up entirely with your questioning, but I am happy to provide information. For example, I have the proportion of young clients who were homeless at intake in 2009-10; it was almost 25 per cent.

Senator PAYNE—I was just trying to match my question with the answers that the department gave in question 96: two categories for Reconnect and one category for HOME Advice. That is all I was trying to do. But, if you have more information for me, that would be very gratefully received and I would love you to take that on notice, please.

Mr Innis—We would be happy to do that.

Senator PAYNE—Thank you.

Senator LUDLAM—Unless you have covered this already, I would like an update on the white paper and the national homelessness legislation; can you just give us a run-down on where that is? We assume that the Gillard government is recommitting to follow through. When might we see legislation?

Mr Innis—It is a commitment from the white paper. My understanding is that the former minister reaffirmed the commitment in the lead-up to the election and we are providing advice to the minister on timing and arrangements.

Senator LUDLAM—My understanding is that the House of Reps committee got about 100 submissions and it reported last September. We have not heard anything since last November, so we are nearly a year out from that. When are we going to see a bill? Can you give us at least first quarter, second quarter, third quarter? When are we actually going to be dealing with the legislation?

Mr Innis—Ultimately, the timing of any bills is a matter for government and I am afraid I cannot—

Senator LUDLAM—Are you drafting or are we not at that stage yet? I am not seeking dates and commitments but just some idea of whether the process is moving on and where it is up to.

Mr Innis—We are providing advice to the minister.

Senator LUDLAM—I hate it when you folk do that. Minister Arbib, are you able to enlighten us at all?

Senator Arbib—Yes. At present I am in discussions with my department about the issue—but not just the department; I am also talking to the stakeholders about the issue.

Senator LUDLAM—About a bill. Is that a form of public consultation and which stakeholders are—

Senator Arbib—No; they are my private discussions with stakeholders. As you can imagine, at the moment, they are going to take place over the coming months; a number have happened already. But that is certainly something that I am looking at putting in place.

Senator LUDLAM—Some time before the end of the year, are you able to—not you, obviously—put something into the public domain indicating where your thinking is at? Obviously, a lot of people are working on this and a lot of people are hanging on the outcome. Are you able to give some sort of undertaking that, before the end of this year, you will put something not just to the folk that you are consulting with directly but into the public domain about what the outcome is likely to be?

Senator Arbib—I am happy to attempt to do that.

Senator LUDLAM—It might be really sketchy but it should be whatever you are able to do. I think people at least have earned the right to have some kind of update as to progress, because that is now nearly a year old.

Senator Arbib—I accept that and, as I have said, I will attempt to do that for you and for the sector.

Senator LUDLAM—Thank you. My last question is whether any consideration at all has been given, across any department or anywhere that you have come across, to analysing and evaluating the amount of vacant property that is available in our cities and towns that could be converted to affordable rental property if the right incentive structure was put in place.

Mr Tongue—The only number that I am aware of is a figure that the Housing Supply Council developed. That is that, at any one time in Australia, there are roughly 800,000 vacant dwellings. Getting the data beyond that is very difficult. I am not sure that we are able to elicit data about why they are vacant. Some of them could be sitting vacant, waiting for a new occupant; some of them could be sitting vacant, waiting for a new tenant. Some could be holiday houses.

Dr Harmer—The vast majority would be holiday houses.

Senator LUDLAM—I am interested in this. Are we talking about buildings or potential dwellings?

Mr Tongue—Dwellings.

Senator LUDLAM—Roughly 800,000 was the last number that you saw?

Mr Tongue—About 10 per cent of the stock.

Senator LUDLAM—Is that something that we should be interested in? We are facing a gigantic housing shortage and we are building out as rapidly as we can to provide affordable and social housing; at the same time, you turn around and we have 800,000 vacant dwellings in the country. Should we perhaps try to join those things together; and is anybody doing that?

Mr Tongue—That is an issue now that is in the purview of the Housing Supply Council, which is Minister Burke's portfolio. But certainly, in our conversations with a variety of players, including Treasury, we have looked at what I would call the general efficiency of the market. For example, one of the issues that afflict real estate markets is a lot of imperfect information; one of the reasons for vacant dwellings is very imperfect information in the

market. We have had a range of conversations and no doubt, in the future work of the supply council and the Treasury and Minister Burke, matters touching on this will come forward.

Senator LUDLAM—We are out of time. This is probably one of the cheekier things that I have done in an estimates committee. Can I please table for your benefit an initiative that we released during the election campaign, which we called Convert to Rent? It is based on directly auditing the number of vacant properties in cities and towns and providing an incentive scheme to get people into them, particularly affordable housing. It is being tried in Canada and elsewhere and we think it is a way of very easily and seamlessly getting people into properties that are vacant.

CHAIR—I will just check that the senators are happy to have that document tabled.

Senator LUDLAM—It is in the public domain already, but I am not—

Senator Arbib—I have not seen the document, but I made this same offer to Senator Payne previously in terms of homelessness: I am happy to sit down with you and have a look at the proposal.

Senator LUDLAM—All right, but I will provide it to the department.

CHAIR—We will table the document. Thank you very much. That is the end of questioning for outcome 2, housing. We will now take a 10-minute break and then come back with outcome 3, community capability and involvement, at 4.45 pm.

Proceedings suspended from 4.32 pm to 4.45 pm

CHAIR—We will reconvene. We are going into outcome 3, Community capability in the vulnerable. Senator Fifield, I know you have some questions. I believe that Senator Boyce has some questions. Senator Fifield.

Dr Harmer—We have the Victorian bushfire summary report, which we traditionally table as an update at the beginning of this outcome. I have it here and can give it to the secretariat.

CHAIR—I am sure Senator Fifield has been waiting for that.

Senator FIFIELD—It has been a good innovation of the committee of FaHCSIA since the bushfires. Thank you for that.

Dr Harmer—That will be the last one, because we are no longer responsible for the disaster recovery. That has gone to the Attorney-General's Department following the admin order changes on 14 October.

Senator FIFIELD—Thank you for that. I guess that has been reflected in the fact that there is no longer a member of the executive with Victorian Bushfire Recovery in their title. Just to confirm that, the administrative orders have changed responsibility from FaHCSIA to the Attorney-General's Department and that is already in effect?

Dr Harmer—Yes.

Senator FIFIELD—That is your final report. That would mean that to the extent that there is still a Commonwealth minister with responsibility and interest in the Victorian Bushfire Recovery that is now the Attorney-General?

Ms Carroll—We are still determining this. Certainly the Attorney-General's Department has disaster recovery policy and the Australian government disaster recovery payment. We are still working through, between the two offices, some of the legacy disasters, such as the Victorian bushfires. We may still have some responsibility.

Senator FIFIELD—But FaHCSIA will no longer be the lead Commonwealth agency?

Ms Carroll—In disasters.

Dr Harmer—The Australian government disaster recovery payment, which is the program element that we have been responsible for, has transferred across to A-G's.

Ms Carroll—I have just confirmed that Minister Macklin remains responsible for the Victorian bushfires.

Dr Harmer—Maybe we will continue to provide a report.

Senator FIFIELD—You may continue to be the lead agency in relation to the Victorian recovery.

Dr Harmer—Only in relation to Victoria.

Senator FIFIELD—Those matters will be further clarified?

Ms Carroll—Yes.

Senator FIFIELD—Can you take on notice to provide that further clarification as to what the role of Minister Macklin is and FaHCSIA?

Ms Carroll—We will give you a detailed background.

Senator FIFIELD—That would be appreciated, and I will read with interest your final report. Thank you for that.

Dr Harmer—I think you asked a question about the community cabinets.

Senator FIFIELD—Yes.

Dr Harmer—There was one community cabinet that you asked about. It was on 9 June, as the officers have previously confirmed. It was in Western Australia and I was the only one that travelled from Canberra. The minister was supported by four departmental officers, me and three from the state, obviously in Perth.

Senator FIFIELD—Thank you for that. While we are briefly returning to that corporate space, with the chair's indulgence I will pose one question in that area before going to the outcome that we are on. On the day that the Prime Minister announced the new ministerial arrangements, which included two parliamentary secretaries within the FaHCSIA portfolio—Minister Macklin and two parliamentary secretaries—were you aware at that time which of the members of the executive in the portfolio were to have direct responsibility for disabilities?

Dr Harmer—I cannot recall at the time. We had five people involved—Minister Macklin as the senior minister and two junior ministers. Minister Arbib was responsible for social housing and Minister Ellis was responsible for women's issues; and the two parliamentary secretaries, Senator McLucas and Senator Collins.

Senator FIFIELD—Let me rephrase that. At that time did you know what the responsibilities of those two parliamentary secretaries were?

Dr Harmer—I think the press release from the Prime Minister indicated the broad areas of responsibility of the ministers, but I am not sure at that stage, because the Prime Minister usually expects the senior minister, the portfolio minister, to negotiate with the parliamentary secretary their roles. I doubt whether in the initial announcement that I would have known that Senator McLucas was going to be responsible for disabilities. In fact, I do not think she knew. I do not think that it had been settled between her and Minister Macklin.

Senator FIFIELD—Thank you for that. That just confirmed what was thought at the time, that no-one knew at the time who had responsibility for disabilities.

Dr Harmer—The normal practice, for many years now, particularly with junior ministers, is that the allocation of responsibility is usually included in the Prime Minister's press release. The parliamentary secretaries are often not. It is often left to the arrangement between the senior minister and the parliamentary secretary. That is from my memory, but I may be wrong.

Senator FIFIELD—That was not the case in 2007 with the first line-up. Anyway, you have confirmed what I thought and I thank you for that. Just for a change of pace, I will move to playgrounds. You may recall at the last estimates we discussed the adventure playgrounds, of which I think there are five that FaHCSIA has an interest in, all of which are in Victoria. That is fortunate for Victoria, but that was something that surprised me at the time. Ms Farrelly, you indicated that those playgrounds had been receiving Commonwealth support since 1978. An interesting anomaly within the portfolio was that there is direct Commonwealth responsibility for five playgrounds in Australia. In response to a question on notice, the department provided advice as to the number of staff allocated to each playground. For instance, the Fitzroy Adventure Playground has one full-time coordinator, four part-time and four casual staff engaged at that playground, and are Commonwealth funded. Are you able to advise how much or do you know how much each of those staff are paid?

Ms Farrelly—When we put a funding agreement in place with the organisation we do not specify salaries and we do not collect that information.

Senator FIFIELD—Would the funds be paid directly by the Commonwealth, therefore, to the organisations managing the playgrounds?

Ms Farrelly—Yes.

Senator FIFIELD—Do you know who employs the staff? Is it playground associations or local government that I think the money in some cases goes to?

Ms Farrelly—For Fitzroy the organisation is the Fitzroy Adventure Playground Association Inc. The council does not run it; it is run by the organisation.

Senator FIFIELD—So the money goes to them?

Ms Farrelly—Yes.

Senator FIFIELD—With the Kensington Adventure Playground Cooperative would the money go to the Cooperative?

Ms Farrelly—Yes, that is correct.

Senator FIFIELD—For the other three, the City of Stonnington for Prahran, the City of Port Philip for South Melbourne and the City of Port Philip for St Kilda, the money goes to the councils?

Ms Farrelly—Yes, that is correct.

Senator FIFIELD—It would be reasonable to expect that they are probably council employees who manage those playgrounds?

Ms Farrelly—I cannot comment on the way their staff are organised.

Senator FIFIELD—Do you know what the staff do at the playgrounds? This money is for staffing, is it not?

Ms Farrelly—Yes.

Senator FIFIELD—It is not for maintenance or capital?

Ms Farrelly—No, it is for staffing. The staff provide a safe, supportive environment. It is a recreational environment for children and their families. They organise activities. In some cases they organise camps. It is so that these children are effectively in a safe place, in a supervised environment and not on the streets.

Senator FIFIELD—This probably follows from your answer to previous questions. In terms of the playground associations, do elected committees or boards manage those organisations?

Ms Farrelly—Yes, I would imagine so.

Senator FIFIELD—Do you know whether any of these organisations engage in activities that are not related to the playgrounds that they are managing?

Ms Farrelly—The organisations that we fund provide the activities that are specified and these are the adventure playgrounds. Obviously, in the case of the City of Stonnington and Port Philip, they have other programs that they fund and provide through other funding, but the organisations that we fund are contracted to deliver the program that we ask for, which is the adventure playground.

Senator FIFIELD—With the playgrounds where the council run them and the money is provided to the councils, could those staff who are Commonwealth funded be undertaking other than playground related activities?

Ms Farrelly—That is not my understanding. They are funded to provide this activity.

Senator FIFIELD—So, the councils would not be using them for other purposes? Or is it a case that you would not necessarily know?

Ms Farrelly—We would not know. As part of our contractual obligation, we would not ask. For example, part-time staff might be employed by the City of Port Philip to do the playgrounds in some of their time and some of their other activities in other times. I am sorry, I cannot comment. That is not information that I have.

Senator FIFIELD—You would hope that the full-time coordinators—there is one for each council—are engaged full time on playground activities?

Ms Farrelly—That is exactly what they are employed to do.

Senator FIFIELD—You would not necessarily know if they were not?

Ms Farrelly—When we put our contractual obligation in place we have a requirement for each of them to do activity reports and to report to us on a regular basis. Our state offices, in this case the Victorian state office, works with each of these organisations and does periodic visits from time to time. So, we would have a pretty good idea if they were not delivering this program, but I cannot rule out if you have information I do not have. I am not aware of anything like this happening.

Senator FIFIELD—The reason that I am asking these questions is that, although it has been happening for quite some time, it is an unusual area of Commonwealth activity engagement.

Mr Lewis—I think we mentioned last time that, as you have correctly noted, 1978 was when it started, and successive governments have looked at this afresh and have formed a view that they would like to continue this.

Senator FIFIELD—I think from previous estimates we could not actually ascertain how it came to be or why it came to be. All that we really know is that it is.

Mr Lewis—I think you were interested in the history last time.

Senator FIFIELD—Have we progressed?

Mr Lewis—No, not yet, no. We are looking for a researcher.

Senator FIFIELD—Has there been any consideration given to further adventure playgrounds, or is this the likely extent of the Commonwealth's engagement?

Mr Lewis—We have not been approached and I think we mentioned that we inherited this from DEEWR.

Senator FIFIELD—Yes.

Mr Lewis—So we have not been approached for any other additional—

Senator FIFIELD—Is there a further breakdown than what is in the budget papers as to the money that is allocated?

Ms Farrelly—I think last estimates I provided you how much they each got and of that funding we would expect around 90 per cent of what each organisation gets goes to staffing.

Senator FIFIELD—That 90 per cent—

Ms Farrelly—Ninety per cent of their funding would go to staffing.

Senator FIFIELD—And the other 10 per cent is administrative?

Ms Farrelly—That would be for providing activities, for materials, for costs associated with camps and the other things that they do.

Senator FIFIELD—How is this money acquitted by the playgrounds?

Ms Farrelly—It is acquitted annually as part of a report to the department.

Senator FIFIELD—Next estimates we may find out a little more about 1978. Thank you for that.

Mr Lewis—We will actually explore that for you.

Senator FIFIELD—That would be great.

CHAIR—Further questions?

Senator BOYCE—This is possibly the best time to—

CHAIR—We should just test it.

Senator BOYCE—See what happens. The Saver Plus program at Mirrabooka?

Dr Harmer—You are at the right place.

Senator BOYCE—I am asking these questions on behalf of Senator Bernardi. There is a media release referred to here of 9 June this year about the Saver Plus program operating in Mirrabooka, which says more than 120 low-income earners in Mirrabooka are now being supported. What is the exact number?

Mr Riley—I do not have the precise number of clients at the Mirrabooka site. Sites either service 120 or 100 clients, depending on the organisation's capacity to recruit people into the service at the time. There are—

Senator BOYCE—So does that mean there actually are 100 or 120 in each program or that is your maximum?

Mr Riley—It is 120 in each program. They may go through in a number of different streams. One group may start in June, another group may start in July, but it is a total of 120 in that site.

Senator BOYCE—But you are saying here more than 120; the media release of 9 June says 'more than 120'.

Mr Riley—My understanding is it is 120 maximum per site.

Senator BOYCE—Could you perhaps check that and confirm that discrepancy and advise me how that discrepancy comes about?

Dr Harmer—Is it not possible that at any one time in the pipeline, given they start at different times, you might have more than 120, but it would still be funded by the 120 limit?

Mr Riley—That is certainly correct.

Dr Harmer—I do not know a lot about the program, but if people can start continuously—and they might still have funding for 120 in the period—at any point in time you might get more or less.

Senator BOYCE—In that case, as I said, the question I am asking is: what is the exact number? Would you be able to give me the exact number at three or four recent points in time?

Mr Riley—Certainly. I can tell you that nationally the funding agreement is for 7,600 clients over the two-year period, but that is nationally in the 60 sites.

Senator BOYCE—Currently, how many clients are there?

Mr Riley—I do not have the information of how many are in the system at the moment, for the reasons that Dr Harmer outlined.

Senator BOYCE—Perhaps, again, you could give me that at a couple of points in time, and since you are doing it, if you could give me a state by state breakdown that would be useful as well.

Mr Riley—Certainly.

Senator BOYCE—Or site by site, whichever is appropriate. Do you expect this number to rise or fall in the coming years?

Mr Riley—The Commonwealth's involvement with the program goes out until 30 June 2011, and that is the extent of our involvement with the Saver Plus program at this time.

Senator BOYCE—And as you said, the funding is for a maximum of 120 at each of the 60 sites over that period; is that correct?

Mr Riley—That is correct.

Senator BOYCE—With regard to the government's contributions towards this program—and I think you have put \$148,750 to the Smith Family and there is about \$600,000 across Western Australia—what exactly is this funding spent on?

Mr Riley—The funding primarily supports workers to deliver the education and to consider the applications from each participant to participate in it. The Saver Plus program involves 10 hours of face-to-face financial literacy education over the course of the 10 months. In that 10 months participants can save up to \$500 and that is then matched.

Senator BOYCE—Is that an hour a month?

Mr Riley—No.

Senator BOYCE—Is that sort of how it works?

Mr Riley—It varies from location to location. It is often four sessions of approximately two and a half hours each, but it will depend on local conditions as to how many, so it will never be 10 hours in one sitting.

Senator BOYCE—No.

Mr Riley—It would not be five hours in one sitting. It would usually be broken down into smaller blocks.

Mr Lewis—Can I just add to an earlier question you have asked. When fully operational, Saver Plus is intended to operate in 60 communities to a maximum of 7,600 people, so when we do come back with that other information we will try and break down the target for you. It comes to your question about total envelope. Then, as Mr Riley is saying, it is four sessions of two and a half hours in length was the intent, to 10 hours.

Senator BOYCE—Four sessions of two and a half hours over 10 months. By which stage you would expect people to have saved \$500 and then the government matches that?

Mr Riley—Not the government. It is not the government's money that goes to the matching; it is actually the ANZ's money that goes to the matching.

Senator BOYCE—The \$148,000 to the Smith Family or the \$600,000 in WA contributed by the government is being spent on the people who do the financial literacy training; is that correct?

Mr Riley—That is right. It primarily pays a Saver Plus worker in each site. That would be the single largest component of that, as well as some administrative costs, some materials, and the training for workers to deliver that service.

Senator BOYCE—That would be a full-time worker in each site?

Mr Riley—It is a full-time worker in each site.

Senator BOYCE—Do they have administrative support?

Mr Riley—That will vary depending on the auspicing organisation.

Senator BOYCE—Are there any restrictions on what the funding can be spent on?

Mr Riley—Within the normal conditions of a FaHCSIA funding agreement there are some limitations. I would have to take on notice to give you the detail of those.

Senator BOYCE—Okay. I believe it states on the website:

“These savings must be spent on the participant’s own vocational training or the education of their children”.

How do you actually know that that is what is being done?

Mr Riley—It is a very hands-on service. I can tell you that it is, almost universally, a computer that is purchased with the money. They save for a particular savings goal, which they specify at the start of the program, and they are required to bring in receipts irrespective of whether the Saver Plus worker themselves is involved in the purchase of the product.

Senator BOYCE—So you are saying what it has evolved into is four, two-and-a-half hour private sessions and then you buy a computer at the end? Is that basically what you are saying the program is now?

Mr Riley—It is an education related expense and the usual practice is that people buy a computer. We do not specify anywhere that that is what they have to do. It has to be for an education related savings goal. The feedback from a number of providers is, almost universally, that is what people use the money on.

Senator BOYCE—The media release goes on to say:

An evaluation by the Royal Melbourne Institute of Technology found that 70 per cent of past participants still saved at the same rate up to three years after completing the program.

When was that evaluation done?

Mr Riley—Just while I see if I have the precise details of that, the evaluation was done by RMIT before the Commonwealth’s involvement in the program and certainly before FaHCSIA’s involvement in the program. I believe it was a 2007 evaluation, but I will just confirm that for you. I cannot confirm that right now.

Senator BOYCE—Could you just repeat what you said?

Mr Riley—I cannot confirm that it was a 2007 evaluation. It is available on the Brotherhood of St Laurence website, as I understand it.

Senator BOYCE—That was going to be my next question: where it was publicly available. Who commissioned the evaluation?

Mr Riley—I understand it was the Brotherhood of St Laurence and the ANZ at the time.

Senator BOYCE—You might like to amend that on notice if necessary. Are you saying you are certain or you are not entirely sure?

Mr Riley—I am saying it is before the Commonwealth became involved with the project, so I did not have a direct involvement at the time.

Senator BOYCE—Could you perhaps also tell us—and you will probably need to take this on notice as well—over what period of time did the evaluation look at the saving habits of participants? Over more than three years or just three years?

Mr Riley—I will take that on notice.

Senator BOYCE—Has the government itself conducted any research into this project since the government became involved?

Mr Riley—Part of the funding agreement with the Brotherhood of St Laurence—and that is who our agreement is with and they effectively subcontract to the other delivery partners—is for a research program associated with Saver Plus and Microfinance. There is research underway to explore some of those issues associated with the program.

Senator BOYCE—Are these particularly very targeted research projects?

Mr Riley—They are. Some of the things that are being explored include, for example, the earned income requirement. There is a longstanding requirement between the partners that the participants have some earned income as a condition of their participation in Saver Plus. It is being trialled without that requirement in at least one site, and that is a focus of some of the research.

Senator BOYCE—So this would be income over and above what you could earn from a welfare payment, is it?

Mr Riley—Yes, that is correct.

Mr Lewis—Can I just add, too, we are meeting with Tony Nicholson next week in Melbourne, from the Brotherhood of St Laurence, to talk about this and other matters. He is keen to discuss how it is working and I suspect that we will probably be able to tell you a lot more next time around. The Brotherhood of St Laurence are obviously very positive about this program and very committed to it themselves in terms of their investment, so I would be happy to talk to you then.

Senator BOYCE—Financial literacy is a huge issue. Finally, do you have any interaction with ASIC and their financial literacy program?

Mr Riley—Yes, we do. We engage with them on a range of levels. We participate in their Community of Practice, which goes on every month and brings together a range of interested practitioners, government and non-government, and indeed the business and financial services sector, regularly.

Senator BOYCE—What is the purpose of those meetings?

Mr Riley—Basically, to share good practice. We talk with them quite regularly. There is not a formal steering committee or consultative group, but I certainly talk quite regularly with my counterparts in ASIC as a lead agency on financial literacy.

Senator BOYCE—Are you confident that you are not inventing the same new wheels?

Mr Riley—I am absolutely confident that that is the case.

Senator BOYCE—Thank you. My other questions are about payment for pensioners and social inclusion. I do not know if I should plough on now.

Dr Harmer—Social inclusion is now. Pensioners is seniors, which is the next outcome.

Senator BOYCE—What I will do is put questions that you tell me you cannot answer on notice to PM&C. Would that be the way to go about it?

Dr Harmer—Yes.

Senator BOYCE—I wanted to know about the community response task force. I have not been able to find out any information about it since 10 August 2009.

Ms Carroll—I will pass to my colleagues shortly, but essentially the community response task force, which was set up during the time of the global financial crisis—

Senator BOYCE—At the beginning of 2009.

