



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

SENATE

COMMUNITY AFFAIRS LEGISLATION
COMMITTEE

Estimates

THURSDAY, 23 OCTOBER 2014

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SENATE

COMMUNITY AFFAIRS LEGISLATION COMMITTEE

Thursday, 23 October 2014

Members in attendance: Senators Bernardi, Bilyk, Bushby, Cameron, McLucas, Moore, Peris, Polley, Reynolds, Seselja, Siewert, Smith.

SOCIAL SERVICES PORTFOLIO**In Attendance**

Senator Fifield, Assistant Minister for Social Services

Senator Fierravanti-Wells, Parliamentary Secretary to the Minister for Social Services

Department of Social Services**Executive**

Mr Finn Pratt, Secretary

Ms Barbara Bennett, Deputy Secretary

Ms Felicity Hand, Deputy Secretary

Ms Serena Wilson, Deputy Secretary

Mr Michael Lye, Acting Deputy Secretary and Chief Operating Officer

Ms Carolyn Smith, Acting Deputy Secretary

Cross Outcomes

Ms Janean Richards, Chief Legal Counsel and Group Manager, Legal and Compliance

Mr Paul McBride, Group Manager, Welfare System Taskforce

Ms Mary McLarty, Acting Branch Manager, Welfare Systems Taskforce

Mr Peter Qui, Chief Information Officer and Group Manager, Information Management and Technology

Mr Scott Glare, Branch Manager, Shared Services

Ms Sharon Bailey, Branch Manager, Ministerial, Parliamentary and Executive Support

Ms Tracey Bell, Acting Group Manager, Corporate Support

Mr Watson Blaikie, Branch Manager, Application Services

Mr Scott Dilley, Chief Finance Officer and Acting Group Manager, Finance and Services

Mr Peter Broadhead, Acting Group Manager, Deregulation Assurance and Property Group

Ms Shona Moloney, Branch Manager, People

Mr Stephen Sheehan, Branch Manager, Financial Accounting

Mr Sean Innis, Group Manager, Policy Office

Mr Tristan Reed, Acting Branch Manager, Project and Deregulation Office

Ms Jan Lawless, Branch Manager, Assurance

Ms Kath Mandla, Branch Manager, Policy Systems

Ms Allyson Essex, Branch Manager, Policy Strategy

Mr David Dennis, Branch Manager, Policy Evidence

Mr John Reardon, Acting Branch Manager, Property, Environment, Procurement and Security

Mr Iain Scott, Group Manager, Delivery Strategy and Operations

Mr Kurt Munro, Branch Manager, Corporate Support

Outcome 1

Ms Alanna Foster, Acting Group Manager, Social Security Policy
Ms Janean Richards, Chief Legal Counsel and Group Manager, Legal and Compliance
Mr Ian Joyce, Acting Branch Manager, Rates and Means Testing Policy
Ms Cath Halbert, Group Manager, Payments Policy
Mr Ty Emerson, Branch Manager, Labour Market Payments Policy
Ms Michalina Stawyskyj, Branch Manager, Age, Disability and Carer Payments Policy
Mr Andrew Whitecross, Acting Group Manager, Welfare Reform
Mr Murray Kimber, Branch Manager, Social Security Performance and Analysis
Ms Diana Lindenmayer, Acting Branch Manager, Family and Students Payments Policy
Mr Peter Hutchinson, Acting Branch Manager, Eligibility and Participation Policy
Ms Elizabeth Hefren-Webb, Acting Group Manager, Families

Outcome 2

Dr Tim Reddel, Group Manager, Program Office
Ms Janean Richards, Chief Legal Counsel and Group Manager, Legal and Compliance
Ms Cate McKenzie, Group Manager, Multicultural, Settlement Services and Communities
Ms Amy Laffan, Acting Branch Manager, Family Safety
Ms Elizabeth Hefren-Webb, Acting Group Manager, Families
Mr Bryan Palmer, Group Manager, Housing, Homelessness and Gambling
Ms Trish Woolley, Branch Manager, Civil Society and Program Delivery Policy
Ms Chantelle Stratford, Acting Branch Manager, Program Systems and Strategy
Ms Helen Board, Branch Manager, Program Performance
Mr Phil Brown, Branch Manager, Birth, Adoption and Care
Ms Lara Purdy, Acting Branch Manager, Financial and Social Capability
Mr Warren Pearson, Branch Manager, Multicultural and Communities
Mr Leo Kennedy, Branch Manager, Program Operations
Ms Tracy Creech, Acting Branch Manager, Families and Children
Mr John Riley, Branch Manager, NRAS and Gambling
Ms Jill Mills, Acting Branch Manager, Housing and Homelessness Branch

Outcome 3

Ms Carolyn Smith, Acting Deputy Secretary, Ageing and Aged Care
Mr James Christian, Group Manager, Aged Care Quality and Compliance
Ms Donna Moody, Group Manager, Ageing and Aged Care Services
Ms Rachel Balmanno, Acting Group Manager, Aged Care Policy and Reform
Mr Michael Culhane, Branch Manager, Standards, Indicators and Compliance
Mr Damian Coburn, Branch Manager, Prudential Approved Provider Regulation

Ms Bernadette Walker, Acting Branch Manager, Aged Care Complaints

Mr Russell de Burgh, Branch Manager, Policy

Mr Craig Harris, Branch Manager, Access Reform

Mr Nigel Murray, Branch Manager, Finance and Funding

Mr Ben Vincent, Branch Manager, Home Support Implementation

Ms Shona McQueen, Branch Manager, Aged Care Programs

Ms Louise O'Neill, Acting Branch Manager, Ageing and Sector Support

Outcome 4

Mr Bryan Palmer, Group Manager, Housing, Homelessness and Gambling

Mr John Riley, Branch Manager, NRAS and Gambling

Ms Jill Mills, Acting Branch Manager, Housing and Homelessness Branch

Ms Janean Richards, Chief Legal Counsel and Group Manager, Legal and Compliance

Outcome 5

Ms Fiona Buffinton, Group Manager, Specialist Employment Services

Ms Janean Richards, Chief Legal Counsel and Group Manager, Legal and Compliance

Mr Evan Lewis, Group Manager, Disability and Carers

Dr Nick Hartland, Group Manager, NDIS

Ms Karen Pickering, Branch Manager, Mental Health

Ms Karen Wilson, Branch Manager, Disability and Carers Policy

Ms Laura Angus, Branch Manager, BSWAT Employment Response Team

Mr Mitchell Cole, Acting Branch Manager, NDIS Transition and Disability Service

Ms Jillian Moses, Branch Manager, Financial Policy and Performance

Ms Lyn Murphy, Branch Manager, Disability Employment Services Compliance

Ms Sharon Stuart, Branch Manager, Disability Employment Services Policy

Ms Lisbeth Kelly, Branch Manager, Disability Employment Services Program

National Disability Insurance Agency

Mr David Bowen, Chief Executive Officer

Ms Louise Glanville, Deputy Chief Executive Officer and General Manager

Ms Liz Cairns, General Manager

Ms Anne Skordis, General Manager Mr Stephen Payne, Chief Financial Officer

Australian Institute of Family Studies

Professor Alan Hayes AM, Director

Dr Daryl Higgins, Deputy Director, Research

Ms Sue Tait, Deputy Director, Corporate and Strategy

Social Security Appeals Tribunal

Ms Jane Macdonnell, Principal Member

Committee met at 09:01

CHAIR (Senator Seselja): I declare open this hearing of the Community Affairs Legislation Committee. The Senate has referred to the committee the particulars of proposed expenditure for 2014-15 and related documents for the portfolios of Health and Social Services, including Human Services. The committee may also examine the annual reports of the departments and agencies appearing before it. The committee has fixed Friday, 12 December 2014 as the date for the return of answers to questions taken on notice. Senators are reminded that any written questions on notice should be provided to the committee secretariat by close of business Friday, 31 October 2014. The committee's proceedings today will begin with its examination of Social Services, commencing with corporate matters.

Under standing order 26, the committee must take all evidence in public session; this includes answers to questions on notice. I remind all witnesses that, in giving evidence to the committee, they are protected by parliamentary privilege. It is unlawful for anyone to threaten or disadvantage a witness on account of evidence given to a committee and such action may be treated by the Senate as a contempt. It is also a contempt to give false or misleading evidence to a committee.

The Senate, by resolution in 1999, endorsed the following test of relevance of questions at estimates hearings. Any questions going to the operations or financial positions of the departments and agencies which are seeking funds in the estimates are relevant questions for the purpose of estimates hearings. I remind officers that the Senate has resolved that there are no areas in connection with the expenditure of public funds where any person has discretion to withhold details or explanations from the parliament or its committees, unless the parliament has expressly provided otherwise. The Senate has resolved also that an officer of a department of the Commonwealth shall not be asked to give opinions on matters of policy and shall be given reasonable opportunity to refer questions asked of the officer to superior officers or to a minister. This resolution prohibits only questions asking for opinions on matters of policy and does not preclude questions asking for explanations of policies or factual questions about when and how policies were adopted. I particularly draw the attention of witnesses to an Order of the Senate of 13 May 2009, specifying the process by which a claim of public interest immunity should be raised. Witnesses are specifically reminded that a statement that information or a document is confidential or consists of advice to government is not a statement that meets the requirements of the 2009 order. Instead, witnesses are required to provide some specific indication of the harm to the public interest that could result from the disclosure of the information or the document

**Department of Social Services
Social Security Appeals Tribunal**

[09:04]

CHAIR: I welcome Senator the Hon. Mitch Fifield, representing the Minister for Social Services; the departmental secretary, Mr Finn Pratt; and officers of the Department of Social Services. Minister, would you like to make an opening statement?

Senator Fifield: I do not have an opening statement, but I think it is appropriate that we keep in our thoughts today our colleagues and the Canadian people, given the events at the Canadian national parliament in Ottawa.

CHAIR: Indeed. Thank you for that, Minister; I am sure we all agree wholeheartedly. Who would like to kick off?

Mr Pratt: I do not have an opening statement but, with your permission, there are two quick things I wish to raise. I notice that some senators have a copy of this document, which we issued to the committee a couple of days ago, which will hopefully aid in identifying where to ask questions.

Senator SIEWERT: That is hopeful.

Mr Pratt: Hopefully it will be a guide. As part of that, you will note that, under 'cross-outcome', we have suggested that this is the area in which we would cover off things like grant programs and the welfare review, simply because they cross over a number of outcomes. We will try to help the committee wherever we can, but we have people here for those purposes this morning.

CHAIR: Indeed.

Mr Pratt: The second thing is on behalf of my colleague, the principal member of the SSAT, who is down for this morning's session. She has another significant engagement at 9.30: is she likely to be required?

CHAIR: We might start with that, if there are any questions.

Senator MOORE: In terms of the SSAT, Senator Cameron has some standard questions about business stats focus and those things. We could put those on notice, if that would be helpful. I am aware that the principal member has travelled for that, so I am prepared to put those questions to her. But, in view of what you have just said—

Mr Pratt: The principal member is here and available to assist, if you wish; but I am sure that she would be perfectly comfortable taking them on notice as well.

Senator MOORE: Did you have any questions, Senator Siewert?

Senator SIEWERT: Yes. Why don't we start with SSAT—

Senator MOORE: and knock those off. We would be happy with that.

CHAIR: That is fine. So we will start with some questions to the SSAT and then we will move on to other cross-portfolio questions.

Senator MOORE: If that is fine, yes.

CHAIR: Mr Pratt, given that we have grant programs in cross-portfolio, there are a number of questions around grants. The 'half an hour' is very likely to be extended. I imagine that we will be spending some time on cross-portfolio.

Senator SIEWERT: If could we also flag what we are going to be talking about there, that would be helpful for all of us. It is helpful that you have listed things here. Obviously, grants and the welfare review are big issues. Presumably you are happy to talk about those—

Mr Pratt: Yes.

Senator SIEWERT: You can guarantee that it will be a long discussion, in that case.

Mr Pratt: We will assist the committee.

Senator SIEWERT: Thank you.

CHAIR: Senator Moore, you have questions.

Senator MOORE: Welcome, Ms Macdonnell, and thank you for coming. Senator Cameron was very keen to have some information from you about your current workload and your current staffing levels, in terms of whether there has been any change since the last estimates, and also the current full-time members of the SSAT.

Ms Macdonnell: Perhaps I could take it in Senator Moore's order. For the quarter of the current year that has just finished, there has been an increase in workload. But let me preface my comment with this observation: the only absolutely consistent thing about the SSAT's workload, when examined on a periodic basis, is the inconsistency. So the patterns do change; I would just put that caveat on. For the first quarter of this year compared with the first quarter of the previous, there is about a 16 per cent increase in what we would broadly describe as the Centrelink decisions. We keep separate stats for child support and separate stats for Paid Parental Leave.

Senator MOORE: The issue we want to follow up is that we are aware from anecdotal discussion that there has been an increase in the number of cases going forward. Do they fall within certain payment areas? What are the bases of the claims?

Ms Macdonnell: I can answer that. The increase has been on the disability support pension. There has been an increase year on year for the past couple of years in that particular payment type. That seems to account for the whole of the increase in the first quarter of this year over the equivalent last year—or indeed, over any other quarter or quarters, as averaged.

Senator MOORE: Is there any pattern in the geographic spread of these claims—because you keep your stats at a national level—where the claims have come from? Past reports have shown a large increase over time in appeals relating to certain payments in Indigenous areas; in other areas, there were things that were inner city. I am trying to find out whether Queensland has had more appeal claims than usual, that kind of specificity.

Ms Macdonnell: I could not answer that for you on the spot.

Senator MOORE: Perhaps you could take that on notice.

Ms Macdonnell: In terms of persons who identify as Indigenous, there is very little change year on year—so I can certainly say that it is not coming from there. As to whether there is any significant difference in geographic patterns, I could not give you the details. But I have noticed previously that South Australia tended to have higher levels of claims for reviews relating to the disability support pension. I would have to take it on notice.

Senator MOORE: It would be very useful to see that. As for the other issue, are the people who come with appeals self-representing or are they getting some support in their representations at the appeal hearings?

Ms Macdonnell: The SSAT has been a tribunal that traditionally has had very high levels of self-representation; it has been rare for people to have otherwise. Where they have representation—certainly if we confine this to Centrelink decisions—it is a family member or friend or a non-legally qualified advocate from a service like the National Welfare Rights Network or organisations under that umbrella. Sometimes it is someone legally qualified from a community legal centre. One thing you may be interested in is that Legal Aid New South Wales started an advice service. We virtually—I suppose the best word is 'triage' cases. Those persons who seem in most need or who may benefit most from the advice are invited to make an appointment. We have to be careful, of course, in that we cannot let out anyone's

confidential information; we therefore have to be the appointment maker. That service runs each week, but not each day of the week, in the New South Wales registry. It has been picked up now in Victoria and in Queensland. We are hoping that it might be picked up more widely. That is something that was not available. It started in the year before last—I think we might be going back before the last financial year—in New South Wales. I understand there is a formal evaluation now in progress.

Senator MOORE: That was my next question. We asked previously whether there was any evaluation of the program. So formal evaluation has now commenced?

Ms Macdonnell: In New South Wales. Certainly the arrangements have been to-ing and fro-ing between us and Legal Aid New South Wales. I understand they have hired a consultant and I think it is all settled. Whether they have started to collect the first data, I am not sure, but certainly all the parameters—

Senator MOORE: Can we get any detail that you have on that evaluation? I hesitate to use the word 'trial', but I am interested in the program that has been put in place in New South Wales. I know that other states have been looking at it; in fact, I have been asking them to have a look at it. But in terms of the process, can we get any information or data at all about the funding of or term of the formal trial—whether it is jointly put together by and Legal Aid New South Wales or whether they own the trial—regarding how it is going to operate?

Ms Macdonnell: No, there is nothing more that I can say, except that there has been discussion about how the evaluation might be done. There are no outcomes yet, but I could say that, from the SSAT's point of view, I think the service has been useful; I think it has helped some people to conclude appropriately that their reviews cannot succeed and others to conclude how best to present their cases. And that is good. So we have a favourable impression of it, without empirical data to offer you.

Senator McLUCAS: Can I ask who funds that triage program?

Ms Macdonnell: Legal aid services through their own—it is equivalent to, I suppose, a duty lawyer service in other tribunals and courts.

Senator McLUCAS: Can I go back to the growth in DSP issues coming before the tribunal? Do you do any disaggregation of that group of people around the nature of the issue that they are bringing to the tribunal? Is it about eligibility? What is the nature of the concerns that people are bringing to you?

Ms Macdonnell: I am not in a position to give you exact figures now. But when we looked at it, the increase was largely around the qualification criteria that do relate to impairment and continuing or otherwise ability to work.

Senator McLUCAS: Do you collect data on the nature of the qualification? I am particularly interested in the number of people who are asserting a mental illness. That is the issue that is being tested by coming to the tribunal.

Ms Macdonnell: We would not have data that would say, for example, that somebody had a diagnosed mental illness and that was the basis on which they were seeking DSP and that was the condition which did not have the requisite degree of functional impairment. We simply would not have data—

Senator McLUCAS: You do not keep that?

Ms Macdonnell: At that level.

Senator SIEWERT: I have a question in terms of DSP and then I have another issue to raise. You have said that there has been an increase in the number of people appealing over DSP and you have said that that has been increasing over the last couple of years. Does it go back to a particular year?

Ms Macdonnell: I can recall you asking me that question—if I do not get my years mixed up—in the 2011 year or it might have been the 2012-13 year and I said that there had not been a spike. Then, all of a sudden, shortly thereafter there was.

Senator SIEWERT: And now you are saying there is.

Ms Macdonnell: The annual report then for certainly 2012-13 reflected an increase and that increased level was sustained. Given there is clearly a delay from when decisions are made to when they are internally reviewed to when they flow through to us, I think it is clear that the changes to the impairment tables—

Senator SIEWERT: So it is the impairment tables rather than the wait for 18 months before you apply?

Ms Macdonnell: I have not gone and looked through in that detail, but that would be my understanding as I sit here, yes.

Senator SIEWERT: You are putting it down to the impairment tables more than anything else?

Ms Macdonnell: Yes.

Senator SIEWERT: Is it okay if I ask my next question? This question has come up as a result of a specific case. I do not intend to talk about the specific case, but it does raise some points. I have had correspondence from and some interaction with somebody who clearly was in the wrong and made a mistake. But this person contends that the mistake should have been picked up by Centrelink. I know that I need to ask Centrelink some questions, but my question is: when the appeal comes to you, do you feed back to Centrelink also about process? This person contends that they were in a fair state when they filled in a form and that they actually made a mistake that should have been picked up through their tax, when there was a check against the tax file, and it was not. My question is then: what feedback processes do you have? As I have said, I am not traversing a particular case, but it does raise some significant issues.

Ms Macdonnell: I think in the scenario you have presented there would be a debt and, when the application for review comes to the SSAT, the first point would be about whether in fact there had been an overpayment and there was a debt and then, of course, the tribunal needs to consider whether the debt should be waived or written off. One of the factors that come into play then is whether the debt is due solely to administrative error. Sometimes there can be a number of omissions, if you like, but they may not all be on the part of the department; there may have been notices sent et cetera.

In dealing with that issue in the SSAT's reasons for decision, it would include the account given by the person and, in fact, it might not be uncommon for the SSAT to find something in the documents that would be at least consistent with that. But unless it was solely due to departmental error, the outcome may well be that the decision is affirmed or perhaps it might

be a case where it is varied for some reason in that that was not properly calculated. When you ask about feedback, there is not something that is independent of what is recounted in the reasons. Whether, when the SSAT affirms the decision, the department reads the reasons—which could be different from the department's reasons for the decision in some respects—is another matter.

Senator SIEWERT: Thank you. I will raise the issue with Human Services. But the issue there is then: do you sometimes see consistent patterns in things that have happened through Centrelink; and, if you do, do you provide some overall feedback, such as, 'Actually, we think this process isn't working very well,' or, 'You may need to look at this or this'?

Ms Macdonnell: If something came to light across the tribunal that we thought was a systemic issue, I would raise that with the secretary because it is the secretary who has the responsibility for the overall administration of the legislation under which the reviewable decisions are made.

Mr Pratt: By extension, we then raise issues, particularly systemic issues, with our colleagues in Human Services; we work very closely with them on this.

Senator SIEWERT: Has it happened that you have raised that issue and you have fed it back to Human Services?

Mr Pratt: I am positive that would be the case on different issues, yes.

Ms Macdonnell: I certainly have raised issues with the department, yes.

Senator SIEWERT: The next question I think needs to go to Centrelink. The rest are for Centrelink, but there is one I should ask you. On the issue around mental and emotional illnesses, have you found that there are issues there where people have made mistakes because of their mental illness and the mistakes are clearly linked to that? Have you found that there are extra issues there compared to other disabilities in terms of mistakes that have been made?

Ms Macdonnell: That would be very difficult, I think, to even draw a conclusion on whether it was due to that. But certainly I am not in a position and would not be in a position, even with the question on notice, to be able to provide any information that sought to relate to or find any correlation between a person having been diagnosed with an illness of a particular type and some action or inaction on the person's part in relation to claims or receipt of payments of various benefits.

Senator SIEWERT: It is an issue obviously that I need to chase up with Human Services, but the point that has been put to me is that there is a potential for people to feel that they have not had enough assistance to actually be able to fill in forms properly. Certainly for the particular case I have in front of me, the concern is that they were suffering from a mental illness at the time and they made a mistake as a result of that and feel that they were not given enough support through the process in making their claim. Has that come up as a significant issue for you?

Ms Macdonnell: I would have to say that it has not come up as a significant issue because I have not had any example come to my attention. In saying that, there are many thousands of matters that are reviewed, but no such instance has come to my attention.

Senator MOORE: That is an issue that I have had raised with me at community organisations as well, in terms of mental illness and the expertise of people in the system to deal with mental illness and also there being more complexities with the system and the possibility of claims around the DSP area with a mental illness component. In terms of the SSAT, I know that the committee always looks to bring expertise of particular kinds into decision making. Is there a process within the SSAT for providing training to committee members and staff around special issues such as mental health? It has been raised in the community that there are concerns with the general interaction with departmental decisions within Human Services and it is an issue to talk to Human Services about. But I am looking at: if the process continues and decisions lead to appeals, is there a process whereby the SSAT could get more training or support around how you work with people with mental illness?

Ms Macdonnell: I think the short answer is that, if we detected a need, we would do that.

Senator MOORE: That is what I wanted.

Ms Macdonnell: As you rightly observe, the SSAT does use people who have those qualifications to sit on most reviews. I do not say that every DSP review has somebody who is a medical practitioner, a psychologist or a social worker who has worked with this, but the vast majority do. I am aware—and I do not know more about the details of it—that there was training on a broader base, probably not just confined to looking at or dealing with applicants but just mental health and mental illness generally because they can have workplace effects. I am conscious of the fact, without knowing all the details of it, that there was a program run recently. I believe it was available to members as well, but I could not give you more particulars of it at the moment.

CHAIR: Is that all for the tribunal? Thank you. We will now move on to other areas of corporate. Senator Moore, do you want to ask questions here?

Senator MOORE: Chair, I think you understand that the program now, with the focus on grants, could be—

CHAIR: We are about five minutes away from someone needing to invoke standing order 26.

Senator MOORE: Yes.

CHAIR: We cannot do it now; we will do it at 9.35, 30 minutes after we started. Do you want to commence?

Senator MOORE: We have a number of standard cross-portfolio issues. I wonder whether we should get agreement that we do those first before we move to the grants program.

CHAIR: I will probably keep it fairly flexible. A lot of focus will be on grants, if you want to start on grants, or we can do other things. It is all cross-portfolio. I do not think we need to be as rigid as that. If you want to start on grants, you are welcome to; if you want to start on something else, you are welcome to also.

Senator MOORE: I think we will start on other things, in terms of other standard cross-portfolio issues and then move to grants, with the clear expectation that grants will be the process. Mr Pratt, perhaps I can start with the standard questions I ask about the departmental numbers and processes. Thank you for making the annual report available; it was one of those

that we were able to get before estimates and we appreciate that. I notice that you do have information in that report about the current staffing. On notice at the last estimates, we did get a number of tables—thank you very much—about the spread of staffing. Can I get an update now on the current staffing? Would the last date be the end of September that there would be a snapshot, Mr Lye?

Mr Lye: I think the latest date we have is 31 August.

Senator MOORE: That information is not as detailed as we asked for, but is that the information that is in the annual report—the end of August?

Mr Lye: The annual report runs through to the end of the financial year. So it is a slightly—

Senator MOORE: So the very attractive map of Australia there—which I have recommended to other departments in terms of that kind of process—was the data at the end of June?

Mr Lye: Correct.

Senator MOORE: At the end of August, what was the current total staffing in the department?

Mr Lye: The current total is 3,438 staff.

Senator MOORE: Can we get that in terms of ongoing and non-ongoing status?

Ms Bell: This is headcount: against the 3,438 until 31 August, ongoing full time was 2,763 and ongoing part time was 638.

Senator MOORE: On notice—I will not ask you for this now—could we get the gender break-up and the normal processes we ask about people with disabilities, and Indigenous and from non-English-speaking backgrounds? My understanding is that there has been particular encouragement within DSS to raise the number of people with disabilities within the department. I have actually seen a statement or something of that nature that came from the department about a program of that type.

Mr Pratt: Yes. We have two programs operating, one of which is aimed at increasing representation of people with disabilities, and the other relating to Indigenous employees.

Senator MOORE: Have you given yourself targets in those areas?

Mr Pratt: Yes.

Senator MOORE: Remind me regarding people with disabilities. It is two-point-something at the moment and you are aiming for a significant increase in that area?

Mr Pratt: On the Indigenous side—

Senator MOORE: Yes.

Mr Pratt: and, from memory, the APS figure is about 2.7. We are probably at 3.1.

Senator MOORE: Yes, you are higher.

Mr Pratt: And we are aiming for four. On the disability targets, again we are ahead of the APS average.

Mr Lye: The state of the service report says 2.79.

Senator MOORE: That is the standard across the service.

Mr Pratt: For DSS, at 30 August, we were 5.24.

Senator MOORE: And you have set a target of?

Mr Pratt: I am not sure whether we have set a specific target but we are aiming to increase.

Senator MOORE: I thought I had seen a statement from the department aiming towards eight per cent.

Mr Lye: I will come back to you on that.

Senator MOORE: That would be great. That is internal processes. The period of time for those proposed increases: is that within a year or a three-year period?

Mr Lye: We have not set a time frame. On the Indigenous front, Ms Felicity Hand is the disability champion. On Indigenous, with graduate, internship and other programs, we are aiming to try to get to the four per cent in 18 months.

CHAIR: Senator Moore, it being half an hour since we started, are you now seeking to invoke to extend?

Senator MOORE: I am seeking to invoke; thank you. Did you say 18 months, Mr Lye?

Mr Lye: Yes.

Senator MOORE: Ms Bell, am I able to get, on notice, some of that data on a state basis as well? Do you keep data for state distribution outside Canberra? We have the total numbers, and I will use Queensland as an example: 198 and whatever that has changed by between the end of June and the end of August. Is it possible to get the definition down to the status of gender and disability in that case for each state, on notice?

Ms Bell: Yes, we will take that on notice.

Senator MOORE: We have discussed, over the last period of estimates, the issues of the impact of the efficiency dividend on the department and the savings that are required. In the current plan for DSS, we now have 3,438 as the end of August total. What is the current plan for what you need to have to meet the requirements of the efficiency dividend in the year 2014-15?

Mr Lye: While Mr Dilley is finding his brief, I would comment that we have an FTE level—a target, if you like, or where we think we are going to land to maintain our budget. I would say that probably encompasses efficiency dividends and a whole lot of other factors as well. So we can give you a figure, but it will be broader than just an efficiency dividend figure.

Senator MOORE: That is all the demands on your budget, in terms of meeting the requirements?

Mr Lye: Yes. It includes things like terminating programs and things like that—normal processes.

Mr Dilley: Perhaps I could add to Michael Lye's comments. That is correct. It is not just the efficiency dividend in 2014-15; we are looking at an ASL—an average staffing level—for budget purposes of 3,305.

Senator MOORE: Over the whole year; so with ups and downs and so on. But that is the budget allocation: 3,305.

Mr Dilley: Yes.

Senator MOORE: Within that component of impacts on the budget, do you have specific figures that could tell me about what the impact of the efficiency dividend is?

Mr Lye: No; there is probably not a specific figure because, as we have outlined, the combination of terminating measures and the reallocation of resources to meet priorities and a range of other movements in fact are higher than the efficiency dividend effect.

Senator MOORE: Is it a 2.5 dividend to which you are working?

Mr Dilley: Yes.

Senator MOORE: And that is for 2014-15?

Mr Dilley: Yes.

Senator MOORE: In terms of the process, in your annual report, you list a number of tables that show the various expenditures in the department across things such as travel, advertising and all those things. You also have the environmental table, which shows the way that you have been moving to meet the requirements of having an environmental plan. I am interested in terms of—you can take this on notice—what the current travel budget is within the department.

Mr Dilley: That is something that I would have to take on notice.

Senator MOORE: I would expect so. Also, do you have a—

Mr Pratt: Just to clarify, we probably do not have a formal travel budget because—

Senator MOORE: Allocation?

Mr Pratt: people are able to use the resources flexibly. Sometimes that will mean travel is the best way to achieve something; at other times—

Senator MOORE: Absolutely. Allocation?

Mr Lye: An individual group or branch will have a budget which they are expected to manage within and they will be expected to apportion reasonable resources for travel, as needed, within that budget. But they are very strictly expected to stay within that budget, and then we monitor.

Senator MOORE: Do you have a plan?

Mr Lye: We monitor very closely the expenditure on travel. With careful monitoring and also some of the whole-of-government travel policy changes, we are spending less on travel than previously. We are using more—

Senator MOORE: I have noticed that over the years; that is why I was asking. Do you have an internal guide or information for management of travel that you give to branch managers in terms of the expectations for how they manage their budget?

Mr Lye: We have a series of policies. We have policies which direct people around the class and type of travel they can use. Managers must approve travel, so a person must provide a justification that is reasonable for—

Senator MOORE: Can I get copies of those?

Mr Lye: Some of the system is electronic. We will do our best to give you the—

Senator MOORE: Give it to me on notice in terms of the process around that. What is the number of redundancies in 2014-15 to this date, forced or voluntary?

Mr Pratt: We had no forced redundancies.

Senator MOORE: Okay.

Mr Lye: The year to date figure is 46.

Senator MOORE: Is there any way that I can get whether that has been at the national office level or at the regional levels?

Mr Pratt: We can certainly split that up.

Senator MOORE: Put that on notice; that is fine. Is it possible to have which programs the staff came from?

Mr Lye: Yes.

Senator MOORE: I think that concludes my general staffing questioning. I have some questions on the budget legislation and the role that the department had in that; I have them under cross-portfolio because they are budget issues. I will start asking them and, if you think they should go into a specific area, we will do that.

Mr Pratt: Any general questions around our processes with legislation and the budget we can do in cross-portfolio. Given that the bulk of the measures are in the social security area, that is where we will be able to drill in.

Senator MOORE: I have some questions around the changes that have occurred with the social services and other legislation amendment bills and the process that went on to change them and bring them back. On what date was the department asked to draft the four bills that were introduced in the House on 2 October?

Mr Lye: We might have to take that on notice; I am not sure.

Ms Richards: I am the Chief Legal Counsel in the department and we manage the legislation program. I do not have the answer to that question with me; I could take it on notice.

Senator MOORE: Take that one on notice. At the same time could you tell us on what date the department began to draft those bills?

Ms Richards: Yes.

Senator MOORE: And on what date the department provided the bills to the minister?

Ms Richards: I will take that on notice too.

Senator MOORE: In terms of what has gone on, has the department provided advice to the minister about what to do with the bills that continue to be in the Senate? I know that you cannot give detail on the content of the advice, but can you tell us whether you have provided advice to the minister about the process of the handling of the bills that are still sitting on the Senate *Notice Paper*?

Mr Lye: I might take that on notice too.

Senator MOORE: Sure. Minister, what is your understanding of what is happening currently with the social security bills? We had the original bills that went to the House and the Senate. We had a process in the Senate, and my understanding is that those bills are still

on the *Notice Paper*. I want to clarify the situation, from the government's point of view, as to what is happening with those bills at the moment.

Senator Fifield: Senator, you will recall that, when the package of social services bills was originally introduced, the government was prepared, in relation to those matters that the opposition supported, to see those elements that they did not support removed, in order to facilitate the passage of those measures that we agreed upon. That could have occurred in the Senate and, indeed, the opposition circulated amendments to that effect.

In discussions with Ms Macklin, it was made clear that the opposition would not allow this particular bill to go beyond the second reading stage to the committee stage in the Senate. So, in effect, the opposition were going to deny themselves the opportunity to move their own amendments to give effect to that which they wanted and which the government would have supported, which I thought was curious. The rationale that the opposition used was that to vote for or allow the bill to be read a second time would, in some way, indicate consent for everything that was in the legislation, which of course it would not have. Allowing the bill to be read a second time, that vote merely means that you are allowing the bill to be read a second time, as was the case with the MRRT, where the opposition—although, obviously, they did not support the MRRT repeal legislation—allowed that to go to a second reading.

Because of that unusual situation, that particular package did not proceed, and the opposition made it clear that the only way that they would support the measures that they supported was to put them into a fresh bill. You would have seen the commentary, Senator, from Ms Macklin and Mr Shorten as to—let me paraphrase—'Why, oh why, wouldn't the government split the bill?' In fact, we offered, in effect, to do that in the Senate, but that was not accepted. As a consequence of that, the various social services pieces of legislation were reapportioned into a number of separate bills. That which is known as social services No. 6 went through the House and into the Senate on the last Thursday of sitting.