Ms Carroll—Yes. It met a number of times. My understanding—and this is something that for the detail you would need to put on notice to the Department of the Prime Minister and Cabinet—is that in the development of the new Office of the Third Sector there is a new committee being established.

Senator BOYCE—Being established, which is designed to be the follow-up from this?

Ms Carroll—For a range of committees, but that information is for application onto that new committee is on the website of the Department of the Prime Minister and Cabinet. Essentially, the community response task force was set up for the particular purpose of seeking information from the community sector on issues that were going on in the sector, getting some information from the ground during the global financial crisis, and since then there has been the new government and some new commitments. Mr Lewis might be able to add to that.

Senator BOYCE—It is not really a new government, in that it is the same party that established the government, so you would expect that the program could continue on.

Mr Lewis—I can give you a bit more to add to Ms Carroll's answer. The community response task force was initially set up as a one-off meeting that the then-Minister Gillard established to consult with primarily the large NGO sector and the churches, particularly those involved in emergency relief and some of the other activity that was particularly pertinent to the global financial crisis issues at the time. As a consequence of the initial meeting, which was extremely positive and useful, she committed to ongoing meetings with that sector to work through other issues as they unfolded that had been raised in the earlier discussions. That morphed into an ongoing arrangement that became called the Community Response Task Force, with the changes from our department, that is FaHCSIA to PM&C, in terms of a range of functions moving that sit alongside the Office of the Third Sector, which

was what the NGO sector were very keen on having established in Prime Minister and Cabinet.

Senator BOYCE—Having what established?

Mr Lewis—The Office of the Third Sector. They wanted the Office of the Third Sector in PM&C. That was their view in response to the Productivity Commission report, which raised a whole lot of recommendations. One of them was that, firstly, there would be an Office of the Third Sector and, secondly, that it be in a central agency, preferably PM&C. They were very clear about that. The government has, in that sense, responded very positively to both the issues raised by that sector, in the broad, and the matters in the recommendation of the Productivity Commission by establishing the Office of the Third Sector.

More recently functions that had sat in FaHCSIA, as Ms Carroll has alluded to—

Senator BOYCE—But it has not done anything since August 2009.

Mr Lewis—The community response task force or the office?

Senator BOYCE—The community response task force.

Mr Lewis—It has not been convened. It is an ongoing series of meetings.

Senator BOYCE—It met three times in 2009 and the last time was 10 August 2009, according to the information that I have.

Mr Lewis—I think they have had other meetings subsequent to that, but I will confirm that.

Ms Carroll—We could take that on notice.

Senator BOYCE—They do not appear on their website with the three first meetings, if it has met since then. That is partly what I want to know, because it seems to me that from August 2009 until now they have not met. You are telling me that now you are advertising for what would partly replace it.

Mr Lewis—A new body with PM&C.

Ms Carroll—We can take on notice any additional meetings that the Community Response Task Force has had. My understanding is that there may have been some meetings in that period.

Mr Lewis—I think so.

Senator BOYCE—The next one I wanted to look at was the Social Inclusion Board. Again, it is a bit difficult to find what the Social Inclusion Board has done, if anything, since the election.

Ms Carroll—The Social Inclusion Board has always sat with the Department of the Prime Minister and Cabinet and continues to sit with them, so the questions would need to be directed to the Department of the Prime Minister and Cabinet.

Senator BOYCE—I would like to ask one question which you may have had an opinion on. There was a report on theregistry.com.au on 18 October by John Falzon, who is a member of the Australian Social Inclusion Board, about recently visiting Palm Island with other

members of the board. Whilst it is not on the website, they seem to have met in Townsville; is that correct?

Ms Carroll—Yes.

Senator BOYCE—They were making the point that the board wished to speak to Lex Wotton and were unable to because Lex had:

... been instructed not to speak in public as a parole condition following his conviction for inciting a riot in the wake of the well-known death in custody on Palm Island. Eyewitnesses actually attest to Lex's attempts to restrain the angry crowd.

They are concerned about the human rights involved in part of your parole condition being that you are not allowed to speak in public. Is the department aware of this?

Dr Harmer—I am not aware of it.

Mr Lewis—I am not aware of it, and I would suspect that is a matter for Queensland government and PM&C.

Senator BOYCE—I realise it is a matter for the Queensland government, but I would have thought a human rights issue like this is somewhat ironical when we are talking about social inclusion, and consulting people on the topic of social inclusion would be something that would be brought to the department's notice.

Senator Ludwig—I just need to confirm what the parole conditions were?

Senator BOYCE—I do not have the formal parole conditions.

Senator Ludwig—It is just that I did not want to start an argument over something that might be different from what the actual facts are. I am not calling you into question, of course. Sometimes the reports are not absolutely correct.

Senator BOYCE—I hope you are not calling Mr Falzon into question.

Senator Ludwig—No, not him either. It is helpful sometimes for responding to issues that are reported that the factual information is before the committee. In this instance, we can take it on notice and have a look at what the answers are. We would always be concerned about being able to express views.

Dr Harmer—The two key things are that, firstly, it is not our responsibility, it is the Prime Minister and Cabinet in the federal government; and, secondly, in just looking up and down the room, no-one is aware of it. So I think that is as far as we can take it.

Senator BOYCE—Thank you.

Mr Lewis—Coming back to the issue of meetings, I have just checked and the Community Response Task Force and the sector advisory group, which was a sector advisory group to former Parliamentary Secretary Senator Stephens, met on 11 June 2010. The Community Response Task Force, which was initially a temporary arrangement and then became an ongoing series of meetings, convened in collaboration with another body, which was the sector advisory group to Parliamentary Secretary Senator Stephens. There was a view, certainly at that meeting, that this was partly part of the progression to consolidation of bodies and that it was useful to have them jointly meet at that time. It shows you the progression that

has been occurring successively between agencies to form a view that there needs to be some consolidated body.

Senator BOYCE—I have noted that council for non-profit reform on the website. I will leave those questions there. The rest of them are probably best directed at PM&C. I have some more in a different area.

CHAIR—I am wanting to wrap this one up in 15 minutes and Senator Siewert has a number of questions on quarantine, so that could take the time. Can you put them on notice?

Senator BOYCE—I would like some guidance on whether they are best asked here or at Centrelink. They will be quite quick. It is around advance payments.

CHAIR—I would think that would be a Centrelink issue. Someone give Senator Boyce some guidance. What are your questions?

Senator BOYCE—Since pensioners have been able to have advance payments, how many pensioners have chosen to receive their pensions on a quarterly basis, are there any reports around problems or concerns with it. Page 2 of Centrelink's fact sheet about advanced payments states—

Ms Carroll—We can answer them, but in the seniors outcome.

CHAIR—Thank you. Anything else, Senator Boyce?

Senator BOYCE—No, thank you.

CHAIR—Senator Siewert, you have 15 minutes maximum.

Senator SIEWERT—I would like to go to income management. I will keep it to general, but if I waver then tell me to stop.

Dr Harmer—If you stray—

Senator SIEWERT—That is what I figured, and I will ask them tomorrow. I would like to go to the rollout of the new measure in the Northern Territory. I realise that some of my questions are with Centrelink, and I will ask them later tonight, but can you tell me where it is up to in the NT, where it has been rolled out to, and the number of people that are now on income management?

Ms Hefren-Webb—The figures we are providing are as of 24 September. At this stage we have 11,527 people on the new model of income management. That includes 11,298 people who have been transitioned from the old NTER model to the new model and 187 new people.

Senator SIEWERT—We will come to those who are still on. Do you have a list that you can table for that? I do not want to put it on notice because that means I will not get it for weeks.

Ms Hefren-Webb—I can probably do it quickly. As at 24 September the following areas had been switched on: Barkly Shire, Alice Springs, MacDonnell Shire, Katherine, Roper Gulf Shire, East Arnhem Shire, Central-Desert, Victoria-Daly, Tiwi Island, Belyuen Shire, Coomalie Shire and West Arnhem. On 4 October we switched on the Darwin municipality, the Palmerston municipality, Litchfield Shire, Wagait Shire and any other remaining areas. That data does not include any data from the Darwin zone switch-on, and that was the last zone.

Senator SIEWERT—So all the zones are now done?

Ms Hefren-Webb—They are all switched on, but not all people have been transitioned.

Senator SIEWERT—The whole of metropolitan Darwin is now switched on?

Ms Hefren-Webb—Correct.

Senator SIEWERT—That is overall. That is including all the categories.

Ms Hefren-Webb—Yes.

Senator SIEWERT—In breaking it down, how many have been put on income management are identified as vulnerable and how many from those that were on aged pensions and disability pensions have chosen voluntarily to go to income management?

Ms Hefren-Webb—I might have to provide you with that on notice. I am aware that approximately 30 to 35 people were in the vulnerable category and there are several thousand remaining in the long-term welfare recipient and disengaged youth category. I do have it but I might provide that on notice, if that is all right.

Senator SIEWERT—With all due respect, when things get taken on notice I will find out in three months time, which is not exactly useful for me when I am trying to look at what is happening. If it could be provided by the end of tonight that would be appreciated.

Ms Hefren-Webb—I do have it here, I think.

Senator SIEWERT—Maybe if you could do the vulnerable and those that have voluntarily chosen to stay on, broken down to the various categories that were on income management but have now moved? Do you understand what I mean?

Ms Hefren-Webb—Yes. You want to know how many of the previous NTER people have volunteered to stay on and how many have come on through vulnerability and how many have compulsorily transitioned.

Senator SIEWERT—Yes, thank you.

Mr Warburton—We do have some of that data.

CHAIR—Is it possible to have it by tomorrow rather than put bits of information together—

Senator SIEWERT—That is fine—

Ms Carroll—We can table that tomorrow for you. We can give you general information, like about 60 per cent of the people coming off income management have gone onto voluntary income management, so we can provide you with that breakdown you have asked for as best as we possibly can by tomorrow.

Mr Warburton—I am not sure if we have it by the payment type, which you seemed to be asking for before.

Ms Hefren-Webb—I think you asked for it by category. I am not sure that we have it disaggregated that way.

Senator SIEWERT—Disengaged youth, parenting payment single and Newstart are all compulsory on income management. I would appreciate it if you can give me that broken

down, please, but I am particularly interested in those that have gone on voluntarily, which leads to my questions that I think I have to ask Centrelink—

Mr Warburton—I can give you that now. As at 24 September 2010, 3,993 people exited compulsory income management, so these are people out of the NTER. Of these, 2413, that is 60 per cent, chose voluntary income management.

Senator SIEWERT—Do I ask here about the letter that was sent out by Centrelink? I will ask. Did you see the letter that Centrelink sent out to participants?

Ms Hefren-Webb—We would generally see drafts of all the correspondence.

Senator SIEWERT—You would be aware there is a lot of concern about the letter that went out to participants?

Ms Hefren-Webb—Is this in relation to the housing deductions?

Senator SIEWERT—Yes.

Ms Hefren-Webb—I am aware that there has been concern from a number of groups in the NT that people are perhaps not clear about how they can arrange their housing rental payments in the post income management period.

Senator SIEWERT—What action is being taken to fix that?

Ms Hefren-Webb—Centrelink is probably in a better position to answer this—

Dr Harmer—Most of the comments and queries would have gone directly to Centrelink on that. While we might have some information—and we probably do—it would probably be better—

Senator SIEWERT—I will ask them. That is fine. I want to know, though, did you see that letter? Did the department see that letter?

Ms Hefren-Webb—I will need to take that on notice. I apologise. I have only been in this position a couple of weeks.

Senator SIEWERT—I should rephrase that, I am sorry. I meant did the department see a letter?

Dr Harmer—It is quite likely that we did but it is possible we did not, so I would rather not guess.

CHAIR—Do you have a copy of the letter? Because we are talking about ‘the’ letter and that worries me in terms of the volume of correspondence—

Ms Hefren-Webb—Centrelink are willing to provide the copies.

Senator SIEWERT—I would appreciate a copy.

CHAIR—About the same letter?

Senator SIEWERT—Yes. As I understand it everybody has now been transitioned?

Ms Hefren-Webb—No. All areas have been switched on but it is a slow process, particularly in the Darwin area, because there is a large volume of customers we are expecting. Centrelink is staging the transition, so it is sending letters to groups of customers at

a time so it can manage the flow so it will actually be next February before we are fully through the planned transition.

Senator SIEWERT—In terms of the number of people so far who were not under compulsory income management previously—and this is probably another category I will need, I beg your pardon—I would also like to know how many people will come on that were not caught up under the prescribed community numbers?

Ms Hefren-Webb—This is after 24 September?

Senator SIEWERT—Yes.

Ms Hefren-Webb—The figure I have is 187 new people have commenced compulsory income management and 42 have commenced voluntary income management. We would expect those figures to jump significantly because obviously the Darwin area is where most people did not have an experience before.

Senator SIEWERT—How many of those have sought the exemption to come off?

Ms Hefren-Webb—There have been 171 exemptions granted. Of those, 131 were new customers to income management and 40 were NTER customers. There are still a number of applications for exemption pending. Over 300 is the figure I have.

Senator SIEWERT—Sorry, what was the 300 figure?

Ms Hefren-Webb—One hundred and seventy-one exemptions have been granted. Of those, 131 were new customers to income management and 40 were NTER customers.

Senator SIEWERT—So, 171 have been granted. How many were applied for?

Ms Hefren-Webb—I do not have that but I have applications rejected, which is 130. There are also some in the pipeline.

Senator SIEWERT—What was the average timing can you tell me of the processing of the exemption applications?

Ms Hefren-Webb—I do not have that figure.

Senator SIEWERT—Is it possible to find them? I think the rest of the information around that I need from Centrelink, because you will be aware there have been a lot of concerns raised about the response people have had when they have been in Centrelink through this process as well, so I need to follow them up. Can I ask about the evaluation process and where that it is up to?

Ms Hefren-Webb—I can give you a general update on the evaluation. There is a consortia of researchers who are currently developing the framework for the evaluation of the new income management scheme. The members of that consortia are ANU, SPRC and AIFS, the Australian Institute of Family Studies. We were due to have an evaluation framework, I believe by August, but there has been some delays, particularly relating to the fire at the SPRC, which occurred a couple of months ago. We are hoping to get that shortly and we will be circulating that to stakeholders for further comment. We have a range of forums where we are getting input from stakeholders. We have a non-government think tank, a government think tank and we are also consulting with the social inclusion board on the methodology.

Once the methodology is finalised then it will proceed to a tender process to appoint the evaluator.

Senator SIEWERT—In terms of the framework, what is the time line for that now?

Ms Hefren-Webb—I believe we should have it fairly shortly. I believe it was due by the end of October.

Senator SIEWERT—That is going to be released publicly for comment?

Ms Hefren-Webb—That is correct.

Senator SIEWERT—What is the process for the methodology?

Ms Hefren-Webb—The evaluation framework will describe the methodology.

Senator SIEWERT—The framework will actually—

Ms Hefren-Webb—It will outline the proposed methodology for the research.

Senator SIEWERT—It is going out for October. When will comments close?

Ms Hefren-Webb—I do not have that detail, I am sorry. I can give you an answer on notice, if that is all right.

Senator SIEWERT—That would be appreciated, thank you. Can you tell me how much has been allocated for the implementation of the evaluation?

Ms Hefren-Webb—I am sorry, could you repeat that?

Senator SIEWERT—How much has been allocated for the implementation of the methodology?

Dr Harmer—The evaluation process?

Senator SIEWERT—The implementation of the evaluation, sorry.

Ms Hefren-Webb—I believe it is \$2.1 million for the total evaluation.

Senator SIEWERT—Can I move to the WA trial? How much involvement did the Commonwealth have in determining the terms of reference for the evaluation process of the WA trial?

Ms Hefren-Webb—The Commonwealth commissioned that evaluation so we would have had extensive involvement in discussions with the contractor around the methodology.

Senator SIEWERT—You commissioned it. How much did it cost?

Ms Hefren-Webb—It was \$256,509.35.

Senator SIEWERT—What is the process from here now with the WA process?

Ms Hefren-Webb—The funding for the WA trial only runs to 30 June 2011, so we are in discussions with WA department of child protection about the best way to continue evaluation. It will depend somewhat on how long the trial will extend. We do not have any firm plans at the moment.

Senator SIEWERT—I will come back to the issue around the evaluation in a minute. This may be a question that Dr Harmer has to answer and that is: is there thinking around

continuation of income management implementation in Western Australia beyond 30 June 2011?

Ms Carroll—That will be part of consideration by government over the next period, and obviously it is one of the things they need to think about. We are not in a position to say, ‘Yes, it is going to continue’ or ‘No, it is not.’ As Ms Hefren-Webb has indicated, there is funding to the end of this financial year and then obviously the evaluation will provide input into consideration by government.

Senator SIEWERT—Could you tell me how many people are currently on the WA income management, because that was using numbers that were a little bit older?

Mr Warburton—As at 24 September 2010 there were a total of 701 people on income management in WA.

Senator SIEWERT—Is that compulsory?

Mr Warburton—No, that is both categories. Voluntary were 457, or 65 per cent; and child protection measure 244, so that is 35 per cent.

Senator SIEWERT—Could you break that down to metro and Kimberley?

Mr Warburton—With voluntary metro was 87; Kimberley, 370; and child protection, metro was 98; and Kimberley was 146.

Senator SIEWERT—One of the things that came out of the evaluation—and I will probably put a number of questions on notice around the evaluation—was the number of people who said that had not accessed the financial management support. In the time that the trial has left at the moment are you doing anything to see if that can improve?

Mr Riley—Yes, I am aware that that is one of the things that the evaluation did say. There is a whole raft of things we are doing to encourage take-up of the financial management support offer. There is the matched savings payment, a condition of which is the undertaking of an approved money management course which is delivered through either our money management services or our Commonwealth financial counselling providers.

Senator SIEWERT—How many people who have taken up the matched saving; how many have achieved that?

Ms Hefren-Webb—No-one. The program has not been going long enough. They have to save over a 13-week period. I believe that no-one has reached that yet.

Senator SIEWERT—When did the matched savings program start?

Mr Riley—It became available on 1 July in Western Australia and progressively as the four zones in the Northern Territory have been switched on it has been available in each of those sites.

Ms Hefren-Webb—We should soon have some.

Senator SIEWERT—I was thinking in WA; it was online earlier. So they have to do money management?

Mr Riley—They have to complete an approved money management course, which we put together with the assistance of ASIC. We put together the subject areas to ensure that they

were covered. It largely builds on the Money Business program that has been delivered by our Money Management Services in the Northern Territory and Western Australia for some time now. In addition, we have allocated funding for a service called the MoneyMob Talkabout bus. Essentially it has two troopies, large four-wheel drive vehicles, that travel from community to community. They do fun, engaging-type games to try to generate some interest in money management and to help embed the different services in those communities.

Senator SIEWERT—When did that start?

Mr Riley—Minister Macklin launched it in April this year.

Senator SIEWERT—The actual bus?

Mr Riley—Yes, that is correct.

Senator SIEWERT—It physically started then?

Mr Riley—Yes.

Senator SIEWERT—I have been told to put the rest on notice. Thank you.

CHAIR—That winds up questions in outcome 3, and there will be many on notice, as with all programs. We will now go into the final outcome, which is outcome 4, seniors. I thank the officers in outcome 4. Senator Fierravanti-Wells?

Senator FIERRAVANTI-WELLS—I would like to start with the last occasion at estimates. Can you tell me what changes have been made to staffing levels for outcome 4? Last estimates we were given an answer that there were about 55 to 56 staff working on outcomes 4.1 and 4.2. Is that still the case?

Ms Sawyers—That is roughly still the case. There are currently around 45 people working in Seniors and Means Test Branch, so working directly on outcome 4. The figures in the PBS were for 152 in 2009-10 and 2010-11. That is due to the attribution of effort across the department. Some of that attribution goes to enabling areas which are directly supporting the achievement of outcome 4 objectives, legal services, research and analysis, data and monitoring.

Dr Harmer—IT and the people branch. There is the whole of the Corporate.

Ms Sawyers—Corporate is an addition, yes.

Senator FIERRAVANTI-WELLS—In the portfolio budget statements there was an increase of staff from 132 in 2009-10 to 156 in 2010-11, which at last estimates—and without traversing that evidence—was because of the implementation phase of Secure and Sustainable Pensions. Given that Secure and Sustainable Pensions has now been implemented and the last round of estimates confirmed that there were no new programs or funding in outcome 4 in last year's budget, what work has the department's outcome 4 staff been working on during the four months since the budget?

Ms Sawyers—We have been working on our normal effort in terms of managing the programs. Our permanent staffing levels have remained fairly constant over that period. What the department tends to do when you have a new big implementation project is to bring people along to work on that for the period of time in which it needs implementing. Once the

implementation phase is over, those staff will then be redeployed into other high-priority areas.

Senator FIERRAVANTI-WELLS—What is on the horizon with the work that the 45 staff will be doing between now and Christmas? Is there anything on the horizon other than normal day-to-day?

Ms Winzar—The normal day-to-day covers a very wide range of activities, everything from drafting replies to ministerial correspondence, preparing briefing material, policy papers, research, monitoring the program and meeting our external accountability. The business as usual consumes quite an amount of resources.

Senator FIERRAVANTI-WELLS—What will outcome staff be doing next year? Is it just routine?

Ms Winzar—More of that activity would be my expectation.

Dr Harmer—It is a very cost-effective program, given the amount of money in the aged pension which is managed by this small area. It is close to \$30 billion now, so the overhead management is tiny. We get a lot of correspondence. There is a lot of work preparing briefings and material to support ministers' visits. There is a whole range of things that the group does. It is a tiny overhead for that sized program.

Senator FIERRAVANTI-WELLS—Dr Harmer, I would like to ask about the Red Book for this department. Do you have any FOI requests in relation to your Red Book?

Dr Harmer—I think we do.

Senator FIERRAVANTI-WELLS—You do?

Dr Harmer—No.

Senator FIERRAVANTI-WELLS—You do not?

Dr Harmer—I do not think we do. I am not sure.

Senator FIERRAVANTI-WELLS—You may or you may not. The reason I ask is that I have had the opportunity to have a look at the Red Book from Finance and Deregulation. Whilst I appreciate this is Finance's view, nevertheless, I would like to raise some issues with you in terms of your awareness and potentially in relation to what may have been or may not have been addressed.

Dr Harmer—We can answer factual questions, but we will not comment on Finance's view.

Senator FIERRAVANTI-WELLS—First of all, are you aware of the contents of Finance's Red Book?

Dr Harmer—I am not.

Ms Sawyers—We are aware of the contents of the records that have been made publicly available?

Senator FIERRAVANTI-WELLS—You are aware, for example, of 1.4, which is the section that deals with the fiscal challenges ahead. In particular, there is a reference to tightening eligibility. This does not pertain to your department, but it talks about the need for

those who are comfortably off in the community and their inheritors, whether they should continue to have their health and aged-care services subsidised to the current extent by taxpayers. I was not able to ascertain what ‘comfortably off’ meant. It does go on, probably pertinent to your area, to talk about measures such as tightening eligibility for the pension and increasing superannuation preservation age to the age pension would improve the long-term fiscal sustainability of the system. Have you done any work in relation to that, Dr Harmer?

Dr Harmer—No, I do not think that we have. It is not surprising that the finance department—and it is their job—would put positions of where the government can get savings. That is what they do. It is not unusual. What is unusual is that you can see what they are saying.

Senator FIERRAVANTI-WELLS—What they are thinking?

Dr Harmer—Each year the finance department puts to government a whole range of savings options in advance of the budget and what you have just read out is not surprising to us.

Senator FIERRAVANTI-WELLS—There is another section, 3.3, which looks at budget savings process and possible options. As part of that there is a reference addressing long-term cost pressures through reforming the structure and eligibility criteria for the welfare system, and of course that includes examples of pension reforms, rebasing payment thresholds and means test, and reforming the application of index arrangements. Have you done any work in relation to reforming these structures?

Dr Harmer—No. What is in Finance’s Red Book is, I suspect, mostly coming from their reading of the Henry tax review, which went into a lot of those measures, many of which have been ruled out by government and some of which will come back in the form of savings options from the Department of Finance and Deregulation, and Treasury perhaps, and some of which will be discussed at the tax summit, which is being committed for next year.

Senator FIERRAVANTI-WELLS—I appreciate that. What I am asking is, firstly, if you are aware and, secondly, if you have done any work. I am most interested from your perspective and the responsibilities that you have within your purview.

Dr Harmer—At this point the answer is no.

Senator FIERRAVANTI-WELLS—Again, at 3.6, it talks about welfare reform and Australia’s future tax system. There is a section there called Reform of Income Support Payments. That is the review one and, of course, it refers to various aspects of that. Given what you have indicated to me earlier, perhaps this might form something that you may be allocated over the coming months, and we will just wait and see if that is something that you are asked to do. At this stage, insofar as those matters I have raised, you have not undertaken any work?

Dr Harmer—We are not working on savings along those lines.

Senator FIERRAVANTI-WELLS—In relation to briefings that you have given the minister, have you given briefings to the minister since the federal election in relation to outcome 4 issues?

Dr Harmer—We do not usually, and we will not today, answer questions about policy advice to government.

Senator FIERRAVANTI-WELLS—In relation to your Red Book, I had an exchange with Dr Tune in relation to Finance, and of course they have had FOI requests, although he did say to me that the Red Book had previously been released on another occasion, as far as Finance is concerned. Is it your intention to release the Red Book other than in circumstances of an FOI request?

Dr Harmer—No.

Senator FIERRAVANTI-WELLS—Did the department brief the minister in relation to outcome 4 on any occasion in the period between the last budget and the federal election?

Dr Harmer—I am not going to answer questions that—

Senator FIERRAVANTI-WELLS—What I am trying to find out is this. There has been nothing in the budget. There are no new programs foreshadowed.

Senator Ludwig—The facts remain that we have delivered one of the most significant payments in pension reform in the last 100 years.

Senator FIERRAVANTI-WELLS—I knew you were going to pipe in.

Senator Ludwig—That is the facts of the circumstances.

Senator FIERRAVANTI-WELLS—Yes, but you were encouraged to do so. You did so under duress and pressure.

Senator Ludwig—Only after your sharp questioning on this issue that led to it coming in.

Senator FIERRAVANTI-WELLS—I am sure. Given the reluctance of the Prime Minister and given some of the comments that have been attributed to her in that she argued that the big rise in the aged pension was excessive because, I quote, ‘old people never vote for us’, as was reported in the *Sydney Morning Herald*, she must have been dragged kicking and screaming to the table.

Senator Ludwig—As you know, this government has made the system stronger and, of course, more sustainable for the future. Not only have we increased the pension age from 65 to 67, but the income taper test, which significantly assists those in the pension area, has a taper rate of 50c in the dollar, so there has been a reduction there. All of this is designed to ensure that the system is stronger and that it delivers to pensions, unlike when you were in government.

Senator FIERRAVANTI-WELLS—In that case, the reason I push the point is that it is clear from the budget papers that there has been no new spending or new programs announced for senior Australians in the 18 months since the May 2009 budget.

Dr Harmer—We are working on some election commitments.

Senator FIERRAVANTI-WELLS—That is nice. Such as?

Ms Sawyers—Enhancing the work bonus for people of aged pension age.

Senator FIERRAVANTI-WELLS—So, this is the after the Santa Claus debacle that we had last time, when Senator Evans made a joke of it, but I did notice that Prime Minister

Gillard now takes it seriously; she actually used it in her election launch on 7 August. I would like to put this on the record. Last time Minister Evans joked about the Santa Clauses at Christmas, but I notice that now, finally, the matter is being taken seriously and there are some changes there. Can I just move on to government—

Senator Ludwig—They enable pensioners over pension age to keep more of their pension when working. I am sure he would not do that. It is a serious issue, these things.

Senator FIERRAVANTI-WELLS—Of course it is.

Senator Ludwig—And that is why we have building—

Senator FIERRAVANTI-WELLS—That is why I have been raising it.

Senator Ludwig—That is why we have been able to have up to \$250 of earnings a fortnight to be excluded from the means testing. It is about ensuring that our pensioners do receive the benefits, unlike when you were in government. You criticise us, but we were the first ones to provide pension reform in over 100 years.

Senator FIERRAVANTI-WELLS—I am not quibbling. The point I am making to you is that when that issue was first raised there was ridicule. There was mocking at the sort of Santa Claus issue, but it has turned out to be it is not just the Santa Clauses at Christmas; it is the people who are on a pension, who do marking, who do all sorts of other activities, and clearly there was a problem. I am pleased to see that the problem has been rectified.

CHAIR—Obviously, the officers cannot make any comment on that. Can we move on?

Senator FIERRAVANTI-WELLS—No, I am not expecting them to make any comment. I might just move on to government advertising. How much was the final spend in the department for outcome 4 last financial year? Dr Harmer, if you do not have those figures, you can take that on notice.

Dr Harmer—Yes, I think we will have to take it on notice. The people who would have that were here this morning.

Senator FIERRAVANTI-WELLS—Perhaps if I could just put that on the record. Again, perhaps if I could just ask that you take on notice the amount spent on advertising the Secure and Sustainable Pensions changes last financial year.

Dr Harmer—We would certainly be able to give you that.

Senator FIERRAVANTI-WELLS—I understand the budget estimate gave a figure of about \$1.2 million, but if you could take that on notice.

Dr Harmer—It would be very close to that.

Senator FIERRAVANTI-WELLS—If you could also take on notice any plans for further government advertising in relation to outcome 4. You probably need to take on notice as well how much the department spent last financial year on outcome 4 staff travel and how much the department spent this financial year on outcome 4 staff travel.

Dr Harmer—We would certainly have to take that on notice.

Senator FIERRAVANTI-WELLS—Just going back to the work bonus, have you undertaken research in relation to the effectiveness of the work bonus, or did you undertake consultancies or anything like that to look at the effectiveness of that program?

Dr Harmer—Our effort will now go into implementing the government's commitment.

Senator FIERRAVANTI-WELLS—What were some of the problems associated with the implementation of it?

Dr Harmer—We are in the process of working out how we implement it, so at this stage I do not think we are anticipating any great problems with the implementation of it.

Senator FIERRAVANTI-WELLS—Has the department asked Treasury or undertaken itself any research into costing the proposal to allow the annualisation of pension income?

Ms Sawyers—There is no proposal to annualise pension income.

Senator FIERRAVANTI-WELLS—Okay. There are a couple of other questions that I will put on notice in relation to that area. Can I just move on to the age discrimination commissioner? Part of outcome 4 is a commitment to provide information services to seniors. Has the department done any work researching the viability of establishing an age discrimination commissioner who would be providing information service to seniors?

Ms Sawyers—That is the responsibility of the Attorney-General's Department, the establishment of the commissioner.

Senator FIERRAVANTI-WELLS—So, as part of the government's Delivering for Seniors policy, how does the government's proposal to establish an age discrimination commissioner work? How will that work? You will just put that through A-G's?

Ms Sawyers—Attorney-General's is responsible for that particular part of the seniors package election commitments.

Senator FIERRAVANTI-WELLS—Have you been consulted in relation to the specifics of the age discrimination commissioner and what role you may play?

Ms Sawyers—We have not been consulted in relation to the specifics, no. We have had some general discussions about the measure and where—

Dr Harmer—We stand ready to help in any way we can with the Attorney-General's responsibilities.

Senator FIERRAVANTI-WELLS—Whilst appreciating the Attorney-General's responsibility here, have you provided any assistance or advice in relation to the potential powers that the age commissioner would have?

Ms Sawyers—No, we have not.

Dr Harmer—No, they are the sorts of things that are likely—

Senator FIERRAVANTI-WELLS—You may be called upon to—

Dr Harmer—I doubt whether we would be asked around the powers. It will be clearly in the hands of the Attorney and that department. We may be asked for information. The most likely area for us to be helping is the sorts of requests that they are likely to get, which would come from evidence we get from ministerial correspondence and so on.

Senator FIERRAVANTI-WELLS—So, the scope of the powers rather—

Dr Harmer—They may ask us about that. I do not know that they have yet.

Senator FIERRAVANTI-WELLS—What about the potential skills, qualifications and experience that you think an age discrimination commissioner should have?

Senator Ludwig—Should you wish to—

Senator FIERRAVANTI-WELLS—Sorry?

Senator Ludwig—That would be an opinion expressed by my colleague. I think in this instance this question would be better placed to the Attorney-General's portfolio. That has passed, but you do have an opportunity to put them on notice this week.

Senator FIERRAVANTI-WELLS—The reason I am asking this is that with your outcome to provide information to seniors one would assume that there should be a role. Can I just ask you this: is it your intention to approach Attorney-General's to put your opinion and your two-bit worth forward, given the role that you have in outcome 4?

Dr Harmer—To the extent that the Attorney or his department require or need our help in any matter at all, we would stand ready to provide it. It is possible that they would find in certain areas where we have information about concerns of pensioners and so on they may ask us, and if they do we will support them.

Senator FIERRAVANTI-WELLS—You have put it that the government put a seniors policy out there, of which this was a component. So, I have come at this point to ask about it. But in relation to, one would assume, work done in relation to that, the cost of one million dollars per year—

Senator Ludwig—Senior issues have always been handled across agencies. I have got no doubt that will continue. I have got no doubt that they will continue to consult where necessary. This is an election commitment that is in early days and I am sure that, as the policy gets developed and announced—and of course that announcement strategy would be for government—you will learn more.

Senator FIERRAVANTI-WELLS—I am just surprised. A million dollars a year is a lot of money to hire a commissioner. It just seems like a lot of money. How can it cost a million dollars?

Dr Harmer—It depends entirely on the scope of the office and what they are asked to do and to what extent they are required to consult and set up committees or whatever. We cannot answer the question.

Senator FIERRAVANTI-WELLS—Can I just move to income management? How many seniors have been affected by income management in the Northern Territory/Cape York?

Dr Harmer—That would have been the previous people.

Senator FIERRAVANTI-WELLS—I see. Can I put this on notice and then that way they can—

Dr Harmer—You could put that on notice. We could answer the question.

Senator FIERRAVANTI-WELLS—Thank you. Has any research or other work been done in considering expanding income management to other states and territories? If so, how many seniors would be affected by an expansion of income management?

Dr Harmer—We are constantly providing advice to government around these matters. I cannot go any further than that. To the extent government decides to apply income management more broadly, we would certainly be providing cost estimates, but we have not done it at this stage.

Senator FIERRAVANTI-WELLS—Can I just ask on the poker machine issue, and given the various commitments that were made after the election to independents: has your department done any work or undertaken any research into the effects of poker machines on seniors' quality of life?

Dr Harmer—The people who know about problem gambling were in the previous outcome. We are doing a lot of work to support—

Senator FIERRAVANTI-WELLS—That is a matter for which outcome?

Dr Harmer—Outcome 3.

Senator FIERRAVANTI-WELLS—Outcome 3. This is a bit confusing, but anyway. Does the department have any plans or has it been providing any advice to other departments regarding proposals to monitor or restrict spending on poker machines, especially spending by seniors and/or pensioners?

Senator Ludwig—Still outcome 3.

Senator FIERRAVANTI-WELLS—It is outcome 3?

Dr Harmer—We are certainly working with the states and territories on the commitment by the Prime Minister to implement many of the Productivity Commission recommendations. There is a lot of work going on. Minister Macklin and Minister Shorten have responsibility for carrying that work forward. Minister Macklin in our portfolio, and Minister Shorten in the Treasury portfolio as Assistant Treasurer.

Senator FIERRAVANTI-WELLS—Can I just ask more question: broadly, though, are you aware of any proposals to use fingerprint recognition to monitor and/or restrict the use of poker machines and, if so, how many seniors would this affect?

Dr Harmer—No and no.

Senator FIERRAVANTI-WELLS—Can I just move on to the Commonwealth seniors health card? Are you aware of any proposals to water down or restrict access by self-funded retirees to the Commonwealth seniors health card by changing the definition of 'income' for the income test?

Ms Emerson—I can help you with that. Is your question related to what income is included in the Commonwealth seniors health card?

Senator FIERRAVANTI-WELLS—No, I am asking: are you aware of any proposals to water down or restrict access by self-funded retirees to the Commonwealth seniors health card by changing the definition of 'income' for the income test?

Ms Emerson—No, I am not aware.

Senator FIERRAVANTI-WELLS—I understand this was a move that was attempted in the last parliament.

Ms Emerson—No.

Senator FIERRAVANTI-WELLS—And so there is nothing on the horizon?

Ms Emerson—I am not aware of that.

Senator FIERRAVANTI-WELLS—Minister?

Senator Ludwig—I am not aware of it being attempted in the last parliament, but there you go. It might have been one that the Howard government might have thought through.

Senator FIERRAVANTI-WELLS—As one ages one keeps an eye on the definition of 'income'. I am sure you will at some stage as well. Has the department had any involvement in drafting any legislation this year that would change the definition of income for the purposes of the Commonwealth seniors health card?

Dr Harmer—No.

Ms Emerson—No.

Senator FIERRAVANTI-WELLS—Are there any plans on the horizon to change the definition?

Dr Harmer—Not that we are aware of.

Senator FIERRAVANTI-WELLS—Minister, can you guarantee that you will not try again—

Senator Ludwig—That is a good try. That is a try if ever I have heard one.

Senator FIERRAVANTI-WELLS—to restrict access to the Commonwealth seniors health card by way of redefining 'income'?

Senator Ludwig—Ask a reasonable question and we will answer the question.

Senator FIERRAVANTI-WELLS—You tried it before. I am just asking—

Senator Ludwig—That is not a question. You know it is not a question.

Senator FIERRAVANTI-WELLS—In view of previous legislative proposals, is it the intention of this government to reintroduce those previous legislative measures?

Senator Ludwig—I am not aware of any.

Senator FIERRAVANTI-WELLS—Dr Harmer?

Dr Harmer—No.

Senator FIERRAVANTI-WELLS—In an answer to a question on notice 161, age pension and solar energy rebates and credits—an answer to one of my questions—you said that there had been approximately 80 representations. Without going into details broadly, what was the nature of those representations and how were they dealt with?

Ms Foster—The representations were around the treatment of income from solar rebates. Some were requesting clarification of policy. Some were concerned about the assessment of

the rebates paid as cash. Some were inquiring about what would be the impact on their pension if they did install solar panels. So, they were clarifying the impact of, for instance, the capital installation of the solar panels on their roof. Some were just asking that general question about how the rebates would be treated and impact on their pension entitlement.

Senator ADAMS—I am asking these on behalf of Senator Bernardi. As to the advance quarterly payment option for pensioners, the question is: since 1 July, when advance payments started, how many pensioners have chosen to use advance payments?

Ms Sawyers—From 1 July to 30 September, 275,813 advance payments have been made under more flexible arrangements. Can I clarify that there is a difference between the advance payments and quarterly payments.

Senator ADAMS—That is right. I was just going to ask the second question, which was: how many pensioners have chosen to receive their payments on a quarterly basis?

Ms Emerson—Can I clarify that question? Are you referring to the pension supplement here?

Senator ADAMS—This is the media release that was put out: ‘In addition pensioners can now choose to receive around half of the new pension supplement on a quarterly basis.’ The question being: how many pensioners have chosen to receive their payments on a quarterly basis?

Ms Emerson—I can help you with that. Seven hundred and forty-five pensioners have elected to receive that supplement on a quarterly basis, as at 9 July. I do understand that there has been quite an interest since then, and we will be able to provide you with an update at the next estimates.

Senator ADAMS—Have there been any reports of problems or concerns with the advance payment system, for example, complaints received from people not being able to manage their money after taking over an advance payment?

Ms Sawyers—The department is aware of one. We have had one letter from a constituent raising the issue about the possibility of advance payments creating problems, but we have only had the one bit of correspondence that we are aware of.

Senator ADAMS—I do not know whether this one should go to Centrelink. This is on page 2 of Centrelink’s fact sheet RT025.1006 about advance payments. It states that ‘some payment types are only allowed one advance payment within 12 months while other payment types can receive more advance payments in that time period’. Why is there a difference between those payments?

Ms Sawyers—The more flexible advance payments were introduced as part of the pension reform package and they applied to people receiving pensions under those payments. Workforce age payments are a more temporary payment, and so there was no decision to make those more flexible. But it was thought that seniors, people with disability and carers are on these payments for a longer period of time. They may face times of unexpected expenses and have the ability to pay that back over time, so the decision was taken to allow some more flexible arrangements for those groups of pensioners.

Senator CAROL BROWN—As to the quarterly supplement option, how do you alert recipients, pensioners, that they can take up that option? Is that done by Centrelink?

Dr Harmer—Centrelink produce monthly information—

Ms Emerson—Dr Harmer is correct. Not only is it being communicated through the general communication products that Centrelink release; it is being put in various newsletters, such as *Seniors News*, as well. Pensioners were well alerted to the fact that they could in fact claim part of their pension supplement on a quarterly basis.

Senator CAROL BROWN—To go back to the delivering for seniors package that was announced, what elements of that package will FaHCSIA be responsible for?

Ms Sawyers—FaHCSIA is responsible for elements of that package, the enhanced work bonus and the grandparent peer support groups.

Senator CAROL BROWN—How is the new work bonus going to operate?

Ms Sawyers—The new work bonus provides a \$250 exemption for each fortnight for employment income. If a pensioner does not have any employment income in that fortnight they will be able to bank that amount up to a cap of \$6,500. People who do occasional or casual work might, for instance, be able to accrue, say, \$3,000 over a six-month period then go and do intense work for a week or a couple of weeks and they may very well not have any impact on their pension from that short period of employment due to the operation of the income bank. That is all subject to the passage of legislation.

Senator CAROL BROWN—Will the enhanced work bonus impact on the operation of the current work bonus?

Ms Sawyers—It will replace the current work bonus.

Senator CAROL BROWN—With the increase in pensions last September, are you able to give me the index arrangements for what would have been the CPI and what was the pension and beneficiaries index, and if you have it the dollar difference as well?

Ms Sawyers—I am not sure whether I have the dollar difference. I certainly do have the percentage differences. For the September indexation point the CPI figure was an increase of 1.5 per cent and the pensioner and beneficiary living cost index increased by 2.2 per cent. It was the pensioner and beneficiary living cost index that drove the increasing pensions at that point.

Senator CAROL BROWN—We have always used the pension and beneficiary living cost index, have we?

Ms Sawyers—Since September 2009 the new pensioner and beneficiary living cost index has driven the increase in pensions on two occasions, in September 2009 and in September 2010. In March 2010 the increase was driven by the MTAWI increase and that was a new benchmark. Previously the MTAWI was 25 per cent for single pensioners. Now it is 27.7 per cent.

Senator SIEWERT—In the pension increase there was generally a moratorium by state agencies, for example, housing agencies, not to increase their rent. That moratorium has finished and there are a number of states that are now raising their rent, and I know there has

been a lot of media around it and I have had a lot of phone calls and emails about it. Have you spoken to any of the states subsequently or has there been any contact or discussion with the states about keeping their rises to normal rises, not jumping in and taking all of that increase?

Dr Harmer—It would be done by the housing people, but we may know the answer.

Ms Winzar—The short answer is that some states are still considering whether they will extend the moratorium. A couple I think have decided that they will do that. I think New South Wales was one that was inclined to do that. I think we are still waiting on advice from a number of the other states, but I am happy to consult with my housing colleagues and provide that information on notice.

Senator SIEWERT—If you could. Obviously it affects seniors fairly substantially—

Senator CAROL BROWN—I thought that they were going to have a moratorium indefinitely.

Dr Harmer—That was Minister Macklin's proposition, which she still holds firmly.

Senator CAROL BROWN—Our view is that it would be indefinitely.

Senator Ludwig—To be clear, we object to state governments and territory governments raising past the moratorium. We understand that they do have to index their increases to housing, not to include what the moratorium excluded. I know Minister Macklin has written to South Australia. I am unaware whether she has written to others, but I bet she has or has certainly communicated to them in no uncertain terms her view about this, which would be my view and the government's view.

CHAIR—Dr Harmer, my thanks to you and to all your staff as normal. Thank you, Minister, for your short appearance.

Proceedings suspended from 6.24 pm to 7.30 pm

HUMAN SERVICES PORTFOLIO**In Attendance**

Senator Arbib, Minister for Sport, Minister for Indigenous Employment and Economic Development and Minister for Social Housing and Homelessness

Department of Human Services

Mr Finn Pratt, Secretary, Department of Human Services
Mr Jeff Pople, Deputy Secretary, Delivery Policy and Compliance
Ms Kerri Hartland, Deputy Secretary, Service Delivery Reform Implementation
Mr Tuan Dao, Acting Deputy Secretary, ICT Infrastructure
Mr Paul Menzies-McVey, Acting Chief Counsel, Legal Services Division
Ms Di White, Acting First Assistant Secretary, Strategic Support Division
Ms Jennifer Gale, Chief Financial Officer, Finance and Budgets Strategy Division
Mr David Trabinger, First Assistant Secretary, Service Delivery Reform Strategy and Planning Division
Ms Melissa McClusky, First Assistant Secretary, Service Delivery Reform Coordination Division
Mr Patrick Hadley, First Assistant Secretary, ICT Enabling Services Division
Mr Yusuf Mansuri, First Assistant Secretary, ICT Strategy and Corporate Services
Mr Peter Qui, Acting First Assistant Secretary, ICT Core Infrastructure Division

Child Support Agency

Ms Philippa Godwin, Deputy Secretary, Child Support Program
Ms Jennifer Cooke, First Assistant Secretary, Program Management Division
Mr Geoff Mutton, Chief Operating Officer, Operations Division
Mr David Mole, First Assistant Secretary, Business Strategy and Projects Division

CRS Australia

Mr Michael Robinson, Acting General Manager

Centrelink

Ms Carolyn Hogg, Chief Executive Officer, Centrelink
Ms Barbara Bennett, Deputy Chief Executive Officer, Corporate Support
Mr Barry Sandison, Deputy Chief Executive Officer, Business Development
Mr Grant Tidswell, Deputy Chief Executive Officer, Customer Service
Mr Karel Havlat, Chief Financial Officer, CFO and Property Division
Mr Darren Box, Portfolio General Manager, Audit and Assurance Division
Mr Frank Startari, Acting National Manager, Budget and Management Accounting Branch
Mr Hank Jongen, Portfolio General Manager, Communication Division
Ms Jenny Barbour, Portfolio Manager, Portfolio External Communication Branch
Ms Jenny Teece, Acting General Manager, Information and Performance Division
Ms Cindy Briscoe, General Manager, Corporate Operations Division
Mr Graham Maloney General Manager, Network Operations Division
Ms Sheryl Lewin, General Manager, Network Performance Division
Ms Leanne Smith, Acting National Manager, Centrelink Call Performance Branch
Ms Jenny Thomson, Portfolio Manager, Portfolio Emergency Management Branch

Ms Roxanne Ramsey, General Manager, Indigenous, Rural and Remote Servicing Division
Ms Catherine Rule, General Manager, Strategy and Relationships Division
Ms Moya Drayton, General Manager, Education, Employment and Support Programs Division
Ms Kate Hay, National Manager, Education and Employment Programs Branch
Mr Sam Campisi, National Manager, Multicultural Branch
Mr Paul Cowan, General Manager, Seniors, Families and Carers Division
Mr Mark Withnell, General Manager, Business Integrity Division
Ms Ejia Seittenranta, General Manager, Centrelink Applications Division
Ms Elaine Ninham, Acting General Manager, Service Delivery Reforms and Productivity Program Office
Mr Luke Woolmer, General Manager, Child Support and Families Systems Division
Mr Phil Lindemeyer, Portfolio Manager, Procurement and Contract Management
Ms Susan Cartwright, Acting National Manager Income Management
Mr Robin Salvage

Medicare Australia

Ms Malisa Golightly, Acting Chief Executive Officer, Medicare Australia
Mr Gary Dunn, Deputy Chief Executive Officer, People and Operations
Ms Sheila Bird, Acting Deputy Chief Executive Officer, Health
Ms Sue Chapman, Portfolio General Manager, People Services Division
Ms Jacqui Curtis, Acting General Manager, People Capability Division
Ms Carolyn McNally, General Manager, Health Programs Division
Mr Ai Tran, Manager, Business Analysis and Support Branch
Ms Jenny Benjamin, Manager, Pharmaceutical Benefits Branch
Ms Melina Saltori, Acting Manager, Medicare and VAP Branch
Ms Fiona Knight, Manager, Health Support Programs Branch
Mr Colin Bridge, General Manager, Customer Service Design and Compliance Division
Mr David Hancock, Manager, Compliance Strategy and Operations, Health Providers Branch
Ms Deborah Rollings, Manager, Co-located Services Branch
Ms Brenda Parkes, General Manager, Network Operations Division
Mr Matt Ryan, Acting Chief Financial Officer, CFO Medicare Australia and Portfolio ICT Division
Ms Shareez Farouk, Manager, Financial Control and Development Branch
Mr Peter Thomson, Manager, Executive and Governance Strategy Branch
Ms Vicki Beath, General Manager, Business Framework Division
Mr Peter Cornish, Manager, Business Framework Branch
Mr Graham Gathercole, General Manager, Medicare Applications Division
Ms Sue Kruse, General Manager, Health eBusiness Division
Mr Mark Young, Manager, eClaiming and eHealth Branch
Mr Matt Corkhill, Manager, Healthcare Identifier Project
Ms Deb Lutter, Manager, SDR Connected Authentication Branch
Ms Leonie Whiting, Manager, Online Development Branch
Mr Craig Boyd, Manager, Government Business, Industry Branch

Mr Michael Sutton, Manager, Government Business, Community Branch
Mr Craig Boyd, Manager, Government Business, Industry Branch
Mr Michael Sutton, Manager, Government Business, Community Branch

Australian Hearing

Mr Steven Grundy, Managing Director, Australian Hearing
Ms Gina Mavrias, Executive Manager, Operations
Ms Margaret Dewberry, Executive Manager, Indigenous and Multicultural Services
Ms Carel Bothma, Executive Manager, Human Resources

CHAIR—I now declare open the supplementary hearing of the Senate Community Affairs Legislation Committee considering the budget estimates for the Portfolio of Human Services. Our committee has before it a list of the outcomes relating to matters which senators have indicated that they wish to raise at this hearing and, in accordance with the standing orders relating to supplementary hearings, today's proceedings will be confined only to those matters. Senators are reminded that written questions on notice in respect of the supplementary hearings must be lodged with the secretariat no later than 4 pm on Friday, tomorrow, 22 October. The committee has set 10 December 2010 as the date for the return of the answers to questions on notice. I know that officers and senators are familiar with the rules of the Senate governing estimates hearings and, if you need any assistance, the secretariat has large copies of the rules to give you.