Senator MOORE: Which was the 9th?

Senator Fifield: It was the last Thursday of sitting. Once a sitting day is over, I tend to move on.

Senator MOORE: I know. I have checked and it was 9 October.

Senator Fifield: That went through into the Senate and, just as second readers concluded, we timed out for government business time on that day. I would hope and, I guess, ask Senator Siewert here today and you, Senator Moore, that, in the next sitting week it would be great if that could come to a vote straightaway. I do not think there is a particular desire for a committee stage on that bill; I could be wrong, but that did not look like it was the intention in the last sittings days. If that could be facilitated, that would be great. I know how the Greens will vote on that particular bill, but—

Senator MOORE: You can never presume.

Senator Fifield: given that the opposition and the government are in agreement on the measures in there, it would be great for that to proceed. In relation to the other social services pieces of legislation, they have been introduced into the House and obviously discussions are ongoing with various parties.

Senator MOORE: In terms of the original bills, as Manager of Opposition Business, do you intend to have those bills just stay on the program of the Senate?

Senator Fifield: The?

Senator MOORE: The original bills with the \$23 billion in cuts to pensions and \$40 billion cuts to families—the original bills. Do you intend those to stay on the Senate agenda?

Senator Fifield: We have repackaged and reapportioned measures into fresh bills into the House. So those in the Senate, I guess, have, in effect, become redundant. But, as to how we will address that, I will come back to you.

Senator MOORE: I just wanted to clarify the process.

Senator Fifield: Sure.

Senator MOORE: Do you have anything coming out of that on cross-portfolio?

Senator SIEWERT: No. There was just one—I am interested in the grant and the welfare review.

Senator MOORE: Do you want to go to social media?

CHAIR: I might take the opportunity to give Senator Smith some questions. We will come back to other cross-portfolio questions, but I will go to Senator Smith.

Senator SMITH: Just sticking with the issue of the government's social security measures, how does the department understand the support from peak organisations like ACOSS et cetera regarding the senior supplements cessation bill?

Mr Lye: That might be a question that is better answered by our colleagues in the—

Mr Pratt: We should probably deal with that under outcome 1, if we could.

Senator SMITH: Yes; I will move to my others. I just want to understand timeliness around responses to questions on notice.

Senator McLucas interjecting—

Senator SMITH: Excellent. You made a bit of an error of judgement yesterday, Senator McLucas, but we will see how we go today. Can you just advise me of the number of questions on notice received for budget estimates 2014?

Mr Lye: The portfolio received 1,066 questions on notice from the hearing and, of these, 91 were duplicates. Subsequently, they were combined.

Senator SMITH: You will have to speak up; I am sorry. You received 1,066?

Mr Lye: That is correct. Of those, 91 were found to be duplicates and subsequently they were combined with other questions.

Senator SMITH: What do you mean by 'duplicates'? What were they duplicating; questions that had already been asked in hearings?

Mr Lye: I would come back to you with a very specific answer. But, in large part, they were roughly the same question asked by different senators. We are working off a basis of 975 questions on notice.

Senator SMITH: You have said that 91 were duplicates and then there was another figure in that.

Mr Lye: No; just 91 of the 1,066, so 975.

Senator SMITH: Which brings you to 975.

Mr Lye: Yes.

Senator SMITH: The total number of questions on notice received for the additional estimates 2014?

Mr Lye: That was 679.

Senator SMITH: And the total number of questions on notice received for supplementary estimates 2013?

Mr Lye: That was 419.

Senator SMITH: By themselves, they do not mean much, so I am keen to understand what the total number of questions on notice received for budget estimates 2013 was.

Mr Lye: That was 434.

Senator SMITH: So we are comparing 975 with 434 for the previous year?

Mr Lye: That is right.

Senator SMITH: Then the additional estimates 2014?

Mr Lye: I think—

Senator SMITH: I am sorry; additional estimates 2013?

Mr Lye: That was 393.

Senator SMITH: Compared to the previous figure of 679?

Mr Lye: Correct.

Senator SMITH: And then at supplementary estimates of 2012?

Mr Lye: I am not sure that I have that far back.

Senator SMITH: Fair enough; okay. What was the response time? How many of the questions on notice were received on time for budget estimates 2014, additional estimates 2014 and supplementary estimates 2013?

Mr Lye: In budget estimates 2014, of the 975, 515—52.8 per cent—were received by the due date.

Senator SMITH: For additional estimates 2014?

Mr Lye: Of the 679 questions on notice, 148 were received by the due date.

Senator SMITH: As a percentage?

Mr Lye: That was 21 per cent.

Senator SMITH: Then supplementary estimates 2013?

Mr Lye: Of the 419 questions, 327 were received by the due date—78 per cent.

Senator SMITH: Then, of the 434 questions, which were the questions on notice received for budget estimates 2013, how many were responded to on time?

Mr Lye: I do not have that figure, I do not think.

Mr Pratt: Budget estimates, was it?

Senator SMITH: Budget estimates 2013, yes.

Mr Pratt: None.

Senator SMITH: Zero per cent?

Mr Pratt: Yes.

Senator SMITH: Zero per cent compared to 52.8 per cent.

Mr Pratt: That is correct.

Senator SMITH: The additional estimates of 2013, where there were 393 questions on notice?

Mr Lye: I do not think we have those; we can get them.

Senator SMITH: We do not have that figure.

Mr Pratt: Not to hand.

Senator SMITH: For the supplementary estimates of 2012 you could not give me that quantum.

Mr Lye: No. We will take that on notice.

Senator SMITH: So the only comparative analysis that I can do based on the information that you have provided me with now—but you will provide some on notice—is that, at the budget estimates of 2014, 52.8 per cent of questions on notice were responded to on time; and, at the budget estimates of 2013, no questions were responded to on time.

Mr Pratt: That is correct.

Senator SMITH: Have all the questions been answered now?

Mr Lye: Yes.

Senator SMITH: Yes, all the questions have been answered now. In response to Senator Seselja's question, you did mention issues around duplicate questions. Do you keep records of whether or not questions are asked in regard to information that might be publicly available?

Mr Lye: We make an effort, particularly—

Senator McLucas interjecting—

Senator Bilyk interjecting—

CHAIR: I think we will let Senator Smith continue with his line of questioning.

Senator SMITH: Thank you, Chair.

Mr Lye: We do make an effort, particularly where we have a large number of questions on notice, to direct senators to publicly available information. We could probably provide some information about where we have done that.

Senator SMITH: Perhaps just as a proportion of the number of questions—I do not expect you to go through every question—but intuitively, if you are responsible for finalising them before they are provided to the committee, then a sense of what proportion of information is actually already on the public record. That brings me then to my final point: are you able to estimate how much it actually costs to provide responses to questions on notice? Perhaps you could just give us a sense of how many people might be involved and what the process is.

Mr Lye: I would say this: if you calculate the time staff and the number of questions, it is in the hundreds of thousands rather than the tens of thousands to do that job. It is a significant undertaking; obviously, we take the job seriously because it is important.

Senator SMITH: That is right. No-one is questioning the right of people to put questions on notice and no-one is questioning the necessity of responses being provided, but always

there are resourcing allocations. In the budget estimates 2014, we had close to 1,000 questions—we did: we had 1,066 questions asked; some of them were duplicates. In the budget estimates one year prior to that, we had just close to 500 or 434. I will leave it at that point.

Senator McLUCAS: Can I ask questions on the same issue, please?

CHAIR: I just have a couple of questions on another issue; but yes.

Senator McLUCAS: Thank you. Senator Smith has made a number of assertions that I am not going to trouble the department with—questions about publicly available information. Can I actually suggest that, rather than provide a home page for this publicly available information, it might be useful to be able to point to where this document might be found? That is partly the reason why the question is being asked. But there are questions around the timeliness; I think we have traversed that—the number. Senator Smith seems to be asserting that there is something wrong with asking questions in a democracy.

Senator SMITH: No—I very clearly said there is nothing wrong with asking questions.

Senator McLUCAS: Then, what I can tell you—

Senator SMITH: My questioning went to—

Senator McLUCAS: I have the call.

Senator SMITH: Don't misrepresent me, Senator McLucas.

Senator McLUCAS: You seem to be asserting that a large number of questions seemed to say that was a bad thing. I suggest to you, Senator Smith, that that is a good thing. It is important that scrutiny is provided by the Senate, and Senate estimates are the place to do it. It tells you that in budget 12 and budget 13 the poor number of questions that were asked shows a disengagement from the then opposition—

Senator SMITH: Wasteful misuse, not scrutiny.

CHAIR: Order! The minister would like to respond. I will allow the minister to respond.

Senator Fifield: Thanks, Chair. I was reluctant to interrupt that monologue. I thought I should try to interpret it as a question, so I will.

Senator McLUCAS: And then give us an answer.

Senator Fifield: Yes. It is an answer that, obviously, would be difficult for officers of the department to provide. The point is: the better targeted and the more thoughtful questions are, the easier it is for the department to respond to questions in a timely way, obviously. The higher the volume of questions, then obviously there is no perfect or ideal or right number of questions. But if questions put grow exponentially that will have an effect on the speed with which the answers in aggregate can be provided, and particularly where there are issues of duplicate questions and things of that nature.

Senator McLUCAS: I totally agree with you, Minister.

Senator Fifield: I hope that is helpful to the committee, Chair.

Senator McLUCAS: Minister, I totally agree with you. I refer you to question No. 127, a question asked by me on notice from the last estimates. The Secretary might want to look at this one. Minister, you were talking about specificity: would you describe that question as a

specific question that allows the department to answer it easily? It states: 'Regarding the review of housing and homelessness'—

Senator Fifield: I am just reading the question.

Senator McLUCAS: 'Please provide the following: start date, reporting date, terms of reference, whether it is to be undertaken internally, whether any work is to be undertaken externally.' These are very specific, clear questions. Secretary, do you think that the answer is an adequate answer?

Mr Pratt: In the context of the timing of the answer I do not think it is inadequate.

Senator McLUCAS: You do not think it is inadequate: is that what you just said?

Mr Pratt: The answer was to refer to the *Hansard* of the 5 June committee hearing. I think at that stage the indication was that the review that is covered by the question had not yet been commenced. That was the situation in June. Nothing could be added to update there. Of course, we will be able to come back to these issues under Outcome 4. But I think the answer is adequate in terms of where we were at, at that period.

Senator McLUCAS: All right; we can disagree with that. I want to ask some questions about the process. Answers to questions are compiled in the department. They then go to the minister's office for approval. So in this case they all go to Minister Andrews' office; is that correct?

Mr Pratt: Generally, yes.

Senator McLUCAS: Some would go to Senator Fifield, I dare say?

Mr Pratt: It depends on ministerial and parliamentary secretary responsibilities.

Senator McLUCAS: Certainly. Was this answer amended in the minister's office?

Mr Pratt: I certainly cannot tell you that. We would have to take that on notice.

Senator McLUCAS: How many of the questions from the last estimates were amended in the minister's office?

Mr Pratt: I would have to take that on notice.

Senator McLUCAS: Thank you very much. Can I also talk about the tone of some of the answers?

Mr Pratt: Certainly.

Senator McLUCAS: There is an edge to them that I have not seen before in many years of being in this place. That is why I am asking how many were amended in the ministers' offices? For example: 'Does the department accept that increase in the age pension age is likely to result for some people who are ineligible for the age pension going on to other welfare payments?' The answer is: 'Yes, as it does when the pension age rises to 67 by July 2023.' That is an argumentative answer from a departmental official. I have not seen that before. The answer to that question is 'Yes'—full stop. That is the way it should happen. It is a change. It is a change from a department that I know pretty well—

Senator Fifield: It sounds as though additional information is being provided.

Senator McLUCAS: I have not seen this before. So I want to know how many of these questions were amended in the minister's office.

Senator Fifield: Senator McLucas, if you find that answer particularly edgy, you have a fairly low threshold for edginess.

Senator McLUCAS: We are talking about an independent public service taking a step further than I have seen them do before. That is a fairly severe allegation that I am making, but I am giving some space just in case there has been a political overlay that I am unaware of. That is why I am asking the question: how many of these questions were amended in the minister's office?

Senator MOORE: I have a follow-up question on the same issue. We are aware that on 14 July the Minister wrote to Senator Seselja, in his capacity as chair of the committee, expressing concerns about the significant increase in the number of questions on notice being received by the Social Services portfolio as part of the Senate estimates process. Did the department draft the letter or provide any advice to the minister on the letter?

Mr Pratt: I will have to take that on notice also.

Senator BILYK: There are so many questions on notice.

Senator MOORE: So you have to take on notice whether the department provided—

Mr Pratt: I do not know whether we drafted that letter or whether we simply supplied advice on numbers. We would have to check that.

Senator MOORE: Out of which would come the letter. Minister, or Mr Pratt: are you aware of whether this is a standard process in terms of sending a letter to the chair of the committee with concerns about questions on notice?

Senator Fifield: I would think it is entirely open to any office holder to write to whomever they choose. It does not strike me as extraordinary. We are obviously happy for Mr Pratt to answer as to his knowledge.

Mr Pratt: At a general level, ministers and statutory officers occasionally make a decision to do so. In regard to questions on notice, it is not something I have come across many times over 20-plus years of attending Senate estimates hearings. It is not unusual to have correspondence with the committee on different things at different stages.

Senator MOORE: I was just interested. It was something we had not seen. We take it absolutely that that was a very large number of questions on notice; we accept that it was. We also will be scrupulous in looking at the duplication issue. There were a couple of issues there in terms of Senator Siewert and us having similar areas and putting in questions, and a couple of things about what we believed had been in the *Hansard* and had also been asked and making sure it was picked up.

I had a particular question—not to do so much with the content; we can come back to that. We received a number of answers yesterday. Several were around Family Tax Benefit Part B. The answers were straightforward, with information that was about the question. Three of the questions were 'refer to another answer', and that is fine; they were answers of the same period. But the data in those questions was straightforward, and I am surprised why we got them yesterday in the midst of the process. Questions on the FTB were the very last to be received. I cannot see in the complexity of the question or the answer why they would have been so late. I will raise them again if it is a better place to raise them in the family section, if the officers are there. But it just seems passing strange. Certainly with some questions, where

you are asking for deep analysis and so on, that is a timely exercise and I understand the complexity of the response. But we were asking a simple question about the impact of a payment and we get a table back which shows the impact of the payment. There is no question about whether it was an appropriate question. Is there a reason for why they took so long?

Mr Lye: It may be something as simple as—drawing on my past involvement with Family Tax Benefit—that the reconciliation on the figures happens in July. It is entirely possible that figures were not available. That is a question you could ask the officers at the right time.

Senator MOORE: I raised it there because of the timing of it. There is a specific question I will come back to. I was very satisfied with the answer, because it gave me the information; it was just the timing. That is all we have on questions on notice. Senator Bilyk has questions on social media.

CHAIR: I will go first. I have a couple of short questions, and I know Senator Reynolds does, and then I will come back to Senator Bilyk. Could I ask for an update on the progress of the DSS building? I cannot remember where we were last time we discussed it, Mr Pratt. I think we had a preferred tenderer; I think we still have a preferred tenderer. I do not know if we have progressed beyond that.

Mr Pratt: Yes. We have had quite a bit of progress. The experts will come to the table.

Mr Broadhead: We are close to concluding our discussions with the preferred tenderer, Cromwell Pty Ltd. Assuming no unexpected turn of events, we would hope to be entering into an agreement with them within weeks.

CHAIR: Are you able to inform the committee what period of lease we are expecting to see? Normally it is 15-odd years; is that the sort of negotiations we are seeing?

Mr Broadhead: Yes. The lease we sought in our request for proposals is 15 years plus two five-year options, so that is what we are considering—in total 25 years.

CHAIR: If your expectation of it being signed within a few weeks comes to fruition, what is the likely construction timetable? When are you expecting to start? When are you expecting to finish?

Mr Broadhead: There would be some site preparation this side of Christmas, but construction would start early in the new year.

CHAIR: With an 18-month, two-year build? What are we looking at?

Mr Broadhead: The building will be stood up in approximately a year and then the subsequent fit-out of the building would take a further year; so, roughly speaking, a two-year construction time.

CHAIR: At this stage is it still expected that staff will be able to remain accommodated in the current buildings whilst construction goes on at the same site, although at a different part?

Mr Broadhead: Correct. The new building is intended to be on the south-east corner of the current site, occupying what is currently a car park. The current building would still be habitable during that period. We would not expect to move staff out of the building during the construction period. In terms of the car parking lost due to the footprint of the new building, the proposal is to construct a public road, which is on the ACT plan, behind the current site called Rowland Rees Crescent. That would be constructed by the builder. Along that would

be an additional 200 or so car parks. That road and those car parks would be turned over to the ACT government post the construction period.

CHAIR: So Rowland Rees Crescent. This would finally connect that road that goes behind?

Mr Broadhead: Correct. It would connect from Athllon. It arcs around from Athllon up near the club through to Soward Way, which is between the Caroline Chisholm building and the current Tuggeranong Office Park.

CHAIR: You said there are an additional 200 car parks on the street as a result of the building. How much car parking are we talking about on site?

Mr Broadhead: At the moment we have about 750 car parks on the site. The new building would knock out approximately 200 of those, because the building is being built on a car park on the site. The aim is to replace the ones that would not be available due to construction with those constructed along the road out the back.

As I say, the road would be constructed by the builder retained by Cromwell Pty Ltd but I think the figure is 209 car parks along that road. The agreement is—this is all subject to execution of course—that those would be exclusively available to DSS staff during the construction period but it would be turned over as a public road. It would be built to the standards required for public roads et cetera.

CHAIR: Are the car parks on site at the moment pay parking or are they exclusively for staff? How does that work?

Mr Broadhead: At the moment it is exclusively for staff. We do have charging, however, because some time in the last couple of years the commercial car parking in the vicinity rose to a cost above the threshold for fringe benefits tax. So in 2013 I think it was—I was not there at the time—the department instituted a charging regime to recover the cost of fringe benefits tax.

CHAIR: What does that amount to?

Mr Broadhead: Currently it is \$2.80 a day, roughly.

CHAIR: In terms of the current plans and expectations, how many staff will the new building be able to accommodate and how many do you anticipate would be moving in, on current projections, at completion?

Mr Broadhead: It would be able to accommodate a bit over 2,000, probably around 2½ thousand. That is subject to the fitout that is yet to be done, and of course the building is yet to be built. But 2½ thousand is a rough number for the maximum occupancy as proposed. The initial figure would be just a bit over 2,000.

CHAIR: Thank you. I appreciate that update. Senator Reynolds.

Senator REYNOLDS: Thank you, Chair. My questions relate to the grants program. I was wondering if you could update the committee on how many applications the department has received under the latest grants round.

CHAIR: Just one moment. What is the unhappiness?

Senator MOORE: We have other questions before we get to the grants program.

CHAIR: You would like to do grants all in one job lot?

Senator MOORE: As a bundle, a job lot.

CHAIR: I do not have a problem with that if Senator Reynolds is okay with that. I will go back to Senator Bilyk with some other questions on cross-portfolio and then I will come to Senator Reynolds and others on grants.

Senator MOORE: And we will finish cross-portfolio by morning tea.

CHAIR: Senator Bilyk.

Senator BILYK: Thanks, Chair. I want to ask about social media policy. Across the Public Service obviously there has been some policies put out in regard to that. Does the department have a policy on the use of social media by staff?

Senator Fifield: Yes.

Senator BILYK: When was it last reviewed?

Ms Bell: The policy is currently under review. We have a policy in place. It is the previous FaHCSIA policy which is a very comprehensive social media policy. It is currently under review. We are taking into account the new departments and also some changes to the APS code of conduct, just to make sure we are up to date. We expect to be able to distribute that to staff probably in early December.

Senator BILYK: Does the policy restrict the types of sites people can belong to?

Ms Bell: No. There are no blocks on any site.

Senator BILYK: Sorry, I could not hear.

Ms Bell: There are no blocks on any sites and we have not had any breaches against that since the sites were open, I think, in 2011.

Senator BILYK: That is good to hear. How many social media accounts does the department manage?

Ms Bell: We currently manage three social media sites. One is our Australian Families Facebook site. We manage one for Harmony Day and we manage one for International Day of People with a Disability. They are all Facebook sites.

Senator BILYK: They are all managed within the department?

Ms Bell: We manage them all within the department and we do the moderation within the department as well.

Senator BILYK: So none are contracted out?

Ms Bell: None at all.

Senator BILYK: Do you have any involvement in social media accounts for the minister, assistant minister or the parl sec?

Ms Bell: No, we do not.

Senator BILYK: They are accountable for their own?

Senator Fifield: Absolutely.

Senator BILYK: That is good to hear. What is the approximate full-time equivalent staff allocation to the management of social media accounts for the department?

Ms Bell: I would have to take that on notice. We do not have a dedicated social media team. All communications officers are trained in managing social media sites. I would have to look at the specific volume of work that comes from each of those sites.

Senator BILYK: Presumably this review that you are doing is going to be more understandable than the more comprehensive review? Is that what the aim of the review is?

Ms Bell: It is our internal review to combine all the social media policies that came about through MoG and to also look at changes to code of conduct et cetera. It will be an update to the existing document.

Senator BILYK: How will staff receive this, by email?

Ms Bell: When we launched the previous policy we actually developed an interactive video that allowed staff to understand the policy and their relationship to the policy. We also put it on our internal intranet and we also have the policy available on our corporate policy site.

Senator BILYK: That is all I have got, Chair, for that.

CHAIR: Senator Moore.

Senator MOORE: We did receive an answer to question on notice No. 939, which talked about what departmental agencies spent on advertising since additional estimates in February 2014. Thank you very much. That was very helpful. We want to have the same question about the period between June estimates and now, the same listing of what was spent on advertising. We will put that on notice.

Mr Pratt: Yes.

Senator MOORE: There is one particular question on one particular contract. It is reference ID9000454. It is a contract to Mitchell and Partners Australia Pty Limited for a very short time frame for a lot of money. I want to find out what that particular advertising was for.

Ms Bell: It will be for a media buy. Mitchell media are the master media buying agency. I will just have to find the particular contract.

Senator MOORE: That is fine. You can take that on notice, if you like.

Ms Bell: Thank you.

Senator MOORE: The detail in the previous answer was very good. We could find it. That one just jumped out. If we can get the general answer and then particular information on that one?

Ms Bell: I will take that on notice.

Senator MOORE: Thank you.

CHAIR: We have just a few minutes before morning tea. Can I suggest that if we are about to move to grants and that is going to be a lengthy discussion, we might take our break now and then we will come back and start with grants. We will suspend now for 15 minutes.

Proceedings suspended from 10:22 to 10:40

CHAIR: We are going to continue with cross-portfolio matters. I remind senators that, whilst standing order 26 allows senators to extend items of expenditure, if we do spend many hours on cross-portfolio there will be a lot less time for a number of other important things. I would just remind senators of that. I will go to Senator Reynolds.

Senator REYNOLDS: Thank you very much, Chair. Good morning again, Mr Pratt and Minister. As I foreshadowed previously, my questions relate to the grants program. Could you give the committee an update on how many applications the department has received under the latest grants round?

Ms Bennett: The department received 5,572 applications. I would like to alert the committee that on Tuesday, 21 October, in the context of the 5,572 applications, a decision was made that we would need more time to finalise the assessment of those applications and the allocation of business. We have announced via our website to those organisations that currently have an existing grant agreement which was due to run out on 31 December that we would be extending those agreements until 28 February. That means the new arrangements would come into place on 1 March.

This reflects not only the much larger than expected number of applications that were received but that the actual amount of funding was far above what is available. The total amount of funding in those applications being sought was \$3.9 billion over the four years. There is only \$800 million of available funding. The complexity of this means that many organisations have applied for multiple program areas. We will need to be able to map the successful or preferred applicant service application and commence discussions with them to see if the final outcome of the application still aligns. As you could see, as it is almost five times the amount of available funding, some organisations are unlikely to get the full suite of what they had applied for. We would have to make sure that we have covered all the areas.

Furthermore, given the volume of work that needs to be done, both in the assessment and in the allocation, this allows an appropriate time for those organisations, where there will be a change in their funding arrangements, as they will have two months to be able to put those arrangements in place before 1 March.

Senator REYNOLDS: Thank you very much, Ms Bennett. It is certainly a lot of applications to go through in a very short period of time. So you have extended existing agreements. How many existing agreements are there that have been extended through to next year?

Ms Bennett: Some 1,400 will be extended until 28 February.

Dr Reddel: Approximately 1,400, which would mean the people that are currently being extended as of the end of June being extended for six months until the end of this year, and who would be applicants for the current round.

Senator REYNOLDS: There are 4,000 extra applications you have received this year—these were funded, currently funded?

Ms Bennett: Yes. Some of them will be organisations that currently deliver services, some of them will be applications for new service providers and some of them will be applications for service providers that could be existing but going into new program areas.

Senator REYNOLDS: I understand that you are in the process of changing the program. There is a new program that is being implemented. I am new to this committee so could you give me a bit of background on that?

Ms Bennett: The grant reform process, which we will go into in a bit more detail, is a reflection that the department broadbanded its discretionary grants programs to align the 18 programs previously undertaken by five former agencies. Those alignments from the various

agencies that came when machinery of government changes were made in September drew on greater connections—what might have been run in Health and what was run in the old FaCSIA or what was in Education and Employment; it aligned those. Furthermore, there were some areas of duplication. We went through at the last estimates hearing quite a detailed mapping of that and provided some documentation which showed old programs and how they now fitted into that new program structure. That document, that mapping document, we could provide again to you.

Senator REYNOLDS: If you could. I will not take the committee's time if you did that previously. I am happy to go back and look at that. Can you then just tell us how the streamlining will improve the availability of this program?

Ms Bennett: There are a number of key elements and Dr Reddel will go into it in a bit more detail. The key elements are longer contracts, up to five years, which provides organisations with a greater certainty about their funding arrangements, allowing them to make decisions in terms of staff, lease arrangements and those sorts of key running organisation decisions.

There are simplified agreements. Across the department some of the contracts were 60 or 70 pages. We have done a risk assessment and those that are experienced organisations in the areas will have much tighter outcome based contractual arrangements. We have improved what we would call the performance measurements. If you have multiple programs that you deliver, the reporting frameworks are aligned. We will have a single contract for organisations.

While that does mean that there will obviously be appropriate schedules that relate to particular businesses, it will be one contractual arrangement. We have also made some improvements in the area of data sharing that we will exchange between us and those providers about their performance and comparative performance for other service providers. Those are the key elements.

Dr Reddel: To add to Ms Bennett: in terms of the funding agreement—I might have mentioned this at the last estimates—there were up to 54 clauses in previous agreements. We are now looking at around 23 clauses in the new streamlined agreement—as I say, down from 28 pages to 15 generally. There will be some particular policy outcomes that might need to be reflected depending on the program. That will need to be part of the genuine negotiation that will go forward after the decisions are made. We will work through with organisations, the preferred providers, on how the agreement will be structured and the particular issues. We are already looking at a study to do some information sessions with organisations about the new agreement and how it will help operationalise the principles underpinning the program reform.

Senator REYNOLDS: Thank you.

CHAIR: Thank you, Senator Reynolds. Senator Moore?

Senator MOORE: I will start and then we will work through it. Ms Bennett, it doesn't seem that long, does it? You gave us the information that there were 5,572 applications. I do not want to couch this question as an opinion, but it seems to me that this round was always going to be complex and there should have been an expectation within the department of the wide range of claims and applications that would come through. Can you give us an idea of

what the department had expected in terms of your planning around this process and what eventuated? We did not actually quite get to this point in the last estimates after the tender process had opened. We did not ask questions about how many you expected. It just seems to me, having looked at the amount of interest there was in your various consultation programs before—the significant changes and the way the situation was going to operate and also the large number of programs that were either being rolled in or changed—that there should have been an understanding that this was going to be a big job. Can you tell me what the original plan was for what you were expecting?

Ms Bennett: I will not take it as a criticism—

Senator MOORE: No, I do not want it to be a criticism; I am wanting to get the information.

Ms Bennett: Clearly, it is the most significant reform that has been done in this area for some time. We expected that there would be great interest. To be honest, we have raised that we have about 1,400 agreements and we expected about a threefold level of interest, not a fivefold level of interest.

Senator MOORE: Okay.

Ms Bennett: Also, I think it was a reasonable expectation that the material by program by rounds talked about the scale, or potential scale, of funding. You have seen the material that was available. We did not expect that there would be a fivefold overbidding for funding. They were surprises. We expected a lot of interest. We expected that there would be organisations that would be looking in areas that they may not previously have provided for services but found a connection to a service that they currently provided and saw that there was opportunity that they could go into a new area.

There was obviously some planning and expectation. With any of these processes—and I suspect it is common for any tender—you make an estimate of what you understand of the nature of the organisations and what is available, taking into account that it was quite a different and new process. We saw it as very positive, I might say, that there was such an overwhelming response from civil society to be engaged in these areas, but we have been always conscious to watch and make sure that we did this in an appropriate and orderly way.

It was not until you opened the applications that you actually got to see how many areas they were applying for. That sheer volume of what you get involves a process of being opened, assessed and mapped and then assessed against the particular programs. We mapped out what our options were in the last few weeks and looked at what the risk rate was. It was on that basis that we decided that. And then there was the closeness to Christmas and the importance of, if we could not give clear advice absolutely earlier, needing to make sure that there was a reasonable window to allow transitions to new arrangements and to continue services over the Christmas-new year period.

Senator MOORE: How many people are working on this project?

Dr Reddel: We have an assessment centre which is located in Canberra as well as outposts in the various state offices. We have, on average, over the course of the current assessment process, around 104 full-time equivalent staff. That will not represent head count. There are some people that work part time et cetera. That is made up of departmental staff

that have been seconded to work on the process, policy areas as well as others, and we have brought in some contractors.

Senator MOORE: How many contractors?

Dr Reddel: Approximately 30 to 35 out of the 104.

Senator SIEWERT: Sorry; so 104—

Dr Reddel: Full-time equivalent staff. That is an average. There would be times when there would be more staff involved and times when there would be less.

Senator SIEWERT: I understood from your answer that the 104 were departmental. There are 104 in total, of which 30—

Dr Reddel: Thirty to 35. I would have to look at the—

Senator SIEWERT: Thirty to 35 are subcontractors?

Ms Bennett: That is a temporary employment arrangement; it is not ongoing. They are temporary employment arrangements.

Dr Reddel: To supplement the departmental resources.

Senator SIEWERT: Can we explore what they are doing and, in particular, what the subcontractors are doing?

Ms Bennett: There are obviously levels of sophistication of work. I talked about the opening of thousands of applications and making sure that they are in the system.

Senator MOORE: Were they submitted by email or by paper?

Ms Bennett: They were electronically lodged. We went through at the last—

Senator MOORE: That is fine.

Ms Bennett: Some of the organisations did send a paper version as well.

Senator MOORE: I know many who did.

Ms Bennett: Many did, as well as lodging them.

Senator MOORE: Because the cut-off date was so close they were absolutely convinced they had to get it in so they sent it both ways.

Dr Reddel: Yes.

Senator MOORE: So you would have to handle that as well.

Dr Reddel: Yes.

Ms Bennett: That meant that a lot of this early work would have been done. I want to go to the question about the non-ongoing for a moment. Obviously there were some weeks involved in making sure that every single application that had been received was opened and lodged into FOFMS. I think the best thing would be for Dr Reddel to talk about the various levels of assessment. There is a preliminary stage—

Senator SIEWERT: That is exactly what I wanted to go to.

Ms Bennett: which is where some of those non-ongoings are. Then there is an expert panel made up of senior people that know both their programs and many of the providers. Then there is a program board of division heads that advise, that will be advising finally the delegates, which are deputy secretaries in the department. We do not know yet, because of the

probity process. The delegates that make the final decisions have not been engaged or briefed on any of these arrangements because we are still going through the assessment process. Perhaps Mr Kennedy and Dr Reddel can go through it.

Dr Reddel: I will start by explaining the process. Mr Kennedy is leading the assessment the work and he will go into some of the detail about specific roles and responsibilities in the assessment process. I think in the last estimates we tabled a document that outlined the governance of the assessment process, including how we would staff an assessment centre—

Senator MOORE: Yes, you did.

Dr Reddel: as I mentioned, located in Canberra and with hubs in the state and territory offices. The process was that the application would be received from the applicant, that would be opened in the assessment centre and an assessment team would look at that particular application. It was characterised into around 15 open rounds in terms of the different programs that people were applying for. There was a separate team for each of those particular rounds. That would be led by a departmental staff member who would sit down, look at the application and begin the process of an initial assessment based on agreed criteria which were consistent with the program guidelines that people applied for. That would then be an iterative process working with moderators from the department about how we look at the initial assessment—how do you start to look at it; how do you moderate across the various applications?

Once that process was concluded—and again we were trying to look at not just the individual application but how does it stack up across the population of applications within that particular round?—there would then be an engagement with what we have labelled an expert panel of people who would be the program owners or program business owners of that particular program; families and children, emergency relief, for example. They would sit down and work through what a recommendation would be out of the group of applications.

Senator SIEWERT: I am sorry to interrupt, but just to clarify: the expert panel are departmental people that have responsibilities for those programs; is that correct?

Dr Reddel: For that particular program, the people that would be in some of the discussions you would have at particular outcomes.

Senator SIEWERT: How many people are on the expert panels and how many expert panels are there? Do they match each of the 15?