I particularly draw attention to the Senate order of 13 May 2009 specifying the process by which a claim of public interest immunity should be raised and which I now incorporate in *Hansard*:

Public interest immunity claims

That the Senate—

- (a) notes that ministers and officers have continued to refuse to provide information to Senate committees without properly raising claims of public interest immunity as required by past resolutions of the Senate;
- (b) reaffirms the principles of past resolutions of the Senate by this order, to provide ministers and officers with guidance as to the proper process for raising public interest immunity claims and to consolidate those past resolutions of the Senate;
- (c) orders that the following operate as an order of continuing effect:
 - (1) If:
 - (a) a Senate committee, or a senator in the course of proceedings of a committee, requests information or a document from a Commonwealth department or agency; and
 - (b) an officer of the department or agency to whom the request is directed believes that it may not be in the public interest to disclose the information or document to the committee, the officer shall state to the committee the ground on which the officer believes that it may not be in the public interest to disclose the information or document to the committee, and specify the harm to the public interest that could result from the disclosure of the information or document.
 - (2) If, after receiving the officer's statement under paragraph (1), the committee or the senator requests the officer to refer the question of the disclosure of the information or document to a responsible minister, the officer shall refer that question to the minister.

- (3) If a minister, on a reference by an officer under paragraph (2), concludes that it would not be in the public interest to disclose the information or document to the committee, the minister shall provide to the committee a statement of the ground for that conclusion, specifying the harm to the public interest that could result from the disclosure of the information or document.
- (4) A minister, in a statement under paragraph (3), shall indicate whether the harm to the public interest that could result from the disclosure of the information or document to the committee could result only from the publication of the information or document by the committee, or could result, equally or in part, from the disclosure of the information or document to the committee as in camera evidence.
- (5) If, after considering a statement by a minister provided under paragraph (3), the committee concludes that the statement does not sufficiently justify the withholding of the information or document from the committee, the committee shall report the matter to the Senate.
- (6) A decision by a committee not to report a matter to the Senate under paragraph (5) does not prevent a senator from raising the matter in the Senate in accordance with other procedures of the Senate.
- (7) A statement that information or a document is not published, or is confidential, or consists of advice to, or internal deliberations of, government, in the absence of specification of the harm to the public interest that could result from the disclosure of the information or document, is not a statement that meets the requirements of paragraph (1) or (4).
- (8) If a minister concludes that a statement under paragraph (3) should more appropriately be made by the head of an agency, by reason of the independence of that agency from ministerial direction or control, the minister shall inform the committee of that conclusion and the reason for that conclusion, and shall refer the matter to the head of the agency, who shall then be required to provide a statement in accordance with paragraph (3).

(Extract, Senate Standing Orders, pp 124-125)

I welcome the Minister, Senator the Hon. Mark Arbib. Welcome back, Minister. I welcome the departmental secretary, Mr Finn Pratt, and officers of the Department of Human Services. I would like to apologise to the officers for having a late start. It is the first time in many years that Human Services have been colocated with FaHCSIA. When I first came here they were, but then they were not, so we were not quite sure of the time. We hope we have learned from today's timing for the future and that we will never make you wait as long, but I do believe that you had a long dinner, so you probably were quite happy. Mr Pratt, I believe you have an opening statement for us; is that right?

Mr Pratt—Yes, thank you.

CHAIR—I do not believe that the minister wishes to have an opening statement?

Senator Arbib—No.

CHAIR—Mr Pratt, please give us your opening statement and we will go from there.

Mr Pratt—I would like to make a brief opening statement. I thought it might be helpful for the committee if I were to explain some of the changes occurring in the Human Services portfolio at the moment, which may assist us during the evening.

CHAIR—Do you have a copy of your statement as well?

Mr Pratt—Only my speaking notes.

CHAIR—We might think about that later. You were going to tell us the arrangements that are happening in the department.

Mr Pratt—That is right. I promise not to be lengthy.

CHAIR—Why should you be different?

Mr Pratt—The first thing that I should say is that we look forward to supporting the committee in its consideration of our estimates. There are four agencies in the Human Services portfolio. There is the central department, the Department of Human Services, which is responsible for service delivery policy and it includes the Child Support Agency which provides support to separated parents to help them ensure their children's wellbeing. The department also includes CRS Australia, which provides disability and rehabilitation services. That is the first agency.

The second agency in the portfolio is Centrelink, and I think this is familiar to most senators. Centrelink provides a range of social and welfare services and payments. The third agency is Medicare Australia and it provides a number of health services and payments. The fourth agency is Australian Hearing, which provides an extensive range of hearing services.

In December last year the government announced its service delivery reform program for the Human Services portfolio. The program aims to improve the quality and the convenience of our services and to do so through things such as co-location of offices, a single portfolio website and phone number, and most importantly, a more customer focused approach to developing and delivering services. As part of the reforms the government announced its intention to merge DHS, Centrelink and Medicare Australia from 1 July 2011. As a first step towards this merger, we have already integrated the management of our corporate and enabling services for the three agencies. You will see from the committee's schedule or agenda that we have proposed for the committee's convenience that we handle at the beginning of the session any questions on the three agencies: people services, corporate support, communications, IT infrastructure, legal, parliamentary, audit and financial services, so our entire range of corporate and enabling services.

There is one caveat to this. The integration does not include Australian Hearing, which is scheduled towards the end of the evening, and also the integration does not include CRS Australia. We suggest that discussion around CRS Australia happen when we get to DHS proper, if that suits the committee. Thank you.

CHAIR—Does anyone have any questions on the opening statement? Senator Fifield.

Senator FIFIELD—I would like to welcome the Human Services portfolio back to the embrace of the Community Affairs committee. Mr Pratt, no doubt when you saw the Centrelink fraud investigation, the report by the Audit Office, you would have said words to the effect of, 'Oh, my!', to yourself. I am wondering when DHS first became aware of the issues relating to that audit inquiry?

Mr Pratt—We were planning to cover that under the Centrelink session.

Senator FIFIELD—I will be asking questions specifically in relation to Centrelink at that time, but at this time, when we are talking to the Department of Human Services, I wanted to

have a few questions from the Human Services point of view. I will go into much more detail when we have Centrelink at the table.

Mr Pratt—My recollection is that I would have been aware of this audit early last year, probably around mid-2009, from memory, and will correct that if my recollection is faulty. This audit would have been flagged in the Auditor-General's proposed list of audits for last financial year, around that time. We will try to correct that, if I have it slightly out, when Centrelink comes to the table.

Senator FIFIELD—That is when you first became aware of the audit?

Mr Pratt—I should add that at that stage I was actually the CEO of Centrelink, so I would have been aware of it from that perspective.

Senator FIFIELD—In answering the next question you can wear whichever hat you choose, your current one or your former one. When did you first become aware, or Human Services first become aware, depending on which hat you are wearing, of the issues that were canvassed by the Audit Office report, not the fact the report was happening? Were you aware of some of those issues previous to becoming aware that the audit was to take place?

Mr Pratt—I will have to answer that in a very general sense. We are always aware of areas where we might be able to improve our operations. We would have become specifically aware of the Auditor-General's officers' views on this when they first gave us a discussion paper and that would have been at some stage last year.

Senator FIFIELD—Would Centrelink or DHS have become aware of the audit first, or at the same time when the audit office released their audit priorities?

Mr Pratt—It would have been at the same time.

Senator FIFIELD—Did DHS have any role in providing information to the audit office for the audit or was the contact purely between Centrelink and the Audit Office?

Mr Pratt—Any involvement with the Audit Office would have been superficial in nature. They would have written to the secretary of the department, as the portfolio secretary, informing the department of their intention to undertake the audit. They would have provided advice around timing and who the audit officials were. The department would have been across what was happening, generally, but primarily Centrelink would have handled the audit.

Senator FIFIELD—The same would be the case with the portfolio response to the draft audit report. That would have been from Centrelink rather than from DHS?

Mr Pratt—That is correct.

Senator FIFIELD—Has DHS received any advice from the Australian Federal Police or the Commonwealth Director of Public Prosecutions relating to the Centrelink fraud investigations with advice as to how Centrelink should conduct itself, or is that something which would go direct to Centrelink? I appreciate the relationship between DHS and Centrelink is changing as you become one.

Mr Pratt—Yes. The relationship between Centrelink and DHS is very close, so we keep in touch with Centrelink and vice versa on most significant things which are happening. To my

knowledge, I do not believe the AFP or the DPP had advised DHS about the issues in the audit, but I am certainly aware that there were discussions with Centrelink.

Senator FIFIELD—Is it possible that the sorts of issues raised by the audit report into Centrelink could also exist in other DHS agencies and, further to that, has DHS undertaken any investigations or initiated any internal reviews in other DHS agencies to audit, in its own way, the investigative activities of those departments and agencies?

Mr Pratt—In response to your first question: not to my knowledge. In response to your second question: no, we do not undertake audits of colleague agencies.

Senator FIFIELD—I do not mean in a formal sense in the way that the Audit Office would, but in the sense of checking.

Mr Pratt—In a sense, our situation is very different now, in that Centrelink looks after our audit function for us as part of the integration of our enabling services.

Senator FIFIELD—Thank you. That is as far as I want to pursue the Centrelink matter until we get to Centrelink. I just wanted to ask those few questions.

Mr Pratt—If there was anything faulty in my recollection, I will correct it when we get to Centrelink.

Senator FIFIELD—Chair, can I ask some questions at this point about the Child Support Agency?

CHAIR—We have not quite moved on to 1.1.

Senator FIFIELD—I was not sure how holistically—

CHAIR—Holistically under Corporate Operations and Enabling Services. I have linked the coordination together because of Mr Pratt's opening statement. It is corporate and across whole agency issues.

Senator FIFIELD—I will yield then until I can ask about CSA.

CHAIR—Senator Siewert, do you have any general questions.

Senator SIEWERT—Yes. I would like to know about the staff implications of the restructure. Are you losing staff, who is moving where and so on?

Mr Pratt—Let me start. Minister Bowen, when he announced the government service delivery reform agenda and the future integration of the agencies in the Human Services portfolio, outlined that over time, over a number of years, there may be some impacts on staffing numbers and these would be managed through natural attrition and retraining. At this stage I do not believe that there has been any measurable or significant rationalisation of staffing numbers as a result of our integration. We are in relatively early stages here. We have brought together the management of the various corporate services but as yet we have not harvested significant savings. The intention of course is that these savings will actually translate into more resources at the front line. It is our intention across the agencies as we move people more away from processing work and back-office work we will train them and develop them so that they can actually provide more value-adding services to our customers. That is the objective of the reform.

Senator SIEWERT—In terms of you saying you do not think you have lost that many staff at the moment and some are being redeployed and retrained—I am sorry, through natural attrition and retraining—how many do you foresee in both of those processes?

Mr Pratt—At this stage it is not possible to say. As I say, we are in rather early stages of this. We have had corporate services and enabling services integrated since March. There has been no general rationalisation of numbers. There may have been a few here and there but it would be impossible to actually isolate those from the general ups and downs which occur as a result of new business coming into the service delivery agencies' efficiency dividends and so forth.

CHAIR—As there are no more general questions, we will move on to outcome 1. Senator Fifield, you said you have questions on 1.2, which is child support. Is that right?

Senator FIFIELD—That is right.

CHAIR—You have none for 1.1?

Senator FIFIELD—No. Could you just briefly outline CSA's investigations policy in relation to people who are not doing what they ought to do?

Ms Godwin—If I could just maybe set a little bit of context first. We would normally move into a formal investigation after we had taken a series of other steps to achieve compliance. Generally speaking, we would start with an early intervention approach where we try to contact the paying parent, get them back on track. We then move into what we call administrative non-compliance measures like linking them to employer withholdings if they were not already linked to employer withholdings and things of that nature.

We would generally only move into formal investigation where we had not been able to achieve compliance through those other sorts of administrative means, and that investigation then would take a number of directions depending on information that we might have in relation to the case: whether we had initiated it or whether it was the result of a tip-off or something of that sort. I may ask my colleague Mr Mutton if he wants to add anything.

Mr Mutton—As Ms Godwin has indicated there, it really is a stepped process, if you like. Essentially we are on about making sure that people have an accurate assessment and then we are about pursuing them for the right amount of child support to pay. It really is an issue as to at what level we would do that at. Obviously we start from the supporting parents to pay, making sure that they have got various options of payment methods to pay their child support, providing opportunities to be linked voluntarily with their employer and all those options. Then we move into a stronger set, I guess, where we actually do bank searches and request information from banks. If there are funds available we would be looking to garnishee those, so it is really a stepped up process right up to, where people have a valid child support debt and refuse to pay, looking at options like litigation.

Senator FIFIELD—Does the CSA have coercive powers to obtain information that might assist your inquiries?

Ms Godwin—I am not quite sure what you mean by coercive power. We certainly have powers to seek information and to require provision of that information.

Senator FIFIELD—From third parties?

Ms Godwin—From third parties. We can engage with the tax office and ask the tax office to take tax lodgement enforcement action. We have discussed this in other estimates hearings, we will in certain circumstances engage in optical surveillance, but we do not have—

Senator FIFIELD—Coercive in the sense that you can compel a third party to provide you with information.

Ms Godwin—We can require it, but we do not have the coercive powers of a court for example.

Senator FIFIELD—Coercive powers similar in nature to those of Centrelink, or are you not necessarily familiar with—

Ms Godwin—We would not have exactly the same powers. I am certainly aware of some instances where we do not have quite the same powers that they do.

Senator FIFIELD—Would you be able to take on notice and provide the internal guidelines and procedures that you have as to when it is appropriate to use which powers, which level of officer is required to approve particular courses of action and so forth?

Ms Godwin—We can take that on notice, yes.

Senator FIFIELD—Has the CSA been subject to any legal action in relation to someone considering that the CSA has abused its powers to seek information?

Ms Godwin—To give you a thorough answer I would need to take it on notice. I am aware of at least one piece of litigation of that sort, but the CSA was successful in that litigation. It was not found that we were abusing our powers. It was not exactly an abuse of power case; it was one where there was a question about the way in which we interact with the tax office.

Senator FIFIELD—How many CSA officers were investigated for misusing their powers or using them without appropriate authority?

Ms Godwin—I am certainly not aware of any since I have been in the role.

Senator FIFIELD—When the CSA conducts investigations, are you required to comply with the Australian government investigation standards? Are they relevant for the sorts of investigations you do?

Ms Godwin—They are. Our investigators are trained I think to Cert IV level. I can take that and confirm, but I understand they are trained and we do seek to comply with the Commonwealth investigation guidelines.

Senator FIFIELD—Who in the agency is responsible for the oversight of investigations and prosecutions?

Ms Godwin—Well, me—

Senator FIFIELD—Ultimately you.

Ms Godwin—Then our structure divides into the chief operating officer's division—that is Mr Mutton—and under Mr Mutton is a band 1 officer who is responsible for our non-compliance function.

Senator FIFIELD—His approval is necessary when a prosecution is to be recommended?

Ms Godwin—I beg your pardon?

Senator FIFIELD—His approval is necessary if a prosecution is to be recommended?

Ms Godwin—I would need to check the detailed delegations. But generally speaking if we are using the most serious powers like litigation or issuing a DPO or something of that sort, it would usually be done at a senior level, either at the band 1 or an executive level 2 officer.

Senator FIFIELD—When considering a compliance matter or whether to take it further to prosecution I guess ultimately, is the complexity of the particular case a factor that is considered in terms of whether or not to pursue it?

Mr Mutton—Can you give me a bit more information, please?

Senator FIFIELD—If something looks really hard, really involved and really complex do you say, ‘That is a bit tough; we will put that aside; we will pursue an easier compliance task’?

Mr Mutton—No, I do not think that is the case. I guess there are two components to this. One is about the correct assessment and in some cases there are issues around the complexity of an assessment, particularly if either party is looking to get a departure from the formal assessment, looking for a change of assessment. But once the assessment is established in terms of the pursuit of the child support that is outstanding, there are a number of factors and points in terms of what goes to prosecution.

Senator FIFIELD—I asked previously about whether any CSA officers had been investigated for misuse of coercive powers. Do you monitor annually how many complaints are actually lodged against CSA officers? It is a different question from whether complaints are lodged as opposed to whether they are investigated?

Ms Godwin—We certainly have a lot of information about complaints. We have got a complaints line. We monitor those complaints. We ask people to specify the nature of the complaint, obviously, and if it is about the conduct or behaviour of an officer we would take that seriously. I think we would have information that would break that down but I am not sure.

Ms Cooke—We certainly look at complaints in relation to our staff members’ behaviour. So if it were a behavioural issue in relation to how that staff member was managing a situation inappropriately, that would certainly be picked up in our complaints category.

Ms Godwin—If I may just add that one of the things we have been focusing on a lot in the last 12 months or so is how to manage complaints more effectively and we have seen a reduction in complaints in the program across the board, including officer behaviour.

Mr Pratt—If I might just clarify something. CRS Australia is handled as part of DHS typically. I thought I might just check with it—

CHAIR—My understanding is that CRS was not called.

Senator FIFIELD—I will ask a few questions.

CHAIR—Okay. Now we have got something against 1.1, which we did not have in the schedule.

[7.58 pm]

CRS Australia

Senator FIFIELD—Mr Robinson, has CRS commissioned any consultancy work since the last estimates?

Mr Robinson—Since the last estimates we have had one new consultancy; I will just get the details. Sorry, two. My apologies; these are ongoing ones from previous periods. We have no new ones and we have two currently still running.

Senator FIFIELD—Remind me as to what they are.

Mr Robinson—One is to do with our internal staff satisfaction survey and another one is to do with the certification of CRS Australia against the disability service standards.

Senator FIFIELD—The consultancy about your organisation's compliance with disability service standards: what prompted that?

Mr Robinson—It is a requirement every year; we go through to be certified under the disability service standards. All providers of DMS services are required to be certified; it is a yearly audit, basically. It is underway at the moment.

Senator FIFIELD—How are you going?

Mr Robinson—It is underway at the moment and no issues are being raised.

Senator FIFIELD—Internal staff satisfaction: do you have happy staff?

Mr Robinson—We have very happy staff. I am very pleased to advise that our staff satisfaction ratings have improved since our last survey in 2008 across a range of issues.

Senator BOYCE—Do you have those figures; from what to what?

Mr Robinson—I would have to find all the details for you. It was an eight per cent increase, I recall, in the staff satisfaction overall figure.

Mr Pratt—Traditionally, CRS Australia has had quite high staff satisfaction levels in any event, and they have improved in recent years.

Senator BOYCE—I can confirm that anecdotally from a Comcar driver in Brisbane who told me the service he received from them from the fact that he was in that position had been fabulous.

Mr Pratt—Thank you.

Mr Robinson—Thank you.

Senator Arbib—Didn't need to report!

Mr Pratt—I was just searching the annual report trying to find exactly that.

Mr Robinson—In terms of job satisfaction, 95 per cent of respondents indicated that they feel their job makes a worthwhile contribution. That is a very positive result for us. I do not have the actual percentage breakdown item by item. We could provide that on notice for you if you like.

Senator FIFIELD—It must be a very popular management at CRS.

Mr Robinson—We have very good staff and we enjoy interacting with them.

Senator FIFIELD—Which leads me to ask: what is the rate of staff turnover at CRS? On average how many staff arrive and leave each year? I am guessing people like to stay.

Mr Robinson—Of the order of around 10 per cent turnover throughout a year. Staff come and go, obviously, depending on their own circumstances and the business needs at the time, but it is around a 10 per cent turnover.

Senator FIFIELD—Is CRS a party to any legal action at the moment?

Mr Robinson—We are party to one legal action in Victoria, yes.

Senator FIFIELD—What does that relate to?

Mr Robinson—It was to do with the dismissal of a staff member, who has taken action against us on the basis of unfair dismissal, effectively—review of action.

Senator FIFIELD—Is CRS undertaking any significant reviews or research work at the moment?

Mr Robinson—Not that I would classify as significant. We basically have our networks of excellence that undertake small projects of research within our organisation on an ongoing basis to look at best practice and see if we can share those sort of best practice findings across the organisation. There is no other particular large-scale review underway.

Senator FIFIELD—Thank you, Chair.

CHAIR—Thank you, Mr Robinson from CRS.

[8.03 pm]

Centrelink

CHAIR—We will now move into the questions around Centrelink. A number of senators have expressed their need to ask questions so what I thought we would do is go by issue, Mr Pratt. I think that is the easiest way of doing it. Senator Fifield.

Senator FIFIELD—Before I go to the question of the fraud, I might start on a happier note. Given that CRS has 95 per cent employee satisfaction, do you have a number for employee satisfaction for Centrelink?

Ms Hogg—I do. We had a very slight increase last year. It has gone up to 76.4 per cent.

Senator FIFIELD—From?

Ms Hogg—I think it was about, roughly, 75 per cent.

Senator FIFIELD—Okay.

Ms Hogg—A very slight increase.

Senator FIFIELD—Incremental progress, but CRS is the benchmark.

Ms Hogg—Sorry, Senator?

Senator FIFIELD—CRS is the portfolio benchmark for happiness.

Ms Hogg—They are a star, yes.

Senator FIFIELD—That is good. I might move to the happy topic of fraud. Who in Centrelink is the executive-level officer responsible for investigations and prosecutions of fraud related activities?

Ms Hogg—In governance terms, I am the CEO, so everything comes home here. From a line management perspective, the deputy of business development, and then our general manager, fraud and compliance.

Senator FIFIELD—Apart from yourself, who is ultimately responsible for the organisation, is there someone who is the OIC of compliance, fraud investigation and so on.

Ms Hogg—On a general, day-to-day management level, the general manager of fraud and compliance, Mr Withnell.

Mr Withnell—I am the general manager responsible for compliance and fraud, debt management, a whole range of topics.

Senator FIFIELD—This question can either go to you or the CEO. Can you explain why Centrelink has decided to pursue simple fraud cases rather than the more complex fraud cases.

Mr Withnell—It is not actually a shift in emphasis, it is a shift in numbers and the balance of numbers. The situation is we have what we call case selection guidelines, which are the guidelines for referral for prosecution to the CDPP. They have a range of criteria and we have to look at whether cases meet one or more of those criteria and refer them to the DPP, who make the decision then about the prosecution. From a budget measure in 2006 we had a significant increase in our activity in relation to fraud. Some of that was identified during the implementation of that measure; it was a range of fraud levels. Some of those were sent for prosecution or for decision by the DPP, but the same number of more complex fraud cases was also forwarded at the same time, so there was an increase in the number of cases and, I guess, a shift in some of the balance by virtue of that new budget measure.

Senator FIFIELD—The audit report, which I am sure you are quite familiar with, presents the Centrelink approach in similar terms to the ones I put about pursuing simple fraud cases rather than more complex ones. It says:

This approach influenced actual case prioritisation, selection and processing as it focused fraud investigations on the less complex cases in order to achieve the targets at the expense of progressing the more complex serious fraud investigations.

Is that a statement from page 25 of the audit report that you would take issue with?

Mr Withnell—I think the time of the audit goes back to not long after that budget measure was implemented and our targeting—

Senator FIFIELD—Sorry to interrupt; what was that budget measure?

Mr Withnell—It was a 2006 budget measure to enhance our activities in relation to fraud. There were a number of components to it, some of which were data matching with AUSTRAC in particular. The audit looks at the period relatively early in the implementation of that budget measure, and what we found in the implementation was there needed to be a much more robust intelligence and analysis of cases prior to sending them for referral for more intrusive investigations. You may recall at an earlier Senate estimates, in response to a question from you, I talked about our improvements in targeting and therefore the number of

investigations reducing. In a sense that has come almost during the middle of, or if not before, this audit, but because of the volume it has taken us some time to refine both the intelligence product and therefore the flow of work. So, early on, a number of cases would have gone through for what we would call an investigation that then would go through now. In that instance, even though we called them an investigation as we went through them, obviously in some instances there was an administrative treatment that was actually applied in the end rather than an investigation. Unfortunately, they are captured in the same system, which made some difficulties with the disaggregation of the data.

The other thing in terms of the sample that the ANAO took, given the parameters of a case that was started within that 12 months and finished within that 12 months, is that it tends to skew towards the more simple cases, simply because the complex cases can often take longer, given that we see the end point as the prosecution and what the outcome is. If a more complex case has seven or eight mentions in court, that can take it over another 12 months, so the sample that was taken actually, in itself, skews to those sort of cases.

Senator FIFIELD—Is it correct to say that the overwhelming majority of cases that Centrelink refers to the Commonwealth DPP have a low complexity rating?

Mr Withnell—No.

Senator FIFIELD—This refers to the period 2007 to 2009.

Mr Withnell—I would not have said that. There are a number of different assessment processes, some of which we control, some of which we do not. The thing I would say is that, for example, in 2008-09, 34 per cent of instances where the debt was over \$10,000 were referred for prosecution. So 34 per cent of those debts over \$10,000 that existed were referred for prosecution; it is a significant proportion of those debts. Not all of those debts, of course, are caused by fraud, so in terms of the number that are caused by fraud it is an even higher proportion.

Senator FIFIELD—The audit report says that of the cases referred to the DPP from 2007 to 2009, 92 per cent were cases with a low complexity rating.

Mr Withnell—The complexity rating is what the DPP apply in terms of, I guess, the activity they have to incur in terms of prosecution. Given that in a large number of our cases people plead guilty prior to trial, that would lower the complexity rating as well. A very small number actually are contested; it is probably around three per cent generally, annually, are contested.

Senator FIFIELD—That is because they were not particularly complex; they readily admitted their guilt. Do those sorts of cases usually go to prosecution as a matter of course?

Mr Withnell—No. The people who admit guilt can be across the whole spectrum. There are some instances where we would think it is a low complexity case but it actually goes to trial and is contested. There are others where we would feel that it may be contested, but it is not. It is not hard and fast.

Senator FIFIELD—The audit report says:

- The current focus on quantitative targets rather than qualitative outcomes is not consistent with Centrelink's compliance model, serious fraud intelligence priorities, case prioritisation and selection policies and its documented approach to fraud control generally.

That is a fairly damning statement in the view of the audit office that Centrelink does not comply with its own policies. Is that an unfair statement?

Mr Withnell—I go back to my earlier answer about what we discovered in the implementation of that budget measure, that it was leading us down a path where we were flooded with cases that probably did not warrant a full investigation. We were then starting to refine that process, as I indicated to you previously, so we were starting to move those cases to a different treatment than we were originally intending to. Approximately 12,000 that we would have previously badged as investigations are now badged as reviews because, as we have moved through the implementation of that process, we have identified that that is a more appropriate response. That allows us to target our resources on the more complex cases. An outcome of that which is evident in 2009-10 is that the number of cases for convictions where the debt level is, say, over \$10,000 has increased by over 12 per cent just in that year. That is, again, the improved targeting. We have a time lag here on some of this where we have made significant improvements.

Senator FIFIELD—Again, the audit report says:

... Centrelink's Executive acknowledge that the current focus on quickly finalising less complex cases has the potential to downgrade investigators' skills.

Are you still contending that was not the case, that it was a conscious policy, a conscious decision to focus on less complex cases?

Mr Withnell—No. With that statement, I actually agree that to focus on less complex cases does have the potential to downgrade investigators' skills. That was part of the reasoning for our review of what we were doing in relation to that budget measure and how we started to shift the focus, so we were focusing on more complex ones to maintain the skill of investigators.

Senator FIFIELD—I note that DHS advised the audit office that Centrelink spends over \$405 million on investigating fraud related activities. However, Centrelink was unable to confirm this advice or produce an estimated cost of its fraud control program and related activities. That surprises me. Why was Centrelink not able to confirm that advice?

Mr Withnell—There are two points there. The figure given accounts for a broad range of activities. Fraud is one of those compliance reviews. It includes debt recovery; it includes some elements of service delivery. There is quite a range of activities that come within that budget amount. Some of the activities cross over from one to another, so what might start as a review, once there are more complex issues pertaining to that, may then be escalated to an investigation and vice versa. Any activity can have a number of different elements to it and therefore you would almost have to go to each case, I suspect, to see where the funding came from to manage component parts of that.

Senator FIFIELD—Can you take on notice to provide a breakdown of what Centrelink spends on investigation, compliance and whatever the categories are to give us a meaningful figure?

Mr Withnell—I will talk to our budget area and see what we can provide.

Senator FIFIELD—Thank you for that. Centrelink deals with significant numbers of complex cases. Why is it that there is a tendency for only cases with low complexity ratings to be referred for action?

Mr Withnell—I go back to the answer to one of the earlier questions. The complexity rating is for the DPP and what they put in terms of their prosecution complexity. The nature of the cases that we put forward meet the case selection guidelines which are agreed with the DPP and were developed in 1996. Any case that we put forward has to meet those guidelines. The complexity of the prosecution is the rating that the DPP give it. Given that, as I said earlier, in a number of our cases there is already an admission of guilt they would therefore attract a lower complexity than others.

Senator FIFIELD—I will move to the increase in the debt management system debt cases referred to the DPP for prosecution action each year. The contention of the audit office is that this increase has been influenced by Centrelink's quantitative fraud targets and designed to meet the savings required by the policy agencies. Again, these cases are usually less complex to process. Is that a fair statement?

Mr Withnell—Because one of the criteria within the case selection guidelines they referred to has a debt level of \$5,000, any case which has that debt level comes up for consideration as a possible investigation and then subsequently a possible prosecution. There are a significant number of those. They flow automatically through to the system and that is an issue with the system which we are rectifying. In the past they flowed to investigation teams, who then made a decision. Now they go through an assessment process in our intelligence area before flowing to investigation teams so that there is a more centralised filtering of those cases.

Senator FIFIELD—Does 'Comptime report' stand for completion time report?

Mr Withnell—I am not sure. Which page is that on?

Senator FIFIELD—Page 83. The audit report says:

The 'Comptime' reports show that most of Centrelink's fraud investigations that are ongoing for more than 12 months are the more 'serious' fraud cases with some ongoing for more than three years.

I am curious as to whether 'Comptime' stood for completion of time, but the substantive question is the reason for what appear to be delays?

Mr Withnell—It is because we do not finalise cases until the prosecution has been completed. As I mentioned earlier, with a lot of the higher complexity cases, some of them can spend over 12 months in the court system. They are still listed as open and not completed on our books. With some complex investigations, because they are not really a processing activity but sometimes rely on additional information coming to light, the investigation time can take some significant period of time, and then preparing the brief of evidence, the discussion with the DPP, and then the DPP taking it through the court process in some cases can go for some time.

Senator FIFIELD—Was the audit office making a criticism or did they just have a lack of understanding?

Mr Withnell—I think they were concerned at the amount of time from start to finish in some of those cases. It is a concern we have and certainly, in a number of instances, we have been concerned that things take too long. Sometimes they take too long in the court system and sometimes they take too long in the investigations. Sometimes the investigations, as I said, are waiting for additional bits of evidence or trying to source that before it is possible to go to a prosecution. Not all of that is readily available, given the nature of some of the offences. Sometimes we are waiting for intelligence from other agencies. Sometimes we are waiting for responses from third parties. There are a number of elements that can go to lengthening the time of the investigation. We have recently been looking at how we manage the time frames much more effectively. One of the difficulties is that the system we use does not provide that to us easily, but we are in the process of rebuilding that system and one of the elements to that will be about regular checking, from a time point of view, of activity in relation to the cases.

Senator FIFIELD—Could you explain why debt cases take up a large proportion of fraud investigations? As the ANAO report defines, they are seven times more likely to be referred to the DPP than other fraud cases.

Mr Withnell—I would need to go back to my answer to an earlier question about the nature of the sample that those figures are derived from. The other issue would be the volume of cases that come through as referrals because of the \$5,000 threshold. We have recently raised that to \$10,000 to try to apply another filter. However, it is important to point out that we do prosecute cases under \$5,000—for example, if it is very blatant identity fraud. That is only one criterion.

Senator FIFIELD—The intent is an important consideration.

Mr Withnell—That is right.

Senator FIFIELD—You touched on intelligence assessments earlier, which are a part of your approach to prioritising more serious cases of fraud. Why did the audit office review find that they were ineffectual, that they really did not affect the decisions to prosecute one way or the other?

Mr Withnell—Again, in relation to the sample, because the sample had a significant number of debt cases that flowed through it, those cases do not have an intelligence assessment as such and so the numbers of cases in the sample where the intelligence assessment would have had an impact on the investigation would be small to begin with. The intelligence investigation essentially provides a basis for moving to an investigation, rather than the totality of the evidence.

Senator FIFIELD—Those sampling errors have a lot to answer for, it would seem. You touched on the two systems that you have and their lack of integration. The Fraud Investigation Case Management System is one.

Mr Withnell—Yes.

Senator FIFIELD—The other is the Integrated Review System. The do not reconcile with each other. Could you briefly take us through what you are doing to resolve that?

Mr Withnell—The Integrated Review System, or IRS as it is generally referred to, is the core system in terms of our compliance activity and in relation to the very broad number of reviews. I have provided to you previously information in terms of the numbers. That is the core system in terms of reviews. The Fraud Investigation Case Management System is an add-on to that and was primarily designed for the management of fraud cases. It has some limitations, which we have been aware of and have the funding to fix. We are looking at a solution to that at the moment. One of the difficulties with it is, as other activities flow straight into it, it goes beyond just being a case management system. It is actually an intelligence or assessment holding station and DMS referrals flow straight into there and are then assessed. Unfortunately when it moves into there a previous recording comes through as investigation so it has a workflow, an assessment and a case management function, and the three are not clearly delineated and that created some confusion for us and clarity in terms of our ability to separate reviews from investigations and I think created some difficulties in that regard with the sampling and also with the conclusions from that.

We have funding at the moment to rebuild that system and a broader system in our linkages to intelligence which would certainly separate that and improve the workflow of investigational cases to review from a variety of intelligence sources. That is being funded in the current budget measure, 2009-10, for us to upgrade those systems and to improve that.

Senator FIFIELD—Ernst & Young's evaluation of 2006, according to the audit report, found that the case management system was not compliant, that it would not meet the standards of the Australian government investigation standards. You said you have been funded to improve the system. Is that in response to that 2006 report?

Mr Withnell—We have had funding in relation to that. We went through a process to find a system previously. There was a very long tender process with other agencies. Unfortunately there was no satisfactory contractual conclusion to that, so we have now started to have another look at that and, because of the additional funding, it will allow us to integrate much more effectively the flow between intelligence case management and IRS than the original.

Senator FIFIELD—Did that additional funding come as a result of the anticipation of findings of the Audit Office report?

Mr Withnell—The budget measure was foreshadowed, or first put forward, for the budget process for this year and therefore was being worked up around September-October last year, which would be at the very early stages of the audit but long before the ANAO report findings.

Senator FIFIELD—Centrelink have been aware for some time that the fraud investigation case management system did not meet the Australian government investigation standards?

Mr Withnell—We have been aware that there were limitations in the system.

Senator FIFIELD—Is that the same as them not meeting the Australian government investigation standards?

Mr Withnell—I could not give you a definitive answer on that. I would have to look at the Ernst & Young findings in detail to see which elements they felt were not compliant. I think

there are some elements around record keeping and the ability to store some uploaded files that would cause us some concern.

Senator FIFIELD—With some of the shortcomings of the Fraud Investigation Case Management System, FICMS—is that the acronym you use?

Mr Withnell—That is right.

Senator FIFIELD—Do some of the shortcomings arise as a direct result of Centrelink staff not following the internal guidelines set down by the fraud investigation meeting, the view of the audit report?

Mr Withnell—I am not clear on your question there.

Senator FIFIELD—I will quote directly from the audit report:

... many of the shortcomings in Centrelink's FICMS arise because Centrelink staff do not follow internal guidance provided in Centrelink's FIM ...

That is the fraud investigation manual.

Mr Withnell—The fraud investigation manual sets out obviously the guidance that we would provide in conducting reviews. I think we would concede that some of the critical decision records were not kept in the appropriate place but there are limitations with FICMS in relation to storage of those documents within the system. One of the difficulties in following the policy guidelines is that the guidelines were issued during the period that the audit looks at so there is a crossover point between the guidelines being localised and then the more coherent, if you like, set of guidelines that were issued nationally.

Senator FIFIELD—It is not the case that there were problems with staff not following the guidelines; it is that the period looked at covered a time when the fraud investigation manual was not in force?

Mr Withnell—It would be unreasonable of me to say there were no problems with staff. I think as people are learning a new system they will on occasion vary the guidelines, particularly if they have been using other processes, but we are not aware of it being a widespread issue.

Senator FIFIELD—The audit report says—and you have probably conceded this point already:

Fraud control staff working in Centrelink's Business Integrity Network described the FICMS as a case management system that is clearly not able to meet Centrelink's business needs in terms of record keeping and data analysis of investigations.

So you have conceded that and are taking steps to address that. And you are certain that failure to follow the FIM is not a significant issue?

Mr Withnell—No. We have ongoing training in relation to the FIM. We have levels of supervision where people are required to demonstrate it going through various elements of the process that are outlined in the FIM. One of the complexities that I guess comes with these sorts of investigations is it is very difficult to actually set out precise guidelines for all instances that occur, but certainly the critical steps are clear.

Senator FIFIELD—What do you think the audit report meant when it said:

Centrelink's single quality control, that is, managerial consideration and approval of decision making at key points throughout the investigative process, is not effective.

Mr Withnell—My recollection of the report is that that was largely related to what they perceived as an absence in some instances of critical decision records and in some instances critical decision records that we would have hoped to have been more fulsome than they were. In relation to that we did ask the ANAO to provide us with some examples where we had been noncompliant. They provided us with 20 cases where there were instances where they believed the absence of a critical decision record existed. In 17 of those cases we were able to find the critical decision record.

Senator FIFIELD—Seventeen out of 20?

Mr Withnell—Yes. The difficulty was that some of them had been stored outside of FICMS because of the limitations we discussed earlier.

Senator FIFIELD—Could you explain why the Audit Office's review of cases identified that 87 per cent of the 113 fraud investigations which were the sample did not comply with the Australian government investigation standards and Centrelink's own policies? I know you have touched on some elements of why that is the case, but if you could give a broad explanation.

Mr Withnell—The Australian government investigation standards deal with cases where there is an investigation into criminal intent and therefore mandate a certain set of procedures that are followed in those instances. I hate to go back to the sampling problem but one of the difficulties, as I said, is some of those cases would not have been resolved as an investigation but as a review and therefore there will be elements of aegis that they were not going to comply with simply by virtue of not going to the more intrusive level.

Senator FIFIELD—You referred to those 20 cases where there was not appropriate documentation and you found it in 17 of those 20 cases. Were those 20 cases the totality of situations where the Audit Office found that there was not the appropriate documentation of critical decisions?

Mr Withnell—That might be a question you will need to ask the Audit Office. Out of the cases they were using in the sample, when they provided us with that we asked for their breakdown of what the noncompliance areas were so that we could actually have a look at that. They provided us with the 20 and we responded to the 20 and indicated some of the results.

Senator FIFIELD—That 20 is what the Audit Office would have been referring to when they say that their case reviews found very few investigation files contained documented critical decisions or when they think they were often not approved or incomplete or the information was not sufficient to provide the required level of assurance to the approving officer?

Mr Withnell—That is correct. They were the ones we asked for so that we could have a look at where the problem was and that was the result of that.

Senator FIFIELD—They provided you 20 to look at. Just as a general comment in response to the Audit Office review, would you say that Centrelink's performance in this area

overall has been appropriate, effective and well administered in light of the Audit Office findings?

Mr Withnell—I think it has been effective and I think it has been appropriately administered. I think as we identified issues, as I indicated earlier, we started to take steps to resolve some of the things we were finding in the implementation of that particular budget measure in 2006. A number of those we flagged with the ANAO prior to the audit, but these may be things they found and that the steps we were taking already to resolve those. I think in any program there are always improvements we could make and we have that continuous improvement program. I think some of the things I have talked about today are measures we put in place prior to the audit and are continuing to.

Senator FIFIELD—Because there has been extensive media coverage of the audit report I might give you the opportunity to sort of summarise things in your own words. There would be people watching this testimony who would have difficulty reconciling what the audit report says and the coverage of the audit report with your response to it, which is that overall Centrelink has been appropriate and effective in the area of fraud, of pursuing fraud and in terms of meeting the government's requirements in investigative protocols as outlined by the Attorney-General's Department. So I might just give you the opportunity to try to reconcile the report, the coverage and your statement on behalf of the organisation, which is that things are pretty good; you can always improve. I might just give you the opportunity to do that.

Senator Arbib—I think Mr Withnell answered the question.

CHAIR—Yes, Senator, I think that is a step too far, the way you phrased it.

Senator Arbib—You asked a direct question previously and Mr Withnell answered that directly. I do not think your question now is—

CHAIR—It is now a kind of justification of an officer going through an hour and 10 minutes of questioning. Mr Withnell if you want to make a final statement after your evidence that is fine, but I do want to put a break between the way it was actually phrased that you are now speaking to the population of Australia who will be watching Senate estimates. If you just want to pull together your evidence, that is fine, but you are not speaking on behalf of your agency and justifying the agency's operation.

Senator FIFIELD—Through you, Chair, I am genuinely providing the officer an opportunity. If the officer wishes to refer it to the chief executive or to the minister to respond he has that option, but I do think it is appropriate to provide the portfolio with the opportunity to endeavour to publicly reconcile what has been in the press, what is in audit report and what may seem to be comments at odds with that.

Senator Arbib—I accept that, Chair, but Mr Withnell answered that question exactly in the previous question. I do not see there is any need to go on with it. I think it has been answered sufficiently.

CHAIR—Mr Withnell, only if you wish to add something, but you do not have to.

Mr Withnell—I will just add one thing. We accepted the recommendations of the ANAO audit.

CHAIR—I believe the department accepted all of them.

Mr Withnell—All of them—that is correct.

CHAIR—Thank you.

Senator FIFIELD—On the same topic, could you briefly explain the coercive powers that Centrelink has?

Mr Withnell—The coercive powers derive from the Social Security Act, sections 192 and 196, if I recall correctly. They give us the power to obtain information for the purposes of administering the Social Security Act.

Senator FIFIELD—Are the Centrelink staff who exercise those powers properly trained in the appropriate legal principles to enable them to understand the significance of those coercive powers and when it is appropriate to use them?

Mr Withnell—The coercive powers are used very broadly across the agency by virtue of the need to administer the Social Security Act. They are not powers under the Crimes Act; they are powers under the Social Security Act.

Senator FIFIELD—Is there certificate level training that officers have or need to have before they can exercise those powers?

Mr Withnell—We have a certificate level IV in fraud investigations that officers are required to have.

Senator FIFIELD—The audit report touched on, in its view, that there was some unauthorised or inappropriate use of coercive powers. Could you comment on that?

Mr Withnell—That was a concern to us, of course. We asked, again, if there were instances that the ANAO could point us to. We were not provided with that information. In the cases that we looked at, we were unable to find any instances where they had been used inappropriately.

Senator FIFIELD—What led the audit office to think that was the case?

Mr Withnell—It goes back to one of the earlier points I made about the definition of investigation at the point the investigation comes in. As you move to an investigation and have a strong belief of criminal intent, coercive powers under the Social Security Act are no longer appropriate to be used. The AGIS standards come in and there is the issue of self-incrimination through the coercive powers. If a case goes to that point where it becomes formally an investigation with a view to prosecution, the coercive powers under the Social Security Act cannot be used. In the cases that went to that extent under the sample, in all of those cases coercive powers were not used as part of the prosecution.

Senator FIFIELD—Does Centrelink keep records of complaints that it receives regarding the use of coercive powers?

Mr Withnell—Centrelink gets a range of complaints, obviously, through the customer relations unit. Any instances where there are complaints about the conduct of investigations are looked at very closely. I am unable to tell you of any instances that I have seen where there have been complaints about the use of those powers.

Senator FIFIELD—Can you take on notice the number of complaints as a broad category from 2006-07 through to 2009-10 and also, as a subset of that, complaints that relate to the use of coercive powers?

Mr Withnell—I will see what we can do. I am not sure if the complaints database has that level of granular detail. I will see what we can provide.

Senator FIFIELD—Thank you. Can you advise how many cases have been prosecuted by Centrelink that involve debts to Centrelink of more than \$30,000 that have been referred to the DPP for prosecution?

Mr Withnell—I do not have the number over \$30,000. I gave you earlier the percentage of total debts that went through, but I do not have a hard figure.

Senator FIFIELD—Would it be possible to get that on notice?

Mr Withnell—Over \$30,000?

Senator FIFIELD—For each year from 2006-07 to 2009-10?

Mr Withnell—I will see what we can provide.

Senator FIFIELD—Thank you for that. Also, can you advise how many cases the DPP prosecuted on behalf of Centrelink from 2006-07 through to 2009-10?

Mr Withnell—I think I have provided those to you in previous estimates, but we can provide those again.

Senator FIFIELD—If you could. Has Centrelink received from the AFP and/or the Commonwealth DPP advice since January 2009 on how to better pursue fraud investigations?

Mr Withnell—We have 13 Federal Police agents who are located with our teams. They provide a level of quality assurance, mentoring and training for investigators in those teams. They also execute warrants, as appropriate, on our behalf. We have an ongoing dialogue with the AFP on that. We have an ongoing dialogue with the Director of Public Prosecutions, both at a regional or local level, and also at a national level. We take on board any information they provide us as to difficulties or otherwise that their prosecutors are finding with our cases. We have an ongoing dialogue with both of those agencies. There has been nothing of major importance. There are obviously things we can do to improve either the quality of briefs of evidence or the nature of evidence we collect.