Dr Reddel: Largely. Mr Kennedy might elaborate.

Mr Kennedy: Yes, there is an expert panel appointed for each of the rounds. They are senior staff in the department in terms of SES or executive level 2 staff. They may also be supported in terms of getting further advice by their own staff in the program areas and by staff in our network in the state and territory offices.

Senator SIEWERT: How many are on each panel?

Mr Kennedy: It would vary, Senator, depending on the size and complexity of the funding round.

Ms Bennett: So they are all large. One, two, three?

Mr Kennedy: Typically they are small panels. Sometimes they—

Senator SIEWERT: Could it be one person?

Mr Kennedy: No.

Senator SIEWERT: Is there a minimum number?

Dr Reddel: It would be a number of people. They would be separate to the staff in the assessment centre. They are involved in this in a part-time business-as-usual process to ensure we align this with what the outcome is.

Senator MOORE: So they are not part of the 104?

Dr Reddel: No.

Mr Kennedy: They are called upon to provide expert advice at the end of the assessment stage so they can provide additional information to the delegate.

Dr Reddel: The other part of the process would be we would also want to engage with our state and territory offices to ensure there is some local intelligence about a particular provider.

Senator SIEWERT: So I have it clear: the state and territory people are outside the 104?

Dr Reddel: Yes—in terms of that expert panel role, if you like.

Senator SIEWERT: The state and territory mob—

Senator MOORE: Hang on; that is different. Are the states and territories people included in the 104 working on the process?

Dr Reddel: Some are.

Ms Bennett: So some state people are doing assessments—our state office people—and then others are providing input at the non-assessment process.

Senator MOORE: But the 104 full-time equivalents that you have provided—

Dr Reddel: That is an average.

Senator MOORE: includes everyone who is working on this task—except for the expert panels who come in from outside; is that right?

Dr Reddel: People who are working on the assessment part of the process. Then we move on to the next stage—the deliberations of the expert panel.

Senator MOORE: That is fine. So 104 people are doing the preliminary work, sorting and organising and getting it to the right place; that is them. Then on top of the 104, you have the expert panels who would be experienced and who would probably have done this kind of work—

Dr Reddel: Yes.

Senator MOORE: I will ask that question later. They are outside. Then what happens?

Dr Reddel: After the expert panel looks at the various applications, they will prepare a report with recommendations. That will go to a selections board, again within the department, chaired by me and comprising the band 2 group managers who have responsibility for each of the policy areas across the various programs. They meet. We have met regularly—up to six times so far, working through the reports, interrogating the reports. A presentation is made by the expert panel and the assessment manager together. That is also monitored. We have an external probity and quality assurance adviser who sits in on those meetings to ensure that probity is followed.

Senator MOORE: That is standard practice?

Dr Reddel: Yes, that is a standard grant management practice.

Senator MOORE: It is nothing peculiar to this round?

Dr Reddel: No.

Ms Bennett: It is in accordance with the finance guidelines and best practice.

Dr Reddel: With Commonwealth grant rules. So that is the process. We want to operate that selections panel not as the individual program owner worrying only about their particular program. We want to get a collective understanding of how the preferred providers, or the recommended providers, look across the mix.

Senator SIEWERT: Where you have applications that are collaborative and that cover multiple areas, do they go to each of the expert panels or is there a special process for those ones?

Dr Reddel: In terms of the expert panel process, bringing that to the selections board is part of that collective process.

Senator SIEWERT: You pull them all together?

Dr Reddel: Yes.

Senator SIEWERT: So you see that an expert panel here has an application that also is a multiple approach one—

Dr Reddel: Yes. We would prepare—we would have intelligence on that before we would go to the selections board.

Senator SIEWERT: How many people are on the selection board?

Mr Kennedy: It is chaired by Dr Reddel. It comprises five of the group managers of each of the respective policy areas, plus a group manager of delivery. It is supported by probity advisers and quality assurance. The actual composition of the board is those.

Senator SIEWERT: The group managers have not been involved in the expert panel?

Mr Kennedy: No. They are kept very separate. The assessment phase is completely separate to the expert panel deliberations.

Senator SIEWERT: Yes, and that is separate to the selection board.

Mr Kennedy: And they bring that information to the selections board for the selections board to consider.

Senator SIEWERT: Then the selection board—

Mr Kennedy: has an overall governance role and will look across programs; taking a holistic view across all the programs.

Senator SIEWERT: Then who signs off?

Mr Kennedy: Then the reports from the selections board will go to the various delegates, the respective delegates for those programs.

Senator SIEWERT: The delegates, you said, had not been selected yet?

Dr Reddel: Yes; they are. The deputy secretaries.

Mr Kennedy: The deputy secretaries of each of the relative—

Dr Reddel: So Ms Bennett and other deputy secretaries.

Senator SIEWERT: And you sign off on it?

Ms Bennett: Yes.

Senator MOORE: That is the process. Thank you. It is important to know. When did the applications close?

Mr Kennedy: They closed on 24 July.

Senator MOORE: The expectation of people when they applied was that these grants would be decided by when?

Ms Bennett: About mid-November.

Senator MOORE: We have heard different things.

Dr Reddel: We always kept it as later in the year because we were conscious of wanting to be very clear of what the outcomes were.

Senator MOORE: So mid-November?

Ms Bennett: Mid- to late November initially.

Dr Reddel: That was our aim.

Ms Bennett: Our goal.

Senator MOORE: When was the decision made to say, 'Hey, we need more time', and the extension for two months?

Ms Bennett: It was announced on Tuesday the 21st. It was released on our website that afternoon; we can provide you a copy of it.

Senator MOORE: We have got it.

Dr Reddel: We are about to email. We will email all the applicants that information. The intention is, by the end of November, to have—

Senator MOORE: Dr Reddel, the decision was publicised—and I will go back to that later—on 21 October; it went on the website. But they have not received emails yet to say what is happening?

Ms Bennett: The 21st was Tuesday.

Dr Reddel: We did indicate in the website that they would be receiving an email communication in the next few days.

Senator SIEWERT: The words are—

Dr Reddel: 'The next several days.'

Senator SIEWERT: But the people who have been extended have already been told—is that the 1,400?

Dr Reddel: No. They will be part of the email communication.

Senator SIEWERT: I understood from what you had said earlier that they had been told and we were talking about the other applicants. So no-one has had—

Ms Bennett: No-one has had personal correspondence. The only people who would have had personal information is if someone had read the website and went 'Oh, gosh, I should contact the department to find out what is happening.'

Dr Reddel: Most of the applicants would be subscribers to our website. There is a website alert and they would have received—

Senator MOORE: Yes, I have seen the option that people can do that. How many calls have you had since Tuesday until now?

Ms Bennett: Phone calls?

Senator MOORE: Or contacts from organisations? You can take that on notice.

Dr Reddel: We have had about 580 unique hits on the website since Tuesday, which is an indication of people obviously looking at the website and seeing the new information.

Ms Bennett: Through the notification.

Mr Kennedy: I do not have the specific numbers of phone calls but we have not noted a particular spike in phone calls to date.

Senator MOORE: Fine.

Mr Kennedy: That is just on early statistics gathered over the last two days.

Senator SIEWERT: This is three months down the track from the closing date. You would have known straight away that you had 5,572 applications. Surely before 21 October alarm bells must have been ringing saying: 'There is no way we are going to make this date.' These are community organisations delivering services, and you waited three months to tell people that you are not going to get this job done.

Mr Pratt: I will answer that. Yes, we knew very early on that there was enormous interest and number of applications. But we needed to see how the assessment process went before we took a decision to do this. We needed to reassure ourselves where we would get to in the process before we decided that we needed to extend, so that people had more certainty over the Christmas period.

Senator MOORE: When was the decision made, Mr Pratt?

Ms Bennett: As we explained, we needed to open them and see what they were doing, and applying for.

Senator MOORE: When was the decision actually made?

Ms Bennett: Early mid last week—there were lots of discussions going on between me and Dr Reddel and the staff. We were realising that we were at risk. You can never be 100 per cent certain whether you are going to do it or not. A risk assessment has to be taken to say we had reached a tipping point of exposure. So then we worked through what the next steps of that would be.

Senator SIEWERT: Where are things up to in this process you have just described? Which stage are you at? Presumably you may be at different stages for different—

Dr Reddel: Some grants are still being assessed. Some applications are still being assessed. Some have been through an initial discussion at the board level. We cannot make a final decision, given what we want to do in terms of the intent of the program reform, until all applications have been assessed and recommendations made and we have looked at the totality of grant recommendations.

Ms Bennett: Another important element, which I raised in the beginning, will be us then approaching the preferred providers with the preliminary outcome and seeing if what is being proposed to them—

Senator MOORE: is what they want—

Ms Bennett: is what they want given an over-subscription. Some may not be getting everything that they wanted and they may want to review. So we need to make sure that we have the capacity to then go to second preferred providers, with the aim that the continuity and the delivery of the services to those client groups is the primary outcome. That is what is the important game—

Senator MOORE: You read my mind, Ms Bennett—that is a huge round of questions.

Dr Reddel: The other part of that discussion will be, as I mentioned in the earlier question about the funding agreement, to have time to sit down and for them to consider the agreement in terms of the organisation, engage with their board, and seek appropriate advice. We want to have time to do that part of the process as well as the initial agreement—yes, I want to do this, to undertake this particular program.

Senator MOORE: Who made the decision? Was it a departmental decision or a ministerial decision?

Ms Bennett: It was a departmental decision on an extension but obviously it was important that we would advise and consult with the minister's office, which we duly did.

Senator MOORE: That is Minister Andrews?

Ms Bennett: Yes.

Senator MOORE: So the decision was made mid-last week and then made public on the 21st. Have media been around, or has it just been reliant on the website?

Dr Reddel: At the moment, on the website.

Senator MOORE: Then between now and several days every applicant will receive to the communication address that they provided in their application—

Dr Reddel: Yes.

Senator MOORE: a formal notification?—

Dr Reddel: An email notification.

Senator MOORE: What exactly will that say?

Ms Stratford: We are going to explain to people the extended process and the process for variation. It will step out for them that the department will be sending them a letter and then what they need to do to accept that letter and have the variation processed and the time frames for that to come back to have the funding extended.

Senator MOORE: Can you wind that back for me, Ms Stratford? So they are going to get an email that will spell that all out. Can we get a copy of the text as soon as that is agreed?

Ms Stratford: Yes.

Senator MOORE: Tell me why we would be talking about variations at this stage?

Ms Stratford: For the extension we will be extending their current funding arrangements—

Senator MOORE: Their current funding arrangements for the programs they are currently delivering.

Ms Stratford: That is right. To enact that, you need to do a letter of variation. That is how it will affect that.

Ms Bennett: 'Variation' is the technical term associated with the contract. It is the same arrangement that we went in where we gave the six months extensions. This is another two months extension. That is what it is called.

Ms Stratford: To make it legal.

Ms Bennett: Yes. It will be, as it was last time, quite simple; on a pro rata basis for another two months. It will be almost an exchange of letters, but it is referred to as a contract variation.

Ms Stratford: It can all be done by email.

Senator MOORE: You are working towards a process now of getting an initial email out to everybody explaining all that, and then a further letter will go out, which will be the formal notification of the extension for the two months?

Dr Reddel: Yes.

Senator MOORE: So from the department's point of view current services in any of these programs that have been received will continue to be received until the end of February at this time?

Dr Reddel: Yes.

Senator MOORE: So there will be no variation under the department's views.

Ms Bennett: To their existing programs, but unless those providers choose not to take on that extension, which they may choose not to do.

Senator MOORE: Stop doing it, Ms Bennett. You keep answering my questions before I ask them. The next point—and I am sure you are aware of it—is that my understanding is that many of the community organisations are operating in a very stressed environment. The volume of change has been large. They had made decisions about extending until the end of this year on the basis that they would be claiming and they would be hopefully be able to extend their services beyond December. This is another decision that is going to go back to them now in an ongoing environment of insecurity. That is the way the system works. I am not making a criticism. I am just saying that is how it works.

We are aware that the Christmas period is always particularly vexed in community organisations around a whole range of issues. There could well be organisations for which this is the final straw.

Senator SIEWERT: They have already made arrangements for staff to leave, potentially, or finish, because all staff will have gone because they do not know if they have got a future.

Senator MOORE: That is a reality. I am sure there are individual cases we can bring up.

Ms Bennett: Can I say that from the advice that came out and will come out over the next few days, that gives them more than two months notice that it is being extended for another two months. In fact, from the time we are getting these letters out, it is four months. If those

issues occur we are going to have to work with them and we are going to have to look at what those services are. We are conscious that we will have to watch this very carefully.

Senator MOORE: There are two questions in that. One is: the services which these organisations were providing, which under common acceptance were going to be continuing to be services for the community until the end of December, if there are people who actually make the decision to stop playing because of various issues, what happens to those services in the two months from December to the end of February? I am trying to think of a real example.

Mr Pratt: If an organisation which has put in an application and they are actually seeking to change their position because of the various changes over time, in that event what we will do is negotiate with other providers.

Senator MOORE: Emergency relief to cover for those two months?

Mr Pratt: Yes.

Senator MOORE: It is part of the plan to do that work?

Dr Reddel: Yes.

Senator MOORE: In relation to organisations that would be in a situation where this would cause them to be in financial difficulty in terms of paying out their staff, is there any provision in the department to support organisations in that sense?

Ms Bennett: Sorry, I do not understand the question.

Senator MOORE: If an organisation through this process has come to the decision that they cannot continue to operate and they are in difficulty in terms of their staff entitlements, their staff support, is there any provision within the department to support those staff?

Ms Bennett: What I would like to say first off is that it is my personal view that if an organisation that currently has a contract with us that is being extended and is also in the round, they are not making provisions to not get business. That is why they have applied for it. Those that may have decided not to apply for it, and therefore may or may decline to extend, through this process we will be aware of it. But they would have made their own arrangements about winding down their services on the 31st. So that decision would have already been made. The issue for us, as Mr Pratt said, is that we will be working through other existing organisations that provide like services to cover those fields. I do not really think there is an answer to the question that you are asking.

Mr Pratt: But if you are asking whether there is a transition fund to help exiting providers that leave—

Senator MOORE: Yes.

Mr Pratt: No. But we will of course, with the variations to contracts, pro rata the payments for that period. That will be available to cover their costs.

Senator MOORE: Case by case there is a conversation to be had?

Mr Pratt: Certainly that is the case.

Senator MOORE: That is what I was getting to.

Mr Kennedy: Can I just add that, in the existing agreement there is appropriate transition-out arrangements which would allow organisations to transition out.

Senator MOORE: Yes, there is.

Mr Kennedy: This extra time will potentially provide them with greater time to undertake those transition arrangements and have discussions with the department about appropriate transition out.

Senator MOORE: That pre-existing process would continue?

Mr Kennedy: Yes, it would kick in.

Senator MOORE: I do not want to be boring but it just seems to me that the levels of stress for some of the organisations have been ramped up over a period. That has been exacerbated by the general complexity of the program changes and what is happening.

Senator SIEWERT: Can I just jump in there in terms of the transitional arrangement. Obviously there are significant transition costs for organisations to do this extension process. When you are talking about those additional costs, are they going to be included in the offers these organisations get?

Mr Pratt: Sorry, the two-month extension?

Senator SIEWERT: The two-month extension?

Mr Pratt: I think, as Ms Stratford outlined, it is quite a simple contractual process in terms of an email exchange of letters but they will be paid to continue doing what they are currently doing.

Senator SIEWERT: Mr Pratt, I know that you know community organisations and that you know it is not as simple as just signing an extension. We have just been talking about what it involves for the staff.

Mr Pratt: Absolutely. That is part of the reasons why we have chosen to extend it by two months, given the proximity to the pre and post Christmas period. We do understand the challenges that those organisations face in terms of getting their boards together and so forth. That is why we are trying to give them as much notice as possible.

I completely agree with the view that these organisations are subject to a lot of change. This is a very big process which they are a part of. We are very sympathetic about that. We are trying to do whatever we can to ameliorate those pressures on these organisations. The flipside will be, once we get past this big first exercise: of course people will have much greater certainty because of the extended contracts and the reduced administrative burdens. There are trade-offs here. We are going through a painful period but the pay-off should be quite rewarding for providers as well as the department. But most importantly, the bottom line for me is we should be able to provide better services to the customers of these programs. That is the bottom line.

Senator SIEWERT: Thank you. In terms of the two months and getting 1,400 contracts done, are you going to achieve that in the two-month time frame?

Ms Bennett: In several days we will be—

Senator SIEWERT: But you are also involved in getting an email out. Then you have got to get the extension documentation out. Then you have got to have discussions with the organisations. Then you have to deal with those.

Ms Stratford: We expect the variations to be done fairly quickly. Obviously the individual organisations will respond, depending on what their own internal arrangements are

to sign off those letters. We expect that we would be in a position to have them done fairly quickly and processed within a few weeks if we receive them all.

Senator SIEWERT: Thank you. How many extra resources are required to process this, to carry out this extension to the 1,400?

Ms Bennett: It would take—

Dr Reddel: It would be part of our normal business to extend those contracts.

Senator SIEWERT: Are you saying it is not requiring any additional—

Dr Reddel: No. It is something we would undertake as part of our business as usual.

Senator SIEWERT: Thank you. I have a few more.

CHAIR: I know Senator Smith has been waiting patiently. I will go to Senator Smith and if then if there is time we might come back.

Senator SMITH: Thanks very much. Just to be clear, in regards to some organisations, the Department of Social Services has made a decision that, based on their unique position or their experience, you have negotiated a position with them rather than them having to go through a competitive tender process? I am thinking of the larger organisations like ACOSS and others; is that right?

Ms Bennett: A number of organisations in the family services space were earlier this year offered five-year contracts without having to go through this selection process, on the basis of both the enduring nature of government commitment to those services and the experience of those organisations. So there is no change for them. They have their five-year agreements in place.

Senator SMITH: In the previous estimates I inquired about what had been the responsiveness of organisations to that policy approach. I think the feedback had been positive.

Ms Bennett: For those in that group, yes, they were very pleased with the more simplified arrangements, the five-year nature of the contract, which, as Mr Pratt pointed out, will be an outcome for most of these after this. We are getting very strong signals that enduring, longer contracts, more strategic contractual arrangements, greater focus on outcomes rather than outputs, single contracts, simplified reporting, have been well accepted and endorsed by those that have received them.

Dr Reddel: We have started to talk to organisations, both at a peak body level and through our state network. That information has been well received.

Senator SMITH: In coming to a decision about whom those organisations would be, what was the criteria? You previously mentioned unique experience.

Ms Bennett: If you give us a moment, we do have that information. In fact we can explore that a bit more in outcome 2 because the actual nature of that bit can be discussed in that outcome. The reason that this sits in cross-portfolio is that it is across the whole department that we are doing it. The decision which went out for the selection process, I think, is a better conversation which goes to the nature of their previous agreements, the types of services they provided, the transformation and bundling up and changing priorities. There were new programs that had not been released, new areas or areas that had significantly changed. At its highest level, those that were excluded from this process and received the contracts without

having to go through a selection process were those where there had been no real change in both the quantum of the way the funding model would work and what was being sought and the providers of those services.

Dr Reddel: If I can add to what Ms Bennett said, if you do not mind, in terms of following the Commonwealth grant guidelines, there are a couple of broad issues in terms of that direct and restricted approach. It might help explain. I think Ms Woolley might be able to add to this. In terms of a direct approach, in terms of going directly to a provider, proposals are sought from known providers to deliver a specific activity. It is used when we have known the performing providers in place already and we are confident that they are providing the required service. Direct selection can occur when we are renewing contracts. That is all consistent with Commonwealth—

Senator SMITH: That is all good. Is this a policy approach that was first developed in Social Services or did you see it developed and initiate it across other departments?

Dr Reddel: I think it is applied broadly across other departments.

Ms Bennett: There are government-wide grant practices and procurement practices. I know that in the tendering for services or direct supply or limited tender there are certain rules that can apply in different circumstances.

Senator SMITH: It is not a trick question. I have been approached by organisations that have interfaces with other departments who have seen this approach and are getting little resistance from other departments. I am keen to understand what the justification was. It does seem to be working very well. There is a level of interest out there from organisations that interface with other departments, not Social Services. That is the context for my question. It is not a 'got you' moment or anything. Thank you very much.

Senator SIEWERT: In terms of the proportion of your total funding budget and the tender process and the proportion of the grants program that you intend to tender out, have you dealt with all of those through this process?

Mr Pratt: There is another way of asking that question. In terms of over the next three or four years, have we kept any money back for future? Yes, we have.

Senator SIEWERT: What proportion is that?

Ms Bennett: Let me also explain that in some programs, the current contracts for those providers were not up in this time frame. So some already go for another year or two. There were extensions given to some because some services will be moving to the NDIS. We explained where some of those sat. There is a bit of a—

Senator SIEWERT: Let us take out the ones that go to NDIS—

Ms Bennett: So what has held up—

Ms Woolley: This represents about a third of DSS grants. It is a large chunk of them falling in one period, yes.

Senator SIEWERT: When you are talking about a third, does that include or exclude the group we have just been talking about that will transition through eventually to NDIS?

Ms Bennett: They are the reasons why it is only a third. They are the exclusion.

Senator SIEWERT: So they are all the exclusions. So the two-thirds are all the services that are caught up with the process?

Mr Pratt: Ms Bennett also pointed out there are some contracts which are already in place for another several years. There will be money associated with that area of interest which will come back. There are also contracts for services where having a five-year contract is not the optimum, where you might want to have shorter contracts. I believe we have also retained resources for future requirements that are unforeseen at this stage into the future.

Senator SIEWERT: I am confused. I thought my question around the two-thirds—

Ms Woolley: There were around 4,200 agreements that were due to expire midway through the year, which was the impetus for having this in this way in this round. In addition there are a number of agreements that naturally expire at later periods. Those are still on foot. There are a large number in the aged-care space, for example, that are on different time frames and trajectories. Then you have a number of grants that relate to NDIS transition, which we have extended for a further period to—

Senator SIEWERT: To take care of that process?

Ms Woolley: To take care of that process. If you imagine that on a graph there are some things that happen later down the track, I think the idea would be they would apply the same sort of principles that have been used in this process but at later times as they come up for consideration.

Senator MOORE: What we are dealing with now is about a third of the DSS grants in this process?

Ms Woolley: That is right.

Senator MOORE: So they have 5,572 applications for about one-third of the current DSS grants?

Ms Bennett: Discretionary grants. As we explained, some of those will be already locked into other arrangements, which we have just discussed. Some of those are starting at different times and will have longer. Some of them are grant programs that will move to the NDIS. Some of them are only going to be a year or two because their programs are only for a year.

Senator MOORE: Some of the ones we are talking about?

Ms Bennett: At the last estimates we provided a comprehensive list of all the grant programs which were part of this tender which were going for direct, which would be in a longer cycle. I have not got it with me but we did table it at the last estimates. It was quite detailed.

Senator MOORE: Do you know how many of the 5,572 applications already have contracts with the department?

Ms Bennett: I just need to check on that for probity reasons. The advice that we have received is that we should not go into who.

Senator MOORE: No, we do not want who.

Ms Bennett: I will see if we can look at what the numbers are. I will have to take that on notice.

Senator MOORE: I would never ask for who. I am wanting to know in terms of the contractual base in the department how many of the people who are applying would have existing contracts.

Ms Bennett: I do not have the numbers. I am not involved in this process, as we discussed. I would have thought that the bulk of the providers, just from the nature of the people that made inquiries and asked for information, would be people that are currently delivering a service for us and would have also participated in this. We can take that on notice.

Senator MOORE: I am certainly very worried about the fact that the expectations of these groups have been affected by the decision. I have no problem with the decision being made public. I am interested though that the time frame we have been given is that everything will be in place, contracts signed, decisions made by 1 March. I am worried for a couple of reasons. One is the extensive gap between what people have tendered for and what is available in the budget, which I would expect would lead to quite a large amount of renegotiation and quite personal renegotiation across most of the grants.

If someone has applied for one whole area of funding, including regional areas—I am thinking of emergency relief again—in terms of the tender document which has listed all the geographic areas, the amounts of money available and people applying for that, the whole work that you have described to us goes to the panel discussion, the forwarding through to the board and then the board giving it to the decision maker and having that all done for your first cut, and then having to go back to organisations and work it through. That seems to me to be a huge task, Ms Bennett. I know that your organisation knows that. It just seems that because so many of the parameters have changed on which people are bidding, this is a new world for them. This could take a lot longer.

Ms Bennett: This new timetable of 1 March gives us a good month to do that. We are absolutely aware of that. We will, in the next few weeks, start those discussions with the preferred providers and by the end of the year everybody will know what those outcomes are. We believe that this is do-able in that month that we have set for this.

Senator MOORE: That is including the Christmas-new year period, which is such an awful time.

Ms Bennett: We are aiming, yes.

Senator MOORE: Does the department have to inject more resources into it in terms of your operating budget for this plan—the plan for assessing these processes? What about the administrative costs of this? Has there been an injection of more people into getting the work done?

Ms Bennett: No. The extended time frame will allow that, as stages finish, those people will move on to the next stages. From assessments and expert panels to negotiations, it is about pacing that so that those individuals that are involved in this process then move to the next stage of work that needs to be done to draw these agreements to the final—

Dr Reddel: In terms of some of the work that needs to go forward it will be much more of a focus on our delivery end of the department—the state and territory networks. We are meeting with them to work through—

Ms Bennett: That is their work.

Dr Reddel: It is their role to undertake the grant agreement process. We are helping to resource them, train them, provide information and ensure that process is rolled out as quickly and appropriately as possible. We are working with that part of the department.

Mr Pratt: The bottom line is that if we need to provide extra resources for this process, we will.

Senator SIEWERT: I understand the process you have just gone through about what is happening with the rest of the two-thirds. My question is: how much have you held back for unforeseen circumstances? What is the process for those other programs when they expire?

Ms Bennett: We will talk about the expiry bit. Mr Kennedy explained that everyone that has a contract at the moment does actually have transitioning out arrangements.

Senator SIEWERT: Sorry, you misunderstood. Not the grants that are included in this one-third—

Mr Pratt: To answer the second question first, Senator, I think Ms Woolley described it. We will apply these same sort of practices in the future to future grant rounds. Presumably, they will be quite a bit smaller than this exercise. We expect that we will do exercises of this sort on an ongoing basis over the course of the next few years.

Senator SIEWERT: As those programs are coming to—

Mr Pratt: Yes.

Senator MOORE: I am just picking up on that point. It is something we raised in the last round of estimates. This is the largest exercise, and in a transitional nature a changed exercise, that you anticipate in the grants space?

Mr Pratt: That is right.

Senator MOORE: The next rounds should not have the same degree of complexity as this one?

Mr Pratt: They are certainly not the same scale; that would be my expectation. I will look at my colleagues and see whether or not anyone is anticipating anything. No, they have relieved looks on their faces.

Senator MOORE: It will also be not as new. I visit a lot of community organisations, as we all do. I see copies of that diagram on walls everywhere I go. People have that diagram up there and they are trying to work out what they are doing and what their future is. Is it the department's plan that once it is settled there will not be the same lack of knowledge about the whole process?

Mr Pratt: We are talking about over an extended period and it is subject to future government decisions about what a government may wish to do in this area. When we have five-year contracts in place for the majority of organisations, they will have considerable certainty. If further funding rounds occur they will have had experience with this current process. They will have had experience with the streamlined contractual arrangements and also the new program structure. You would anticipate that the stress would be reduced.

Senator MOORE: It is a perfect storm in terms of this particular program and the changes. In terms of collaborative bids, did the committee find in the assessing process that there were many collaborative bids, so that you had a bid consortia that came through on particular areas?

Dr Reddel: I cannot comment specifically. There have been some examples of that collaboration. We will probably have a better idea of that when we do the overview wrap-up process of looking across the whole 15 open rounds as to how that arrangement might pan out. We will have a better idea then.

Senator MOORE: You probably will not be able to answer this yet. One of the ongoing issues that we have raised many times in this place is that the bidding process has tended to favour large organisations with effective structures that permit them to be active in the submissions process as opposed to small, locally based, responsive organisations.

One of the issues that has come up in the discussions has been that this process, again, because of its complexity, because of its speed and the very short time that people had to bid for this program, has worked against those kinds of organisations. I do not think you can tell me the answer now but I will be asking after it is over whether we can have some kind of assessment about who got what in terms of that kind of thing. We will be monitoring. I imagine that the department will be monitoring that through the process in terms of losing that issue.

Mr Pratt: Certainly. We are very conscious of the issue and we attempted to design the process so that it would not favour one size of organisation over another. We do not want to lose the diversity of the services that we have currently. I accept that if you are a bigger organisation which has a critical mass around procurements then it is potentially easier for you. The flipside is that some smaller organisations are highly expert in their commercial activities and very agile and able to do things. So it is not as simple as that. Undoubtedly at a future session of this committee we will go over the outcome forensically.

Senator MOORE: We will get a copy of both the email and the letter that is going out to all the submissions?

Dr Reddel: Yes.

Senator MOORE: We had a special phone number that people could call at the very start of this process.

Dr Reddel: A grants hotline.

Senator MOORE: Yes. That was closed after a while. Has it come back on?

Ms Stratford: It has always been active. It was supported by the Department of Human Services for a period in the application phase. That number got redirected to the department once we closed. It has remained open. If the demand increases in the future we can go back to DHS, if there is a surge.

Senator MOORE: You used Human Services for the period of the high demand around the start?

Ms Stratford: Yes.

Senator SIEWERT: I have a final question.

CHAIR: One final question and then we will wrap this area up.

Senator SIEWERT: Can I confirm my understanding that nobody that has made an application under this process has been approved yet? Nothing has come out the other end?

Ms Bennett: Confirmed.

Senator SIEWERT: Thank you.

CHAIR: Do senators have any other cross-portfolio?

Senator SIEWERT: If we are moving on, where would we talk about red tape reduction? Is that in the communities—

CHAIR: It would be good if we could do it in another outcome.

Senator SIEWERT: That is what I am checking.

Mr Pratt: Primarily here. We are in your hands, Chair.

Senator MOORE: Maybe, Mr Pratt, in the arrangement that we will be able to talk about the McClure and Forrest reviews in outcome 1, we may be able to pick up red tape reduction; is that possible?

Mr Pratt: The red tape people are here now.

Senator SIEWERT: Where do we deal with the whole issues around the ACNC and not-for-profit sector?

Mr Pratt: We will do that under outcome 2.

Senator SIEWERT: Can we deal with red tape reduction then?

Mr Pratt: In relation to the ACNC, potentially. It is a bigger exercise than just in the civil society space. It also goes to aged care and other areas. That is why it is in cross-portfolio.

CHAIR: It is up to you, Senator Siewert, if you would like to pursue red tape here.

Senator SIEWERT: I do want to raise, very briefly, an issue around the red tape that deals with the charities passport.

Mr Pratt: I will just check whether or not we can do that with outcome 2. I am getting nods, so we will do it then, if that helps.

[11:46]

CHAIR: That being the case, we will move on now to outcome 3, Ageing and aged care. We have allocated one hour, for what that is worth, to this area. Senator Smith.

Senator SMITH: Thanks very much, Chair. I have two lines of questions, Secretary. I would like to go to page 96 of the annual report for 2013-14. We are talking about program 8.6, The ageing and service improvement program. In particular, it says:

Report on the progress towards achievement of strategic goals of the National Lesbian, Gay, Bisexual, Transgender and Intersex Ageing and Aged Care Strategy and the National Ageing and Aged Care Strategy for People from Culturally and Linguistically Diverse Backgrounds.

Can I have an update in regards to what is the reporting mechanism that has been established or is under consideration for the reporting back on those two reports?

Ms Moody: We do not have an established mechanism at the moment. We are in the process of working to establish some mechanisms to which we can make sure that the activities in both of those strategies are being advanced. That is not to say that the actual strategies are not being advanced at the moment, but more that we have not yet got a formal process in which we report back against those strategies. We are working on that at the moment. We are in discussion with the government about that.

Senator SMITH: Is the expectation that the reporting mechanisms will be the same for both strategies or they will be different—or they could be different?

Ms Moody: They will be similar, but it will be two different mechanisms; they will probably have a similar way of going about it.

Senator SMITH: Going specifically then to the target, which is in the next column, what date or internal working time frame has the department given itself for reporting on the revised goal, reporting on the strategy?

Ms Moody: We would certainly want to make sure that we are monitoring progress against the strategy, but any formal reporting would occur as the end of the strategy period comes up.

Senator SMITH: Here it says, 'The 2012-13 annual report of progress released by October 2013.' That has clearly changed.

Ms Smith: That was a target that was set by the previous government. At the moment we are establishing what reporting regime this government wants to put in place. We have also been talking to stakeholders about strategies. I think you were involved in a really constructive session with the LGPTI alliance in relation to that strategy.

Senator SMITH: Yes, a roundtable, representing the minister. I was grateful for the opportunity to do that.

Senator Fifield: Thank you, Senator, for fulfilling that role.

Ms Smith: In relation to both strategies, we are working with the relevant communities. The government is considering the appropriate reporting regime it wishes to take forward. In the annual report, that was the target that the previous government had put in place.

Senator SMITH: Perhaps on notice you can let me know what will be the new targeted reporting date and what will be the reporting mechanism, both for the LGPTI and the goal strategies as well.

I have in front of me a newspaper advertisement by a local Labor senator in Western Australia where he talks a bit about the dementia and severe behaviour supplement. Can you update us? I think you had a ministerial working group in early to mid-September.

Senator Fifield: That is right. As you would be aware, the previous government put in place in August 2013 the dementia and severe behaviour supplement, which was well intentioned. Rather than having 2,000 residents trigger eligibility for providers, it ended up being 29,000 residents triggering eligibility for providers. Rather than being a \$11.7 million program in the last financial year, it ended up being \$110 million. Over the forward estimates it would have cost \$780 million rather than \$52 million and, over 10 years, \$1.5 billion.

Senator SMITH: It sounds like the national broadband network.

Senator Fifield: Yes. They are big numbers, Senator. I took the decision to conclude the dementia and severe behaviour supplement but undertook that we would look at what a replacement would be. I, with the department, convened a ministerial forum with clinicians, with providers and with consumers to canvass what could be some effective mechanisms to put in place to provide better support for aged care residents exhibiting severe behaviours.

KPMG were engaged by the department to be the facilitator for that forum. I attended the forum. I spoke to the forum. I was there for the first session of the forum. There is advice that

will be coming to me this month which will help form the government's view as to what can practically and effectively be put in place to better support people exhibiting severe behaviours. We have to keep in sight that the aim is how we can best support residents exhibiting severe behaviours. That is the overwhelming objective. I might at this stage ask Caroline Smith if she wants to add anything further. Rest assured that work is on track.

Senator SMITH: Can I ask what sorts of options might have been canvassed? Clearly you are waiting on a report from KPMG.

Senator Fifield: That has probably arrived.

Senator SMITH: Are you at liberty to share with us some of the variations in options that might have been discussed or talked about at the forum?

Senator Fifield: Certainly Ms Smith can canvass some of the themes that emerged through the forum.

Ms Smith: The sorts of things that we were looking at in the forum included the supports that are available currently—how effective were they, were there any gaps and, therefore, what was the best thing to put in place to support people with that very extreme behaviour that we were trying to target?

The options that were discussed related to how we can optimise the role and alignment of some of the current mechanisms that are in place. You might be aware of the dementia behaviour management service and the dementia training and study centres. They were both seen as a really important part of the service system to support providers and consumers. But there was seen to be a need to look at whether we can optimise their effectiveness.

One of the issues that were raised was the extent of their reach in rural and remote areas—for example, are the DBMAS organisation and the training centres working as effectively as they could together?—and making sure there is optimisation integration between those two services. One idea that had some support was the notion of a so-called flying squad—multi-disciplinary teams of health professionals that might be able to go into residential care facilities to offer support for that very extreme group of residents.

There was a general recognition that, while there were a lot of very worthwhile things that had been done in the area of dementia by successive governments over a number of years, maybe there was a need to take a bit of a look at effectiveness and whether they were all working together effectively.

Senator SMITH: Better alignment between other existing dementia practices or schemes that had been built up over time?

Ms Smith: Yes. There was seen to be a lot of investment that successive governments had made in this area, but in view of the challenges of this particular group of residents and the need to provide the targeted effective support, you could not look at it in isolation. You had to look at it in the context of everything else that was in place. Issues around training were raised and issues around how we can better support and encourage best practice. It was a really constructive day with lots of good engagement from the wide variety of providers, professionals and consumers who were at the forum.

Senator SMITH: The feedback since that early September or mid-September meeting has been what from providers and clinicians?

Ms Smith: There was good engagement in the forum at the time. There was also subsequent information provided to the department and to KPMG on additional material people wanted brought into the mix. We are also working with a small group who helped us plan the forum so that we can finalise the KPMG report and provide it to the minister by the end of the month.

Senator SMITH: The current state of play, if you like, is that we have had a ministerial forum—or whatever the correct term is—with clinicians and providers and KPMG is collating a final report that will go to the minister before the end of October. That is the current state of play?

Ms Smith: Yes.

Senator SMITH: We had a program that was well intentioned, to quote the minister, perhaps not designed as well as it could have been, that had the expectation of 2,000 recipients. Just to be clear: the money is paid to providers, not to—

Senator Fifield: That is right. The recipients trigger eligibility for the providers.

Senator SMITH: Yes, it is a payment that is provided to providers, not to the residents. The 2,000 blew out to 25,000. For the government that was—

Senator Fifield: Twenty-nine, I think, in the final analysis—close to 30.

Ms Smith: It was 25,000 at the time that the government made the decision, but by the end of the supplement, at the end of July, it had grown to 29,000.

Senator SMITH: We went from a \$11.7 million cost up to almost a \$100 million cost to government as a result of that increased number of eligible residents, but paid through the provider?

Ms Smith: Yes.

Senator SMITH: What was the cost over 10 years?

Senator Fifield: About \$1.5 billion.

Senator SMITH: Thanks, Chair.

Ms Smith: Senator, one thing I think it is important to recognise with the supplement is that it was always seen as additional to the money that is provided to residential providers to care for people with dementia. The aged care funding instrument already acknowledges and funds very significant care needs associated with dementia. This supplement was designed for this very small group of residents who had needs beyond that.

Senator SMITH: The suggestion that aged care residents with dementia might be adversely affected is not true because in the aged care funding instrument there is a mechanism to capture residents with dementia. What we are talking about here is dementia and severe behaviour?

Ms Smith: This supplement was on top of the funding that is provided through the ACFI.

Senator SMITH: Thank you.

Senator POLLEY: That was very useful—a nice bit of strategy. I was not involved in developing the process to develop the Living Longer Living Better policy.

Senator Fifield: That makes two of us, Senator.

Senator POLLEY: That is right—but the department was. It would be helpful to the committee if you could outline to us what the process was in the development of that policy in terms of the options that were available, the consultation that took place and whether the development was all the responsibility of the minister of the day or was done in conjunction with the department, the sector and through consultation. If you could walk us through that process, it would help build the information that we need to tease out today.

Ms Smith: The genesis for the aged care reform package back in 2012 was a report from the Productivity Commission in 2011. That was a far-ranging inquiry into the aged care system and the subject of widespread submissions and consultation around the country. Of all the input provided across many issues, one of the themes was the need to provide more support for people with dementia, particularly the people with extreme behaviours associated with their dementia. Subsequent to the release of the Productivity Commission there was an extensive consultation process through the National Aged Care Alliance and elsewhere. Then the package was announced in the 2012-13 budget. A dementia package was announced as part of that budget. One of its elements was the need for a dementia and severe behaviour supplement in residential care to cater for that very small group of residents. We went through a process of working with a dementia working group.

Senator POLLEY: Can you recall who was on that group?

Ms Smith: It had a range of clinicians on it.

Senator POLLEY: Would service providers have been included?

Ms Smith: There were several people from the department. There were service providers, clinical people and consumer representation. They were the broad categories of people.

Senator POLLEY: What other supplements arose out of that consultation and the development of the policy?

Ms Smith: There was also a dementia and cognition supplement in home care. There were veterans' supplements in both residential care and home care. Later on in the process, as the legislation went through the parliament, there was a homeless supplement.

Senator POLLEY: Thank you. There has been a lot of change since the last election. The dementia and severe behaviours supplement came into effect in August last year?

Ms Smith: Yes, all those supplements came into effect on 1 August. In the end, the legislation was passed right at the end of June, and 1 August was the starting date.

Senator POLLEY: In that event then, there was an election in September last year?

Ms Smith: Yes.

Senator POLLEY: So there was a change—and there has been a lot of change as far as the department is concerned. Can you or Mr Pratt advise the committee of how many staff who were involved in those consultations and the development of Living Longer Living Better and this particular supplement are still with the department and now working in the aged care area?

Mr Pratt: Certainly from my perspective—I will be corrected if I am wrong—I think the vast majority would still be in place. With the machinery of government change which occurred last year, with the creation of Department of Social Services, virtually all of the aged care staff who worked in the former Department of Health and Ageing transferred into DSS.

Over the last year some people will have moved on to other jobs, some people will have moved into other parts of DSS and some people will have left the department or the Public Service. Unless I am corrected, the vast majority of people are still in place.

Ms Smith: Yes, we certainly have pretty stable staffing in the ageing and aged care stream and a reasonable amount of continuity.

Senator POLLEY: That is good. There were experts, people from the sector and people from the department were involved. Was it was a rushed process to develop the supplement? Was there a long consultation process in relation to the package? Was it a rushed process to develop the supplement?

Ms Smith: I think 'rushed' is a subjective term.

Senator Fifield: That is a difficult thing to ask an officer of the department. That is getting close to a value judgment. Departments operate within the time frames that the government of the day set; I do not think departments form views as to whether something is a leisurely process or a rushed process.

Senator POLLEY: Thank you, Minister; we can ascertain that you do not agree that it was—

CHAIR: We will allow the minister to finish his answer.

Senator Fifield: My point is that departments do what they are asked to do. They do not sit around thinking: 'Is this a rushed process? ', or 'Is this a good paced process?'. It is not fair to ask an officer as to their view of the process itself. The secretary may have a different view. I think we are getting close to putting a proposition that might not be reasonable to expect an officer of the department to respond to.

Senator POLLEY: I think it would be fair —

Mr Pratt: Over 30 years I have rarely wanted less time to get things done.

Senator POLLEY: I think it would be fair to say that there was good consultation with the sector and experts before the development of that supplement. So it was not just the minister who had the responsibility for the development of that particular policy; it was done in a holistic manner.

Senator Fifield: Can I—

Senator POLLEY: If I can move on—

Senator Fifield: No. Can I respond, Chair?

Senator POLLEY: I have not finished.

CHAIR: Senator Polley, you—

Senator POLLEY: I have not finished asking my question. I need to be able to ask my question.

CHAIR: Senator Polley, it was a statement.

Senator POLLEY: I did have the call.

CHAIR: It was a statement.

Senator POLLEY: I was getting to the question. You have preambles all the time.

CHAIR: We will allow Senator Polley to finish the statement with a question and then Minister Fifield can respond.

Senator Fifield: Thank you, Chair.

Senator POLLEY: We can argue whether it was adequate consultation or not; I believe that it was. What other alternatives were put forward on the basis of development of this supplement and the implementation of it?

Senator Fifield: Obviously, I was not there at that time so I cannot—

Senator POLLEY: I was directing it to the departmental officials.

Senator Fifield: I know.

Senator POLLEY: I realise you were not there.

Senator Fifield: I cannot respond to that. But I will respond to the earlier statement by Senator Polley that the minister was not alone. Obviously, the previous minister was not alone. Ministers work with the advice and assistance of departments and stakeholders as is appropriate. It is appropriate to make clear that the decision in relation to a particular policy is a decision of the government of the day. It is up to the minister of the day to be satisfied with what is before them. I think Senator Polley is getting close to saying, 'It wasn't really the minister's fault. He's just a bit player in this scheme of things. There were 10 other people, so it is nothing to do with him.'

Senator POLLEY: You can make your political statements in the chamber instead of trying to use up the time now.

Senator Fifield: We need to be a bit careful.

Senator POLLEY: I am just trying to clarify so people have an accurate reflection. Can I ask a direct question? Do the secretary and those officials believe that there was appropriate research and consultation with that supplement development process? It is a very simple question.

Ms Smith: I think your question went to what alternatives were considered.

Senator POLLEY: That was the question I asked. Then I asked whether or not the research and the consultation were an appropriate process from your experience.

Ms Smith: Originally it was proposed that the additional funding for support for this group of residents with the very high levels of behaviour be implemented through an amendment to the Aged Care Funding Instrument. I think I mentioned earlier in response to Senator Smith that we have the capacity to fund dementia care through the ACFI. There are three domains under which we fund residential care: activities of daily living; complex health care; and behaviour. In the behaviour domain we allow for low, medium and high levels of behaviour. There are funding levels that flow from that.

The original implementation approach was that we would create a new very high level within the behaviour domain. But that was seen as raising a lot of problematic issues, particularly in regard to the appropriateness of the existing questions in the ACFI behaviour domain and whether it would be able to adequately identify those people with the most complex behaviour and the need to re-assess over time those residents who no longer needed the funding. In response to feedback, we then went to the option of a separate supplement. One of the things that the working group really grappled with at the time, and which has later

proven to be an issue, is having a mechanism to identify the group of people that we were trying to target. So the tool that we used for the supplement was called the Neuropsychiatric Inventory for nursing homes. It was seen as the best available tool but there were concerns, even at the time, about whether it was adequate. Those concerns have been borne out.

Senator Fifield: If I could add—

Senator POLLEY: She has made a statement. Can you let me examine what she said? Then you are very welcome to make your contribution.

CHAIR: Senator Polley, I will allow the minister—

Senator Fifield: I will let Senator Polley—

Senator POLLEY: He does need protection. He certainly needs your protection.

Senator Fifield: Wanting to be helpful, I will let Senator Polley continue.

Senator POLLEY: Thank you. In relation to what you have just said, surely during that time there would have been discussion about any potential issues with the design of the process and how it was going to be implemented. You alluded to that then. What did you recommend to ensure that there was not any mis-assessment of those who were going to be provided with this supplement?

Ms Smith: The advice at the time was that a separate supplement, backed up by this tool, was the best approach that we could identify for this particular group of residents.

Senator POLLEY: So, in the consultations you had and the discussions with that working group it was raised that it was going to be difficult to assess those people who would be eligible for this supplement to be paid to the residential provider. What were the design safety mechanisms to ensure that it was not oversubscribed?

Ms Smith: The advice at the time was that, based on the expertise of the group that we were consulting with, the combination of eligibility mechanisms we had in place would result in the supplement being targeted at the most appropriate residents. There was, in fact, a concern whether it would result in too few people being assessed as eligible. That has not eventuated. We were acknowledging that this was a new supplement and that we would need to carefully monitor its take-up and provide advice as it rolled out.

Senator POLLEY: You have already acknowledged that it then needed to be closely monitored. It was introduced on 1 August; there was a change of government in September and there was a new supplement that needed to be monitored. Was it not also that the original design would have validation and compliance elements built into it? Was that carried through?

Ms Smith: The original design did not have validation built into it.

Senator POLLEY: But you are aware that at the government of the day would have been advised that it needed to monitor the roll-out of the supplement.

Senator Fifield: The original design of the previous government did not have validation built into it.

Senator POLLEY: When a new government comes in, is it not the case—and I do not know the correct terminology; I have not been in that position—that there is a full briefing from the department to the incoming minister in relation to the new policy, particularly in

light of the big changes that Living Longer, Living Better has set in place for the following two decades? Would you not advise the minister and would he not be aware?

Ms Smith: We certainly provided advice to the minister on a range of issues, as is appropriate when we get a new minister in the portfolio. I think one thing that is important to recognise in relation to the supplement and in relation to residential care-claiming more generally is that there is actually a lag time before data becomes available. If you are a residential care provider, you actually get paid in advance, based on claims from a couple of months ago. While the supplement came in on 1 August, firstly the providers had time to assess their residents against the tool and submit their claims but also they were not going to get paid the new—

Senator POLLEY: So a six-month lag in—

Ms Smith: No.

Senator POLLEY: Is this normal?

Ms Smith: There is a two to three-month lag.

Senator POLLEY: Before you get to August, there was really no action taken until, what, May? That is six months before the government woke up to the fact that there was something that they needed to be aware of in terms of the oversubscription to this?

Senator Fifield: No, that is not correct at all. The department was undertaking, in February, extensive work analysing the higher than expected uptake of the supplement.

Senator POLLEY: After it was raised at estimates by me.

Senator Fifield: I cannot remember the date of estimates, but—

Senator POLLEY: I am a bit surprised that you were not aware of it, that the sector was not telling you. If they were telling me, a lowly opposition senator, I cannot imagine that they would not have been informing you.

Senator Fifield: It strikes me as extraordinary that you are asserting that the flawed design of something that the former government put into place is somehow the fault of this government.

Senator POLLEY: You are saying now that it was flawed; I cannot agree with you. But you had the responsibility, as the incoming minister, to monitor it.

Senator Fifield: Chair, am I able to speak? Senator Polley does this in question time. It is this inane and incessant contribution while others are speaking.

CHAIR: Senator Polley, it would be helpful if you would allow the minister to answer the question.

Senator POLLEY: I understand the issue in terms of clarity of speech, but it would be useful if the minister did not make personal comments in the answer.

CHAIR: I cannot direct the minister how he should answer questions, but we should allow him to answer questions. Minister.

Senator Fifield: Thank you, Chair.

Senator BILYK: He is being insulting, which says a lot.

CHAIR: Senator Bilyk, please allow the minister to answer.

Senator BILYK: He is under a lot of pressure. He is being insulting.

Senator Fifield: Senator Bilyk, I am happy to go through your interjections in the Senate chamber, which are routinely insulting to colleagues.

Senator BILYK: I beg your pardon! That is completely untrue and you know it.

CHAIR: If we did not have the interjections coming in and out, the minister would not be responding. Minister, you should not respond to interjections. Just as in the chamber, it is disorderly. But you are free to answer the question. Minister.

Senator Fifield: Thank you, Chair.

Senator BILYK: He is—

CHAIR: Senator Bilyk, please allow him to answer.

Senator Fifield: Thank you, Chair.

Senator BILYK: He is—

Senator Fifield: Sotto voce now, Senator Bilyk.

Senator BILYK: I am sorry?

Senator Fifield: I said you are sotto voce now.

Senator BILYK: I am what?

Senator Fifield: Sotto voce.

Senator SIEWERT: It is a good way of wasting time.

CHAIR: The interjections are not helping, as I have said.

Senator Fifield: Do not interject and I will not respond.

CHAIR: Let us stop the interjections and Minister Fifield can answer the question. Minister.

Senator Fifield: Thank you. What was that, Senator Polley?

Senator POLLEY: I am talking to my colleague. We are waiting for you to answer.

Senator Fifield: We have one person speaking at a time.

CHAIR: Senator Polley, if you are going to make asides, make them quietly so that we cannot hear them, please. Minister Fifield.

Senator BILYK: What was that interjection you had last night on me that you withdrew?

CHAIR: Minister.

Senator Fifield: Thank you, Chair.

Senator BILYK: Let us all have the same—

CHAIR: Senator Bilyk, this is becoming a bit incessant. Please allow the minister to answer questions. You will have plenty of time to ask questions, should you wish.

Senator BILYK: I just want the same rules around the table, Chair; that is all.

Senator Fifield: Senator Bilyk, I think colleagues have listened in complete silence for most of the morning.

Senator BILYK: And I have been listening in silence for most of the morning.

Senator Fifield: For the last five minutes, you have just been incessantly interjecting.

Senator BILYK: But the Chair actually made rude comments last night. He interjected on me and actually withdrew it because it was so rude. So let us just have a bit of fairness across the table about interjections and how we work.

CHAIR: Senator Bilyk, if you have an issue, raise it. Please allow the minister to answer the question. This is now just wasting time. It is wasting Senator Polley's questioning time. My plan was to give her 20 minutes. We have gone past that 20 minutes. Could we allow the minister to answer, and I will allow Senator Polley to ask some more questions before I briefly move to other senators. Minister.

Senator Fifield: Thank you, Chair. It is a strange proposition that the design of the dementia and severe behaviour supplement by the previous government and the failure of the previous government to put a validation arrangement in place is somehow the fault of the incoming government. But I do take Senator Polley's proposition—I think it is really the assumption underpinning her question—that, yes, it does fall to this government to seek to address the errors and poor policy design of the previous government. I think she is right on that. Also, it is wrong to say that the government or the department were not addressing or aware of issues in relation to the dementia and severe behaviour supplement until May. That is completely wrong.

Senator POLLEY: If I can continue—thank you—can I then ask the department whether you could advise the committee, in terms of what monitoring took place, if there were any spot checks on those residential providers who were applying for this supplement. Was there any monitoring; were there any spot checks, were there any random checks on the applications; were any applications knocked back? Can you just outline that to us so that we have a full understanding of what that process was?

Ms Smith: The application process was that you had to meet two criteria. One was—

Senator POLLEY: Yes; we know what the criteria were. I just want to know how you monitored that and whether there were spot checks.

Ms Smith: Those applications were assessed as to whether they met those criteria and, if they met the criteria, the provider became eligible. In terms of the monitoring, there were, as I said, no validation activities undertaken. The monitoring that the department was doing was monitoring the number of applications that were being received and the level of expenditure.

Senator POLLEY: Was there an issue around those providers that were applying for these supplements for people with severe behavioural issues? If so, was it through a lack of training of staff? What do you put it down to now? What assessment has been made as to your understanding of why the figures that were developed around the consultation with experts—not something a minister plucked out of the air but from those people who had expertise in this field—blew out so quickly and to such a cost?

Ms Smith: We did consult with the group of clinicians and others who had helped in the original design of the supplement.

Senator POLLEY: But that group was disbanded by the current government, was it not?

Ms Smith: No, it was not disbanded. It was a working group that had been formed to do a particular job and, once that job was finished, it no longer needed to meet. But once we were aware of the emerging issues with the uptake of the supplement, we felt that it was important to seek the advice of that group again, which we did, and they looked at the data that we had

at that point in terms of the significant oversubscription. They felt that a range of possible factors might be driving that oversubscription. One of those factors was a potential lack of training in how to do the assessments. One was a misunderstanding of the target group by the providers and, secondly, the assessment tools were potentially unable to accurately distinguish the right group appropriately.

Senator POLLEY: Can you explain to me—

CHAIR: Senator Polley, this is your last question at the moment.

Senator POLLEY: I am sorry, I thought, under the new standing orders, when there are questions to be asked on an issue, we can continue.

CHAIR: Yes. There is an interesting thing about the new standing orders.

Senator SIEWERT: There is a chair.

CHAIR: Yes, there is still a chair. The way it works is that we go back and forth between senators and, if a senator wishes to keep a particular item of expenditure open, the senator is entitled to do that. But while other senators have questions under this item of expenditure, we will go to them. You have had a pretty good run. This will be the last question and then I will go to Senator Reynolds.

Senator POLLEY: It is like being gagged. I do not know why you do not want to get this information out on the public record so that it is accurate. The aged-care special appropriation is \$9.7 billion for 2013-14. Can you enlighten us as to what else is appropriated out of that money?

Ms Smith: That appropriation covers all the subsidies and supplements that are paid by the government to providers for residential care. You would be aware of the aged care funding instrument, which is the funding tool that provides funding for the care subsidy. That comes out of that appropriation. All of the supplements that target residential care come out of that supplement, including the accommodation supplement that is the government's contribution towards accommodation for those clients who are unable to pay for their own. So it covers a variety of subsidies and supplements and it has a number of assumptions built into it about what will be the level of expenditure against those various categories.

Senator POLLEY: If I can just follow up with—

CHAIR: No, you cannot. What we are going to do now—

Senator POLLEY: Then I am going to come back to it because—

CHAIR: You can come back to it.

Senator POLLEY: I just want to finish this one question.

CHAIR: You can come back to it. I am going to go to Senator Reynolds now. You have had the best part of half an hour now and you can come back to it, if you want to ask further questions, but I will go to Senator Reynolds.

Senator REYNOLDS: Thank you very much, Chair. Mr Pratt, just in keeping with the theme of supplements—and you will have to excuse me because this is my first time getting across what all of the supplements are and how it all works—I understand that we have just been referring to dementia and severe behaviour supplements. But I understand there has been some discussion that there have also been reports that other aged-care supplements introduced

at the same time have been underclaimed. I just wonder if you could confirm whether that is correct or not and provide some advice on which supplements they might relate to.

Mr Pratt: We will get you some information on that.

Senator REYNOLDS: Thank you.

Ms Smith: I think I mentioned, in response to an earlier question, that the dementia and severe behaviour supplement, which was introduced in residential care, was one of only a number of new supplements that were introduced as part of the age care changes last year. There was the dementia and severe behaviour supplement for residential care, the veterans supplement for residential care, the homeless supplement for residential care, the dementia and cognition supplement for home care and the veterans supplement for home care. Given that there had been a level of oversubscription in relation to the dementia and severe behaviour supplement in residential care, Minister Fifield asked the department for some advice on how the other supplements were tracking. We provided that advice to him and there has been some reporting of that advice publicly, following its release under an FOI request. Basically, those other supplements, at the time we provided that advice, were tracking below estimates. Some of the reporting—

Senator REYNOLDS: Was that for all four of those other categories of the ones that you have just listed?

Ms Smith: They were all below at that stage but it was only a point-in-time advice.

Senator REYNOLDS: How are they going currently; where are they tracking?

Ms Balmanno: For each of those supplements, the information that was released under FOI and later reported in the sector media compared a part-year expenditure against a full-year estimate. So it was not unexpected at that stage, obviously, that the expenditure was less than the estimate; that was entirely appropriate at that point. We now have estimates of the end of financial year expenditure on those supplements. There are sometimes some delays in claims from some providers, but this is probably pretty close to the end-of-year results that we would expect to see. For the homeless supplement, the end-of-year expenditure ended up pretty much spot-on with the estimate; I think it ended up being out by something close to \$100,000. It was a very close—

Senator SIEWERT: Above or below?

Ms Balmanno: Just above.

ACTING CHAIR (Senator Smith): I am going to follow Senator Seselja's excellent practice. We will have questions from Senator Reynolds and then I will go to questions from other senators.

Senator REYNOLDS: Thank you very much, Mr Chair. That was for the homeless supplement, which has come in just slightly above, so it is pretty much on track. How about for the other three?

Senator Polley interjecting—

Ms Balmanno: For the dementia and cognition—

Senator REYNOLDS: I am sorry; I cannot hear you over the voices of my colleagues.

ACTING CHAIR: You have the call, Senator Reynolds.

Senator POLLEY: There needs to be some consistency with the chairing.

ACTING CHAIR: I would wait for 30 minutes of my chairing, not 30 seconds, for a demonstration of consistency. Senator Reynolds.

Senator REYNOLDS: Where are the other three tracking at the moment?

Ms Balmanno: For the other three supplements—dementia and cognition in home care and the two veterans supplements—the end-of-year figure is still below the original estimate. That is in part due to the fact that the estimates were based originally on the supplements commencing on 1 July and, as has previously been noted, they did not commence until 1 August. It is also in part due to a pattern that we generally see; that is, in the first year of new supplements, it takes some time for the claiming to actually build up to what will be the new 'business as usual' level. So, for each of those supplements, there has been a period of slow growth, which has gradually built as the year has gone on. Each of those is likely to finish under what the original estimates were.

Senator REYNOLDS: Just so that I understand it, in the first year there is that one month, which accounts for some of it; and the other one is just getting the information out and people understanding that they are out there?

Ms Balmanno: And that they are eligible and know how to claim.

Senator REYNOLDS: And next year you would expect it to pick up a bit more, in line with what you have forecast?

Ms Balmanno: Yes. We will obviously be continuing to monitor the take-up of the supplements to see whether it does level out at the level we initially expected it to.

Senator REYNOLDS: Just on your monitoring, given that in other programs there have been big blowouts, how are you going to monitor and track this to try to prevent or at least identify early that it might be, next year, tracking higher than forecast?

Ms Balmanno: We have the responsibility—in terms of managing both the special appropriations and our other appropriations—for looking at how expenditure is tracking against estimates. So we will monitor these supplements like we monitor the full suite of expenditure for which we are responsible.

Senator REYNOLDS: So you will be able to see if there is going to be a bigger take-up next year than this year?

Ms Balmanno: Yes.

Senator Fifield: I should add that I have asked the aged-care sector committee, which is chaired by Peter Shergold, and provides advice to government on reform and red tape reduction, and which has provider representatives and consumer representatives, to partner with the department in monitoring the supplement which is available to providers who have undertaken significant refurbishment or new facilities. Given the experience of the dementia and severe behaviour supplement, we wanted to—

Senator REYNOLDS: That is very prudent.

Senator Fifield: make sure that we learnt the lessons of the design of the previous government. We sought to monitor that and to use the monitoring of that supplement as a model for partnership with the sector, and we will watch this space. But I think that is a good approach.

Senator REYNOLDS: Mr Pratt, I would like to go to the home care program, if I could.

Senator POLLEY: I am sorry; can I ask through the chair—

ACTING CHAIR: Senator Reynolds has had eight minutes.

Senator REYNOLDS: But that was actually the item before. We skipped over it, so I have one question in relation to that, Chair.

Senator POLLEY: Can I just seek some guidance through you—

ACTING CHAIR: Would you like to stay with the supplements issue?

Senator POLLEY: Yes.

Senator REYNOLDS: That is fine. I will come back to that.

ACTING CHAIR: Thank you, Senator Reynolds.

Senator SIEWERT: I have a quick one on this issue, about the homelessness supplement. It was in fact underspent, wasn't it, at the last estimates? I remember being quite surprised that it had been underspent, so obviously now it has kicked in and people have got used to using it. So it seems to me that there has been a significant uptake over the last four or five months.

Ms Balmanno: The data that was reported was the part-year spend against the full-year estimate, so partway through the year it should be under. The end-of-year figure reached the full estimate.

Senator SIEWERT: I understand that but I recollect—I will go back and look at the *Hansard*—that we had a discussion where it seemed to be quite significantly under what you would expect.

Ms Balmanno: Because it was only a couple of months' worth of claiming; that was all. There is no application process for the homeless supplement; it connects to the criteria in relation to the viability supplement. So it is a more automatic supplement process.

Senator SIEWERT: I want to ask a question about restraints, but I think that is further on.

ACTING CHAIR: Senator Polley.

Senator POLLEY: Thank you very much. In relation to when we were interrupted before and you were talking about the overspend, what is the process for advising the Treasurer and the Department of Finance as far as those overruns are concerned; and does additional money have to be allocated to make up for the shortfall?

Ms Smith: The process differs, depending on whether something is a special appropriation or an annual administrative appropriation. If you have an annual administrative appropriation, it is a fixed amount and you have to manage within that allocation. This is funded from a special appropriation. It is acknowledged that that has the potential to vary, and departments have an obligation to monitor expenditure against that special appropriation and there are defined periods of time during the course of the year when estimates can be updated. The advice that is provided and the action that is taken really depend on the level of materiality of the variation, I suppose. In a big appropriation, like a \$9.7 billion appropriation, there will be small things that go up and small things that go down, and it all stays within the \$9.7 billion. But, with a variation of the magnitude seen with the dementia and severe behaviour supplement, we have an obligation to alert ministers and central agencies of the

extent of that variation, and then there is a choice for government as to how they wish to respond.

Senator POLLEY: So you would have done that then. Can you provide us with the date on which that was made? You can take it on notice, if you like.

Ms Smith: I would have to check.

Senator POLLEY: Thank you very much. Minister, you have been kind enough to talk about the forum that has been held. It would be fair to say that we on this side want to see a resolution to this moving forward because we all acknowledge that there is a huge issue around dementia. Can you advise the committee as to when you will make available to the public the report that you are getting from KPMG? I would have thought, rather than a report, it is a minute of that.

Senator Fifield: KPMG's work will be an input into the decision-making process of government, and I cannot go any further than that at the moment. But I am keen to see something in the place of the previous supplement as soon as possible.

Senator POLLEY: So you cannot give us a date as to when that report will be made public?

Senator Fifield: Given that government has not made a decision about what may be put in place to better support residents with severe behaviours, I cannot really go any further at this stage.

Senator POLLEY: Ms Smith, could the original supplement be implemented with appropriate compliance validation measures?

Ms Smith: It has been the view that we have come to, after analysis and consultation, that it is actually not possible to redesign the supplement within the original funding parameters.

Senator Fifield: I took the decision that the supplement could not be salvaged in its current form and that we needed to look at alternatives.

Senator POLLEY: Minister, you would be aware that the sector, and those that had applied, were funded and were eligible to get the supplement under the design that was, are now still waiting and are very anxious in relation to what is going to happen. There have been comments this morning in relation to freedom of information, and I would like to move on to that area, relating to this supplement. Is it normal practice for the department to engage with the minister's office and advise on when and what information is provided under the Freedom of Information Act?

Senator Fifield: Yes. Commonwealth government departments obviously have expertise in the freedom of information legislation; so the first port of call for a minister's office, in relation to the handling of freedom of information requests, is appropriately their own department.

Senator POLLEY: I thought what happened was that, if you made a request under freedom of information and it went to the department, obviously there would be some consultation with the minister to ensure what could or could not be released. But it is not normal practice—

Mr Pratt: Senator, the consultation is not about what can or cannot be released; that is a decision of the independent delegate on FOI grounds. But, as a matter of course—and this has

been the case for ages—we advise ministers of the sorts of issues which are attracting FOI requests; and this has been standard practice for a long time.

Senator POLLEY: I understand that.

Senator Fifield: And ministers' offices obviously do not seek to have input into the delegated decision maker. My understanding of the situation here is that some of the requests related to documents in my office and some related to documents in the possession of the department. That being the case, you have a separate decision maker in the department for the department and a decision maker in the minister's office for those items. That is what I was referring to, when I was saying that my office liaised with the department about FOI processes, to make sure that our office, to the extent that it was responsible for those documents in its possession, was undertaking things appropriately.

Senator POLLEY: Minister, why did your office deem it appropriate to hold up the release of interdepartmental documents until yours were ready?

Senator Fifield: I am not the decision maker in relation to FOI matters in my office and I do not know what you are referring to.

Senator POLLEY: As the assistant minister for this area of responsibility, you would be aware of your adviser who was making these decisions. It would not normally be the practice, in my experience, that a ministerial office would direct a department to hold back on releasing those documents until it was suitable for your office.

Senator Fifield: I will leave it to the department to answer questions in relation to its handling of FOI documents.

Ms Richards: Senator, perhaps I can assist? FOI decisions are made by delegates of the secretary in our practice. Independent decision makers are appointed in relation to dealing with decisions regarding the release of documents that are held by the department. An independent decision maker made a decision in relation to the release of these documents independent of the delegate who was making the decision in relation to the release of documents that were requested from the minister's office.