Senator FIFIELD—Has the AFP raised any concerns with Centrelink about criminal activities relating to identity theft?

Mr Withnell—We are a member of an interagency group, which includes the AFP, that deals with issues of identity management, identity theft and identity fraud. We canvas issues with them on an ongoing basis.

Senator FIFIELD—The question was prompted by a report in the *Australian* on 1 October this year, which states:

THE Australian Federal Police has warned that identity fraud by Centrelink clients could “significantly increase” ... after the agency decided last year to stop photocopying, certifying and filing identity documents as part of an efficiency drive.

Mr Withnell—I am happy to respond to the question. One of the difficulties in responding is that there is a range of controls in this area which could be compromised by doing so.

Senator FIFIELD—I certainly would not want you to do that, but to the extent that you can answer without compromising, please do.

Mr Withnell—The comments of the AFP were largely related to us no longer photocopying proof of identity. The point I would make is that the actual document itself is only very rarely used in relation to ID fraud matters. There are a range of other controls, as I said, and I would be happy to go into those in-camera if that is necessary. The photocopying of the document itself is only one element, and the element is actually covered off in a number of other ways.

Senator FIFIELD—I will not push you further on that point.

CHAIR—It would be probably useful, but not now, to seek a briefing from the minister so that you could have that in a way that could reassure you and without having that kind of evidence in public.

Senator Arbib—We could arrange that.

Senator FIFIELD—Thank you, Minister. Do you ultimately have oversight of Centrelink's use of coercive powers? I know the CEO does, but you ultimately are the person that oversees those activities?

Mr Withnell—When we request information from a third party, technically we may be using the powers as they are conferred. It is really the power to get and verify information that is provided to us by customers. Certainly in the fraud and compliance area, I would have responsibility. There may be others within the organisation who also have use of those powers, probably for less intrusive purposes than some of mine.

Senator FIFIELD—Thank you. I have some other questions, but I will put those on notice. That is the guts of what I wanted to ask.

CHAIR—There are no further questions on this issue from other senators. Thank you, Mr Withnell.

Senator ADAMS—I have some questions on paid parental leave and the way that the Family Assistance Office will administer these payments. Do I have the right people for that?

Ms Hogg—Yes.

Senator ADAMS—For the first six months of the program the Family Assistance Office will administer PPL payments. From 1 July 2011 employers will generally be required to provide parental leave pay to their eligible employees. What steps has the department taken to explain the role of employers in providing parental leave pay to their employees?

Ms Hogg—Mr Cowan, who administers the program, can answer that for you.

Mr Cowan—We have been working closely with the employers for some time on the development of the paid parental leave arrangements and also their implementation. We are part of an implementation group chaired by FaHCSIA of representatives of industry. As well as that, we have been working directly with software providers and developers who provide software to companies for their human resource management. We have also had direct

dealings with small business associations and industry bodies on talking about their particular issues, explaining to them the role and how they can participate in it.

Senator ADAMS—What feedback have you had from employers about the pay clerk requirement?

Mr Cowan—The views of industry employer bodies on that aspect of it are in the public domain. They have made those views clear from the outset. We have not engaged in debate with them on it.

Senator ADAMS—You have not had any feedback at all saying, ‘Why can’t the Family Assistance Office keep going and do it rather than us?’

Mr Cowan—They have made that point in the public domain and they have made that point to us.

Senator ADAMS—What assistance will the department provide to employers to assume the role of the paymaster of parental leave payments, other than what you are doing now? Once they start doing it are you going to still be there to support them?

Mr Salvage—Firstly, yes. As my colleague Mr Cowan said, we have engaged quite extensively with a number of individual employers, employer peak bodies and software providers to firstly seek advice from them on how to best implement these requirements. Our focus is to make this as easy as possible for employers to discharge their responsibilities in regard to this scheme. Our starting point will be to provide a large amount of information through employer organisations. Mr Cowan mentioned the implementation group and we have been talking to them about communication methods we might use through peak bodies, but also our key method of support is our website where there will be support information for employers. It is there at the moment. We call it the employer tool kit. It covers the range of issues that employers might want to know: what their obligations are, what they should do first and how this might unfold for them. That is backed up by our Centrelink business hotline, which gives another option for people to call where they can take them through the process required. We are keen to make those instructions clear. It is obviously early days now and we are still dealing with early numbers of businesses starting to register, but that is how we are underpinning the process.

Senator ADAMS—Can you tell me how much it has cost the department to update the software and your systems in order to administer the payment of parental leave entitlements?

Mr Salvage—This is a delivery that is still in train. We have built the first components of it, being the claiming process for customers, the provision of the information that I was talking about earlier, an estimator that is provided for customers to evaluate their entitlements to either baby bonus or paid parental leave, and the process of informing employers that I referred to. We have more work to do in terms of implementing payment processes in place for January and then beyond in July, when the employer role becomes compulsory to a point. I do not have cost information at the moment. I have the allocation that we were given to implement the scheme, if that is useful.

Senator ADAMS—Yes. I was going to ask what was in the budget.

Mr Salvage—There were two components to the implementation of paid parental leave. The first component was to build the systems that I was referring to and the second component was received to implement the review, appeal and regulation function that we need to have in place for 1 July when the role for employers becomes mandated. Do you want a breakdown by total or financial year?

Senator ADAMS—You can do it by total to start with.

Mr Salvage—The total amount for the entire components that I just mentioned over the five financial years up to 2013-14 is \$76,268,000.

Senator ADAMS—And then there are the new components? You have said that you are not sure how much it has cost. Are you going to be within budget or over budget? How do you feel with this? I know it is at an early stage, but I would like to have an idea about that.

Mr Salvage—As you said, it is at an early stage. We have just gone through the process of the August and September cost to implement. At this stage we are evaluating our financial position, but I am still waiting for the detailed reports to come from that first tranche of work that we did this financial year, so it is a bit early to report on that.

Senator ADAMS—I will be asking the same question again in February, assuming you will have started by that time.

Mr Salvage—Certainly.

Senator ADAMS—Given the effort and expense, why is it considered necessary or desirable that after six months employers must assume the administrative responsibility and burden of serving as the PPL pay clerk? I cannot understand that, after having sat through the inquiry and listened to witnesses. You have set it all up, got it going—hopefully—and everything is working and then six months later that is abandoned.

Mr Pratt—This is a policy matter. The officer cannot respond to that.

Senator BOYCE—I would like to ask a follow-up question on that. The reason that we have been given is that it is about keeping the employer and the employee ‘in touch’. Where was the research for that being the case and therefore preferable to the government paying it?

Mr Cowan—Again, that is a matter for FaHCSIA. That is a policy issue. It is not an issue for us. We accept the policy as stated and implement it accordingly.

Senator BOYCE—Is there any point in asking now if any research was done on that or if that was an intuitive view?

Mr Pratt—Not of this portfolio; it is a matter for FaHCSIA.

Senator BOYCE—I will put questions on notice about that.

CHAIR—Senator Adams, do you have any further questions?

Senator ADAMS—Yes, I have a couple more. What advice or assistance is the department providing to software manufacturers to ensure their systems will cope with the addition of the PPL payments to business payrolls?

Mr Salvage—Initially when the scheme was first put out in terms of draft legislation by FaHCSIA, a business requirement statement was put on their website to start to inform

software providers at the earliest stage possible about the possible methods by which the payments would be made. The feedback that we have had from those organisations, and FaHCSIA has also, is that it has been a very useful document to prepare software providers and companies that do their own payroll. Since then, we have engaged on a fairly regular basis with peak bodies of software providers, the Australian Association of Payroll Specialists. We have delivered a session for them today. Some of our experts were there to answer their questions. We have also sought to meet with other bodies to ensure that we have given as much briefing as possible. Where it gets down to that detailed technical specifications, as I said we have put as much information as we have received from them as to what they want on our website and continue to update that as they come forward with more questions. We also have our technical back-up in our business hotline, as I said, who are experienced in working closely with IT providers in terms of that connection issue that has to occur between organisations.

Senator ADAMS—Have any of these software providers made the department aware of problems that they have encountered in updating their systems? For instance, has there been any problem with the difficulty of differentiating parental leave payments, which do not attract superannuation, and the standard wages, which accrue superannuation?

Mr Salvage—None reported specifically to us. The general attitude coming through is a good understanding of the requirements and as they become acquainted with those requirements there is an attitude of ‘let’s get on with it’. We are not getting high levels of criticism in terms of those issues.

Senator ADAMS—Have they got down to the superannuation area yet?

Mr Salvage—I believe so. I have not specifically had discussions or questions raised on that issue.

Senator ADAMS—With the first claims for paid parental leave being lodged with the Family Assistance Office from the first of this month, can you tell me how many claims or applications that you have had lodged with the office?

Mr Salvage—As of 15 October, last Friday, we had 331 claims lodged with us.

Senator ADAMS—Being the old midwife I came up with this question. What happens in the event of a premature birth prior to 1 January 2011 where a claim has been lodged in expectation of a post 1 January 2011 delivery? In other words, somebody has a premature baby in December, they have put a claim in for later, but the baby is born before the date. What are you going to do?

Mr Salvage—When these things happen, as unfortunate as they are, we have a bereavement process that commences.

Senator ADAMS—The baby may be premature. What I am talking about is that it is still alive and has just been born a few weeks early.

Mr Salvage—I am sorry, I had moved on to the other unfortunate situation that we obviously have to plan for. The legislation provides that payments are due and payable after 1 January, so in the circumstances of a child being born before 1 January it would not be payable. The baby bonus would, of course, be available.

Senator ADAMS—That is a bit unfortunate. You can have a baby two weeks early and you cannot claim.

Mr Cowan—The general principle is that premature births are catered for, it is just that there is a hard date of 1 January. If a child is due sometime after, say, March and the birth is premature, there is the capacity for that to be catered for and paid parental leave paid. It is just that 1 January is the hard date.

Senator ADAMS—Thank you.

CHAIR—Senator Scullion indicated that he had questions. Senator Scullion, which areas are they in?

Senator SCULLION—I am seeking someone to help me out with how the breaching for noncompliance works in regard to a number of income support payments.

Ms Hogg—I thought that you originally said about the Northern Territory. Is it more general?

Senator SCULLION—I have some data from the Northern Territory specifically. This was not produced by you. It is just another report and there is no reason to question it, but it is very difficult if you do not understand the exact circumstances under which a breach may occur. I have some trends and I genuinely thought you might be able to help me with that.

Ms Hogg—We will start with Ms Drayton, who is the font of all knowledge on the complexity of the compliance model. We will go through that first and then perhaps we can talk specifically about any issues that you have.

Senator SCULLION—Thank you. There are two general things that I want to talk about, first of all the nature of seasonality. In Shepparton, for example, there may be some fruit picking, but it is only for a short period of time. If people were currently passing an activity test, for example, around turning up, training or any of those things in regard to some seasonal activity, are there any particular provisions to ensure that the fact of seasonality does not have an impact on being breached or any of those sorts of things? How is that taken into consideration?

Ms Drayton—I am not sure. I need to clarify a bit here. I will talk generally. Anyone in receipt of an activity tested payment, in order to receive that payment, has obligations and requirements that they have to meet. If that is an activity or if it is looking for work, in order to receive that payment they have to meet that activity. I am not sure I understand what the question is in relation to the seasonal workers.

Senator SCULLION—I can come back to that. What weighting do you put? We have a whole range of work experience activities. We have Work for the Dole, Green Corps, part-time study, part-time casual payment, brokered unpaid, voluntary work and so on. Is there any weighting? Is it just simply that if you do any of those and you provide for that activity then you have met the requirement, or is it that you may say if there is also work as well as a Work for the Dole, or something like that, would you actually require it to be an activity? Would you specifically say, 'We'll weight this activity in front of another one,' as a preferred activity, if you like?

Ms Drayton—In those cases, the employment service provider has responsibility for what is included in the employment pathway plan. That could be a combination of activities and Job Search. They would have that negotiated with the job seeker around what the requirements were for that individual at that point in time. It could include both activity and job search at the same time.

Senator SCULLION—The reason I was talking about seasonality is that it was over a period of time. Someone may say, ‘I’m doing Work for the Dole now,’ but when work became available suddenly that may be for a period of time. Would it be the case that Centrelink may say, ‘We think this is a preferred activity because it is a job that you may be trained for that is now available,’ or is it the case that you just simply say, ‘You’re meeting an activity at the moment and you continue to meet that activity’?

Ms Drayton—We do whatever we can to support people to find employment. Centrelink’s role in that particular situation would really come into effect if someone had been offered a suitable job and refused to take it up, in which case the compliance framework would kick in, or if they were in a job and were fired or sacked for misconduct or anything else; that is where Centrelink’s role in the compliance framework would come in.

Senator Arbib—What you are talking about, and Ms Drayton raised it, is at the Job Services Australia level the people who are responsible for a contract or a contract manager would sit down with the individual. They would work out what the employment pathway plan is and that would have agreed activity. Therefore, it is agreed between both of them and it takes place. Yes, harvest work could be part of the activity test.

Senator SCULLION—It is just because it is such a broad range of activities. I understand that if there is a plan, however long that may be. If the circumstances change, would you say to somebody that is participating in an activity, ‘We would now like you to participate in real work because it all starts on this day and date’?

Ms Drayton—The providers are always looking for how they can help people into work, whether or not it is full time. They would be looking at opportunities to do that.

Senator SCULLION—You are really providing the overall policy framework, in any event, but it is still up to the job service provider.

Ms Drayton—The job service provider works with the job seeker to either agree an activity with them, if it is an activity, or to help them find work. Centrelink’s role in that is responding to things from the provider about the attendance of the job seeker or their failure to take up a job, if they are offered a suitable job. That is Centrelink’s role in that part of the framework.

Senator SCULLION—You might be able to help me with that part. I understand there was a change in 2009 and now we have the new system. Pick me up if I am wrong here. There are two types of report that the job service provider may provide to Centrelink to indicate that somebody is meeting their activity test. The first one is a participation report, which basically says to Centrelink that somebody has not met their requirements and that goes down as a negative in the old system and the new system. It is scored slightly differently. The other type is a contact request in which I understand the provider actually has a discretion to say, ‘Well,

in this circumstance we do not think you need to actually breach the person; we just sort of want to let you know that he did not turn up.' Is my interpretation reasonable?

Ms Drayton—Broadly. I would probably distinguish in that the contact request is where the provider is having trouble making contact with the job seeker, so they have not decided that they are going to submit a failure for them but they really want Centrelink's help to contact that job seeker. Centrelink's role in that part of it is to contact the job seeker, make some attempts to contact them or talk to them when they next come into Centrelink and to reinforce their need to go and see their provider. A contact request is not a failure in that kind of language—

Senator SCULLION—No, it is not. In fact it is a sort of discretionary report but not to their—

Ms Drayton—It is a re-engagement tool.

Senator SCULLION—I am not looking for something specific, but can you give me the general sort of trend about what the ratio would be of participation reports to this discretion of contact requirement? If you do not know it, it—

Ms Drayton—I do not have it with me. I can talk in general terms.

Senator SCULLION—Would you get a lot more of one or the other?

Ms Drayton—It has certainly been a really positive feature of the new framework in that providers have used it very readily in trying to make and keep contact with job seekers. It is something that, for the first few months of the framework as it was settling in, was used a great deal. I do not have it with me but I do have data. I know for example that for this financial year Centrelink has actioned 266,457 contact requests. It is something that has been picked up in that time frame very quickly. On notice I can get you the ratio.

Senator SCULLION—How would that be against the participation reports—can you say?

Ms Drayton—I have got the total but I cannot—

Senator SCULLION—No, just the number of the others.

Ms Drayton—The number of the others is 471,139.

Senator SCULLION—So it is about half. We have in the Northern Territory Emergency Response areas a specific demographic. I have a report, and I could hand you the scale but I do not want to bog you down. It is actually just a part of the Northern Territory *Closing the gap* report which came out a few weeks ago. There is a scale here that basically says, for example, that between August and 31 January 2008 we actually briefed 65 people. From then to 30 June there were 32; July 2008 to December 2008 there were 19, 12 and six. It is all looking good. We are breaching fewer and fewer people in the NTER area. I think that is a positive thing.

But between 1 January and June there are no people who were breached at all. I know the area quite well and I have an interest. In that particular amount of time, given that the demographic is about 5,500 or thereabouts, there were 1,726 contact requests. That was 61 per cent of the total of the participation reports and the contact requests, so it does seem to me to be a lot more than may have otherwise occurred. But given all of that—there is going to be

at least 3,000 out of the 5,535 actual participants in the process—there is a large percentage somehow in there but throughout that whole process nobody was actually breached.

Ms Drayton—I can make a few comments about that, if it would help. I can break it up into the remote communities and the Northern Territory as a whole—I am not sure which one you are more interested in—or perhaps both.

Senator SCULLION—If you have the NTER communities, they are just the same statistics that I am using.

Ms Drayton—Remember this is a new framework. That reporting period covers the new framework, which is very different to the way the old framework calculated—

Senator SCULLION—I understood that.

Ms Drayton—In the period of 2009-10, just in the communities there were 116 financial penalties applied. That includes short penalties as well as the longer penalties—

Senator SCULLION—How short are the short penalties now?

Ms Drayton—It varies. In a no-show, no-pay failure, it is one day. A reconnection penalty is dependent on the job seeker. That is where they do not attend a particular appointment and it is when they next make contact.

Senator SCULLION—So are an activity and a performance considered to be the same thing?

Ms Drayton—It is slightly different. The reconnection appointment is when you have not attended an appointment and that is called a connection failure. We make a subsequent appointment for you, which is the reconnection appointment. If you do not attend that one your penalty is the amount of days that you do not then reconnect. It can vary from one day to a number of days. But no-show, no-pay is a one day. There are two lots of eight-week penalties in the new compliance framework. One of them is where you are deemed to be wilfully and persistently non-compliant. That is more like the old ones that you would be familiar with.

Senator SCULLION—Do you have attend one of those conferences to establish that?

Ms Drayton—That is correct. There are ones where you refuse a suitable job. Then there are others where you are sacked or voluntarily leave a job. In the communities in the 12-month period—I have data for 12 months—there were 45 eight-week non-payment periods in relation to voluntarily leaving a job. That is not captured in the report that you are looking at.

Senator SCULLION—What period was that?

Ms Drayton—This is this financial year, 2009-10. I do not have it here in front of me but I think that the report is only talking about the serious failures, the eight-week non-payment periods as a result of persistent non-compliance. My data has one eight-week for that period in respect of that kind of failure and 45 eight-weeks in respect of the voluntarily leaving a job. That report probably reflects—I am sure it does—that it was designed in the old framework, which did not differentiate between the two.

Senator SCULLION—Although the report is over the period of time that the new framework was in place—

Ms Drayton—It I, but it is the same—

Senator SCULLION—I am not going to bag you about that—

Ms Drayton—I understand what you are saying there—

Senator SCULLION—I am fundamentally talking about something else, which is why I am seeking your advice. I am not professing to be expert on this area.

Ms Drayton—The other thing that is particular about the communities is that compared to the rest of Australia they have a much higher incidence of the use of contact requests. I think you noted that a bit earlier. That is something that does stand out in the data in Centrelink. It really is about the focus on trying to maintain an engagement with the job seeker.

Senator SCULLION—I understand that. You have helped me to understand that a little more. The reason I needed to get to the bottom of the breaching arrangements, which appear to be quite reasonable, is that whilst there may be still a few people out of the 5,000-odd, the number over the 12-month period of the last financial year reduced by less than 20 per cent. Yet in effect we only have a very small number of breaches. I will have to talk to others to try to get a better understanding of that.

There are places like Ali Curung that I know have large numbers—30 or 40—willing and able young men and women who are currently on some sort of income support. They have to drive past the melon farm with ‘work wanted’ on it as the only way to their community, which they do every day. It is just an interesting point. It has been there for a long time. They always require forklift drivers, pickers and general farm hands for the application of fertilising and insecticides and those sorts of things. They are always doing it pretty hard because it is very hard to find labour so they have to get in backpackers.

I visit the communities. They are literally less than probably seven minutes apart even at territory speeds going very slowly, and it is still very difficult for me to start to understand how we deal with this issue where there are certainly people who have opportunities for employment. That is why I was going to seasonality. I thought it might be because you cannot get someone involved and it is only for a short period of time—it might be three or four months. I did not know whether that was part of it. But perhaps I should also hassle the minister about policy.

But wherever I go in similar communities across the north of Australia, some parts of New South Wales and South Australia there still appears to be this great difficulty in getting people who are willing to work where there is work. There are mines. There are opportunities for people with very low skill levels, like sample splitting. I have horrors at the thought of it; I did it for a few years myself and it is a horrible business. It is just picking heavy things up and dropping them. But there is plenty of work there. I guess my concern is that that has been going for a very long time. Ali Curung is an absolute case in point. They all say, ‘Please get me someone to work’. Yet the system that is active in Ali Curung is that the same Centrelink people drive past the same farm on the way in and administer to their congregation in Ali Curung.

I spoke to the bloke who is there. He said, ‘We have had a couple who are pretty good. We have some difficulty because of everybody else in the community. He works. He does not

really get a lot of benefits because of the sharing notion'. But my concern is that there just does not appear to be sufficient leverage to get somebody who has been on a benefit for four years when the work was available for four years. Some of it is much longer than the seasonality of just picking melons. There is some full-time work there. Perhaps it is not for you, Ms Drayton, but just in terms of a policy process is this something in a more general sense that you accept is the case? What sort of policy alternatives are you thinking about or considering? Perhaps you could enlighten me about where we are going with those sorts of things.

Mr Pratt—I might make a couple of observations. One is that this is clearly an area where these arrangements could work better. This has been an area where I have seen them working perfectly for at least the last 20 years. The government announced during the election the introduction of some suspension arrangements for job seekers who are not compliant with the requirements of their Job Services Australia members to complement the arrangements that Centrelink has in place for people who do not attend Centrelink interviews. My view is that this will be very helpful in trying to address those sorts of concerns.

Senator Arbib—I do not know the particulars of the case obviously but—

Senator SCULLION—It could be anywhere.

Senator Arbib—I have heard the same things. This is not a policy issue because if those job seekers had the skills required and that work was there then really the job service provider should be making referrals, and you would hope that in an area like that the job service provider would have a relationship with the few number of employers that are normally in a remote area.

Senator SCULLION—You would think so.

Senator Arbib—You would think so. In the end the job is to improve the connections and the work between the job service provider and Centrelink. Many of these communities are fly-in, fly-out organisations, depending on where it is. There are ongoing discussions between DEEWR and, obviously, Human Services about how to improve the connections. But at the same time as that, as Mr Pratt has said, there are changes taking place in compliance that will hopefully improve the instances you are talking about. It is an area which I have great concerns about as well.

Senator SCULLION—I certainly support the changes. Mr Pratt knows that I have been speaking for some time about the length of time you can actually breach something in the context of if you breach it for eight weeks you are just poor for eight weeks and they cannot say, 'Right, I will go back to work now; you have won me.' I think that a much shorter breaching process is an excellent change. My concern is that in this particular demographic we have got two things happening.

The first issue I have just described is that there is no movement. There does not appear to be a great deal of movement of people moving from long-term welfare into a job. One of the trends is that the use of a contact request in these places is, 'I cannot find them.' I am not a job service provider. These are very small communities and the whereabouts of everybody is well known to everybody. Notwithstanding that, the figure does seem to be 61 per cent. Given that these breaching reports in total were more than 50 per cent of the people who were enrolled,

61 per cent of that total was contact requests, which I would have thought would be the lower end of the leverage process. I am just very concerned that this is, in fact, a bit of an opt-out in those circumstances. I am pleased you are able to validate that, because I am picking this up in other data, that there appears to me to be certainly much higher use of that particular instrument in these demographics than there is in mainstream or, in fact, anywhere else.

Senator Arbib—But you would have seen also in, I think it was, the NTER report that there was a big increase in terms of employment participation—something like a 46 per cent increase in that report—in some areas. So we are having some wins.

Senator SCULLION—I acknowledge that.