Senator POLLEY: So you are saying that there was no attempt by the minister's office to stifle the attempts by those making those requests to have that documentation as soon as possible and that the department did not hold back on the release of those documents under the instructions of the minister's office?

Ms Richards: I am not the decision maker, but it is the case that the department has its own decision maker; it makes its decisions independently of the minister's office and makes them in accordance with the Freedom of Information Act and the guidelines issued by the Information Commissioner. The process is not influenced by the minister's office.

Senator POLLEY: It is interesting, then, that that was conveyed to my office.

Mr Pratt: I am sorry; Senator. The delegate is not subject to direction from the minister's office on these matters. What is the basis for the suggestion that this happened? I am unaware of there being any attempt at an override of an independent delegate's authority.

Senator POLLEY: That is why I am asking the question today, because that is the information that I have. It has been raised with me that the department was not willing to release the documents when they were prepared because they were advised that all the

material from the department and the minister's office would be released at the same time, and I find that totally inappropriate.

Mr Pratt: I am sorry, Senator. I do not want to drill into this more than is necessary, but is there any evidence of that?

Senator POLLEY: Obviously I will be pursuing this further and we will follow this through, but I just wanted to ask those questions today. I was also—

Senator Fifield: How will you follow it through?

Senator POLLEY: I am more than happy to have this conversation with the secretary of the department, so we will do that. But I also want to clarify one—

CHAIR: Senator Polley, before you ask further questions, we have come to the allotted time, which is one hour, for this area. Would you or other senators like to extend under standing order 26?

Senator POLLEY: I would, yes; thank you. Perhaps I could then just ask a question relating also to freedom of information requests. I have received documents as part of that request and it was just puzzling to see that members of the minister's office were switching between their APH email addresses and their ministerial email addresses. I was just wondering what the benefit of that was. Is there some process that people go through to do that? I would have thought it would have been normal practice that anything coming out of a minister's office would go through the ministerial email address.

Senator Fifield: If you pop into ministerial offices—and you might not have done this for a while—I think you will see that lots of people have two screens on their desk. One of the reasons for that is that they work for someone who is a minister; they work for someone who is also a member of parliament. They find it convenient and useful to be both on the parliamentary system and on the department's system. I do not think you should read anything into that, other than it is pretty common throughout the building.

Senator POLLEY: Minister, would I be correct—because I do not want to verbal you—in saying that it would be your evidence to the committee that in no way was there any coercion applied to the department out of your office to stymie the release of the documents through freedom of information?

Senator Fifield: I am not aware of anything of that nature. I do not think the department is in the business of being coerced, for that matter.

Mr Pratt: Senator, can I tell you that I am certainly not aware of any coercion of that sort and, were I to become aware of it, the matter would get resolved very quickly.

Senator POLLEY: Thank you. I do feel somewhat reassured by that. I am happy to put the rest of my questions in relation to the supplement on notice, but I do obviously have other questions going through the program.

CHAIR: Do you have questions on ageing and aged care?

Senator POLLEY: Yes.

CHAIR: I will just get a sense from senators. We have extended. Is there anything that you would like to pursue? We have 10 minutes before we break. Do we want to use that 10 minutes then to get through some other questions on ageing and aged care, with a view to

perhaps moving on to outcome 1 after lunch? Is that the will of the committee, or do people want to pursue it further than that?

Senator POLLEY: In relation to all those programs that are there, I really would like to come back to it after lunch. But I will be very reasonable and be as quick as I can.

CHAIR: We have 10 minutes now; so do you want to pursue some of it now and see where you get to over the next 10 minutes?

Senator POLLEY: Yes.

CHAIR: Is there a strong desire for someone else to ask questions in the 10 minutes? I will leave it to Senator Polley and perhaps you can let us know at one o'clock whether or not we are likely to need the same officials back after lunch.

Senator POLLEY: Thank you very much, Chair. Perhaps I can move on to 3.1, access and information. Could you provide an update on the gateway implementation? Will it be ready for the 2015 Commonwealth Home Support Program, bearing in mind that that will obviously be critical with all the changes that have taken place and will be taking place?

Ms Balmanno: In terms of the next stage of the gateway of My Aged Care, basically, the IT that will underpin that stage is currently being built within the department and will go into a testing phase early in the new year. That will involve a demonstration site in Victoria, where we will work with existing providers and assessors and they will use the system in a live sense in one region in Victoria. We will do that in the first half of the calendar year, with a view to going live with the system nationally from 1 July 2015.

In terms of when it is fully implemented, we expect that aged care assessment teams who currently undertake comprehensive assessment around the country will progressively start to use that system over the course of July to December next year. We are negotiating with each state and territory government, who are the employers of those teams, as to the best timing to roll out in those states, and we will reach agreement with them on a transition schedule for the aged care assessment teams to come online with that new system in the second half of the financial year.

Senator POLLEY: Can you shed any light on the feedback that you have had from the sector and also from the public in terms of utilisation of the website?

Ms Balmanno: In terms of the website itself—and it is the website and the call centre—regarding volumes and use there, for the first financial year—so from 1 July 2013, when it commenced, until the end of June this year—we had total calls of about 146,000 and we had bit over half a million unique visitors to the website. For a first year that is pretty good. We believe that this, at least in part, is due to the 'Let's have a conversation' campaign that was run during July and August but also, I think, as the functionality of the site has grown and people have become more aware of it, those things are all contributing to greater use.

In the first two months of this financial year we have had just over 35,000 calls answered. If it continues at that trend, it will be a much higher end of year result than we saw last year. Also, we have already had over 400,000 unique visitors to the website in that first two months. So the use of that site and the contact centre are both continuing to grow.

Our delivery partner for this, who is Healthdirect Australia—and, through them, Stellar—also undertake satisfaction surveys for users, particularly of the call centre. They introduced a

new satisfaction survey to try to finetune things a little bit. This financial year we are receiving a satisfaction rating of over 91 per cent for July and August in terms of users of the call centre.

Senator POLLEY: That is good. In relation to the providers' responsibility to publish their accommodation costs, my understanding from the question on notice back from the department is that there were 102 providers that were compliant. Is that an accurate figure still; and what happens to those providers that are not compliant?

Ms Smith: As at 21 October, we have now got 97 per cent of providers who publish their prices. I think it is important to recognise that the remaining three per cent includes providers who are not actually intending to charge an accommodation payment and, therefore, they do not need to publish. There is actually a very small number who are required to publish who have not yet published.

Ms Balmanno: Those providers who are choosing not to publish because they are choosing not to charge an accommodation payment include some multipurpose services that traditionally have never charged bonds and are not intending to charge accommodation payments. It also includes, for example, some services that are in the process of closing or transitioning. There is a range of reasons why a small number of services never intend to publish. We believe that we have literally only a handful of services that at this stage have indicated the intention to charge accommodation payments at some point but have yet to publish a price, and we are continuing to work with those services.

Senator POLLEY: I can put the rest of my questions in relation to this area on notice, if you want to—

Senator Fifield: Chair, just before we break: could I urge—through you, Chair—Senator Polley to raise whatever issues she thinks she may have in relation to FOI with the secretary of the department, because I think it is very important that allegations that are made in this forum in relation to staff of ministers and staff of the department, which are not sourced, are not left hanging. I would encourage Senator Polley—if she is not prepared to do so in this forum—to raise that matter with the secretary.

CHAIR: Thank you, Minister.

Senator POLLEY: We have still got a few minutes.

CHAIR: We have a couple of minutes. I just want to get a sense. It sounds to me as though there are still some questions in—

Senator SIEWERT: I think my questions will take a relatively short amount of time.

CHAIR: 'Relatively short' being two minutes or 20 minutes?

Senator SIEWERT: I suspect I will get very quick answers.

CHAIR: Why do not we see whether we can get through ageing and aged care now? If you are happy, Minister, we might push on for a couple of minutes.

Senator POLLEY: Can I just say—through you, Chair—that I have a lot of questions in other areas and I have a meeting at one o'clock.

CHAIR: I am just seeing whether we can avoid bringing officials back after the lunch break, if we can get through Senator Siewert's questions quickly. I am really looking for guidance from the committee here.

Senator POLLEY: It would be really helpful if we could have them back for at least half an hour after lunch.

CHAIR: If that is the case, we will suspend now and come back at two o'clock, when we will still be going on ageing and aged care.

Proceedings suspended from 12:58 to 14:01

CHAIR: I will outline a couple of potential changes. I have been advised that the Australian Institute for Family Studies has a pretty tight deadline in terms of being here, so can I suggest to the committee—and Minister, and officials if you are happy with this—that we finish Ageing and Aged Care probably in the next 20 minutes to half an hour, I suspect, and then we move on and we just do that part of the outcome for the Australian Institute for Family Studies and then we go with the program as scheduled. Minister?

Senator Fifield: Thank you. Shortly before the lunch break Senator Polley made some quite serious allegations against an officer of the department and a member of my staff, implying that one had sought to coerce the other to breach FOI law—very serious allegations. Through you Chair, I ask Senator Polley if she has yet raised the matter in the margins of the committee with the secretary, as she indicated she was intending to do?

Senator POLLEY: Through you, Chair, I did ask questions and I did say that I would be having a conversation with the secretary of the department. No, I have not done that. I have been in a committee and I have been preparing for this. I will do that at an appropriate time that suits my schedule, thank you, Minister.

Senator Fifield: Through you, Chair, can I say that I do not think that Senator Polley's convenience or schedule is of particular consideration at this point in time.

Senator POLLEY: You can say what you like but you are not going to bully me like you tried to do in the—

CHAIR: Senator! I allowed you to speak freely, I will allow the Minister to.

Senator Fifield: Senator Polley chose the timing of the raising of this matter when she sought to bring it to this committee. Now, she has made serious allegations against an officer of the department and against a member of my staff. It is not appropriate that those allegations be left hanging. It is appropriate that they be addressed. Senator Polley has indicated that she will not source the evidence in this forum but that she would raise it directly with the secretary of the department. I would put to you, Chair, that Senator Polley's courses of action at this point in time are to either seek to have the committee briefly suspend so that she can raise the matter with the secretary. If she is not going to undertake that course of action then she should withdraw the allegation. I think she really has two options open to her. At the very outside of those options would be that she undertakes to raise it with the secretary at least while the relevant officers are still in the building and while the committee is still in session. They are really the three options: that she seek a brief suspension of the committee to raise the matter with the secretary, or that she indicate that she will seek to raise it with the secretary shortly and certainly while the committee is still meeting and while the officers are still here, or thirdly, that she withdraw her allegations.

CHAIR: Senator Polley, would you like to respond?

Senator POLLEY: I would, through you, Chair. We have got limited time to ask questions in relation to Aged Care. I am not going to be bullied by the minister to dance to his tune—

Senator Fifield: I accept that there is limited time.

Senator POLLEY: I have a lot of questions to get through and I have a plane to catch, so if you could allow me to continue on, I will speak to the secretary of the department on this matter. I am not going to be told by the assistant minister when I have to do that. Nor has the committee got that responsibility.

Senator Fifield: Chair, if I could please speak to this?

CHAIR: Yes.

Senator Fifield: I think anyone watching here would not think that I am seeking to do anything inappropriate, certainly not bully Senator Polley. I think Senator Polley is beyond being influenced, but Chair, Senator Polley is the person who has raised these serious allegations. The onus is on Senator Polley to pursue those. The onus is on Senator Polley to evidence those. The onus is on Senator Polley to raise those matters with the secretary. It is not appropriate or fair to leave very serious allegations hanging about an officer of the department or a member of my staff.

CHAIR: Minister, I think that is right. Senator, there is the opportunity to briefly suspend if you would like to satisfy yourself. I do not want us to be overly delayed, but when serious allegations are raised it is important that they are dealt with as quickly as possible, one way or another, either that you are not satisfied or whatever it might be. I am not going to get into the argument. This is not my argument, but it is important that we clarify and the minister has put forward a number of potential options. I would certainly be happy to suspend briefly if that was your wish. If you thought that would be fruitful and this could be resolved, you could withdraw, subject to getting further information. That is a matter for you. I will put it back to you in the terms that the minister has raised.

Senator POLLEY: Well, Chair, through you, I asked a series of questions. I will look at the transcript of the evidence that was given and, if it is appropriate, then I will either raise that direct with the secretary, but I am not going to be able to do that now. I will do that at the earliest opportunity.

CHAIR: Minister, there is nothing I can do to direct Senator Polley on this matter.

Senator Fifield: Can I just remind colleagues, Senator Polley said, in relation to the allegation of coercion of an officer of the department, 'Well it is interesting then. That was conveyed to my office.' That is not a question. That is an assertion. That is an allegation, and she went on, 'Well, that is the information that I have that has been raised by me, is that the department were not willing to release the documents when they were prepared because they were advised that all materiel should be released. I find that inappropriate.' Chair, she has clearly impugned the integrity of an officer of the department and a member of my staff. She should follow that through to its conclusion.

CHAIR: Indeed. I guess we will resolve it to say that I have no power to direct you or anything here, but I would ask if you would like to withdraw or take up one of the other options that the minister has put forward.

Senator POLLEY: I have already explained the course of action through you, Chair, that I will have a look at the transcript and then I will take the appropriate action at the appropriate time. I would appreciate it if we could move on to ask some more relevant questions because we are using up time. I am not going to change the position that I have just stated to you on a number of occasions. I think that is appropriate.

Senator Fifield: Through you, Chair, if I could ask Senator Polley if she intends to do so today?

CHAIR: Senator Polley?

Senator POLLEY: Chair, I have responded on a number of occasions. I would really like to move on and I will deal with that matter at an appropriate time.

CHAIR: I would like to move on too, but just on the minister's point, is that something you intend to raise with the secretary today?

Senator POLLEY: I will raise it with the secretary when I have had a look at the *Hansard* transcript and when it is appropriate. That is all I can do.

Senator Fifield: Chair, my final comments on this: if it is appropriate to make the allegation today, it is appropriate to raise it with the secretary today. If it is not raised with the secretary today and not addressed today, then quite frankly I think that is appalling.

CHAIR: That is a fair point. Senator Moore, did you want to raise an issue on this?

Senator MOORE: Just in terms of the process, Chair, the issue has now been raised and it has been raised publicly and we are having this discussion in the public forum, rather than in a private meeting. I believe that Senator Polley has agreed that she will take the issue up with the secretary. The issue has been explained that it cannot be today, but she has made a commitment—

Senator Fifield: That it cannot be today?

Senator MOORE: The issue has been raised by Senator Polley that she cannot do it today. She is wishing to get some more information—

Senator Fifield: Well then, why did you raise your allegation today if you cannot pursue it today?

Senator POLLEY: I am not going to continue to debate this with you.

Senator MOORE: Let it go. I was just putting a position and I was not engaged with the discussion with the Minister. It is there on record. It is a serious thing and I take the point that the question was raised in the Senate estimates. We have given a commitment and Senator Polley has given a commitment that she will raise it with the secretary and that will be as quickly as possible. As we are sitting here again next week, it will certainly be raised no later than Tuesday next week.

Senator Fifield: Oh! It is an appalling way to treat staff of the department and a member of my staff.

CHAIR: I would just like to move on. I would remind senators that, when making allegations under parliamentary privilege, we have a responsibility to be careful and to make sure that if we raise things, if they are incorrect then we shall withdraw them, if we believe them to be correct, we should back them up. That is a general principle. It is a great privilege

that we cannot be sued for things we say in here, but that comes with a degree of responsibility and I would remind senators of that. I think there is nothing further we can do on this matter right now, but we will go back to questioning on Ageing and Aged Care. I will go to Senator Polley.

Senator POLLEY: In relation to Home Support, could we please have an update on the progress of the implementation of the Commonwealth Home Support program?

Ms Moody: We issued a discussion paper about options associated with the Commonwealth Home Support program earlier this year. We had around 400 submissions to that from a range of organisations and individuals who have an interest in this space. We are currently working through those submissions and the various views put, because clearly there is a range of views that come through with that, some of which are opposite to each other depending on who is actually making the submission. We are working through that to provide additional policy guidance to the government about the choices about how Commonwealth Home Support will be implemented. We are not yet at the point where we have made further announcements post that discussion paper.

Senator POLLEY: In relation to the tender process, when is that going to start for the regional assessment providers? When is that going out? I understand there are going to be two sites.

Ms Balmanno: As I mentioned earlier in the hearing, there is one demonstration site that will be running. That is not actually part of the tender process. The tender will be for each of the aged care planning regions in Australia, with the exception of regions in Victoria and WA, where different arrangements apply because of the ongoing arrangements in relation to the HACC program in those states. We expect the public release of that tender will be imminent.

Senator POLLEY: When do you expect those pilots to be up and running?

Ms Balmanno: There is just the one demonstration site in Victoria, and that will operate in the first half of 2015, but not the entire first half. The exact timing is still being negotiated with the participants in the site. It will operate for several months in that first half of 2015, with the second stage of My Aged Care going live nationally from 1 July 2015.

Senator POLLEY: So, are the gateways going to be ready for that?

Ms Balmanno: The IT system that underpins it?

Senator POLLEY: Yes.

Ms Balmanno: Yes.

Senator POLLEY: So, is everything on track then?

Ms Balmanno: Yes.

Senator POLLEY: What about in relation to the sector and the providers? Are they all up to speed with the timeline and being ready for it?

Ms Balmanno: There was a process earlier in the year where there was a proof of concept built of the gateway. It was not the IT itself, but it was a dummy version of the IT, if you like. That was taken on a road show to engage with assessors and providers and consumer representatives around the country to get feedback from them in relation to how the gateway was going to be built and how it was going to operate. That has then fed into the design process.

We continue to work with the gateway advisory group and with state and territory governments in terms of the details in the design and the rollout. The conversations there are to continue to discuss elements of the IT, but the conversations now are moving to a greater focus on the transitional arrangements prior to and through 1 July 2015 in terms of communication, education, training for assessors, the sort of tools and resources that will be available, et cetera. That is the work that is being planned and developed quite actively at the moment.

One of those elements is the training program for assessors and there has been a contract running for some time with CIT Solutions to develop that. We expect that training will be piloted—which is probably the right word—with the demonstration site early in 2015.

Senator POLLEY: Will those assessors come from the DSS?

Ms Balmanno: The assessors will be from two sources. The assessors for comprehensive assessment, the more detailed assessment, will be the current Aged Care Assessment Teams, so they are state and territory government employees. They will be trained, however, in the new assessment tools and in the gateway IT tools. They will start to utilise those over the course of the second half of 2015. The other assessment workforce will be the one that will be procured through the tender that is about to be released.

Senator POLLEY: To assist older people to actually navigate their way through the consumer directed care, are there any plans or education programs or tools that are going to be there to assist older people to be able to navigate their way through?

Ms Smith: Consumer directed care is being introduced to the Home Care Packages program. You might be aware that new packages for the last couple of ACARs had to be delivered on a consumer directed care basis, with all existing packages to be converted from 1 July next year. The department has funded two capacity building projects that will support both providers and consumers in terms of how they implement CDC.

The Council on the Ageing was the lead organisation for both of those projects but for the provider project they partnered with the two industry peak organisations, ACSA and LASA, to provide a range of resources to support providers and their staff in how to implement CDC. There is also a lot of work going on within the sector. Innovative and leading providers are also doing a lot of peer-type education as well.

Senator POLLEY: That is all on that one.

CHAIR: I think we will just go across, ending on Aged Care.

Senator POLLEY: Are we on 3.3?

CHAIR: We have been going across 3 at this stage. I have not been directing people as to which particular section.

Senator POLLEY: I will come back.

CHAIR: Yes, so Senator Siewert and then Senator Reynolds have some questions.

Senator SIEWERT: I have got a question that does not fit in any particular box and that is the government's response—and it may be the minister's—to the community affairs dementia inquiry; are you working on that? What is the timeline for a response?

Senator Fifield: I will take that on notice. But Ms Smith may be able to assist with some further information.

Senator SIEWERT: Ms Smith, can you assist in that?

Ms Smith: I am assuming that you are talking about the—

Senator SIEWERT: The severe behaviours inquiry.

Ms Smith: Yes, we are actively working on that response in consultation with our colleagues from the Department of Health.

Senator SIEWERT: Thank you for that.

Senator Fifield: In terms of time frame we will come back to you.

Senator SIEWERT: Will you take that on notice?

Senator Fifield: That is what I was meaning before.

CHAIR: Senator Reynolds.

Senator REYNOLDS: My question relates to the Home Care program. I understand that from 1 July next year all Home Care Packages have to be delivered as consumer directed care. I was wondering if you could outline for me the support being provided to both Aged Care service providers and consumers to prepare for the change and if you could also, just for my benefit, explain to me what the change is?

Ms Smith: The change is one of both practice and culture for Home Care. This is really putting consumers in charge of the services that they will receive under their Home Care package rather than receiving what the service provider might think they need. It is being delivered within the broader framework of the Home Care packages program, but it will require things like an individualised budget where each client will know the funds that are available to support their care needs and they will get to work with their provider in terms of deciding what the supports are that they need to meet their needs. It is a very welcome development for Aged Care and we will bring it much more in line with where the disability arrangements are going.

Senator REYNOLDS: Just to clarify, does that mean there is a capped amount per person or are the amounts tailored within a range according to their requirements?

Ms Smith: There is a capped package amount per person.

Senator REYNOLDS: Do you know what that is?

Ms Smith: It depends. The Home Care program has four package levels, level 1, 2, 3 and 4, and it ranges from about nearly 8,000 through to about 40-something-thousand.

Ms Moody: So, a Home Care level 1 package, the annual subsidy is \$7,822; a Home Care level 2 package is \$14,231; a Home Care level 3 package is \$31,291; and a Home Care level 4 package is \$47,567.

Ms Smith: In terms of the support that we have provided to both consumers and providers, I think I kind of covered that in my answer to Senator Polley's previous question. We have funded the Council on the Ageing to do both a consumer project and a provider project. With the provider project, they are working in partnership with the two industry peaks. There is a resource that has been released called Home Care Today, which is a website with all sorts of resources for the providers and there are also workshops happening around the country where more interactive discussion is occurring.

Senator REYNOLDS: So, have those programs started for clients?

Ms Smith: Yes, they have been underway for a while.

Ms Moody: The Home Care Today website is available and has areas for both consumers and providers to explain the different aspects of that. The Council of the Ageing is also working with some of the other consumer groups, including Alzheimer's Australia, the Federation of Ethnic Community Councils, the National LGBTI Health Alliance and a number of other providers to provide education, information and peer support for consumer so that they can understand the difference. They are also providing, this time for providers, change readiness workshops. In addition to that, one of the things that is on the Home Care Today website is actually an assessment that providers could do to look at and assess their readiness to—

Senator REYNOLDS: So, a self assessment?

Ms Moody: Yes, it is a self assessment that will guide them to look at their readiness for that. There is also a range of learning modules being developed to enable advisers and case managers to understand what CDC means and how to transition to it.

Senator REYNOLDS: Obviously, going to a consumer directed care is quite a different model. Do you have case workers or case managers who will be doing these assessments? Will they require retraining in how to do these assessments? How does it work?

Ms Smith: The package is allocated to the provider and then it will be up to the provider and their staff to work with their clients in terms of this new approach. Providers are going to have to do a range of practical things within their business to support the new approach, but there is also going to be a bit of a culture change in terms of how they work with clients. The other thing, the work we are doing on the assessment framework and tool, is also trying to embed a CDC approach in at the first stage of assessment as well. It really is a culture change across the board.

Senator REYNOLDS: Thank you.

Senator SIEWERT: Can I just follow up there?

CHAIR: Certainly.

Senator POLLEY: Yes, and then I will follow up after you.

Senator SIEWERT: In terms of the culture change there is also interaction with the other Home Care supports and carers such as the NDIS. I am wondering how all of the things you have just been through then reflect through to the expected shortfall in workforce once NDIS really kicks in. How much more work has been done on looking at that workforce? I know it is crossing into workforce as well.

Ms Smith: Certainly, if you look at workforce it is one of the biggest challenges facing the aged care sector. We currently have about 350,000 staff employed in direct care. It is estimated that we will need over 800,000 by the year 2050. Disability is on a similar growth trajectory and there are some really important interfaces at the home care end of the disability workforce.

Senator SIEWERT: That is why I am asking. Now that NDIS is in place and there is work being done there, how are the two processes interacting?

Ms Smith: I think there has been a real opportunity afforded by the fact that we are now in one department, so we are working very closely with our disability colleagues on workforce

issues. We are doing a stocktake of all the current Aged Care workforce programs, thinking about what is working and what is not. We will then be coming up with a workforce strategy. Our colleagues in Disability are also doing a workforce strategy and we are working really closely to make sure that we consider all of the interface issues. There is also an important interface between residential care, in particular, and the health system, so we are also working closely with our colleagues in the Department of Health to make sure we consider that interface as well.

Senator SIEWERT: Can I just then ask one thing about WA and Victoria?

CHAIR: Sure, yes.

Senator SIEWERT: Given that they are separate. Sorry, I missed the detail you said specifically about what is happening in WA, because they are special.

Ms Smith: Victoria is at a more advanced state of negotiations. What WA has agreed to do is actually talk, which was a step forward on where we were at in previous hearings, as I think you will remember. In the meantime, the HACC program continues to be delivered as a joint program in both those states.

Senator SIEWERT: When you say Victoria is a bit further advanced, does that mean you have or are close to reaching an agreement in Victoria?

Ms Smith: Victoria has committed to the full rollout of the National Disability Insurance Scheme and in the context of that agreed—

Senator SIEWERT: That is included in that.

Ms Smith: to transition HACC, subject to work that we would be doing about how you can preserve the strengths of the Victorian system and subject to satisfactory arrangements. We have been in discussion for some months with Victoria and would be hoping to move to agreement in the near future.

Senator SIEWERT: Okay, and in my home state?

Ms Smith: But in WA, what they agreed was to talk to us about a transition. It is a more preliminary stage of discussions and those discussions are occurring but are not in prospect of a decision in the near future.

Senator SIEWERT: Thank you.

Ms Smith: In the meantime, we do work closely with state officials to make sure that what is happening in WA is part of the national conversation and, in fact, we are drawing quite a lot of our work on assessment on the work in WA.

Senator POLLEY: Can I just ask a couple of questions on the same issue?

CHAIR: Certainly, Senator Polley.

Senator POLLEY: I am getting feedback from my colleagues that there still seems to be some confusion about what rights consumers have. Could you clarify whether or not a client has access to a full statement of the money that is being allocated to them in the package and the individual costs associated with that?

Ms Smith: If the consumer is on a CDC package, they are entitled to and should be receiving a monthly statement that shows their individualised budget.

Senator POLLEY: For each item of care that they are receiving?

Ms Smith: Yes, but because we are in a process of transition it is only new packages that have been allocated since 1 July 2013 where those packages are subject to CDC. I think at the moment we have—

Ms Moody: It is about 7,000.

Ms Smith: about 7,000 packages that are CDC packages.

Ms Moody: Which is just over probably 10 per cent of the total packages available.

Ms Smith: Whereas from 1 July 2015 all packages will be on a CDC basis and therefore all consumers should be able to get that individualised budget.

Senator POLLEY: The other concern that has been raised is the level of access to Level 3 and 4. Both providers and consumers are raising issues in that there is just not enough packages at Level 3 and 4.

Ms Smith: Level 3 is actually a new level of package. You might remember we previously only had what was the equivalent of a Level 2 and then a Level 4. Level 3 was a newly introduced level from 1 August last year. We are currently trying to grow enough of those packages to ensure a continuum of care. We would acknowledge in some parts of the country there is not always enough of those packages available.

Senator POLLEY: I will put the rest of that area on notice. I have some questions under 3.5, Chair. I will put the rest of those on notice, I was just asking if I could go onto 3.5?

CHAIR: We are on 3, so if you have got further questions on Outcome 3, feel free to ask them.

Senator POLLEY: Thank you. I will move to the Innovation Hub. This is probably directed at you, Minister, can you outline how you are going to ensure that the minimum standard of care is going to be met when the Aged Care Quality Agency will not be visiting that site?

Senator Fifield: I will ask Ms Smith to speak to that.

Ms Smith: The hub is part of the government's deregulation agenda. It is an initiative between the government, a small group of South Australian providers, the Australian Aged Care Quality Agency, Council on the Ageing as well as the Aged Care Financing Authority. What we are trying to do in the hub is really look at the concept of earned autonomy and see how that works in practice. This is saying that we would reduce regulation for higher performing providers who can satisfy regulatory performance criteria and also providers who are prepared to commit to better practice approaches to governance and consumer engagement. We are trialling a more fit-for-purpose, or lighter-touch, regulatory approach for those providers, but these are providers who have already met really high benchmarks in terms of performance.

The other thing that we will maintain in those sites is ongoing monitoring through the government's normal regulatory arrangements. So, even though they might have a longer period between accreditation site visits, if they earn it, they would still be subject to the agencies' unannounced visit program on a yearly basis. If there were any serious concerns raised, the regulatory agencies would still go in and check.

Senator POLLEY: Did I hear you correctly that you said there were to be some unannounced visits on an annual basis?

Ms Smith: I think you might be aware that every residential aged care facility must receive at least one unannounced visit per year. It is the intention that would continue, including for members of the hub. What this initiative provides for is the capacity for some of the other interventions to be lighter-touch for those providers who have earned the right through sustained high performance.

Senator POLLEY: So, could you please just explain to us what the benchmarks are going to be?

Mr Culhane: The criteria for entry to the hub go to a range of issues. They go to the performance of the provider over the last several years in terms of accreditation, complaints management and ACFI performance. They are the key areas that are in the criteria—sanctions as well, sorry.

Senator POLLEY: Would you like to take on notice and provide if there is any other relevant information you can share with the committee?

Mr Culhane: Yes.

Senator POLLEY: Talking about the quality agency, my understanding is that the quality agency website indicates that an advisory council has been appointed by the minister. When did this happen and could you advise us of who is on this council, please?

Senator Fifield: The government is in the process of taking decisions about appointments to the advisory council.

Senator POLLEY: So, they have not currently been appointed. Have you got a time frame as to when you expect that to happen and whether or not you believe that this will reduce the red tape?

Senator Fifield: It will be in the near future. The existence of the advisory council was something legislated by the previous government.

Senator POLLEY: So, hopefully by the end of the year?

Senator Fifield: It will be in the near future.

Senator POLLEY: Okay, we will not go there. In relation to compliance, can you explain to me how the department monitors compliance within the sector? I do appreciate that ACFO monitors the financial undertakings and rabs and dabs of it. If you could give me just an overview of the compliance and how that is monitored please?

Ms Smith: I might ask Mr Culhane to elaborate, but I think it is important to recognise that the department has certain roles but so does the quality agency. The quality agency is responsible for monitoring compliance with accreditation standards for residential care or the home care standards for home care. The department has the capacity to take compliance action if there is non-compliance with either standards or with other obligations under the Aged Care Act. That can extend both to quality of care breaches or to prudential breaches.

The department also runs the complaints scheme as a bit of a safety net so that if people have got concerns they can raise them as well. It is an overarching quality framework in which we have roles and so does the quality agency. We then work closely together to ensure that things do not fall between the cracks. I do not know if Mr Culhane or Mr Christian want to add anything.

Mr Culhane: Yes, so the framework really starts with a comprehensive set of quality standards for both residential care and a separate set of standards covering home care. Those standards are set down in legislation. The performance of individual providers, whether they are approved providers under the act or providers under contracts is assessed by the quality agency, which is independent, on a three-yearly cycle and also, as was mentioned earlier, the annual unannounced visits for residential care as well. The quality agency makes those assessments on a three-yearly cycle. They provide advice on the outcomes of their assessments to the department and the department can draw on that advice where appropriate to use its compliance powers where necessary to return providers to compliance.

The Commonwealth has also got the Aged Care Complaints Scheme, which provides an avenue for care recipients and their loved ones to raise concerns that they may have about care, and the department will seek to work with providers and complainants to resolve the complaint. Where the department is of a view that the provider is not meeting its responsibilities under the act, the department can, if necessary, take compliance action as well.

Senator POLLEY: I have actually had raised with me on a number of occasions that some providers are on the 'bond figure'. They are not actually making consumers aware that there are other payment options available. I take it then that if a consumer has an issue then they can bring it to the department's attention and then that would be investigated.

Mr Culhane: That is right. They can raise those issues with the complaints scheme. The scheme can handle it on a very anonymous basis or confidential basis or an open basis and can seek to resolve that with the complainant and the provider to make sure that the provider is meeting their obligations under the act.

Senator POLLEY: In relation to SACS, I have been made aware that there has been a pay increase for social and community services workers, but there has been a group that was inadvertently left off the eligibility list that was introduced in 2012. Obviously, that might have been an oversight, so I am just looking for guidance as to whether or not the department is aware of that. I have heard that Minister Andrews has been approached and is amenable to supporting the adjustment, but I just wanted to know through you, Minister, whether or not that issue has been brought up with you and whether Minister Andrews is the one responsible for making that decision, or whether it is a Treasury matter or the Prime Minister?

Senator Fifield: Could you indicate the cohort of workers that has been brought to your attention?

Senator POLLEY: It is a group that comes under the social and community services workers. I do realise it was back in 2012.

Ms Smith: There were a number of programs across government who had workers who were captured by that particular determination and the then government put in place a process whereby relevant providers were supplemented for that wage outcome. There were a number of aged care providers in the HACC and National Respite for Carers Programs who were deemed eligible and who received supplementation. We are aware that there is a small number of providers who may have not received that original supplement and we are going through a process within government to consider that issue.

Senator POLLEY: Will that decision be made by Minister Andrews or will it go—

Ms Smith: There is a prescribed process that is laid out as to who needs to make that decision and we are working with relevant agencies.

Senator POLLEY: If you understand there is a process, will that be one that will go to the Treasurer or will that stay with the relevant minister?

Ms Moody: It involves a range of government agencies providing advice on that. We are part way through that process at the moment. As to who the actual decision maker is, I might have to take that on notice.

Senator POLLEY: That would be helpful because I do not understand, either. It would be helpful. I am happy to put anything else further that I have on that area. Can I keep going for a couple of minutes?

CHAIR: You can do what you like understanding Order 26, Senator Polley.

Senator POLLEY: In terms of the payroll tax supplement, another supplement that I know we like talking about—

CHAIR: Sorry, I am reminded by the secretary, we are on a deadline with the Institute of Family Studies and we had anticipated that we would be finished Ageing and Aged Care by now, so if we are going to go on for a long time we might need to bring the Institute of Family Studies forward now and deal with them and then come back to this. If you want to finish up in the next couple of minutes then we can move onto the Institute of Family Studies.

Senator POLLEY: It would take a few minutes. In light of cooperation, as long as you do not mind, but I will be putting more questions on notice then.

CHAIR: Okay. So, are you happy for us to finish up on Ageing and Aged Care?

Senator POLLEY: Yes, and I will put the rest on notice.

CHAIR: All right, so unless there are any other senators who have further questions on that, we are finished on Ageing and Aged Care and we will now ask the Institute of Family Studies to come forward for some questions. This is Outcome 2, it is just one part of Outcome 2 that we are bringing forward due to time constraints.

Australian Institute of Family Studies

[14:45]

CHAIR: Senator Moore, you have some questions.

Senator MOORE: I have only got a few questions, but they are around a couple of distinct areas. Thank you for the information on your staffing. Can I just ask, rather than doing the whole thing again, has there been any change between last estimates questions and now?

Ms Tait: There have been very minor changes, with less than a handful of staff exiting and equivalent numbers of staff coming in. The proportions have stayed the same.

Senator MOORE: I am wanting to ask about the sexual violence research, the particular string that you work in there. I am just wanting to know in terms of the linkages, I am trying to work out the way the institute works with other key programs that are happening in government. With the sexual violence research, and I have read some of the publications and seen the titles of many others, can you give me some idea how that fits in with the national plan against violence against women and their children and also the national framework for

protecting Australia's children, which are the two large bodies at work? Where does AIFS fit there, particularly as both of those groups have their own research capacity. I know it is a very big question.

Prof. Hayes: As you would be aware, the institute hosted the Australian Centre for the Study of Sexual Assault. That program has ceased, but we have developed over the years a lot of capacity in the areas of child protection, sexual assault and family violence, and so we have sought to keep that capacity within the institute, but are working closely and linking to, for example, ANROWS and doing work that also relates to the royal commission. I will ask Dr Higgins to add to that. We want to keep that capacity because it has been a major area of focus for the institute and so we have worked very assiduously to make sure that we retain that and also to look for opportunities. We currently are, for example, in discussions with ANROWS about some work that we will be doing under their funding auspices.

Senator MOORE: Okay, so the way that would work—and I am very much keen to hear from you, Professor Higgins, because I know you are linked in with that group—is ANROWS has core funding and that would roughly subcontract to AIFS.

Prof. Hayes: No, they have had a round of requests for tenders for projects to be put to them. Without pre-empting their decisions, we are in active discussion with them in a number of areas.

Senator MOORE: Because of their longstanding expertise in this area?

Prof. Hayes: That is right. We are also working with other groups at a state and territory level. Did you want to add to that, Dr Higgins?

Dr Higgins: Yes. Just to go back slightly to the issue raised around the national framework for protecting Australia's children, one of the key pieces of research that is actually being funded by the Department of Social Services that we completed earlier this year was a fairly significant literature review and conceptual analysis of prevention activities in relation to child sexual abuse. That brought together nicely our expertise around sexual violence and our expertise around child abuse and neglect research more broadly. That piece of work has actually been taken on board by the department in terms of its work in relation to supporting activities from a Commonwealth perspective around prevention of child sexual abuse.

Senator MOORE: With the royal commission, one of their core areas is looking at research coming out of the particular topics of which they found. Is there any link between the research papers they have done and continue to do and the work that you do?

Dr Higgins: Yes, so there has been a range of ways in which we have engaged and will continue to engage with the royal commission. At the establishment of the commission, we were approached to—

Senator MOORE: Sorry, Dr Higgins, I suddenly thought I should identify which royal commission.

Dr Higgins: The Royal Commission into Institutional Responses to Child Sex Abuse.

Senator MOORE: Yes, I just thought that was—

Dr Higgins: I did make the assumption that was the one you were asking about. We made a number of contributions in terms of updating previous publications that we produced under

various nomenclatures including the National Child Protection Clearing House, which, as I am sure you are aware, is part of our Child Family Community Australia Information Exchange. We updated a number of those papers that related to information that the royal commission wanted made available to the public and so that has occurred. We have updated those and they are available via links from our website, but also from the royal commission's website.

More recently, I sit, for example, on a steering committee for one of their research projects that is looking at children's views of safety in organisations, and then, more importantly, we have just been funded to do a qualitative research study called family dynamics of disclosure. That is really looking at the issue of how families respond when people disclose that they have experienced sexual abuse, both when they are disclosing at the time but also retrospectively, so talking about an experience that they might have had in the past; how do families respond, what is helpful, what is not helpful, and so taking a very victim focused, but also family focused perspective on that issue. We are very excited to be engaged in that—

Senator MOORE: Where did the funding for that one come from?

Dr Higgins: That is from the royal commission itself.

Senator MOORE: Out of the royal commission's funding?

Dr Higgins: Yes, as part of their research. They have approximately 50 different research projects.

Senator MOORE: It is fascinating reading. People do not realise that research component is in their overall work. What is the time frame for that?

Dr Higgins: That is due to conclude in April next year.

Prof. Hayes: We have also collaborated with ANROWS in terms of their thinking around their knowledge translation and exchange activities. Some of the work that we have done, and the learnings we have, has been shared with them quite generously. We are very keen to collaborate.

Senator MOORE: Good. The interchange and communication models that the institute uses I know have been looked at by other groups and I wanted to touch on just one of those, because there are a number of topics there that were particularly interesting. The webinar process that you have in place, particularly in the child family community area; some of those topics are looking exactly at some of the policy areas that we are searching for. That webinar concept, is that one that you have used across the board or is it particularly in that area?

Prof. Hayes: No, we are using it very extensively now. We have conducted a traditional seminar program but we now link the seminars in the main, each of them, to a webinar and we get very good responses and it gives the seminar program a national reach, which I think is very important. We are really developing—

Senator MOORE: What is the uptake of the first one?

Prof. Hayes: a new approach to our web presence, our use of webinars and our communication strategies in a way that has dramatically increased our reach and the use of our material. The increases, for example, in access to our website have been very pleasing and we are investing in a more powerful content management system, which essentially does really enhance what we are doing.

That is a very important way that we are proceeding and we are also looking for ways that we can take in institute activities, such as our conferences and seminars, and disseminate, for example, short YouTube clips so that people across the country can use them as opposed to those who are fortunate enough to be able to access them in Melbourne.

Senator MOORE: In terms of that process, it is my understanding that some people are considering that as part of their training program, particularly in the areas of child welfare, that that webinar process is a way that they will be able to share that knowledge, which they would otherwise not be able to have except through written form.

Prof. Hayes: That is correct. We are also finding that some groups, for example, among family lawyers, they are heavily using the webinars that we run because it is a valuable way for them to be able to pursue their professional development requirements.

Senator MOORE: I would have thought that would have a very low cost.

Prof. Hayes: It is very cost efficient.

Senator MOORE: 'Cost efficient' is a better term. I would have thought it was a very cost efficient model on getting that. I have only got one other area to question on this time and it is the Longitudinal Study of Humanitarian Migrants. We talked about that a couple of estimates ago, about the novelty of this in terms of working with people in different languages. It says that the first published wave of the research that was done last year is due to be made public late 2014. I am just wondering what kind of date are you thinking of for that? I also want to confirm that the second wave of data collection has started? My understanding was that it was October 2014 that was the start of the second wave.

Prof. Hayes: That is right. Piloting has been completed on the second wave and we are ready to get the second main wave in the field. Do you want to cover the release of the data, Dr Higgins?

Dr Higgins: There is two different issues there. One is actual public release of information from that data, and that has already occurred. So, we had presentations that were given at the 2014 AIFS Conference.

Senator MOORE: It is a shameless plug to advertise the conference along the same time.

Dr Higgins: I am sorry, but it is the correct answer. The other thing we have done is we have published results in our most recent addition of *Family Matters*, which of course is available online. There is public release in that sense. In terms of other researchers accessing the data, that is still a matter to work through. There is a whole lot of sensitivities in terms of being able to have licensing agreements in place to ensure confidentiality of the data, as is the case with other data sets. That is a matter that we are currently negotiating with the department.

Senator MOORE: So, the public release in terms of people just interested in reading that has been covered by the publication in *Family Matters*?

Dr Higgins: That is right.

Senator MOORE: Okay, so that would be how it would work. Also, just one point on that, in terms of the longitudinal nature of that study, sometimes we have issues where people drop out of it. You actually have your cohort—and I know the cohort for this one was very

carefully selected across a range of communities and also ethnic backgrounds—has there been any loss of people participating in the program from last year to this year?

Dr Higgins: It is probably too early to actually answer that because we are only just commencing wave 2.

Senator MOORE: Okay, I will just put that for the next estimates, just in terms of the wonderful longitudinal study of children that has been going on and as has the other one, whose name I cannot remember, that is a Victorian-based one that is—

Prof. Hayes: The Australian Temperament Project, which now is up to the third generation.

Senator MOORE: It is extraordinary.

Prof. Hayes: I am pleased to say that the university researchers who partner with us have just won a substantial NH&MRC grant to basically continue looking at the children of the infants who started 30-odd years ago.

Senator MOORE: I suppose that is the real definition of longitudinal.

Prof. Hayes: It is.

Senator MOORE: It is just so valuable. I cannot think of anything else in Australian research that has gone to that lengths, so it is very valuable. That is my key areas of questioning. I am just waiting for the papers out of the conference because at this stage it is still tantalising that we see all of the topics, but the conference papers are not public yet.

Prof. Hayes: The current issue of *Family Matters* and the next issue of *Family Matters* are both built around the keynote speeches and a selection of the papers from—

Senator MOORE: Another paid advertisement, Professor Hayes.

Prof. Hayes: Not at all, just factual.

Senator MOORE: Just one other thing I wanted to ask along the same lines as that linkage with the national framework, has the Institute of Family Studies had any linkage with the NDIS, particularly in the trials in Hobart and Adelaide?

Prof. Hayes: No, we do not—

Senator MOORE: I will ask the NDIS about that. Thank you.

CHAIR: Were there any others for the Institute of Family Studies? No? Thank you very much. I did not get to welcome Minister Fierravanti-Wells, it is lovely to see you.

Senator Fierravanti-Wells: I will come back later.

CHAIR: We look forward to seeing you again. We will now ask Minister Fifield to come back with his officials and we will move onto Outcome 1, Social Security. We will commence. Welcome back, Minister. I will go to Senator Siewert.

Senator SIEWERT: I would like to start with the discussion around the health and welfare review first, and then the welfare card. Can we do that?

Mr McBride: Yes.

Senator SIEWERT: Can I just ask a clarification? The Forest review impacts here and tomorrow?

Mr McBride: Yes.

Mr Pratt: Yes. Primarily it will be an issue for tomorrow.

Senator SIEWERT: So we will just do the Healthy Welfare Card here and then the rest tomorrow?

Mr Pratt: Yes. In fact, we will do the Healthy Welfare Card under outcome 2 today, not outcome 1, because the connection there is with income management, primarily.

Senator SIEWERT: I am glad you said that because that is what I have been saying.

Mr Pratt: There are also connections here.

Senator SIEWERT: Yes. You have just confirmed that it is about income management, so thank you.

Mr Pratt: There is a strong link between the proposal for a Healthy Welfare card and some income management aspects.

Senator SIEWERT: Could you outline where the McClure Income Review is up to and I will then ask some specific questions, as I am sure that others will, too.

Ms Wilson: The reference group is finalising the final report. As you would be aware, there was an interim report that was released. They had a series of consultations around the interim report and they are now reflecting on those and further on their interim report and developing their final report.

Senator SIEWERT: What is the timeline for the final report? What is the planned release date?

Ms Wilson: The planned release date is a question for government. I think the minister said recently that he expected it shortly. They are in the final drafting stages.

Senator SIEWERT: There were suggestions in the media—and I will acknowledge that the media does not always get it right—that there had been some delays in the handing up of the final report to the minister.

Ms Wilson: No, I do not think that is the case. We have always given evidence that it was expected in the second half of this year. The consultation process has been completed. They are drafting the final report. We expect that it will be completed and provided to government shortly before the end of the year.

Mr Pratt: I saw a comment from Minister Andrews suggesting that he was expecting to see the report around November.

Senator SIEWERT: Is that what the department expects the time line to be?

Mr Pratt: Yes. It is consistent with the second half of the year time frame. We were always thinking late October-November time frame. It really is dependent, of course, on things like the extent of the consultations and the amount of material that comes in that the review team has to have a look at, so essentially we need them to get it right and get the report to government.

Senator SIEWERT: Is it possible to get a list of the consultations that have been undertaken on the latest process?

Ms Wilson: Yes.

Mr McBride: They are on the website, but we can certainly table them as well if that would be helpful.

Senator SIEWERT: That would be good. I am particularly interested in the consultation that has been undertaken on an individual basis. Obviously I am not asking you to name the individuals, but particularly the people who are on income support that have been consulted, the numbers and also where that has occurred around Australia.

Mr McBride: I can probably tell you that now. We met with people who were recipients of carer payment, Newstart and students. Those consultations have been in Melbourne, Sydney and Brisbane.

Senator SIEWERT: Carer payment, Newstart and?

Mr McBride: Students.

Senator SIEWERT: They were in Melbourne?

Mr McBride: Sydney and Brisbane.

Senator MOORE: Are the submissions being published?

Mr McBride: To the extent that people were happy to have them published they are on the website, yes.

Senator MOORE: We have asked before about whether all the submission have been but basically is it up to the person putting in the submission?

Mr McBride: Yes.

Senator MOORE: If they are happy they will be public?

Mr McBride: Yes, and most of them are on the website.

Senator SIEWERT: Obviously being from the west I have got to make the point that that is very eastern states focused: Melbourne, Sydney and Brisbane. Was an attempt made to consult people outside that east coast corridor?

Mr McBride: Not on a face-to-face basis. We received not only formal submissions but we had a less formal process where people could write into the task force process. It was a word limit of less than 500 words, so you could put in an informal submission and they were received from all over the country.

Senator SIEWERT: Did the face-to-face meetings in Melbourne, Sydney and Brisbane include anybody from the bush, the regions?

Mr McBride: I would have to check but I do not think so. It was a group that was randomly selected from DHS, so DHS organised and facilitated the conversation. They randomly selected them so we did not specify.

Senator SIEWERT: Did they randomly select them from their informal submissions?

Mr McBride: From those cohorts.

Ms Wilson: These are income support recipients that Mr McBride is talking about and they randomly selected them from the client data.

Senator SIEWERT: That is my question. You also said that people could write in informally with up to 500 words so I thought my question was fairly legitimate to ask whether those people were selected, but you just actually went to Centrelink data and randomly selected them?

Mr McBride: Yes.

Senator SIEWERT: Did everyone that was randomly selected say yes? Were they allowed to say yes or no?

Mr McBride: They were definitely allowed to say yes or no.

Ms Wilson: They were allowed to decline.

Senator SIEWERT: It was not a compulsory participation?

Ms Wilson: No.

Mr McBride: Not at all.

Senator SIEWERT: Out of interest how many said yes out of those that you asked?

Mr McBride: I do not have that data on me.

Ms Wilson: We can take that on notice.

Senator SIEWERT: It would be useful to know many people were keen to share.

Ms Wilson: This is not an uncommon thing for DHS to do. They often run focus groups with people on income support about a range of issues. They have a well-trodden path of how they are selected. We can certainly get more of that information for you on notice.

Senator SIEWERT: That would be appreciated. So was it run like a focus group?

Mr McBride: Yes.

Ms Wilson: A facilitated discussion.

Senator SIEWERT: A facilitated discussion in a group rather than one on one?

Ms Wilson: Yes.

Mr McBride: A facilitated discussion, yes.

Senator SIEWERT: I want to go to the claims that have been made a number of times that the issue around income support payments inadequacy was not raised in the consultation process.

Mr McBride: I am not sure that is quite the way it played out. When we met the income support recipients in the first group—and they were the Newstart recipients—it was not raised, so we asked them what were the things that were important to them. We were surprised that it was not raised so we asked the facilitator to specifically ask whether it was an important issue for them. We got them to rank the issues they confront in order of importance. Now, in that first consultation with the income support recipient process it was not voluntarily raised to begin with, so we then asked the facilitator to raise it, and that happened in subsequent meetings as well. We asked either the carers, Newstart recipients or students how important it was to them in terms of the issues they confronted as students, carers or Newstart recipients. It was never a top three or four issue, so we asked them to rank them one to seven and adequacy was always a subsidiary issue for that cohort. It did come up in the roundtable process though. It was surprising to all of those involved that when we spoke to the actual income support recipients that adequacy was not a primary issue.

Senator SIEWERT: I am very surprised too, because whenever I talk to income support recipients they always raise it.

Mr McBride: That was that process. When we received the 500 word or less submission it came up there. It came up in other submissions and it came up in the roundtable process, but

when we met with the recipients themselves who were randomly selected, initially it only came up when prompted and when it was prompted subsequently it never came up as a first order issue.

Senator SIEWERT: There could be various reasons for that.

Mr McBride: This was 50 people out of a cohort that is obviously hundreds of thousands, so it was not a representative sample but that was what we experienced.

Senator SIEWERT: Was there a list of questions that you asked?

Mr McBride: It was a flowing discussion and they were quite keen not to structure it. There were themes.

Senator SIEWERT: I understand the point that you are making. Can you give us a list of the themes that you were pursuing? I understand how discussions work, that they go where the participants want to take the discussion. Could you provide a list of what the themes were that you pursued.

Mr McBride: Yes.

Senator SIEWERT: Can you give me dates for those? There were three cities. Was it just three meetings or were there more?

Mr McBride: No, just the three meetings.

Senator SIEWERT: Can you tell me the dates that they happened?

Ms Wilson: We will have to take that on notice. I am not sure that we have that detail.

Senator SIEWERT: If you could that would be appreciated. In the roundtables that occurred around Australia, did inadequacy come up in those meetings?

Mr McBride: Yes, it did. Principally it would be fair to say in Canberra, Sydney and Melbourne. It was a theme, again, and not a dominant theme.

Senator SIEWERT: Not in Perth and not in Hobart?

Mr McBride: Not as a dominant theme.

Senator SIEWERT: I am very surprised about that because I know some of the participants.

Mr McBride: Once again we were too. It was raised. What we said in the opening address was that it was not the role of the reference group to set the rate of any of the base payments. Adequacy is important but what the reference group did in setting out the report was look more to the structure, equity and how the system can encourage the people to get into work rather than setting rates based on adequacy.

Senator SIEWERT: So it would not be fair to say that they did not raise it because the terms of reference, as you have just said, were not around determining the rate of Newstart?

Mr McBride: It was raised. There were vigorous discussions principally in Sydney, Canberra and Melbourne. In the other capitals it was a less vigorous discussion.

Senator SIEWERT: I just wanted to go back to the individual participants. Ms Wilson, you said they were randomly selected using their normal process that they use for focus groups.

Ms Wilson: Yes. I am sorry that I do not have the detail of how they do it with me but it is a process that I understand is well used within DHS to select people for focus groups or consultations around a range of issues and we utilised that process that they already have.

Senator SIEWERT: I just wanted to clarify that it is a random process. Minister, this is more a question for you. Can you take us through what the government plans to do next once the report is finalised?

Senator Fifield: Once the report is handed to government?

Senator SIEWERT: Yes.

Senator Fifield: That will be a matter for decision by government at that time. I cannot take you through the next stages.

Senator SIEWERT: In one way I understand what you are saying and in another way I do not. Obviously this has been going along for quite a significant period of time. The government must have some ideas about time frames. You have not seen the report. You have seen the preliminary process; you must have an idea about time frames and when you plan to publicly release it.

Senator Fifield: Yes. I cannot add anything to it. I cannot advise you of what government decisions will be before they have been taken.

Senator SIEWERT: I am not asking for the decisions on the report. Let me try again.

Senator Fifield: Matters of timing are also matters for decision by government.

Senator SIEWERT: All right. I will have one more crack at it. Is it intended that you have a short period of time before the government considers it and then releases it for the public to see or do you intend to have it for a while, review it and release it with your response?

Senator Fifield: I am sorry to disappoint you but they are all matters on which decisions will be taken.

Senator SIEWERT: It was worth a try.

Senator MOORE: I have all the same questions Senator Siewert asked in terms of how many people you saw and also what the current budget is for the overall process. You can take that on notice. You do not have to look unless you have a piece of paper that you would like to give me.

Mr McBride: It is apparently \$2.38 million.

Senator MOORE: Is that the total cost of the whole review?

Mr McBride: To date, yes.

Senator MOORE: Can you give that to me with what goes towards salary, travel and so on?

Ms Wilson: So \$1.8 million of that is for staff costs for the task force.

Senator MOORE: They are the DSS staff?

Ms Wilson: Yes, the DSS staff and a bit of contract staff as well. We have got a contract editor and the like. Remuneration for the reference group is \$167,460. I do not know that I have a breakdown.

Mr McBride: Travel was \$168,446.

Senator MOORE: Has that been concluded now, Mr McBride? That whole card is final?

Mr McBride: We still have the reference group coming down to Canberra to finalise the report, so the travel costs associated with them flying to Canberra and their per diems will continue, but the costs associated with the consultation process are now concluded.

Senator MOORE: Minister, I have a general question for you. It is a point of government decision. At one stage earlier in this process we talked about an assurance that the overall funding envelope for payments and pensions would not reduce as a result of the McClure review. I am just wondering whether that is still the position?

Senator Fifield: The overall funding envelope?

Senator MOORE: The overall envelope.

Senator Fifield: McClure, to my understanding, is looking at the structure of the payments.

Senator MOORE: Yes, the infrastructure of the system.

Senator Fifield: That is right, but not looking at quantum or amounts.

Senator McLUCAS: So what is the answer to the question?

Senator Fifield: I am just telling you what the scope of the McClure work is.

Mr Pratt: The McClure report, as you have seen from the interim report, is about design features, architecture, streamlining and the like. It does not cover things like adequacy, so I cannot see anything coming from the report which is going to, for example, increase the amount of expenditure on pensions or allowances, nor the other way, to reduce it. They are quite separate issues for the government.

Senator MOORE: So it is a different focus?

Mr Pratt: Yes.

Senator SIEWERT: I would like to follow up on that. You have said that there was evidence around the inadequacy of payments and I understand that the review is not considering adequacy of payments, but you have had evidence on that. What happens with that evidence?

Mr McBride: There were submissions and part of those submissions covered the issue of adequacy. The reference group will consider adequacy as part of a broader structure of the system that they propose but they will not go to the level of detail of setting specific rates, particularly the base rate of Newstart.

Senator SIEWERT: I understand that, but will the issue around adequacy be considered in the mix?

Mr McBride: Yes.

Senator SIEWERT: It is just that you will not say that it will be increased by 50 bucks, for example?

Ms Wilson: In developing the final report the group is reflecting on the issues that came up from the consultation process, including in submissions, and will capture what those issues were in their final report relevant to the sections of the final report. It will not go to the detail

of what the government response should be in that degree of specificity around that particular issue.

Senator MOORE: I have some 1.1 Family Tax Benefit questions.

Senator McLUCAS: Just while we are moving, over the last 20 minutes or so I have tried to get some agreement around the committee regarding divvying up the time in a fair way. I have proposed to you a schedule. I am prepared to do that again but to do this quickly, I understand that Liberal senators are not of a mind to agree to that. In good faith Labor senators are proposing that we bring some structure to this committee so that each of the outcomes get a fair hearing. I am disappointed that has not been able to be agreed. It would have been useful if we could have found agreement because what troubles me is that those outcomes who just happen to be at the end of the list then miss out on their day in the sunshine, and that would be really unfortunate in the case of this program of Housing and Disabilities and Carers.

Senator Fifield: From this side of the table, to me it looks as though that situation is a function of the new standing order.

CHAIR: That is certainly one reading of what has gone on. I did put it to my colleagues and I will let Senator Smith perhaps speak for himself in a moment. There is no doubt that we are a long way behind and the function of the new standing order is a major contributor to that. I cannot close down questioning. There has been a lot of questioning. I have reminded senators that we are over time and yet the questions go on. I cannot shut that down under the standing order. It has not been the coalition senators who have been taking up a lot of time. It is far less even proportionally than yesterday. I think it is about one-sixth of the time that it is running at, at the moment, from coalition senators. We certainly have not been extending it out artificially.

Senator McLUCAS: I acknowledge that and I respect that.

CHAIR: That is what I have put to my colleagues but I will allow Senator Smith to perhaps respond.

Senator SMITH: I acknowledge what Senator McLucas just said, that she acknowledged that coalition senators have not unnecessarily been taking up time. I will just reiterate what the chair has said that of the 300 minutes of hearings that we have had today just 54 minutes of those have been coalition question time, so one minute in every six has been a coalition question time.

If I could just say this. The opening comment, from Senator McLucas was around fairness. What we saw last night was that as the program was rolled out other senators not on this committee but with an interest in issues related to this committee attended. To cite some examples, Senator Madigan came on matters of the TGA and Senator Leyonhjelm came. My concern is that in making it fair for us we might inadvertently make it unfair for others. It is true that not many senators have the same level of interest in these issues as we do, but I cannot hand on heart say that there are no other senators participating in other estimates today or this evening, who having had a look at the program that was set well in advance, could be deprived of an opportunity to participate if we change our program.

Senator McLUCAS: Senator Smith, it is my sad misfortune that I have spent a lot of time in opposition. The way to do it is to sort it out between ourselves and then publish it because

our secretariat can then advise people like Senator Madigan and Senator Leyonhjelm to come along at the time that the agreed agenda is. I am just trying to help.

CHAIR: I understand this is a necessary consequence of going well over time on particular outcomes, and that is just the reality that we are faced with. I agree with you that it works much better when there is agreement and we have agreement but that agreement becomes meaningless if the standing order applies and people enforce it. That is what happened yesterday and that is what has been happening today. There is very little that I can do about that because that is what the Senate has resolved. Until they resolve otherwise this may become the nature. I know other committees have been grappling with the same thing over the last couple of days.

We will not dwell on it. The standing orders are what they are. If people go shorter in the coming outcomes we may well get to them but we will see how we go. I cannot enforce it but we will move through. I will now go to Senator Moore.

Senator McLUCAS: Just a final observation.

CHAIR: Yes.

Senator McLUCAS: I accept your point about the standing order and that we have got to learn to work with it, but the other point was that the grants issue blew out corporate this morning. That is nothing we had control of. No-one is to blame, not even Mr Pratt, for putting us there.

Senator Fifield: Especially not Mr Pratt. His answers have been concise and direct.

CHAIR: Very concise.

Senator Fifield: He has been trying to assist.

CHAIR: All areas are going well above time and that is just a function of the committee.

Senator McLUCAS: I know that but let us try to work with it.

CHAIR: When that happens is it makes it very difficult. We will not dwell on it anymore. Senator Siewert, do you want to comment?

Senator SIEWERT: Senator Rhiannon has a very short number of questions because she has to go to another committee.

Senator RHIANNON: I will keep it short. I understand that the locality for relocation scholarships are categorised in accordance with the document called *Statistical Geography Volume 1—Australian Standard Geographical Classification July 2006*. Could you inform the committee if the definition of major cities include all capital cities?

Ms Halbert: No. My understanding is that it does not include, for example, Hobart.

Senator RHIANNON: Which capital cities does it include? Darwin?

Ms Halbert: I do not think that it is Darwin. We will have to take that on notice, but Hobart is definitely not in it.

Senator RHIANNON: Can you inform us which capital cities are included in major cities? Are Wollongong, Newcastle and Geelong classified as major cities?

Ms Halbert: Wollongong and Newcastle are. I would imagine Geelong would be as well.

Senator RHIANNON: Do you need to take that on notice?

Ms Halbert: For Geelong, yes. The other two are major.

Senator RHIANNON: They are all major cities?

Ms Halbert: Yes.

Senator RHIANNON: Is there a population cap determining the definition of major cities?

Ms Halbert: No. It is an ABS definition, so those questions should be directed to them.

Senator RHIANNON: In the response that I received to question No. 966 you advised that 50 per cent of current students receiving relocation scholarships would no longer receive that support under the narrowing of location criteria. How many students does that represent?

Ms Halbert: It is expected that 24,000 students will be affected by the measure.

Senator RHIANNON: So 24,000 will lose their relocation scholarship?

Ms Halbert: That is what is estimated.

Senator RHIANNON: Thank you.

Senator MOORE: I have some follow-up questions for 1.1, Family Tax B. I mentioned a couple of questions on notice this morning and I want to talk about another one. In response to question on notice No. 85, which was in June, the department responded that it was not able to provide the number of families and children that would lose their FTB as a result of this measure because it would require a significant diversion of resources. It is a fairly important question and I was wondering whether the minister had ever requested similar information?

Mr Pratt: If the minister had requested it we would have been able to supply it because we would have done the work already.

Ms Wilson: This was about it requiring very bespoke programming at this level of specificity that we did not have available and, in the context of all of the other demands on those resources, that was our assessment of what would be required to do it.

Senator MOORE: I have difficulty with the importance of the proposed budget measure and the impact that it will have on families and kids across the country as to why there was not that degree of detail as part of the preparation for the budget debate around exactly the number of families and children that would lose their FTB B.

Ms Wilson: It is the level of granularity that was being requested that goes not just to state and territory totals, but federal electorate, age of children and family income breakdown. Triangulating all of that data is a very significant undertaking and in the context of the range of demands on the areas that are required to produce this data and the time that it would have taken to do that programming, that was the assessment that we came to.

Senator MOORE: We cannot find out across the country, in a particular location, how many families will be affected by this program?

Ms Wilson: Broken by age of children and family income bracket, no.

Senator MOORE: So the changes are based on the age of the children, whether the child is a certain age and the income could determine eligibility. I am at a loss as to why it is—

Ms Wilson: It is the combination of the level of geographic analysis being requested combined with those other variables.

Mr Pratt: There is quite a number of variables which have to be mapped against each other. There are at least four. Then if you look at the age of the child, they have every age in the cohort. If you look at the family income bracket, you have every income bracket; then by year, so five major variables.

Senator MOORE: So that piece of data collection has not been done?

Mr Pratt: If we had done it we would have been able to supply the information to you.

Senator MOORE: Can it be done in terms of the Centrelink office in terms of the payment?

Ms Wilson: I would have to take that on notice for you. I do not know if it is available in that way but that was not what we were asked for.

Senator MOORE: No. I am just looking for options to see how we can actually refine that.

Mr Pratt: Actually there are more Centrelink offices than federal electorates.

Senator MOORE: There are.

Ms Wilson: But sometimes it is in the mapping.

Senator MOORE: It comes to at least some understanding and you would know that most of the situation that we operate in is that we tell individual communities what the impact of the change is going to be and, whilst not being one, my understanding is that it is a really important issue for individual MPs to know in their own locality what is the impact of certain changes.

Naturally I accept the evidence given by the officers. It just surprises me that in this time we do not have the ability, under a federal electorate basis, to do this work. I am now offering an option.

Ms Wilson: We can take that on notice and look at that. I am not sure whether it can be done. I am informed that to do this particular piece of programming would have taken in excess of 20,000 lines of coding.

Senator MOORE: That is an interesting—

Ms Wilson: That is a very complex piece of coding that would have been required to have been undertaken.

Senator MOORE: That is important. Can I re-ask in terms of finding out about the impact of the change to FTB B for families, ages of children and income bracket under Centrelink offices?

Ms Wilson: We will take that on notice. Off the top of my head I do not know how easily available it is.

Mr Pratt: I might be proven wrong but I am not optimistic.

Senator MOORE: I can but ask. My next question in this area, because we are cutting back, is 1.6.

CHAIR: What I was going to do, Senator Moore, if you are happy was to give you a good chunk of time and you can move across a few of the things that you see fit for about another 15 minutes or so and then I will come to other senators.

Senator MOORE: In terms of 1.6 it is income support for seniors. This is about the letter that we believe the Prime Minister has written to every aged pensioner in Australia. My understanding is that the cost is \$1.2 million and it did not explain the proposed indexation changes. I am not sure if that was the intent. I am just checking to see whether the department had any input into the letter.

Mr Pratt: Yes.

Senator MOORE: Was the department aware of the letter before it was sent and can you advise when you became aware of the letter being developed?

Mr Pratt: Yes.

Senator MOORE: Can you tell us when you were aware of that?

Mr Pratt: My understanding is that we did early drafting on the letter. I do not have the timetable. Ms Bell might have that.

Ms Bell: I do not have the actual timing.

Senator MOORE: When was the letter sent out? Do you have that date?

Ms Bell: DHS actually handled that.

Senator MOORE: I will ask DHS.

Ms Bell: My understanding is the letter started moving on 6 October.

Senator MOORE: And you do not have any actual timing. Can you give me a ball park? It was sent on the sixth, but when was the departmental input?