Senator Arbib—As you know, this is the toughest—

Senator SCULLION—I acknowledge that. I am genuinely trying to look forensically at those areas that I think we can improve on, and no doubt the 46 per cent improvement in some areas is the Commonwealth paying for the CDEP, and I acknowledge that.

Senator Arbib—I think that is the case. We are having a lot of good results in the government service delivery area. We need to convert that into the private businesses.

Senator SCULLION—They were individuals who were engaged in some way with the process, whether or not it was CDEP, and the fact that now they are no longer in CDEP and fully employed is a good thing, but I am speaking about the demographic who are not engaged and we are trying to get them engaged through activity testing. It does seem that the way to not have any compliance pain is by not providing that activity test. There do seem to be an awful lot of job service providers saying, ‘Well, no worries, mate. We will just put in a contact request. That perhaps makes me and you better friends, mate.’ But I am not so sure that it provides the sort of leverage that we do need to have.

Senator Arbib—That is exactly why the policy change was made—for that reason.

Mr Pratt—Senator, if I can just remind you of what Ms Drayton outlined. Certainly, there is a trend down in the eight-week failures.

Senator Arbib—Indeed.

Mr Pratt—But, as you put it out, there is a significant increase in contact reports and in addition there is a substantial increase in the number of no-show, no-pay penalties. When you couple that with the point the minister made about the increase in job placements, it is possible to assess that, potentially, the compliance is actually starting to work more effectively. Nobody thinks that this is working perfectly and, as the minister pointed out, we are working closely with FaHCSIA, DEEWR, Centrelink and DHS to try and see what else we can do in this area. For example, we are looking at mandating joint visits to these communities by Centrelink and the Job Services Australia providers so that people cannot wriggle out between the two.

Senator SCULLION—That would be useful. The reason I am asking these is that it is the first time we have had, I think, a particular demographic that are not necessarily but broadly representative of demographics in other jurisdictions. We have an opportunity to have a look quite carefully at that demographic to see exactly who is in what position—and it is easy to ask. At each set of estimates I will just be asking the same set of questions, if you like, and

you will be able to provide me with that information then. I think it is very important because we will be able to see a trend, even if it is shifting from one program to another activity. We will actually see where there are jobs available if we have got the right levers to be able to move them on. It would be very useful, Ms Drayton, if I could have, on the same basis as the *Closing the Gap* report was provided, a better breakdown. Instead of 66 eight-week non-payment periods, which is the eight-week one, in the new block, if you could provide a better breakdown of the actual breaching, that would be useful.

Ms Drayton—I would be very happy to do that.

Senator SCULLION—I am not sure, for privacy reasons, if it can actually come down to an area; it may. But, if it does not, can you give us as much detail as possible, within those parameters?

Ms Drayton—Can I just check: is this just in the communities or—

Senator SCULLION—I am just trying to get the same dataset. I am looking for the 73 communities described as the NTER communities. Not all remote communities are caught in that, but most of them are.

Ms Drayton—We can do that for you.

Senator SCULLION—Thank you very much.

CHAIR—Senator Abetz, you are on.

Senator ABETZ—I have questions on the Tasmanian Freight Equalisation Scheme. If certain people want to have the evening break and cup of tea early whilst I am questioning, I do not think they will be missing out on much, but it is very important for a certain section of that great state of Tasmania. First of all, have any Centrelink staff been sent to Tasmania to assess payments under the scheme?

Mr Tidswell—I asked for a business process expert to go down to Tasmania and give us some advice about how best to ensure that we got on top of our workload. What I am happy to do is table a chart here that gives a good sense of how we are on top of our backlog. I have got a number of copies here for the secretariat to table. That review gave us a good sense of how we could improve things in our processing work and activity. At the moment we are on top of our workload.

Senator ABETZ—Thank you very much. I am not sure that that responds to the question I asked; nevertheless, great—and please continue.

Mr Tidswell—It is the output of that review and report. We have taken some action, as you well know, and put more effort into processing more claims and getting on top of the work and activity.

Senator ABETZ—What is the average time these days?

Mr Tidswell—Mr Maloney will give you the details on the average times.

Senator ABETZ—The chart does not tell us?

Mr Tidswell—What the chart provides is a view of the workload over the period of time since 2004, the growth in demand in claims and the time when we had difficulty getting on

top of our workload. Now that we are well and truly on top of our workload, our cases in hand, or our claims in hand, are well within a standard that you would expect. We always have some work on hand to finalise. So we do not have a backlog in our view.

Senator ABETZ—That is very good, and I just hope Centrelink and Centrelink staff are mindful of the fact that the Freight Equalisation Scheme is supposed to be demand driven and you should not be trying to limit the costs and expenditure which might be part and parcel of the normal—if I can use that—Centrelink approach. This is actually to try to stimulate the sector. I do not think we are getting that graph quickly. Were any staff sent to Tasmania at the start of the year to assess payments under the scheme, as in to do an audit of small businesses?

Mr Tidswell—No, that was not the case; they were down there to look at the process and to give us advice about how to make sure we could speed up our internal processes to get on top of our workload.

Senator ABETZ—No other staff were sent down to knock on the doors of businesses to check up, to audit?

Mr Tidswell—What we were doing was talking to businesses and providers about ‘how can we better provide this service to you’ and ‘how you can get your claims in in a more efficient way’. Those were the processes we were using. But Centrelink has not commissioned an audit in that sense.

Senator ABETZ—All right. As a result, the suggestion that small businesses were targeted would not be the case because you are saying no audit, as such, was undertaken.

Mr Tidswell—Centrelink have not conducted an audit. We sent people down there to give us some advice about how to improve things. I think the chart there gives you a sense that we put in place better practices and processes on top of our workload and we continue to have conversations with the department about improving mechanisms and processes.

Senator ABETZ—In general terms, looking at this graph, there has been a growth in claims received.

Mr Tidswell—Yes.

Senator ABETZ—But there has been a wonderful, nearly freefall decrease, has there not, on claims on hand?

Mr Tidswell—That is correct.

Senator ABETZ—Well done on that, and thank you for providing that graph; that is very helpful. Looking at a very specific case, are you aware of the business Studentworks, in Tasmania?

Mr Tidswell—I am not sure about that.

Senator ABETZ—They are a claimant that was rejected. I am just wondering, following up on that, who trains the assessors. Are your staff actually trained as to what they should and should not be looking for in determining whether somebody may or may not be eligible under the scheme?

Mr Tidswell—We have guidelines issued by the department, as you well know, and we apply those guidelines to each and every circumstance. Where there are difficult and tricky circumstances, we provide that information back to the department for adjudication. Mr Maloney might have more detail on this particular case.

Senator ABETZ—If I can quickly go through it, as I understand it you operate under ministerial direction, and section 9.1 tells us that, if an activity is classified in either category A, B or C of ANZSIC, in a nutshell they would be eligible for assistance.

Mr Maloney—That is correct, provided that is the predominant area of business for that organisation.

Senator ABETZ—Who is the best person to determine, if there is a question about it, the definition of the classification?

Mr Maloney—In the initial instance, that decision is made by Centrelink and our staff in Tasmania working on TFES. There is certainly an appeal mechanism if an applicant is unsatisfied with the outcome. Following that appeal, if the applicant is again unsatisfied, we would refer that to the department of infrastructure, and, as I think you might have heard earlier this afternoon, they do deal with the ABS.

Senator ABETZ—Why is it that you do not go straight to the ABS, because they are the official body in the bureaucracy that deals with the ANZSIC categories?

Mr Maloney—They do provide the classification standard, as you know, which our staff are trained to apply. So in the first instance—

Senator ABETZ—Who trains them?

Mr Maloney—They are trained within Centrelink, as we do with virtually all of our other applications.

Senator ABETZ—Do you call in ABS people to assist in that regard, or not?

Mr Maloney—No.

Senator ABETZ—Where do the trainers within Centrelink get their knowledge from if they do not get it from the official makers and negotiators of these classifications?

Mr Maloney—The policy, as you understand, comes from the department of infrastructure, along with that classification standard, and that is what we use to train our staff.

Senator ABETZ—Yes, but the policy is to apply the classification.

Mr Maloney—That is correct.

Senator ABETZ—So Infrastructure have wiped their hands of it and say it is your responsibility to apply the classifications, but how do you know you are applying the classifications correctly if you have not been consulting the Australian Bureau of Statistics, who are the keepers of the faith, as it were, in relation to the categorisation and the meaning of the various classifications?

Mr Maloney—As I said, there are opportunities for applicants who are dissatisfied with a classification to come back to us for review, which can then go back to Infrastructure

eventually, who would deal with the ABS. I think it is also worth pointing out that the ABS uses those classifications for slightly different purposes from ours, and there are organisations—certainly, large organisations—that can have a variety of different classifications of their business.

Senator ABETZ—With respect, what the ABS uses them for is irrelevant. The important thing is the definition and classification of a business type or a particular operation. That is what is important; you would agree with that?

Mr Maloney—Yes, that is correct.

Mr Tidswell—But, Senator, we take our advice from the department. The department gives us the policy direction and advice and we then apply that to training and our processes and procedures and put that in place. The department has not come back to us and told us, ‘No, you are not applying this correctly.’

Senator ABETZ—Because they completely rely on you to apply them. This is the great fun of Senate estimates with the Tasmanian Freight Equalisation Scheme. Transport tell me that the policy is to apply the classifications and then that is Centrelink’s responsibility. The definers—the makers—of these definitions are, in fact, ABS, but ABS do not seem to be approached by Centrelink when there are issues of definition as to whether a particular type of activity might be seen as falling in or out of a particular classification. You go to the department rather than to the Australian Bureau of Statistics. As I understand it, there is nothing stopping you from going to the Australian Bureau of Statistics to get their definition, their assessment, their advice, in relation to the classification. That is correct, isn’t it? There is nothing stopping you getting advice from the ABS?

Ms Hogg—As you know, Centrelink normally applies the policy that is given to us and often written for us, in terms of the implementation processes et cetera, by a policy department. If, as you are suggesting, the ABS should be involved here in the definitions, I would suggest what we should do is talk to the department about whether they think it is appropriate for us to go directly to the ABS. If they think that is the case, rather than them passing on the information to us, we would do that. We would go direct to the source.

Senator ABETZ—It is nearly as difficult as trying to change a light globe in my electorate office. If you could do that—

Ms Hogg—We will do that.

Senator ABETZ—If you could do that for us that would be very helpful.

Ms Hogg—It is a very worthwhile suggestion for us to follow up.

Senator ABETZ—You have sweet-talked me now. I will keep on with my questions. In relation to Student Works—and that is where I started with this line of questioning—can we have a copy of the assessment in relation to Student Works? I understand there was a written assessment undertaken by a Centrelink officer in relation to the business Student Works which, might I add, is a not-for-profit business that helps kids who are disengaged from schools, and they are genuinely engaged in manufacturing furniture. They supply Amcor, ACL, Hudson Projects. It is a very worthwhile business. It was nearly seen as a school type project, as I understand it, by the assessors rather than a genuine business that is doing a real

social good along the way and has the genuine business activity of manufacturing. I have a wealth of photographs showing the machinery and the bits and pieces that are imported to Tasmania that have been manufactured to make finished products, which are then sold into the marketplace. They were assessed as ineligible. So that is it in a nutshell. Would there be any difficulty in our getting a copy of that assessment?

Mr Maloney—It is not a case that I am familiar with specifically, but could I take that on notice?

Senator ABETZ—Take it on notice and if you are able—I would hope there is no reason why we should not be given it—to make that available that would be very helpful. Can you tell us what training the Tasmanian programs field assessors undergo before they go out making assessments?

Mr Maloney—I would probably take on notice the detail of that training, if you like, and we can cover off the modules. It is quite extensive and covers a number of periods and some active on-the-ground work with more experienced assessors. But, if you like, I will take that on notice and get back to you.

Senator ABETZ—If you could. I do not want to delay us too much tonight. Does Centrelink take the view that there has to be one ABN and one classification?

Mr Maloney—If I understand your question, as I said earlier in a different context, some applicants would have a number of different classifications. The challenge for us, if you like, is to work out what the predominant part of that business is. If you have a business with two or three different classifications—it might be, for example, manufacturing, retail and wholesale—the challenge for us is to work out what is the largest percentage of their business and, therefore, that becomes the classification of that business.

Senator ABETZ—The difficulty that I think I may have canvassed previously is a joinery workshop that makes module kitchens and exports. It makes the module kitchens and then exports them out of Tasmania again. It is clearly eligible for the freight equalisation scheme. A bigger company comes along and takes them over, but because they are then under that bigger unit all of a sudden that section of the enterprise, which previously qualified for a freight equalisation scheme, is disqualified because it is only a small part of a bigger business.

Mr Maloney—I would have thought that these are matters—and I know you are not going to like this—for the department. We do know you had conversations there again today. We are happy to take these issues back to the department so that we can get this clarified.

Senator ABETZ—I thought I had finished playing ping-pong at high school, but it looks as though it is still going on. I will pursue that further with the department. There are all sorts of examples. A company that is into glazing, with 30 per cent of glass being modified, which requires discrete machinery and specialised staff within that business, does not qualify because allegedly it is only 30 per cent but in every other way it does. You are saying that is not your decision; that is the policy decision?

Mr Maloney—That is correct.

Senator ABETZ—What does the ministerial direction tell us? What is the percentage? Does it have to be 50 per cent?

Mr Tidswell—I do not think we would have that level of detail.

Mr Maloney—It is the predominant part of their business. For example, 35 per cent could be the predominant part of their business. If they have three or four different parts of the business, if one part is the largest that is what is classified as their business.

Mr Tidswell—What I can say is that this chart is not showing that it is going backwards in terms of claim rates and activity. There is a real sense here that despite—

Senator ABETZ—Some of us want to drive even further benefits to a state that struggles with the highest unemployment rate in the country. Yes, it is expanding. If I might say, that is because of a few people in the marketplace who have been the object of certain attention, but I understand that attention has now been reduced and I think their place has been accepted as being agents, if you like, for various businesses. They are actively out there selling this scheme—and I use that term loosely—which I think is a great thing for Tasmania especially for small businesses.

Another example is Sea Quip, which is a part of Toll Transport. They employ 50 people and they are in the business of refurbishing shipping containers. It is a complete discrete business unit in Tasmania. But because they are considered to be part of Toll Transport they are deemed not to be in the business of manufacturing, whereas clearly this unit is. But once again you are telling me I should be knocking on the door of—

Mr Tidswell—That is correct.

Senator ABETZ—Can you tell us how many applicants have been rejected by Centrelink in the last three years?

Mr Maloney—I would have to take that on notice.

Senator ABETZ—Yes, but do you think that information is relatively readily available?

Mr Maloney—Yes.

Senator ABETZ—I do not want to put you to too much work, but if it is readily available I will try my luck a bit further. How many applicants have been rejected by Centrelink in the last three years, and then if you can tell us out of those—and that is where I am pushing my luck—how many were rejected because they are not in the right classification or they are not deemed to fit into categories A, B or C? How many have been rejected because the business, whilst qualifying, is deemed not to be the predominant business?

Mr Maloney—I am pretty sure we would have that information. As for whether it is readily gatherable—I might have just invented a new word—I will take that on notice and see what I can get for you.

Senator ABETZ—Thank you for your forbearance yet again and I look forward to next time. I might say again this graph is very telling. Surprisingly, of all my sources in Tasmania none of them asked me to ask questions about the timeliness of dealing with their claims.

Mr Pratt—That is a good sign.

Senator ABETZ—Undoubtedly that is the reason why.

Senator SIEWERT—As to the process of the more intensive interaction with job seekers—and we discussed at the last estimates, if you recall, the new process that was going to be introduced on 1 July for the vulnerable long-term job seekers—I understand it started implementation from 1 July?

Ms Drayton—Yes, it did start on 1 July. It has been operating since that time. Was there something in particular that you wanted to talk about with that?

Senator SIEWERT—I wanted to know how the implementation was going. Have you had any preliminary results? How many contacts have you had and all those sorts of things?

Ms Drayton—For the first three months Centrelink has conducted 903,062 of the personal contact interviews. That is the new interview. That is complemented by more regular reporting of circumstances, the old SU19 process. There has been a very heavy emphasis on trying to help people become familiar with using self-service facilities. Currently we are running at about 58 per cent of the lodgement of the SU19s being done by self-service. That was part of this process as well, having both the reporting and the personal contact interview.

The profiling of those interviews went through very smoothly. People were profiled into either the two-weekly, the four, the six or the 12. Because we are through three months of it, we have completed one complete round of everyone who has had the 12-weekly interview, for example, and obviously lots of people with the two-weekly one. I am not sure if there is more specific information that you are after.

Senator SIEWERT—You have gone through the whole cycle now? What has been the upshot? Have you identified where the barriers are? Has the process helped people find a job?

Ms Drayton—I probably cannot give you that amount of detail, because it is so early and we have just gone through the one cycle. But the kinds of things we are getting reports back on are that people are appreciating having people spend time with them. So, instead of concentrating on processing the form, they actually have an opportunity to discuss their situation and their circumstances. For some people it is not quite as intense as that. They are people who require less help.

Through this process we have been making sure that the job seeker classification instrument is up to date for example, talking to job seekers about their job search efforts, talking to the job seekers about any barriers or changes in their circumstances. For some job seekers that has resulted in a change of their stream of servicing, for example. And doing a lot of things in conjunction with other business that the job seeker might be having to deal with Centrelink when they come in. At this point I cannot give you an analysis of any findings after this first cycle, except to say that it has been a very big implementation for Centrelink and has been successfully done. The positives for the job seekers is around the additional contact and the additional support for them in trying to understand things, particularly the vulnerable customers. One of the interesting things that we have recently been talking about is how for some people it is the first time someone has sat down and shown them how to use a computer. So there are some unintended or unexpected outcomes from those contacts with us.

Senator SIEWERT—To use a Centrelink computer, do you mean?

Ms Drayton—To use a computer. To learn how to lodge their SU19 online, for example, this is the first time some job seekers are telling us that people have shown them how to do that.

Senator SIEWERT—I really want to get this clear so that I do not go away with a misunderstanding. You are telling me that you have job seekers coming in that have never used a computer and their job service providers have not found that out?

Ms Drayton—That is the feedback from some of the very vulnerable job seekers we had very recently. There was some feedback from one of the areas where that was certainly the case.

Senator SIEWERT—Is that being followed up in terms of going back to their JSA provider?

Ms Drayton—I can follow that up. I am not sure whether it has been. I do not have the details of the case. It was reported back through the areas. I can certainly follow that up with the area that raised it.

Senator SIEWERT—I am amazed that you could get job seekers coming into a Centrelink office who have been in the system—we are talking now about the people that have been already part of the process, are we not? So, not the Job Ready mob?

Ms Drayton—It could have been Job Ready. We do this—

Senator SIEWERT—How could they be Job Ready and have never touched a computer before?

Ms Drayton—It could be from any of the strains where people are having the opportunity to lodge their SU19 online for the first time.

Senator SIEWERT—I would really appreciate it if you could get back to us with whether that has been followed up with the service provider.

Ms Drayton—I can do that.

Senator SIEWERT—Is this an isolated case? If it has been reported back to you, I am presuming people saw that as pretty serious?

Ms Drayton—I heard it for the first time this week.

Mr Pratt—I think we need to be careful that we do not assume that this is the case with all job seekers or a large proportion of job seekers. It may well be that the large numbers of the customers that are reporting through the IVR and through the website are doing so through their Job Services Australia facilities.

Senator SIEWERT—I am certainly not thinking it is all of them. I would be extremely surprised if it was, but I am extremely surprised that somebody has come in and for the first time it has been established—I am presuming this is from the categories that you are talking about—or the first time that anyone has found out that a job seeker has not had contact is when they come in to lodge online through this process.

Mr Pratt—Without wanting to speculate, it may well be that the job seeker has been getting a very intensive service from their Job Services Australia provider, but who has judged

that it is not an appropriate service to put them into the self-service world where they are interacting via the computer.

Senator SIEWERT—This is why I was being very careful about it and wanted to seek clarification. My understanding was this is not just about putting your form in online; it was about the first time they had been in contact with a computer.

Ms Hogg—Can I give you an example of a customer I actually sat with last with last week. This gentleman is working, as many of our customers are. He is a truck driver and he has never really had the necessity in terms of keeping his employment and so on to actually use a computer. He is working with us and Job Services Australia, because he is a casual worker and obviously he is not getting regular employment that matches his trade. When you ask him if he would like to spend some time declaring his income online and then talk to us a bit more about his job opportunities he is very nervous about that. It is a bit hard to really classify where the Job Services Australia would be showing people if they are already gainfully employed and have a trade, as opposed to us who are looking at the opportunity to show somebody how to do something online so that we can spend more time with them. He was extremely nervous about doing that, but he said, ‘I’ll have a go’, and obviously the staff in the office spent some time with him and he walked away very pleased and he thinks he has done something that he would not normally have done and needed to do. Because in dealing with us we were asking him if he would like to do it that way—and we would not force him—and he said, ‘Yeah, let me have a go,’ and somebody sitting with him and helping him do that gave him an extreme amount of confidence in something he thought he would never need to do.

Senator SIEWERT—I take your point. I still think it should be looked at. I accept your point. I am wondering how many types of job seekers this process is dealing with are the sorts of people that you have just described in terms of already employed and on casual rates in a casual job, and are going through the service provider. For a start, if somebody is looking for work nowadays, on the whole you would think that computing skills are one of the things that would be identified as additional training.

Ms Hogg—We hope with Centrelink, which is a government organisation present in many communities, that we can further develop this sort of capability as the community accepts online, and work with Job Services Australia to show people how to actually look for work on the computer. I think this is a staged process, that somebody like him now would feel confident in actually talking about how to do it.

Senator SIEWERT—Yes, I am not just thinking of how to use a computer for job seeking. More and more in employment you have to have an understanding of some level of technology. I understand in some communities they will not have access to computers. I am presuming that the way of electronically lodging forms is not being done in some of those communities at the moment, and that Centrelink would be smart enough not to roll it out in those communities at the moment.

Mr Pratt—Correct.

Senator SIEWERT—Thank you. In terms of the evaluation process—and I accept that you have gone through one round—we talked last time about the evaluation process and

developing that up so that you do get a quantitative handle on how the new process is working. I am wondering if that evaluation process has been finalised and put in place.

Ms Drayton—It has not been finalised. We are working with DEEWR on the parameters of the evaluation and at this point in time we are still working through how we are going to monitor and what we need to do. So, no, it has not been finalised yet, but the planning for it is certainly underway.

Senator SIEWERT—When do you expect to have it in place?

Ms Drayton—We were certainly expecting to do it in the first 12 months, considering the three-monthly cycle of some of the job seekers that are going through this. So, within the first 12 months.

Senator SIEWERT—Okay.

Ms Drayton—By next July.

Senator SIEWERT—The evaluation process with already be in place by next July?

Ms Drayton—Yes.

Senator SIEWERT—Once again, we have an evaluation process being put in place after it starts.

Ms Drayton—Sorry, I have misunderstood the question. The plans that we have with DEEWR were that we would be evaluating it by the end of the first 12 months.

Senator SIEWERT—Sorry, I misunderstood what you said. I thought you said it would not be in place until next July.

Ms Drayton—No.

Senator SIEWERT—Okay. I am sorry. Thank you for clarifying that for me. You just touched on this before--that the JSCI stream rating may have changed. Has that been fairly common at the moment?

Ms Drayton—I do not know about common. This is feedback that I have been getting from people, talking to them about some of the different interviews that they have been doing. With some of the job seekers who may not have had as frequent contact with us as they are now, in discussions with them it would become apparent that their circumstances have changed and we would rerun the JSCI. So, I cannot tell you definitively in how many cases that is at this point in time, but this is something that people have been reporting back.

Senator SIEWERT—In terms of where their circumstances have changed, are you also coming across that they were not in the right classification or the right rating in the first place?

Ms Drayton—I have not got that data here.

Senator SIEWERT—I was just wondering whether you had some of that feedback. In terms of the ongoing process for the continuing rollout of the program, I am wondering how that is going to interact. Mr Pratt, I think you and I had a discussion during the last estimates around the waiting times, the fact that you are dealing with a large number of people, your ongoing implementation of the electronic lodgement and reporting process and whether you

are finding that that is being a problem or is working out. Remember we had a conversation about increased number of people requiring interviews? My concern was you have a lot of people or the traditional long queue outside an office.