Ms Bell: Our department provided some information to the minister's office in September around pension indexation that could be used in information materials if required.

Senator MOORE: So the input was around indexation. Minister, can you point to a previous instance when a prime minister wrote to a group of pensioners, and in this case one cohort of aged pensioners as opposed to all the people who are subject to the changes in the budget?

Senator Fifield: Off the top of my head I do not have complete recall of all communications that have gone out auspiced by FaHCSIA and Human Services but I would be very surprised if previously there had not been some communications under various governments from prime ministers and ministers to particular recipients. I stand to be corrected. To ensure that you have got the best chance of getting a comprehensive answer you should ask Human Services, because they would have been the issuing point for similar sorts of communications.

Senator MOORE: This is a question for you, Minister, as well. I would never ask the agency such a question. My understanding of this letter, having seen it, was that it was to make a political point. Do you accept that this was a letter with a political intent?

Senator Fifield: I see the letter very much as a mechanism, as a medium, as a vehicle to provide information to particular payment recipients.

Senator MOORE: And not a political exercise?

Senator Fifield: That is not how I would characterise it. I would characterise it as factual information to payment recipients.

Senator MOORE: The letter makes the point that pensions will not be cut. In terms of the process is there a confirmation and understanding that there will be a net saving in the introduction of this budget element to pensions?

Senator Fifield: The purpose of the communication, clearly and unambiguously, is to make sure that aged pension recipients have correct information. There has been a lot of misinformation around, chief among which is the assertion by some of your colleagues that the aged pension is being cut. The aged pension is not being cut. The aged pension will continue to increase. It increased recently. It is important that aged pension recipients receive factual information, and this is one means of ensuring that.

Senator MOORE: The PBO recently forecasted that as a result of the proposed changes the associated save to the budget bottom line would be \$23 billion by 2023. Has the department done any forecasting for itself over this or a similar period?

Ms Wilson: We have the information that was provided in the budget papers over the forward estimates. I do not believe that we have gone out beyond that. Clearly it is in the budget papers as the forward estimates period.

Senator MOORE: Can you refresh my memory and remind me what the savings will be for the budget period for the forward estimates?

Ms Wilson: For both the Department of Veterans Affairs and the Department of Social Services the budget papers provided a savings figure of \$449 million over the forward estimates.

Senator MOORE: Is that over four years?

Ms Wilson: Yes, noting that there are different dates with effect depending on the payments.

Senator MOORE: Has there been any correspondence or discussion between the department and the PBO about the data that has been put out about the extended savings?

Ms Wilson: When requested we provide information to the PBO that they seek. I do not believe that we provided that particular piece of data to the PBO. We provided the information only in relation to the forward estimates.

Mr Pratt: I think we need to be very careful about what we say in terms of what we give the PBO. This is a process which is extremely confidential.

Senator MOORE: I phrased my question to whether there was any correspondence between the PBO and the department about this issue. I did not ask what was in that correspondence.

Mr Pratt: Certainly we correspond a lot with the PBO. No, is the answer, but we will correct that on record if that is not right.

Senator MOORE: I am taking from your answers that the department's concentration has been on the period of the budget coverage and the out years. There is nothing beyond four years?

Mr Pratt: That is the understanding of those here. We will correct that if we discover that there is a different position.

Senator MOORE: The department and the minister are no doubt aware of the Council of the Ageing's campaign, Hands Off the pension. In terms of the information that is in that has the department or the minister been in any direct correspondence with the Council of the Ageing about their concerns or the issues that they are putting out about their concerns with pension cuts?

Mr Pratt: Yes. I meet regularly with the head of COTA. Mr Yates is never backwards in dealing with his views about different things.

Senator MOORE: Has Mr Yates expressed, either to the department or the minister, why he is using a campaign of this nature around the pension?

Mr Pratt: Yes, he has.

Senator Fifield: I frequently talk to Mr Yates, so his views are not unknown.

Senator MOORE: In terms of the correspondence with the pensioners--Minister, I am sure these questions have been directed to the Prime Minister's office as well as he was the signature on the bottom--is there any reason that the letter was only directed towards aged pensioners as opposed to other cohorts of pensions that would also be affected by the same budget change?

Senator Fifield: I cannot assist you in terms of the exact targeting of the letter because I do not have any direct knowledge, other than to say that probably one of the greatest falsehoods that there has been in the post budget period has been that the aged pension would be cut when indeed it will not be cut. It is increasing and will continue to increase.

Senator MOORE: We can have a long discussion on indexation but we will not. We have got time to do that in the chamber in the future months. That is my question around the letter. I have some direct questions around the reset of the deeming thresholds. These are issues that you may well have to take on notice.

CHAIR: Just before you do that, Senator Moore. I propose, with your consent, I know Senator Smith had some specific questions also on the letter so can we go to that for a few minutes?

Senator MOORE: Yes. We will keep the issues together.

CHAIR: That is right. We will probably break then and come back to that. I will go to Senator Smith on this issue.

Senator SMITH: Minister, I am assuming that you have seen the letter. Is the letter factually correct?

Senator Fifield: I am just reading a document that has been handed to me related to this. Is the letter factually correct?

Senator SMITH: Yes.

Senator Fifield: I am sure it is.

Senator SMITH: Do you think that people might have taken more attention or paid more attention to the message in the letter because it was from the Prime Minister?

Senator Fifield: There is no doubt that people would stop and take note of information to them from the Prime Minister.

Senator SMITH: Do you think the letter would have been necessary if some Labor senators had refrained from campaigns of misinformation about the budget?

Senator MOORE: That is free advertisement.

Senator SMITH: It was not just one Labor senator. I am just wondering if Labor had refrained from—

Senator Fifield: Senator Cameron is not the author of one of those, is he?

Senator SMITH: Senator Cameron is the author of one of those.

Senator Fifield: That was a wild stab in the dark, Senator Smith. Obviously the more there is misinformation in the community the more that senators such as Mr Cameron present things which are not factually correct, the greater the need for government to seek to correct the record and to reassure people that their pensions are not being cut, will not be cut, have recently increased and will continue to increase.

Senator SMITH: I did not hear the answer that officials gave when asked about whether there were other political forms of communication that might have been issued by government to electors about budget measures in years previous.

Senator MOORE: We asked whether there had been any letter written by a prime minister to a group of pensioners.

Senator SMITH: I did not hear the answer to that.

Senator MOORE: No-one knew.

Senator Fifield: I think there may have been some. I am not certain about prime ministers, as I said, but Human Services may be able to assist. Certainly other senior ministers and maybe even deputy prime ministers who became the prime minister have written.

Senator SMITH: It is true that it would have been hard to keep up with who was the prime minister over the last six years but in March 2009, with all due respect, the Hon. Julia Gillard co-signed with Joe Ludwig a letter about the economic securities strategy payment and then of course, Jenny Macklin, the Minister for Families and Housing, with Chris Bowen, the Minister for Human Services and Financial Services in September 2009, again talking about changes to your payments in the context of the 2009-10 federal budget, so a consistent pattern of behaviour for government, but I suspect that material of this kind by Senator Cameron and from a Labor senator in Western Australia does make it necessary for government to communicate accurately to electors about important issues.

Senator Fifield: There clearly are, as you pointed to, precedents for the government seeking to communicate directly with payment recipients. I do not think in the other cases that there was the level of misinformation that would have necessitated communication but certainly in this case the degree of misinformation about Australian pensions I think needed to be corrected and I think this was an appropriate way to seek to do that, direct to the payment recipients.

Senator MOORE: Mr Pratt, has the department done any—and I am trying desperately not to use the word modelling—investigation of the impact of the indexation changes to pensions into the future? Has the department done any work on looking at the impact over a period of time that the change in the way indexation operates on a pension would bring to an individual pensioner or a couple's income rate?

Ms Foster: The department has provided some information about the impacts on certain groups of the indexation changes. It was provided to Jennifer Macklin.

Senator MOORE: Yes. I have a copy of a question on notice No. 314 which was looking at some of the work that was done. I was wondering whether the department had done more in that way, which was looking at the difference in the way indexation models could impact on a pensioner's payment and looked at the difference in terms of income. Do you have a copy of that question on notice?

Ms Foster: I do.

Senator MOORE: When you have a look at that does that indicate that there could be a change in someone's pension rate between what they would have got under different levels of indexation?

Ms Foster: There is the answer to that question. There is also a similar part in relation to parenting payment, single, I believe.

Senator MOORE: Does that indicate that there would be a change in someone's take-home pension?

Ms Foster: It does indicate that.

Senator MOORE: What is the difference?

Ms Foster: There would have been a change in comparison between 2009 and March 2014.

Senator MOORE: Is that information widely known in the community? Maybe we should have a letter that could go out. I am just interested to see whether that information is put out in terms of what the impact of the change would be to someone's pension.

Ms Foster: The impact of the measure depends on the parameters into the future.

Senator MOORE: Into the future and the methodologies and all of those, but it is a possible change to someone's take-home money?

Ms Wilson: It depends on what happens to the parameters.

Senator MOORE: CPI and all those things. That was the idea of the question, to see if you were actually looking at the way the indexation operates, which is the core of the change. It is not an increase or a decrease; it is the operation of indexation.

Ms Wilson: That is correct. The question asked of us that we took on notice and provided the answer asked us to look historically at what the difference would have been if there had been different indexation factors in play.

Senator MOORE: And with all the provisos around what was happening with CPI at a time there is an indication that it is a savings measure.

Ms Wilson: Certainly. The budget paper has made that clear.

Senator MOORE: Thank you.

CHAIR: That might be an opportune time to break. We will suspend now for 15 minutes and we will come back at 5 past 4.

Committee suspended from 15:49 to 16:05

CHAIR: .We are continuing with outcome 1.

Senator MOORE: As a result of this budget measure how many maximum rate pensioners will be moved onto part pension? We have not asked this before.

Mr Joyce: I have the numbers with me in terms of the total number of estimates of customers but we do not have the number of maximum rate pensioners that might be moved to part rate, so we will have to take that on notice.

Senator MOORE: Can you get that?

Mr Joyce: We can take it on notice.

Senator MOORE: I was going to be cheeky and ask by location and by age, but I am not. That data can be easily obtained so we will just put that on notice.

Mr Joyce: I am not sure about easily obtained. We think it is obtainable.

Senator MOORE: We would think that it would have to be.

Ms Wilson: We will probably have to program for it but we should be able to do it.

Senator MOORE: How many part pensioners will be moved onto a lower part pension? This is the same kind of thing.

Mr Joyce: We estimate that 530,000 customers would have a reduction in payment.

Senator MOORE: And they are people who are already part pensioners?

Mr Joyce: Certainly the great majority of them are, yes.

Senator MOORE: How many part pensioners will be moved out of the pension system entirely? You know how many are reduced but do you know how many will actually have their pension cancelled?

Mr Joyce: No. Again, we would have to take that on notice. I think it is a very small number because of the way the deeming threshold works.

Senator MOORE: If we can put that on notice.

Mr Joyce: Yes.

Senator MOORE: Sometimes we get questions on notice back that say it would be a significant use of resources, which is something we can understand. I think the information you gave us, Ms Wilson, about the amount of data entry that would cause was a really useful piece of information because that is immediately there, so if any of the questions that I am asking involve such complexity, I just need to know. That would be useful.

My next question is in 1.10 which is working age payments. It is around the issue that we have had a lot of discussion about, which is the issue of the comparison with New Zealand about the mandatory one month waiting period for unemployment benefits. Can you confirm that New Zealand does not have a mandatory one month waiting period for unemployment benefits as a standard process?

Mr Emerson: The New Zealand working age income support scheme is a 20-day period in which they come to seek to claim benefit and during that 20-day period they have to do a set amount of pre-benefit activities. If they do not complete those activities within 20 days they have to reapply and then they have another 20 days in which to undertake a range of pre-

benefit activities. If they do that say at the 20-day mark they will be paid within five weeks of first claiming, so essentially they will have waited five weeks.

Ms Wilson: I probably should clarify that it is 20 working days that we are talking about in the New Zealand context.

Senator MOORE: When does the payment commence? At what time is the payment dated to?

Mr Emerson: At the five weeks and it would depend on their individual circumstances.

Senator SIEWERT: What does it depend on?

Mr Emerson: It is their individual circumstances.

Senator SIEWERT: Does that mean that it can go back?

Mr Emerson: Yes, that is correct.

Senator SIEWERT: So although you could say it is 20 days to do the pre-benefit activities they will be backdated?

Mr Emerson: At the 20-day mark if they have completed their 20-day pre-benefit activities they will be paid at five weeks but some of that would be back paid depending on their individual circumstances.

Senator MOORE: It is not an opinion question. Is that a standard one month waiting period?

Ms Wilson: I think it is fair to say that it has the effect of a waiting period because it is a pre-payment set of activities that are required before a person is eligible to be paid which have to be completed within those 20 working days. In effect, it means that a person, from the first date of claim, has to wait that period at a minimum before their payment is processed.

Senator MOORE: Was that the comparison to the Australian system?

Ms Wilson: I beg your pardon?

Senator MOORE: In terms of the extensive evidence that we had in our inquiry where we asked these questions, we did not get the amount of detail that Mr Emerson has just given us about how the New Zealand model worked. In that inquiry—and we have the actual *Hansard* of that—the New Zealand experience was used as a comparator for where there were waiting periods for payment of the area. Then subsequently there were times when the minister actually talked about the New Zealand one-month waiting period.

Mr Pratt: I would like to jump in here. I loathe to add to this debate.

Senator MOORE: Confusion, yes.

Mr Pratt: I meet with my New Zealand counterparts quite regularly, whether they come here or I go there. I have accompanied the minister over to New Zealand. The senior New Zealanders all talk about the one-month waiting period and, until this became an issue in terms of the budget measure really, I cannot see how we would have ever had the need to get into that level of detail. In every one of my conversations with them about their waiting periods they are quite proud about the extent to which that one-month waiting period, as they describe it, assists them with getting 40 per cent of people who would otherwise go onto unemployment benefits, encouraging them into a job ahead of them actually receiving income support. They have been very proud about this for many years.

Senator SIEWERT: What approach do we do? They have a whole lot of things that go with that that this government is not proposing. In terms of their investment in people it is a very different approach, isn't it?

Mr Pratt: There are big differences between our approaches but in terms of the operation at the outset on their claims for their equivalent to Newstart allowance the processes that have been operating and can operate through Centrelink, they do not have to be that different. I did not want to add to the debate. I just wanted to put on record the fact that my discussions with my counterparts in New Zealand over many years they have just used the shorthand of the one-month waiting period.

Senator SIEWERT: It is not a non-payment period because they receive back pay?

Mr Pratt: Some do.

Senator SIEWERT: I am not agreeing that it is the right thing. Do not take any comment that I am making here as saying it is the right thing, but if you are going to compare it they actually do if they complete their pre-benefit period, so at least they get some back pay.

Mr Pratt: Some back pay.

Senator SIEWERT: Some back pay.

Mr Pratt: That is if they achieve a whole bunch of things but others do not. Many do not at all—and this is what I think the minister is on about—because they actually get a job.

Senator SIEWERT: And some live in extreme poverty.

Mr Pratt: Hopefully if they are getting a job that is helping them.

Senator MOORE: Can the pre-benefit activities be completed in under 20 days?

Mr Emerson: Yes.

Senator MOORE: So you can actually get your money at an earlier time?

Mr Emerson: Yes.

Senator MOORE: So these variations are there. On the basis of what we have discussed, was the information provided to the minister about the way the New Zealand process operated before he made comparisons to New Zealand in some of his public comments?

Mr Pratt: Certainly in terms of the discussions that I have observed a number of those were ahead of the budget.

Senator MOORE: So with the variations and things that we have found out now about the way it operates, was the minister aware of the variations in the way the New Zealand process operates and to the potential operations of a program in Australia?

Mr Pratt: I do not think we can answer on behalf of the minister.

Senator MOORE: Did the department provide that advice to the minister?

Mr Pratt: We have provided a lot of advice in this area and around the budget measures.

Senator MOORE: *The Age* story on 23 September was the one that highlighted this in the public space. I think there had been discussions in some areas but it was that media advice. Was the department asked to respond to that advice by *The Age* to actually talk about that? Were you asked to make comment?

Mr Pratt: Almost inevitably yes.

Senator MOORE: Did the minister require more information when that was made public in *The Age*?

Mr Pratt: Anything that is high profile in the media which relates to our area of responsibility either we will brief the minister off our own bat or the minister's office will seek briefing from us. That is par for the course.

Senator MOORE: Does the department have any information that we can have and is public for all of us, including those senators on the cross benches, of exactly how the New Zealand system operates?

Ms Wilson: It is on the website for the Minister of Social Development and it is in their act. I think we may have an extract of the act that we could table and provide to you.

Senator MOORE: That would be useful. As you well know, when in debate and process, people throw around one liners with gay abandon without often knowing exactly what the details are. Because the issues around the New Zealand waiting period have become caught up in the debate around this whole process it would be very useful to have that from the New Zealand website in terms of exactly how it works and with those areas that you pointed out, Mr Emerson, that are different. If we could get that then that would be very useful.

Ms Wilson: We have an extract from their act. The other thing that I have is from the annual report of the Ministry of Social Development, the performance indicator that they have in respect of the proportion of clients who get work before they require a benefit and that is a consequence of that particular measure. I have both of those.

Senator MOORE: I would think it would be information. I do not think you could claim it was purely as a consequence of that measure that people found work. They claim that people found work.

Ms Wilson: The New Zealanders claim—

Senator MOORE: That people found work because of this measure?

Ms Wilson: They believe that they are able to isolate the affect of the measure on the proportion of clients who find work. I understand it has also been picked up in OECD reporting. Is it in their *Employment at a glance* or *Employment outlook*?

Mr Emerson: *Employment at a glance* publication.

Senator MOORE: They claim the only reason someone had work—

Ms Wilson: They have been subject to significant evaluation over the years. It is my understanding that they do consider that 39.7 per cent of their jobseekers get work before they require a benefit as a consequence of this measure in that period.

Senator SIEWERT: As I understand it in New Zealand the issues around that are, as I referred to before, with a number of those other measures that they do. Do you also, with that information, have an outline of the sorts of approaches that they do in New Zealand?

Ms Wilson: We could take that on notice of what the pre-employment benefit claiming activities are.

Senator SIEWERT: Yes. As I understand it, they have a whole philosophy around how they are investing.

Ms Wilson: They have particular subgroups in which they are investing, but it is not all jobseekers. These pre-benefit activities relate to all jobseekers and they then look at their case load by risk. They have particular investments that they make in particular high risk groups to try to change the trajectory of what otherwise would be the income support pattern. That is clearly not all jobseekers. This is an activity that applies essentially to all jobseekers, as I understand it. We can certainly give you information about the pre-benefit activities but I just do not have the detail with me. I am happy to take that on notice.

Senator SIEWERT: That would be appreciated. The point there is that we are not comparing apples and apples, we are comparing apples and oranges.

Senator MOORE: New Zealand—

Senator SIEWERT: That is true. I will pick on some other fruit.

Senator MOORE: I am finished now.

Senator SIEWERT: Overall?

Senator MOORE: Yes. I will put the others on notice.

Senator SIEWERT: I will have a whole lot of questions, as I usually do, on notice about numbers.

CHAIR: Do you have a new line of questioning?

Senator SIEWERT: No. It is about 1.10. Senator Moore, when you say that you have finished on 1 do you mean all of 1?

Senator MOORE: All of 1. Everything else we will put on notice.

Senator SIEWERT: I have some more questions around the income support working age payment. I am wondering if you can confirm whether the calculations that I have done are accurate on some of the figures that you in fact gave yesterday. I think they came over the last couple of days in some of the QONs that you have answered.

Ms Wilson: We will do our best but we may have to take it on notice, depending on what the question is.

Senator SIEWERT: You gave some answers to myself and Senator Seselja about the numbers of people on Newstart and on Youth Allowance. I am calling it Youth Allowance Other. We have put YALO. Having a teenager who says YALO, I just automatically think of that.

Mr Pratt: We are happy to just use Youth Allowance. I assume that you are talking about Youth Allowance Other.

Senator SIEWERT: Yes. I am trying to calculate the number of people. We were looking at the number of people that are going to be excluded from the young people under-30s measure.

Ms Wilson: If you could give us the QON reference that would help.

Senator SIEWERT: It is 378. That was mine. I am sorry but I cannot remember the number for Senator Seselja.

CHAIR: When was this question?

Senator SIEWERT: It was from the last round. It has only just come in.

CHAIR: The last round of estimates?

Senator SIEWERT: Yes.

CHAIR: No, I do not recall.

Senator SIEWERT: It was a smaller table that has the figures for the number of people with 35 per cent care, FTB, parenting payment.

Ms Halbert: The number of people exempt?

Mr Emerson: I know which one you mean. It is QON 99.

Senator SIEWERT: That is it. Those are the figures that I am using. I am trying to calculate the number of people that will actually be affected overall. I have done the figures. The issue on one of the figures was the number of people that were pregnant who were subject to the six-week exclusion period. You have provided it. It is in one of the QONs.

Ms Halbert: The number of people pregnant who were exempt from the activity test on the current payment?

Senator SIEWERT: Yes. Can you confirm that was overall and not under-30s?

Ms Wilson: It is a bit hard for us to know until we see the QON. We had over 500 in this outcome so it is hard to remember all of them.

Mr Emerson: I am trying to find the one that you are referring to, but I do recall it. I think what you are referring to is 378. I do recall the question. You were asking for a breakdown of the number of people who sought an exemption from the activity test.

Ms Halbert: If your question was not age related then it would have been overall numbers that we provided.

Senator SIEWERT: Do you have the figure for age related?

Ms Wilson: We would have to take that on notice.

Senator SIEWERT: I will ask you to take that on notice because I have done rough numbers for under-30s. I have calculated that there would be around 90,000 people that are not subject to any exemptions in using all of those figures for the under-30s. Have you done that?

Ms Halbert: That are not subject to exemption?

Senator SIEWERT: Yes.

Ms Halbert: It is about 100,000.

Senator SIEWERT: It is about 100,000?

Ms Halbert: Yes.

Senator SIEWERT: I just wanted to confirm that.

Ms Halbert: That is in a full year.

Mr Emerson: Yes, that is in a full year.

Senator SIEWERT: Yes. Could you take on notice the number of young people that are under 30 that have been exempted from the activity period?

Mr Emerson: From the activity test because they are pregnant?

Senator SIEWERT: Yes.

Mr Emerson: We can do that.

Senator SIEWERT: Just to be clear, both on Newstart and Youth Allowance.

Mr Emerson: And under-30?

Senator SIEWERT: Yes. Do I ask questions here or next door regarding the relocation for unemployed jobseekers?

Ms Wilson: That is employment.

Senator SIEWERT: Anything to do with them is next door?

Ms Wilson: I am afraid it is next door.

Senator SIEWERT: Including the number of people that have been suspended?

Mr Emerson: Yes, that is next door.

Senator SIEWERT: Is rent assistance in Housing?

Ms Halbert: Yes, that is right.

Senator SIEWERT: Disability support pension is here?

Ms Halbert: That is here.

Senator SIEWERT: I thought it was in Disability and Carers.

Ms Wilson: All the social security payments, with the exception of rental assistance and income management which is not a payment, are in outcome 1.

Senator SIEWERT: Except when you are doing the relocation?

Ms Wilson: That is an employment measure.

Senator SIEWERT: I will ask an overarching question for DSP. Have you changed the way that you calculate the numbers of people on DSP? Have there been any changes in that?

Ms Wilson: Not that I am aware of.

Senator SIEWERT: I just wanted to clarify that. Are you able to provide a specific figure for how many people were on DSP as at 30 June 2013?

Ms Halbert: We could provide that. I do not think that we have got that here.

Senator SIEWERT: Are you able to provide it before we finish today?

Ms Halbert: I think we probably could.

Senator SIEWERT: I am not stretching it but could I also have that broken down by state?

Ms Halbert: Possibly. We will see what we can get today.

Senator SIEWERT: Thank you.

Ms Wilson: I can give you the June 2013 recipient figure. At June 2013 it was 821,738 people.

Senator SIEWERT: You will obviously have to take on notice for the states?

Ms Wilson: Yes. I am sorry that I do not have that breakdown with me for that year.

Senator SIEWERT: Some of these questions have already been asked, so bear with me. I will put the rest on notice because they are detailed figures.

Ms Wilson: I think we can give you the state breakdown for June 2013 if you want that now.

Senator SIEWERT: Yes.

Ms Wilson: In New South Wales it was 267,052; Victoria, 200,333; Queensland, 162,830; South Australia, 74,709; Western Australia, 62,705; Tasmania, 27,813; Northern Territory, 9,832; and for the ACT, 8,486. We have a further number of people that are not coded or are overseas that have unlimited portability and that is 7,978, so that brings you to the total of 821,738.

Senator SIEWERT: In terms of the measure under DSP reassessing the under-35s, once the legislation goes through can you take us through the process that brings that into place? What process are you going to go through to start implementing that?

Ms Halbert: The DSP recipients will be reviewed. They will undergo a routine review.

Senator SIEWERT: Did you say 'routine'?

Ms Halbert: They will be brought in for a review and if they have not got one already they will sign a participation plan. Included in that participation plan will be some compulsory activity that is work related.

Senator SIEWERT: So they will come in for a routine—

Ms Halbert: The program of support is in the legislation that has not come through.

Senator SIEWERT: I know it has not gone through yet. So, they will come in for the routine review. So you will reassess them against the current impairment table. What is the process?

Ms Stawyskyj: The review is a standard review. They will be reviewed against the impairment tables. They will be reviewed against work capacity and go through that normal staged review.

Senator SIEWERT: If they are reviewed will they still maintain their DSP?

Ms Wilson: If they have a 20-point rating on the impairment tables and a work capacity of less than 15 hours a week they will stay on DSP.

Senator SIEWERT: So they are reviewed and if they are below 15 hours they will stay on DSP but they will not be required to then go through where you prove that you cannot find a job? Nobody will be required to do that?

Ms Halbert: Currently an applicant for DSP does go into the program of support as part of the claim process.

Senator SIEWERT: But that is new applicants?

Ms Halbert: That is right, so in this case with under-35s who are found to have continued eligibility for DSP, that group, is subject to both the compulsory participation requirements and we would enter into a program of support, which is about improving their capacity.

Senator SIEWERT: I think I may have just misunderstood you. New applicants have to do that?

Ms Halbert: Yes, that is right.

Senator SIEWERT: You are not saying that now that they have been reassessed that they have to start that all over again, are you?

Ms Halbert: No.

Ms Wilson: They do not lose their DSP and the clock starts. If they remain qualified for the DSP under the revised impairment tables and they do not have a severe impairment, which is a rating of 20 points or more on a single table—they may have it across multiple tables—then they will be required to participate in a program of support, which is about trying to lift their work capacity, but they stay on the DSP during that period.

Senator SIEWERT: Then if they do not meet their participation requirements they will be subject to the normal compliance processes?

Ms Halbert: That is correct.

Senator SIEWERT: So, you could have a disability and then be subject to the whole compliance non-payment period?

Ms Halbert: Yes, but the nature of that disability will be taken into account in assessing whether a person could reasonably have been expected to comply.

Senator SIEWERT: Even with the new legislation that the government is trying to get through?

Ms Wilson: Yes.

Ms Halbert: It is still part of the decision-making process, but DHS are best placed to answer those questions.

Senator SIEWERT: In terms of the number of people under the age of 35 who have completed the participation program on Newstart and then went on to DSP how many of the cohort that we are talking about have been through that process?

Ms Halbert: I would have to take on notice the number—the people on Newstart who have then come on to DSP.

Senator SIEWERT: I have a whole lot of numbers questions around that process which I will just put on notice.

Ms Wilson: I think that is the best thing to do.

Senator SIEWERT: I think I am done.

CHAIR: On DSP or generally?

Senator SIEWERT: Not generally.

CHAIR: I mean on outcome 1?

Senator SIEWERT: Yes.

CHAIR: Before I go to Senator Reynolds, I might quickly follow up on a couple of DSP questions. This is from Senator Siewert's questioning around the participation plans. This is an area where I do not have a lot of deep subject matter knowledge. Are the announcements in the budget on the changes to participation requirements things that have been changed or are they things that are still pending some form of legislative approval?

Ms Halbert: We do not require a change to the legislation.

CHAIR: So that has occurred. I am interested in comparing those changes that came in. There were participation plans before, weren't there?

Ms Halbert: That is right.

CHAIR: What exactly has changed in practice for a recipient of DSP who is under 35?

Ms Wilson: What has changed is that the plans have to have a compulsory activity which the person must undertake, whereas previously the person was required to come in, have an interview and develop a plan but they were not required to follow through on the activities within the plan. That is the essential difference.

CHAIR: So you had to go through the motions of a plan, but there was no requirement to actually do it?

Ms Wilson: There was no compulsory requirement to pursue the activities in the plan. A number of people did, but it was not required of them.

CHAIR: It was like some sort of encouragement to have a plan?

Ms Wilson: The notion was that it would encourage people to think about employment or improving their capacity for employment, but it did not go as far as requiring them to actually undertake the activities that they had nominated in the plan.

CHAIR: On the numbers you provided for the state by state breakdown there are interesting numbers that just jump out at me and I need to analyse them more. How much do we see of real regional concentrations of people on DSP? If you look at, for instance, the Tasmanian number, and that is the one that probably stands out the most when I look at the smaller jurisdiction in terms of the proportion of the population who are on a disability support pension, Tasmania having three times the Northern Territory or three and a half times the ACT and that sort of thing.

Ms Wilson: It is very age related. There are also some disabilities that have geographical concentration, but it would not have a massive effect on DSP numbers. We know, for example, that multiple sclerosis is more prevalent amongst people who live in the southern states of Australia. We know that there are particular disabilities that Indigenous populations have that are more prevalent in some parts of Australia. There are both age and nature of the condition factors that have an impact on that. It varies from the ACT, which has one per cent of the DSP population, through to New South Wales, which has 32.5 per cent of the DSP population. It is a function of a range of things, including the age of the population, because we know that disability increases with age.

There has been some historical research that showed that people with disability may seek to live closer to seaside and temperate climates as well, clusters of lower cost housing. There is a range of factors that impact on the geographic distribution of people who qualify for DSP.

CHAIR: It is probably easier to explain with the smaller jurisdictions. If you look at some of the slightly larger ones on those numbers, again in South Australia and Western Australia. So South Australia has significantly more recipients of DSP than Western Australia, and my understanding is that WA's population would be significantly more than South Australia's. Again, both those states would have all of those factors that you talk about in terms of temperate climates, seaside and all of those sorts of thing.

Ms Wilson: It also depends on the broader age distribution and the degree of ageing within the population.

CHAIR: Because of the ageing population. Yes, that is an interesting one. Thank you for that.

Senator REYNOLDS: Mr Pratt, firstly, I would like to commend the department on these handouts. As a new senator trying to make sense of this portfolio, I was having difficulty trying to get my head across the many and varied programs that you manage, so thank you for that.

Senator SIEWERT: We are all in the same boat, because this is a whole new process that has only just started.

Senator REYNOLDS: It is extraordinarily helpful, so thank you. In the short time I have been a senator probably the most frequent contact that I have had with my office, particularly post budget, is around pensioners, carers and people on DSP in terms of some of the misinformation they have been hearing in the community about what is going to happen, which has caused a high degree of angst. Obviously, thank you for your testimony today, because I think it has started to clear it up for me that there has been no material change, if I am right, to the aged pension for DSP recipients and carer payment recipients. Is that a fair statement, to say that there has been no material change in the rates of their benefits or pensions?

Ms Halbert: The rates of payment.

Senator Fifield: Except that they have gone up.

Senator REYNOLDS: They have gone up. For the sake of clarity, because there has been various things raised, I just wanted to go through and seek some clarity on each of these three areas. The first question is: will the aged pension, the disability support pension and the carer's payment continue to increase in March and September every year?

Ms Wilson: They will continue to be indexed at that point depending on the factors of indexation, yes.

Senator REYNOLDS: So that means they will continue to increase?

Ms Wilson: It is possible you could have, not likely a zero—

Senator REYNOLDS: Assuming that the cost of living increases?

Ms Wilson: Yes, that is correct.

Senator REYNOLDS: Can you tell me how much each of the three payments went up by in March of this year, by each of the three, so the aged pension, the DSP and carer's payments?

Ms Wilson: I will pass to my colleagues, who will have that data with them, but it will be the same because the rates are the same.

Ms Foster: We do have that information. Aged pension, disability support pension and carer payment are all paid at the same rate. In March 2014 the increase for singles was \$15.70 a fortnight and for couples combined it was \$23.80 per fortnight.

Senator REYNOLDS: What did that take it up to a total of for each of the categories? For singles it was a \$15.70 per fortnight increase, and what was the actual payment?

Ms Foster: I do not believe that I have that rates chart with me. I have the rates for September. I do not have the March figures.

Senator REYNOLDS: If you can give me the September figures for singles and couples?

Ms Foster: While my colleague finds the actual rate of payment I will give you the increase that occurred in September. The September increase for single people was \$11.15 per fortnight and for couples combined it was \$17.40.

Senator REYNOLDS: So, this year they have had two increases for singles and couples?

Ms Foster: That is correct. My colleague can give you the actual rate of payment if that is helpful.

Senator REYNOLDS: Yes, it is.

Mr Joyce: The basic rate of pension for a single pensioner per fortnight from September 2014 is \$776.70 and for each member of a couple it is \$585.50. They also receive the pension supplement and the energy supplement.

Senator REYNOLDS: How much are those two supplements?