Mr Pratt—Yes, these arrangements of course free up more resources, though, to be able to deal with the people who need those interviews.

Senator SIEWERT—I understand that and we had that conversation. I am wondering if in fact that has happened. You are going to get different people also coming into Centrelink when you are dealing with Medicare and so on.

Mr Tidswell—In the first quarter of the financial year—so, the first period of time of rollout—and people getting used to the new process we experienced some increased queue activity right across the country. Now, however, people are getting used to it. We are getting upwards of almost 60 per cent of job seekers lodging their income online. In that context we are starting to see a pattern of getting back to normal and our queue patterns are back where we want them to be. We still have a few offices that are outside the bandwidth where we would like them to be and we keep working hard to get on top of that.

Senator SIEWERT—Thank you. That is what I wanted to check on. Can I move on to income management, please? I particularly want to pursue the rollout of the process when we went into the new circumstances. I have given you copies of the letters. I had some confusion with FaHCSIA over that housing letter and I want to get to housing in a minute, but I specifically want to go to the letters. These are copies of letters that we have been supplied with and I presume that they are authentic. They certainly look authentic to me with the fact that they have numbers on them. Were these standard letters that were sent out or were different ones sent out?

Mr Tidswell—We have been looking carefully after your conversation, and FaHCSIA supplied the two letters to us. Hopefully we are all dealing with the same letters that you have there.

Senator SIEWERT—I have one that is dated 13 August that says ‘your payments are due to be income managed’, and I have a second one dated 11 October 2010 that says the ‘reason for your payment being income managed has changed’.

Mr Tidswell—Yes. So, these are our standard letters that we use with the rollout of the new income management arrangements.

Senator SIEWERT—I can fairly certainly recall when we were first discussing the new paradigm—for income management—that there would be a fair degree of sensitivity around the way that the government interacted with people that were likely to be income managed. I was really quite shocked when I saw these two letters. I think it would be acknowledged that a number of people being income managed or certainly the people that received the letter of 11 October that said ‘the reason for your payments being income managed has changed’ would not understand this. If I had a fairly low level of literacy I do not think I would understand this.

Mr Tidswell—We are happy to take your advice on the content of the letter. As you well know, in putting in these new income management changes, we did not get a lot of

development time between the passage of legislation and getting out into the field. One of the things we were not able to do was do the sort of testing that we do with our customers. We are going to go back and do that testing and put out new letters.

Senator SIEWERT—What were the figures that I got earlier? Nearly 11,600 people have already received this, presumably—one of these two letters.

Mr Tidswell—That would be right.

Senator SIEWERT—I just do not wear that we did not have enough time so we thought we would send out a letter that is unintelligible if I have low literacy, that does not actually explain what is happening, that implies to people that you are automatically being income managed and does not adequately explain that under the new system you could actually be eligible for an exemption. I do not actually have the fact sheet that was sent out about eligibility exemptions, but apparently that was fairly complex as well.

Mr Tidswell—As you know, these letters are a call to action. We have put a lot of effort into going out and visiting people, conducting the interviews and establishing the new arrangements where people are going to move forward in that area. For us this is a call to arms or call to action, and then we sit down carefully with people, either face-to-face or on the phone, and talk them through requirements and what they need to do. I hear what you are saying. We would not say they are the best letters we have ever produced. We are going to rectify them. I would ask that you acknowledge at least that we do spend time with customers explaining options and circumstances and what they need to do.

Senator SIEWERT—I will come to that next. Can you tell me how many people received the letter of 13 August? You will probably have to take it on notice.

Mr Tidswell—We will have to take that on notice.

Senator SIEWERT—And in which communities?

Mr Tidswell—We will have to take that on notice.

Senator SIEWERT—I appreciate that. Thank you. I turn to the issue that you just raised, in terms of when people came into Centrelink once they have received their call to arms. I have had a consistent number of reports of people going into Centrelink offices, for example, on age pensions. I do not have a copy of the letter that went to those on age pensions. Can you provide me with a copy?

Mr Tidswell—I will have to confirm with my colleagues whether it was the standard letter that was sent.

Ms Ramsey—The letter that you have a copy of headed ‘The reason for your payment being income managed has changed’ is a letter that would also have gone to people who could potentially be coming off income management. The intent of the letter is for people to make contact with Centrelink, either through coming into a Centrelink service centre or by ringing through to start the conversation with a service adviser about either having been on income management and coming off or potentially not being income managed and coming on to income management and what that means.

Senator SIEWERT—This letter of 11 October went to age pensioners?

Ms Ramsey—That is my understanding.

Ms Cartwright—That letter would have gone to age pensioners who were under income management under the Northern Territory emergency response.

Senator SIEWERT—So, people who are not covered now under the legislation for age pension got a letter saying, ‘You will be income managed under the Long-term Welfare Payment Recipient Initiative from 11 October.’ They were no longer covered by the legislation and yet they got that letter?

Ms Cartwright—I will have to take that one on notice and check the letter. That letter does not appear to be the one that would go to an age pensioner under the Northern Territory emergency response to invite them to have a conversation about options for them to exit off income management, if that was their choice.

Senator SIEWERT—I want to be really clear about this. You are now saying this letter is not the letter that went to age pensioners?

Ms Cartwright—It may not be. I want to clarify that.

Senator SIEWERT—Can you bring that back to me tomorrow, not in three months time? I am not trying to be rude, but on notice usually means three months down the track.

Mr Tidswell—We will be there tomorrow and so we can make sure that we get on top of this. The challenge for us is that we have multiple letters generated for various events. We would need to make sure of the triggers for each letter and each customer group so that we are absolutely accurate.

Senator SIEWERT—That is why I asked if this was the letter that went to age pensioners.

CHAIR—Maybe tomorrow we could get a full suite of the letters, options and also the attachment to which Senator Siewert refers that Centrelink sent out for this change.

Senator SIEWERT—Yes.

CHAIR—I had the same discussion this morning with FaHCSIA. When you are talking about ‘the letter’ it can be very confusing. If we can get the whole bunch then we will be talking about the same thing.

Mr Tidswell—Yes, we will do that.

Senator SIEWERT—That would be much appreciated. I may take this up again tomorrow once I have those letters. I would like to go back to when somebody has received the letter, particularly those that were no longer automatically included in income management. I have had a number of reports that, once people got the letter, whichever letter it was, and went into a Centrelink office an interpreter was not available. I noticed in one of the letters you say, ‘If you need an interpreter let us know in advance.’ The other letter of 11 October does not say that. Are interpreter services available if somebody comes in and needs the interpreter where they have not given advance notice? I believe that probably happens quite frequently, where people come in and they did not ask for an interpreter.

Mr Tidswell—If it is a visiting team, a mobile team out visiting communities doing this work, our aim would be to engage an interpreter or engage a local from that community who could assist in interpreting. I cannot guarantee that somebody could not walk in off the street

in Alice Springs into our customer service centre and we would always have an unarranged interpreter on site. Our intention is to have adequate capacity and the ability for people to understand these changes.

Ms Ramsey—We will also use the telephone interpreter service if we can find someone with the right language.

Senator SIEWERT—If somebody comes in and they need an interpreter and an interpreter is not available, what happens then? Does the interview proceed or do you try to make an alternative time when somebody can have an interpreter and understand what is going on?

Ms Ramsey—I cannot say that there would never be an occasion when the interview did not proceed, but certainly the instructions and the way that we intend it would happen is that if the person does not speak English at a level that is appropriate or can be properly understood then we would not want the interview to go ahead and would try to arrange it at a different time with an interpreter. That is not to say that there might not be the odd occasion when that does not happen, but it should not happen and if it does I would be very interested to have the examples and to take that up.

Senator SIEWERT—I can get you some examples.

Ms Ramsey—Thank you.

Senator SIEWERT—Can you take me through the process. If I am an age pensioner coming in and am actually no longer on income management, do I have to sign a form to say I do not want it?

Ms Cartwright—There is no form that needs to be signed by a customer who is eligible or can come off the current income management arrangements. Our customer service adviser will have an interview or discussion with that customer and talk with them about any options that they might want to pursue in coming off income management. There will be the voluntary income management discussion. We will have a discussion about Centrepay or we will discuss exit arrangements.

Senator SIEWERT—I have had reported to me on a number of occasions situations of people going into Centrelink and when they said that they wanted to come off there was a robust discussion about the fact that they would probably be better off staying on and were told they had to sign forms and so on.

Ms Ramsey—If we can be given details we will follow that up. There are quite clear written instructions about the process that staff are to follow.

Senator SIEWERT—I would appreciate it if you could provide those instructions.

Ms Ramsey—Yes. We will take that on notice.

Senator SIEWERT—That would be appreciated. That takes us to the issue of Centrepay and the reported comments that people were told that they would no longer be able to pay their rent. The way the message was conveyed was that people would no longer be able to have their rent taken out of their income support payments.

Ms Ramsey—I will pass that to Ms Cartwright.

Ms Cartwright—In the Northern Territory we are working with the Northern Territory housing authority to ensure that customers continue to pay their rent. There are various ways that they can do that. There is income management, if the customer elects to stay on income management. We have the rent deduction system that is set up in the Northern Territory and all the housing authorities around Australia use that.

Senator SIEWERT—Is that for anybody on any income support payment?

Ms Cartwright—If they pay their rent through the housing authority, yes.

Senator SIEWERT—You do not have to be on income management?

Ms Cartwright—Correct. We are also negotiating with the Northern Territory housing authority to implement a Centrepay option for customers who are living in remote communities. We need to arrange how much rent or how they will pay it. If we cannot do that through our current Centrelink systems, we will refer that customer back to the housing authority to have the discussion with it.

Mr Tidswell—There is a hiccup with what we are doing. We have the arrangements in the major towns, but in the remote communities the NT housing authority has not established the capability for us to do those direct deductions. We are in the process of providing the Centrepay solution that we use for various customers for a whole range of things across the country. We hope, and the Northern Territory government has told us, that they will be rectifying and fixing this so this can be sorted through.

Senator SIEWERT—I do not understand the Centrepay process properly. Why can it not be done through the Centrepay process?

Ms Cartwright—As the housing authorities use our rent deduction system we do not use Centrepay for the housing authorities. The remark that Mr Tidswell made is only applicable to those customers that I mentioned are living in a remote community. We have arranged, and we are almost at the signing stage with the housing authority, to implement a Centrepay arrangement until the housing authority in the Northern Territory can update their system to cater for the rent deduction system.

Senator SIEWERT—I may be asking a damn fool question here but I am going to do it anyway. What happened before income management?

Mr Tidswell—You did not have shires in the Northern Territory. You had local communities running their own communities and rent being paid in that way. This is one of the major reforms across the territory initiated by the Northern Territory government. There is a bit of a catch-up process here as the Northern Territory government takes charge of its public housing stock across these remote communities.

Senator SIEWERT—You are saying local shires could do it, but the Territory government cannot?

Mr Tidswell—No. I said the local communities, not the new shire arrangements, would have had those arrangements in place. What we are doing is putting together a solution in a resolution so that remote customers can get their rent deducted until the NT government can build the capability to switch on all the remote communities. That is my understanding of the issue.

Senator SIEWERT—With the people that were told that they could no longer pay their rent, were they subsequently told that you were coming up with a solution?

Mr Tidswell—I am not sure if that is the case. That is our intention. I do not know where you got that information.

Senator SIEWERT—There are a number of reports about it and FaHCSIA knew full well about it.

Ms Ramsey—One of the things that we do, if that situation occurs where the rent cannot be deducted, is be as clear as we can with the customer that they should go to the housing authority and arrange payment of rent as they would if they were not income managed. We cannot make that happen, but we encourage that to happen.

Senator SIEWERT—Thank you. I would like to go to the number of people that applied for exemptions. I have been told that number by FaHCSIA, but they also told me that I needed to ask you about some of the reasons. They also told me the number of refusals. Obviously I do not want any information that is going to personally identify people, but I am interested to know some of the reasons for refusal.

Ms Cartwright—The majority of the reasons for exemptions being rejected were that the customer had not provided the information in the required time. In the Northern Territory we have set up a special unit that looks at exemptions only to ensure that we have some consistency of decisions, and where customers cannot obtain all of the information that they might need to apply for an exemption and be successful in that attempt we will help the customer wherever possible. I can take that on notice to get you more specific details, but the majority are because the customer was not able to satisfy the requirements to prove that they were eligible for an exemption.

Senator SIEWERT—If you could take it on notice, that would be appreciated. Again, I have anecdotal evidence, so I would appreciate your feedback on it, regarding what level of documentation you require to substantiate a claim for an exemption. For example, it has been suggested to me that somebody needs to provide a police report that they have not been subjected to domestic violence. I understand domestic violence is one of the indicators for vulnerability. How do you substantiate domestic violence and are you requiring police reports?

Ms Ramsey—I am certainly unaware of that being requested, but that is something that we will go back and ask from the exemption team.

Senator SIEWERT—That would be appreciated. I do not know if you can do this now, but can you provide us with a list of the sorts of documentation that you are seeking from people to prove or otherwise their application for an exemption?

Ms Cartwright—Parents with dependent children will be asked to provide evidence that their school-age children are enrolled and regularly attending school, which is usually via a school report.

Senator SIEWERT—Do they go to school and ask for a report that the school provides to say that they have been attending for 13 weeks?

Ms Cartwright—They need to be attending school for the past two terms or a semester with no more than five unexplained absences during the term or semester, and the school is providing those reports for us. Parents of children younger than school age are asked to provide things like their child's participation in approved activities, child immunisation details, attendance at regular health check-ups or attendance in preschool or early childhood activities. Customers who do not have dependent children will be asked to provide evidence that they have been working for more than 15 hours a week for at least six months in the last 12 months or evidence that they are full-time students.

Ms Ramsey—With the vulnerability factor the assessment is done by a social worker and would be part of an interview with a social worker. It would be a general assessment. We will go back and check what evidence is being requested, but I would expect that it would be more of a professional interview.

Senator SIEWERT—Thank you. I would appreciate it if you could. I would like to go back to the number of people that have been classified as vulnerable. I may have taken these figures down wrongly, and if I have I apologise. I noted 30 to 35 people. That may be one that FaHCSIA said that I needed to ask you to confirm.

Ms Cartwright—I would like to take that one on notice and perhaps provide you with that answer tomorrow.

Senator SIEWERT—It would be appreciated if you could. I am being very conscious, at the moment, of not trying to ask you to identify regions because of the relatively low numbers, but I am interested to know broadly—I will probably have to ask next time—which areas of people with vulnerability are being assessed as vulnerable and which are getting exemptions.

Ms Ramsey—The numbers are still developing in the Darwin area, because the rollout has not been completed. We may be able to provide it in zones rather than locations.

Senator SIEWERT—Zones would be very useful.

Ms Cartwright—My data says 27 customers have been assessed for income management under the vulnerable status, but I will confirm that tomorrow.

Senator SIEWERT—Thank you. Also, if it is possible, can you highlight which ones come from the age pension strain and DSP. Is that possible?

Ms Cartwright—I might not be able to provide that tomorrow, but I can certainly take it on notice.

Senator SIEWERT—Thank you. I would like to move to BasicsCard. It is not BasicsCard in the NT, which we will be doing tomorrow; it is the general BasicsCard. In other words, I do not want to be told that I have to ask that tomorrow. I was making it clear—

Mr Tidswell—I think you have it listed for tomorrow on the agenda.

Senator SIEWERT—I want to do WA.

Mr Tidswell—We can do BasicsCard there.

Senator SIEWERT—Can we do it there?

Mr Tidswell—In one hit, yes. It would be hard to differentiate and pull material out on the BasicsCard.

Senator SIEWERT—I was not after some data. I have a general question around the WA evaluation that was released a couple of weeks ago that made a comment about the number of BasicsCard transactions that had failed. Do you want to take that on notice for tomorrow?

Mr Tidswell—We can.

Senator SIEWERT—It was a very high number.

Mr Tidswell—I do not know if we have that here with us. We are happy to deal with that tomorrow.

Senator SIEWERT—I will deal with it tomorrow.

Mr Tidswell—It is good to have some forward notice.

Senator SIEWERT—I have another question on the vulnerability category. Have there been any appeals lodged? As I understand it, the only way you can deal with the classification of vulnerable is using the normal SAP process. Is that a correct understanding?

Ms Cartwright—The normal process for appeals, yes.

Senator SIEWERT—Have any been lodged against the vulnerable classification?

Ms Cartwright—There are so many folders here.

Senator SIEWERT—I do not mean to keep jumping around. It is one I missed on my list.

Mr Tidswell—Is this about appeals?

Ms Ramsey—Appeals against—

Senator SIEWERT—Specifically—and I will come to the broader appeals in a minute—it is appeals against being classified as vulnerable, because that is where I am presuming that Centrelink has most of those. It may be an incorrect assumption that Centrelink has made that decision to class someone as vulnerable.

Ms Ramsey—That is right.

Ms Cartwright—We have had nine appeals under the new income management regime. I will have to take it on notice to see whether any of those nine are under the vulnerable category.

Senator SIEWERT—That would be appreciated. Thank you. Do you still have appeals outstanding from the old income management process?

Ms Ramsey—Under the Social Security Tribunal?

Senator SIEWERT—Yes.

Ms Cartwright—I will have to look through my folder. I could tell you tomorrow.

Senator SIEWERT—Yes. In terms of someone's claim for an exemption being rejected, do they have to use the appeals process as well or is there a different process?

Ms Ramsey—They go through the normal appeal process.

Senator SIEWERT—Those appeals could cover both the vulnerability classification and the exemption?

Ms Ramsey—Yes.

Senator SIEWERT—I think I have finished with this session of Centrelink. I have the other ones for tomorrow. I can probably pick up any that I may have missed from my very extensive list to do tomorrow.

CHAIR—That is the end of questions in the Centrelink portfolio. We are now moving to hearing services.

Mr Pratt—I will just confirm that I can send everyone home other than Australian Hearing?

CHAIR—Absolutely.

[10.39 pm]

Australian Hearing

CHAIR—I apologise to hearing services for being the last people on the agenda, but someone has to be.

Senator SIEWERT—I am very pleased to see that you have a copy of the Senate report there. I am aware that it is difficult for me to ask questions about the Senate inquiry, because we will obviously be doing a government response, but I am also keen to start progressing some of the initiatives. I apologise if I am asking these questions in the wrong area. I am interested in chasing up some of the issues that came out of the inquiry that we have not necessarily made recommendations on or that we have but that I think you can start some work on already. One in particular was the issue around the early intervention packages. The government made an announcement on individual early intervention packages—12,000. Has there been any consultation yet on the process of implementation? I know there are a lot in the community that were very pleased with the packages. Are you involved in the development of the guidelines for that yet?

Ms Dewberry—As yet we have not been asked to participate in any discussions on that initiative. We understand that FaHCSIA has the lead on that and we would expect Health and Ageing also to be involved. We have an understanding from the proposal that was put forward by the alliance of early intervention agencies that they would see Australian Hearing as almost a gatekeeper to the provision of funding, but we do not have any information as yet as to how it will operate.

Senator SIEWERT—Do you anticipate that you will be involved in developing some of the guidelines for that? Is it important that you are involved at the beginning in the development of those guidelines?

Ms Dewberry—We are very willing to assist with that and have already made the offer to say we would welcome participation in any discussions on that initiative.

Senator SIEWERT—I am obviously very keen to pursue that initiative, so I will keep following it up. I am just going to whiz through these questions, because we all want to go home. I am interested in following up the newborn-screening program. We talked about the

issues around databases and I am just wondering where the progress is at with getting all the databases talking together and how you see the implementation of that initiative.

Ms Dewberry—Again, Health and Ageing have the lead on that. We are participating in that and I understand that is progressing very well, but I do not have the detail as to how it is going to be implemented or even what the data set is going to be that people would have input to from the states. I know the work is progressing, but I just do not have any detail on how it is going to operate as yet.

Senator SIEWERT—You have not had any involvement—

Ms Dewberry—We have a member of a committee that is looking at the data, yes.

Senator SIEWERT—I remember being quite surprised that we were still having database issues. Last night we did ask about some issues around the voucher system and the over 65-year-old process under DEWR. I am wondering if there is any formal process that is engaging you in discussions on this. Remember, we had discussions previously about how we encouraged people to actually use the hearing devices that they get and how that is done, and maybe making some further tweaks to the voucher process so that we are providing services to people who actually need them—so that we are lining up services with people appropriately. Have you been engaged in that process?

Ms Dewberry—Only in terms of what is currently available under the voucher program. You would be aware that on 1 July the initiative was introduced for a minimum fitting threshold so people who had a hearing loss less than a certain amount would not qualify except in exceptional circumstances. That was meant to target the services to those who truly needed assistance with a hearing aid. For some years now the office has had an item known as rehab-plus, which is concentrating more about getting people to understand their hearing loss, how to best implement strategies when they are having difficulty, which would include maximising the use of their hearing aid. That strategy is already available to providers under the voucher program to implement with their clients, which is really targeting that particular issue of improving use.

Senator SIEWERT—In your opinion has it improved use?

Ms Dewberry—That would be something you would need to direct to Health and Ageing, because they would monitor the whole program. We are just one provider under that program in the voucher scheme.

Senator SIEWERT—On the issue of sound fields—I am going to keep pursuing this until we get some change—if I remember rightly you do not provide sound fields anymore, do you?

Ms Dewberry—That is correct. There are commercial systems available now. In the past the National Acoustic Laboratories designed, developed and had manufactured a sound fields classroom amplification systems which we actually sold to schools. But when commercial assistance became available there was no longer that need for us to be in that space, so we pulled back, and schools just buy the systems that are available on the market.

Senator SIEWERT—In your opinion, are they adequate?

Ms Dewberry—Absolutely, yes.

Senator SIEWERT—Can I go to an issue that was a bit of a hot topic during the inquiry, and that is this issue around language development skills and the issue that a baby needs to have implants within six months of birth, ideally. As I understood it, that was the optimum.

Ms Dewberry—Certainly to intervene as early as possible. We aim to fit hearing aids certainly before the age of six months. I think the latest information from a child outcome study that the National Acoustic Laboratories is undertaking is that for those children who would really benefit from a Cochlear implant that should be fitted, from memory, at less than 12 months of age.

Senator SIEWERT—I want to be really clear about this. Is it still your advice that, for it to be optimally effective, children should have their Cochlear implant within their first year of life?

Ms Dewberry—If they are in that category where a Cochlear implant is going to be the best device, my understanding of the research is, yes, before 12 months of age gives them the better outcome.

Senator SIEWERT—The other issue is about having both implants for children who need that and only one being supported; is that still the case?

Ms Dewberry—In terms of support, Australian Hearing has a program for upgrading and providing maintenance and we would certainly do that if the child had two implants—one or two. In terms of funding of the initial implant, that is really state based funding that is directed through the implant clinics. I think it is more an issue for adults than children, but it probably varies from clinic to clinic.

Senator SIEWERT—But then more support—

Ms Dewberry—There is more support from there on, in terms of if they lose it, damage it or newer technology comes along and it needs to be upgraded. We receive funding under the CSO program to manage that.

Senator SIEWERT—If they have both ears done, you will support both ears once they have it?

Ms Dewberry—Yes.

Senator SIEWERT—The issue then, depending on which state, is parents then finding the additional money. To get one done and then getting another one done after: is there an issue with that and are there different cost implications?

Ms Dewberry—I guess the cost implications would come into a second round of surgery so, yes, there would be a cost there. My understanding is that they are tending to implant more bilaterally immediately rather than do that sequentially.

Senator SIEWERT—That was going to be my next question. I thought that was more the norm now.

Ms Dewberry—That is becoming the norm.

Senator SIEWERT—My problem is that I know if I go to the other recommendations you are going to say, ‘You have to wait for the government.’ Thank you very much.

CHAIR—I thank the officers from Hearing Services. Mr Pratt, thank you and all the officers from your area. Minister, thank you for being with us all evening. I thank Hansard and also the secretariat. We will now end today's hearing and we will reconvene tomorrow morning.

Committee adjourned at 10.51 pm