Mr Joyce: The energy supplement amount is \$14.10 per fortnight for a single person and \$10.60 for each member of a couple.

Ms Stawyskyj: The pension supplement was \$63.5.

Senator MOORE: Can you give us the leaflet that gives you all the payments?

Mr Joyce: Yes.

Senator MOORE: Were you aware that Centrelink printed a document that gives you all of this information in one handy little box?

Senator REYNOLDS: I would still like to, in light of the discussion today. It will not take very long. I have had very little time today.

Senator MOORE: I understand that, but I am just wondering whether you knew that the Centrelink payment brochures—

Senator REYNOLDS: Thank you. I appreciate the advice, but I would like to go through and clarify what we have been talking about today.

Senator MOORE: Keep reading, Mr Joyce.

Ms Foster: I can give you the March rate, if you wish.

Senator REYNOLDS: Yes, thank you.

Ms Foster: For singles the total payment—and this will be the base pension, pension supplement and the energy supplement combined—was \$842.80 and for each of a couple they would receive in total \$635.30.

Senator REYNOLDS: So, how many carer payment recipients received an increase in their payment last September? How many recipients received an increase in carer payments?

Ms Foster: It depends on their circumstances. If nothing else changed for them, so income or assets. Perhaps the best way to answer that question would be to give you the total number of carer payment recipients.

Senator REYNOLDS: That is exactly what I am looking for.

Ms Halbert: I have got that as at June.

Senator REYNOLDS: June is fine.

Ms Halbert: It is 243,856.

Senator REYNOLDS: Will all three of these pensions go up again twice next year, assuming CPI goes up?

Ms Wilson: Yes.

Senator REYNOLDS: So they will receive another two increases next year as per this year?

Ms Wilson: Yes.

Senator REYNOLDS: Will they continue to receive the pension and NG supplements next year?

Ms Wilson: Yes.

Senator REYNOLDS: I am just waiting for you because we have had evidence that there will be decreases for people, so I just want to get on the record exactly what increases we will get next year.

Senator MOORE: I do not think that we have had any evidence that we are going to have decreases.

Senator REYNOLDS: I think we have. I think Senator Smith clearly showed that there is information out in the community. All of us have had people contacting us concerned about the misinformation that their pensions are going to go backwards.

Senator MOORE: I have not.

Senator REYNOLDS: I certainly have.

CHAIR: They are receiving Senator Cameron's brochures.

Senator REYNOLDS: Absolutely.

CHAIR: Why is he not sending them to you?

Senator Fifield: Senator Moore decides at her own discretion as to which material—

CHAIR: You just do not believe anything that Senator Cameron sends you and that is very wise.

Senator REYNOLDS: Is Senator Moore actually agreeing that people's pensions will be increasing this year and again next year?

Senator MOORE: I have not received any information from people saying that they are going to keep the same rate of pension. That is what I have not had.

Senator REYNOLDS: I will continue on. So, they will continue to receive the pension concession card as well this year and next year?

Ms Wilson: Yes.

Senator REYNOLDS: So all of the concessions that they are entitled to and the benefits that they are entitled to will continue?

Ms Wilson: To the extent that it is in the Commonwealth's control. A number of them are offered by state governments and we would not want to make a comment about that.

Senator REYNOLDS: In terms of the Commonwealth, it is either no change or the pensions will be increased at least twice every year?

Ms Wilson: Yes.

Senator REYNOLDS: Thank you.

Senator MOORE: I have a question in terms of this morning when we looked at grants. We said that we would look at the process this morning but if we had particular issues about individuals that would come under the program heading. Is that right?

CHAIR: I think that was right. I think that was what Mr Pratt indicated.

Mr Pratt: Anything which relates to the specifics of a particular program like the Families program would be covered off under outcome 2.

Senator MOORE: I was interested in just clarifying exactly what is happening with emergency relief and with volunteer grants. I thought they might come under support for people who are vulnerable.

Mr Pratt: It is outcome 2.

CHAIR: I have a quick question on the Commonwealth Seniors Health Card and the indexation of income threshold. I would like some details on that indexation, if someone is able to give me that. I know that that was an election promise and that has passed the parliament, as I understand it, to index the income thresholds for the Commonwealth Seniors Health Card. Is someone able to tell me what the new income thresholds will be?

Ms Halbert: From 20 September the thresholds are \$51,500 for singles and \$82,400 for couples combined.

CHAIR: So will that now be indexed and increased annually or how will that work?

Ms Halbert: Annually.

CHAIR: Annual indexation?

Ms Halbert: Yes.

CHAIR: Do we know how many extra people that has brought in to date and we are expecting that will bring in as the indexation comes in over the next few years?

Ms Halbert: It is expected that an additional 27,000 people will be brought in because of the indexation.

CHAIR: Over what period?

Ms Halbert: Up to June 2018. We would have to do it by income levels.

CHAIR: So an extra 27,000 will get access to the Commonwealth Seniors Health Card as a result of that measure?

Ms Halbert: That is the expectation, yes.

CHAIR: What will those total numbers be? What is it going from and to?

Ms Halbert: At June it is 285,980.

CHAIR: So going up to about 312,000. When were the thresholds last increased? How long have the old ones been in place before this latest round?

Ms Halbert: The indexation ceased in 2001.

CHAIR: So 13 years ago. Thank you very much.

Senator SIEWERT: I have a question on notice that I wanted to ask.

CHAIR: Yes.

Senator SIEWERT: I just wanted to go back to the DSP and the issue around the participation plans. I think it will be a question on notice. Are you able to provide information on the number of people that have changed their participation plans that have been under that measure where they have prepared the plans?

Ms Halbert: I can tell you how many people have signed a participation plan with a compulsory activity in it since July.

Senator SIEWERT: That would be helpful but I am actually trying to look at what the pattern is and how people have been engaging with their participation plan. Are they over ambitious? Are they managing to meet them?

Ms Halbert: I think the Department of Human Services would be better placed to answer that question as they are having the interaction with people.

Ms Wilson: We can undertake to find out what we can through data over time about the activities but I think because they have got the contact with the clients that they are probably better placed to talk about observable trends in changes since the new process started.

Senator SIEWERT: Obviously I am trying to see if it is going to work.

Ms Wilson: Absolutely.

Ms Halbert: We can get you the numbers.

Senator SIEWERT: Can you give me the numbers that have been subject to that measure since July?

Ms Halbert: So 12,882 people have signed a plan with their compulsory activity in it.

Senator SIEWERT: Since July?

Ms Halbert: Yes.

Senator SIEWERT: Have any been breached since then?

Ms Halbert: I do not believe so, because we conduct checks.

Senator SIEWERT: There would be long enough data now for that?

Ms Halbert: There have been a number of suspensions under these. The total number of suspensions is about 143. Most of those are because people failed to attend the interview rather than as a result of failing to do the activity.

Senator SIEWERT: So 143 have been suspended?

Ms Halbert: Yes, and the majority because they failed to come to the interview when they were notified.

Senator SIEWERT: The interview for?

Ms Halbert: To develop their plan.

Senator SIEWERT: What has been the outcome for them?

Ms Halbert: It depends on the reason for them not attending the interview. As I said earlier, DHS will take into account their circumstances, their disability and any extraordinary factors that cause them to be unable to attend.

Senator SIEWERT: So, you do not know what that is?

Ms Halbert: No. The general regime would be that their failure to attend would lead to a suspension. If they attended their interview and did it they would be restored and back paid at the first time.

Senator SIEWERT: So, you do not know what their reasons for non-attendance were?

Ms Halbert: No. That is DHS.

Senator SIEWERT: But no-one has actually been breached or you cannot tell us that?

Ms Wilson: Not to our understanding. We do not believe that anyone has been breached. We will check that with our colleagues but we do not believe that anyone has had a penalty incurred. The numbers suspended are as Ms Stawyskyj outlined.

Senator SIEWERT: Thank you.

Senator BERNARDI: Mr Pratt, I will address this to you as I am not sure who is the correct officer. There were some media reports that some of the jihadis fighting in Syria and Iraq were on disability support pensions. Did you or your department establish exactly how many of the 60 known Australian citizens—

Mr Pratt: I am not sure that we know the number of them, but we have certainly been involved in developing the measures which are aimed at addressing the issue of people of concern receiving welfare payments who are overseas. We can provide some assistance on that but as to the number who are over there, probably not. I think that is probably one for Attorney-General's.

Senator BERNARDI: Thank you for any assistance that you can provide. But the government has said that there are 60 known Australians.

Mr Pratt: Yes. We may not know them.

Senator BERNARDI: So they would not share that information with you to say that these people are doing the wrong thing?

Mr Pratt: Not necessarily. DHS possibly, but even then maybe not. It is more likely to be something which the Attorney-General's Department and the intelligence agencies are aware of.

Senator BERNARDI: So they may be aware but they may not communicate?

Ms Wilson: There is legislation that has been introduced to address this issue, to ensure that people of security concern do not received support from the Australian taxpayers through welfare. The new legislation will require the Department of Human Services, as a delegate of the Minister for Social Services, to cancel a person's welfare payment if it receives a notice from the Attorney-General to cancel that payment. The process will be that the Attorney-General will issue a notice if there is a person of concern who they understand to be on welfare and then the processes will go through to suspend their payment.

Senator BERNARDI: So, the impediment to communication is being addressed? Is that what you are suggesting?

Ms Wilson: I am not sure that I would say that there is an impediment to communication. It is more that there is legislation going through to have a consequence of a notice being issued which would result in suspension.

Mr Pratt: Certainly the communication between the Department of Human Services and the Attorney-General's Department is very good, but I think the information tends to go in one direction.

Senator BERNARDI: And it should go in two directions or several directions.

Mr Pratt: It should only go in the other direction, where the Attorney-General's Department thinks it should.

Senator BERNARDI: There is legislation proposed to amend this.

Ms Wilson: That is right.

Senator BERNARDI: I will ask a supplementary question. What about those who are on DSP who commit criminal offences in Australia? Are they reassessed in any way, shape or form? An example is that we had some riots in Sydney where police officers were attacked and police cars I think had chairs thrown at them by people who were allegedly on disability support pensions.

Ms Halbert: Those questions are probably best addressed to DHS, because any information that they receive about recipients can lead to a review of payment.

Senator BERNARDI: Thank you for that. I chanced my arm in here with the indulgence of the chair, because I thought you were talking about DSP.

CHAIR: Are there any other questions through any senator on outcome 1?

Senator SIEWERT: That does not mean that there are not a lot of questions on notice.

CHAIR: We thank officers. We will now move on to outcome 2, Families and Communities. We are going to change ministers. Thank you, Minister Fifield. We welcome Senator Fierravanti-Wells, the Parliamentary Secretary to the Minister for Social Services. We now move to question in Outcome 2. Senator Bernardi just has a couple of minutes because he has to be elsewhere, so I will indulge him for a couple of minutes and then I will move to questions from other senators.

Senator BERNARDI: Mr Pratt, I understand the department commissioned a report that Deloitte Access Economics prepared a couple of years ago into problem gambling. I have had a longstanding interest in this, as you may recall. I do not believe the report has ever been released. Has it been released?

Mr Pratt: I will get the gambling people up.

Senator Fierravanti-Wells: So to speak.

Mr Pratt: Those who have an interest in problem gamblers.

Ms Hand: I could not hear the question.

Senator BERNARDI: I understand a report by Deloitte Access Economics was prepared a couple of years ago into problem gambling. It would have been around the time there was some discussion in this committee and others about mandatory pre-commitment. I want to know whether that report has ever been released by the department.

Ms Hand: I am not certain.

Mr Riley: The report has not been released.

Senator BERNARDI: Given that the report is not of a confidential nature, it was a product of a government policy and substantial public debate, is there an intention to release it?

Mr Riley: I am not aware of any intention to release the report at this time.

Senator BERNARDI: Given it was prepared with public money and it is a matter of substantial public interest, that the department table the report on notice?

Mr Pratt: We will take that on notice and consult Mr Andrews and then subject to his views do whatever he decides.

Senator BERNARDI: Thank you.

CHAIR: My pleasure. Senator Moore.

Senator MOORE: I am just letting the gambling people know that I put my questions on notice, just so you know I care.

CHAIR: We will go to Senator Siewert.

Senator SIEWERT: What level of engagement has the department had with the Forrest task force? I know I have to go next door tomorrow to ask about it, but particularly around the Healthy Welfare Card.

Mr Pratt: Is your question in terms of our interaction with the Department of Prime Minister and Cabinet? Extensive.

Senator SIEWERT: How much work has been done by the department on developing the concept of the Healthy Welfare Card?

Mr Pratt: The government has yet to respond to the Forrest report. It will take decisions at some stage about how it seeks to go forward. We are certainly examining Mr Forrest's proposals, and in the context of income management more generally we are having discussions with lots of stakeholders about the issues that have been raised by Mr Forrest. Ultimately whether or not we develop such a device will be subject to government decision in the future.

Senator SIEWERT: Have you provided that data to the ongoing process of developing up the Healthy Welfare Card in terms of costs, how many people it would affect, how much it would cost to roll out, how much it would cost the banks and the government to provide a Healthy Welfare Card?

Mr Pratt: I think it is safe to say that all of the things that we know about the operation of the BasicsCard and income management under current arrangements and any knowledge we have about the operation of the banks and the EFTPOS and retailers in this area we share with our colleagues in PM&C in terms of their consideration. The government has not taken a decision yet on whether or not it will introduce a welfare card of that sort. I think it is a bit too soon to answer that question in that way.

Senator SIEWERT: There will be different data required for the Healthy Welfare Card than for the BasicsCard, because it is a very different system, as I interpret the Forrest review and what they are proposing?

Mr Pratt: I agree; they are quite different.

Senator SIEWERT: In terms of the government's response, and as part of the ongoing process of developing up what the government is going to adopt, have you been asked to provide any data about the new approach—not the BasicsCard but the new approach—to model how much it would cost?

Ms Hefren-Webb: No, we have not been asked for a direct costing or modelling of the potential cost at this stage.

Senator SIEWERT: Would you be the department that would be asked to model that?

Mr Pratt: Probably.

Ms Hefren-Webb: We would be a likely candidate, yes.

Senator SIEWERT: That will do. Have you been asked for any modelling on any parts of the Healthy Welfare Card? I am just trying to be really clear here.

Ms Bennett: No. To be clear, as you said, there is the BasicsCard information and income management. At the last estimates and during those budget discussions we explained that there has been one year of funding that has been provided this year while the government looks at income management, and we will come back this year. We are doing work in that space, which is the current BasicsCard and income management, and we are looking at some of those issues. We explored that at the last hearings. We have not been formally asked to undertake or have undertaken any costings or exploring what that work might be for the Healthy Welfare Card.

Senator SIEWERT: I will come back to the income management stuff shortly, but I understood that that work that had been funded was about the BasicsCard and the issues around the BasicsCard, not a Healthy Welfare Card, for which the proposal is very different.

Ms Hefren-Webb: The funding for income management in the last budget was to continue the operation of that program, including the operation of the BasicsCard.

Senator SIEWERT: Yes, that is what I thought.

Ms Hefren-Webb: There has been no funding appropriated to explore the feasibility of a Healthy Welfare Card. There has just been a series of discussions.

Senator SIEWERT: Has any of that the work that has come out of that been given to the Forrest review?

Ms Hefren-Webb: We have provided them with information about how the BasicsCard works. We have provided them with data on customer numbers and different slices of data around welfare recipients. We have explained how the current model works and the elements of the cost of the current model, but we have not provided any costing or modelling on the proposal of the Healthy Welfare Card.

Senator SIEWERT: Have you been asked to explore the concept with banks?

Mr Pratt: Certainly, we talk to banks, financial institutions, providers who are in the linking space between the banks and retailers, and the retailers.

Senator SIEWERT: Have you been specifically asked to talk to the banks or have you been engaging in discussion with the banks about the banks taking over either the concept of the BasicsCard or a concept around the Healthy Welfare Card?

Mr Pratt: What I can say is that, yes, we have been talking to banks and other institutions who have interests in the BasicsCard or similar devices, which could include the Healthy Welfare Card proposal, subject of course to the government taking decisions about what it wants to do in that space. We have been doing that for some time.

Senator SIEWERT: You are pre-empting my next question, so go on.

Mr Pratt: The issue is we are probably getting quite close now to questions around what sort of advice we are providing to government on these things. As you know, that is an uncomfortable space.

Senator SIEWERT: I know I am not allowed to ask that. My question was not going to be about the advice, because I knew I would not get away with it, but my question was along the lines of were you talking to the banks before the Forrest report came out or subsequent to that?

Mr Pratt: Both.

Senator SIEWERT: Has that discussion changed since the Forrest report came out?

Mr Pratt: If your question is have we, in our conversations with banks and other institutions, talked about the Forrest proposals then, yes.

Senator SIEWERT: You have been talking to the banks about the Forrest proposals?

Mr Pratt: It comes up, yes.

Senator SIEWERT: Of those discussions, have they been on the concept of their taking over or running either the BasicsCard or the Healthy Welfare Card? I do not care what you call it.

Mr Pratt: We talk to them about their views of the Forrest proposals amongst other proposals.

Senator SIEWERT: Can I ask what those views were?

Mr Pratt: You would have to ask the banks.

Senator SIEWERT: As part of that, though, has the issue of cost to the banks of running such a scheme been discussed?

Mr Pratt: My recollection is that some have raised issues in that area.

Senator SIEWERT: There is some comment that it would not cost the banks anything to run it. One of the ways the government could save money was to hand it over to the banks. The process costs the government to run the BasicsCard, does it not?

Mr Pratt: Yes.

Senator SIEWERT: So, it would cost the banks to run a process, would it not?

Mr Pratt: That would be a question for the banks.

Senator SIEWERT: If it costs the government it would be fair to say it would cost the banks; is that not true?

Mr Pratt: It depends what they might leverage off. They may have products that might be able to be used and so there may not be a cost. I am just speculating. That is an issue for the banks to answer.

Senator SIEWERT: Fair enough. In terms of the Forrest review and the proposal for the Healthy Welfare Card, did they talk to you about that when they were formulating their report?

Mr Pratt: Certainly we have had ongoing discussions with the Department of Prime Minister and Cabinet throughout the Forrest review process.

Senator SIEWERT: So are you providing advice to PM&C rather than the actual committee?

Mr Pratt: That has been the main source of our contribution to PM&C. I cannot talk on behalf of everyone, whether or not there was any—

Ms Hefren-Webb: Yes. We have been participating in an interdepartmental committee that PM&C has been running and providing advice through that.

Senator SIEWERT: So, the sorts of evaluations that have been conducted, the place based evaluations, obviously they had access to the publicly available evaluations. Did they have access to the materials on the evaluation of the place based income management? The latest information in the report was released a couple of weeks ago. Did they have access to that prior to it being released?

Ms Hefren-Webb: I believe we may have provided them with early findings of that report on a confidential basis. That was to the department.

Senator SIEWERT: Was that to PM&C?

Ms Hefren-Webb: Yes.

Senator SIEWERT: It is likely that PM&C would have provided that to Mr Forrest—

Mr Pratt: You would have to ask PM&C that. I do not think we have had any direct dealings with Mr Forrest.

Senator SIEWERT: Okay. Thank you. As to the final report on the Northern Territory income management—I am not going to ask a question specifically about it yet—did they have access to that? Was that provided to PM&C?

Ms Hefren-Webb: No, the final report was received by us on 30 September and we are still undertaking analysis. I do not believe we provided it to any other agency.

Senator SIEWERT: What about draft reports that you would have received?

Ms Hefren-Webb: I will have to check that. I do not recall providing a draft report to Prime Minister and Cabinet, but I might check that and come back.

Senator SIEWERT: Could you check that for me, please?

Mr Pratt: In a general sense, anything we have which is of interest or relevant to the government looking at its response to the Forrest report we will provide to the Department of Prime Minister and Cabinet.

Senator SIEWERT: I am trying to ascertain—

Ms Bennett: Particularly as Prime Minister and Cabinet now has leadership in the Indigenous area, we do share information with Prime Minister and Cabinet in this remit that is our contribution to that work.

Senator SIEWERT: I am trying to establish the level of access to the most up-to-date analysis that they had.

Ms Bennett: We said that we will take that on notice what we provided to PM&C.

Senator SIEWERT: Yes. Sorry, you will take on notice what you provided to PM&C?

Ms Bennett: Yes.

Senator SIEWERT: Thank you. That would be appreciated. I think that is the rest of my issues.

Ms Hefren-Webb: I have just been advised that we have provided the draft report to PM&C. Apologies.

Senator SIEWERT: You have?

Ms Bennett: So, we do not need to take it on notice. One less question.

Senator SIEWERT: Yes. So, the final draft?

Ms Hefren-Webb: Yes.

Senator SIEWERT: Thank you. Are you involved in helping PM&C with the analysis of the submissions that will come in on the Forrest report? I keep calling it that. I know it is not its proper name.

Ms Hefren-Webb: There is a little unit within PM&C doing that work. We do not have a person in that unit, but it is fair to say that part of our relationship with them is that they may ring us from time to time and ask us to have a think about an issue that has been raised in a submission or have a look at a particular submission. No, we do not have an official role in that analysis.

Ms Purdy: However, we will obviously have a keen interest in this space and we have been ourselves proactively having a look at the submissions on the website that have come in on this particular issue. Just to keep ourselves informed about what stakeholders think.

Senator SIEWERT: Do you want to ask more questions about the welfare card?

Senator MOORE: No.

Senator SIEWERT: Can I slide into income management, please. I will ask the question that was started to be answered, anyway, and that is: when did you get the final report for the evaluation of the Northern Territory income management process?

Ms Hefren-Webb: We received the evaluator's final report on 30 September.

Senator SIEWERT: I am going to ask this, anyway. From what you said earlier, you are still going through reviewing it.

Ms Hefren-Webb: We are still working through it. We are still engaged in understanding the analysis and seeking some clarification from the researchers about certain aspects. Once we have done that, we will obviously brief Minister Andrews and then, as always, the timing of the release of that report will be subject to his decisions.

Senator SIEWERT: I will not even go there. Thank you for that. How long before you got the latest report on the place based income management was it released?

Ms Purdy: I cannot remember, to be honest. I think we would have to take it on notice.

Senator SIEWERT: Could you take that on notice?

Ms Purdy: Yes.

Senator SIEWERT: I would love to talk about your analysis of the results, but my—and I am not an expert—analysis of the results clearly shows to me that voluntary income management is where you get the most behavioural change. Is that what your analysis of the place based results show?

Ms Purdy: I think the report does show that the greatest impact is being felt by the voluntary income management customers. However, in relation to those people who have been referred by the automatic triggers, I think it is important to remember that those triggers were only introduced on 1 July 2013. So, for a lot of those people they were only on the initiative for six or so months before they had their initial survey conducted. That may not have been enough time for some of those impacts to be seen.

Senator SIEWERT: But have there been a number of other people in the place based mechanisms that have been under the vulnerable category for some time?

Ms Purdy: There are those referred through the DHS social worker part of 'vulnerable'. However, those numbers are quite small. Again, we might have better information—

Senator SIEWERT: So, it would not be statistically valid; is that what you are saying?

Ms Purdy: Or perhaps not statistically significant at this stage.

Senator SIEWERT: I will push my luck one time. Does your analysis of the final draft of the NT report that has come in align with some of the results that have come in on the place based income management?

Ms Hefren-Webb: I think we are a bit early in our analysis to comment on that, actually. I guess, more generally, it is quite a different set of circumstances, as you appreciate.

Senator SIEWERT: I understand that.

Ms Hefren-Webb: I do not think we have come to a particular view, and I do not think we have come to that view.

Senator SIEWERT: Thank you. I just want to go to the Matched Savings Payments. Are there 45 now?

Ms Purdy: That is right. It is an increase of 10 from last time.

Senator SIEWERT: Can you remind me of what period of time that is over?

Ms Purdy: Since 16 May.

Ms Hefren-Webb: Do you mean since the introduction?

Senator SIEWERT: Yes.

Ms Hefren-Webb: Since 1 July 2010.

Senator SIEWERT: You have had 45?

Ms Hefren-Webb: Correct.

Senator SIEWERT: Is there a significant incentive to try and get that?

Ms Hefren-Webb: Yes. We match their savings up to \$500.

Senator SIEWERT: It just shows how hard it is to save when you are on income support, does it not? If we have only had 45 in the last four years.

Ms Hefren-Webb: Yes.

Senator SIEWERT: In terms of the number of people that have received one or more VIPs, how much has that increased since May? I can go back and find it if it is not easy.

Ms Purdy: I do not have that. I had that for MSP, but not for the VIPs.

Senator SIEWERT: I will go back and look that up. I was just trying to save myself looking it up. I think that is all I have on income management. I have lots of other questions, but I will take a break.

CHAIR: We are on Outcome 2, Families and Communities.

Senator REYNOLDS: I have some on 2.1, the National Plan to Reduce Violence.

CHAIR: Senator Reynolds and then Senator Waters.

Senator REYNOLDS: My questions relate to the second action plan that was launched by the Prime Minister on 27 June this year, the National Plan to Reduce Violence Against Women and Children. I was just wondering if you can start off by giving me some background information to the plan, its intent and a bit more information particularly in relation to the funding of the plan.

Ms McKenzie: The national plan is a long-term initiative to try to reduce violence against women, particularly in relation to domestic violence and sexual abuse. The idea is that it is a long-term plan that was built out of broad consultations that were done with over 2,000 people by the National Council to Reduce Violence Against Women and their Children. It is a COAG-agreed plan. It is a series of four action plans over 12 years that enable jurisdictions to be able to keep up to date with what is happening, but it still provides a broad framework within which jurisdictions work and within which governments agree, and which is increasingly involving the community.

Senator REYNOLDS: How much Commonwealth funding has gone into the program?

Ms McKenzie: There is roughly \$200 million—\$100 million from this year and onwards for the second action plan, and about \$90 million for the previous plan.

Senator REYNOLDS: Can you provide some more details on some of the elements of the plan?

Ms McKenzie: Some of the elements of the plan?

Senator REYNOLDS: Yes, on programs, and presumably there are subprograms within the plan. Could you just go through what some of the key parts of the plan are?

Ms McKenzie: I certainly can. I think the important thing is that the plan involves six outcomes: communities are safe, relationships are respectful, Indigenous safety, services respond to the needs of women, justice responses are effective, and perpetrators stop their violence. It has a complete coverage right across from the primary prevention right through to dealing with perpetrators of violence. The Commonwealth has been leading the development of the plan. Minister Andrews and Minister Cash have been leading the development. Minister Cash has hosted roundtables earlier this year to come up with the elements of the second action plan, which is what the Prime Minister announced.

The second action plan builds on the things that were in the first action plan. It focuses particularly on trying to get communities involved. In the first action plan the Commonwealth funded *Our Watch*, which is about a primary prevention program. We set up *The Line*, we did community action grants, respectful relationship grants. In this period of the plan we are also

looking at effective primary prevention. We are then moving into the information sharing between jurisdictions. That will lead to national DVO orders. One of the problems that women have experienced in the past is that when a woman crosses the border to be able to be safe from a perpetrator she has then had to reapply for the DVO order. Oftentimes that has been a difficult process for her to do, and so the Commonwealth is funding CrimTrac to be able to set up a pilot program with a number of jurisdictions. That is being overseen by the CrimTrac board, which includes the police commissioners from states and territories.

Senator REYNOLDS: Sorry, what was the name of that program?

Ms Laffan: It is the National Domestic Violence Order Information Sharing system.

Senator REYNOLDS: How far advanced is that?

Ms McKenzie: That was announced by the Prime Minister when he made the announcement on the second action plan at the end of June. My understanding is that CrimTrac is moving along with it as quickly as they can and that they will be discussing it at their next meeting.

Senator REYNOLDS: So, the six outcomes are now part of the second plan. Are they a continuation of the first plan or have you had changes over time?

Ms McKenzie: The six outcomes are designed to last the whole period of the plan. They will last the whole 12 years and will underpin each of the action plans. The first action plan focused really on setting the foundations. There were lots of things to get started in this new national approach—things like getting some of the data started. The Commonwealth committed to doing the Personal Safety Survey every four years so that we would be able to understand how the prevalence of violence against women was going.

The Commonwealth also committed to doing the National Community Attitudes Survey, which looks at how the community sees violence against women and whether those attitudes are changing over time. The Commonwealth also committed to a number of initiatives like *The Line*, 1800 RESPECT, which is the national professional online and telephone counselling service, which also provides support to frontline workers in services. The Commonwealth has done a lot in terms of national initiatives that are going to change the way the government approaches violence against women.

Senator REYNOLDS: How does the funding work? Does the Commonwealth regularly fund some of these programs or is it disbursed through the states? How are these actually delivered?

Ms McKenzie: The Commonwealth directly funds a range of initiatives. Those are some of the ones that we talked about, the CrimTrac, the 1800 RESPECT, *The Line*, Our Watch, ANROWS, the new research organisation. There are lots of those things which are big national programs and initiatives that we fund. The states and territories have responsibility for most of the services. They have the responsibilities for the police, the services for women and they also have primary prevention programs and a range of other programs and they tend to fund those. What we have been seeing increasingly, and particularly since the launch of the second action plan, is that jurisdictions are announcing new initiatives that relate to violence against women.

The New South Wales government, I think yesterday, announced that they would be videoing women who were victims of violence so that they would not have to appear in court

and be revictimised. Victoria announced a couple of weeks ago a big injection of funds that is looking at both primary prevention and service delivery, and there are some new initiatives for perpetrators. It is really something that has started to get quite a bit of momentum, which is what we really want to do.

One of the big things that is happening today, for the first time, is that we are releasing a newsletter, which will be a quarterly newsletter on the national plan. That newsletter will hopefully enable people to know all of the good things that are happening in this space. One of the things that has been happening is a lot of jurisdictions, a lot of community groups and a lot of governments have been doing good work, but it has not necessarily been known by everybody what has been happening and therefore people have not been able to talk to each other about things that have been tried in one space.

Senator REYNOLDS: So, this is actually a very good model in terms of sharing. So, different jurisdictions are able to try new initiatives and there are actually the mechanisms under this to share some of what works.

Ms McKenzie: Yes.

Senator REYNOLDS: With 1800 RESPECT, how long has that been in operation and how successful has it been?

Ms McKenzie: It has been highly successful. I might leave Ms Laffan to give you some of the details, but at the beginning when it was first established, most of the states and territories had their own helplines and quite often those were overburdened and there was not necessarily, even though the women in the services who were answering the phones were very committed to trying to support the women, it was not necessarily a professional service. When we established 1800 RESPECT, the Commonwealth required the service to employ professionals in giving the information. Since then, there has also been online support that has been provided to women. So, the first online provision of that, which has been an important initiative. Now we find that some of the services in the local areas and states and territories are really encouraging us to take some of their calls and then they are being able to provide better direct services to women on the ground.

Senator REYNOLDS: What sorts of numbers of calls are you getting now? Like anything, you have to get the information out there and it builds up over time.

Ms Laffan: You also asked when the service commenced. It commenced operation on 1 October 2010. Since that commencement there have been over 102,000 contacts.

Senator REYNOLDS: Separate or could they be the same person contacting more than once?

Ms Laffan: It depends on whether someone identifies themselves or not. Sometimes, obviously, people do not provide their details and sometimes they might. There might be repeat contact with the one person, but I understand that we cannot really tell exactly whether that is one person calling back a couple of times.

Senator REYNOLDS: I am not doubting anybody's intent to be helpful, but does that professionalisation include more accurate information that goes to the people who ring up for advice? Is that counselling advice or is that information about where to go or what to do?

Ms McKenzie: It is both. One of the things that has been difficult to deal with in this space is a view that it is a slower process for women to actually get to the point where they decide to leave the violence. Quite often there is counselling that is needed as somebody works their way through that decision. It has been thought recently, and it came out in the NCAS attitude survey, that the community does not understand why women will stay in a violent relationship, but for women who are particularly vulnerable, who have young children, it is a very difficult decision to make and therefore they do need the support to be able to work that through in their own circumstances.

Senator REYNOLDS: And that can take time.

Ms McKenzie: That can take time.

Senator REYNOLDS: With confidentiality, I presume.

Ms McKenzie: Yes, with confidentiality. Then, of course, women who have made that decision and decided to go need to be advised on how they do it, what they do, how they can do that kind of thing. Post leaving and post the experience of violence a lot of the survivors of violence are still finding it difficult to engage and to live their lives in a full way. They therefore go back to counselling to enable them to be able to deal with the trauma that was involved.

Senator REYNOLDS: Does that include the parent and children as well for counselling?

Ms McKenzie: It can involve the parent. I think for the counselling for children they will generally refer the children to Kids Line.

Senator REYNOLDS: What is the gender mix? Presumably it is not all women. Are there men who come to this service as well as a victim of domestic violence?

Ms McKenzie: There are. The majority of people who experience domestic violence are women. It is not the majority of people who experience violence. Men experience violence in public spaces, women experience violence in private spaces. The majority of the people who call 1800 RESPECT are women. If men call 1800 RESPECT they will not only get that immediate service; they will also be referred on to services that support men in particular.

Senator REYNOLDS: I think the expression is CALD, cultural and linguistically diverse. I know just from my experience and hearing people talk to me, there are women who come from that background who either do not have good English skills or come from cultural backgrounds where it is harder to come forward. Do you have services as part of this to support women and men, I guess, from those backgrounds?

Ms McKenzie: In terms of CALD women, one of the things that is a focus in the second action plan is the experience of communities that have a higher incidence of violence against women, and that is Indigenous communities, CALD communities and also women with disability. There are a lot of things that are happening in relation to the CALD communities, and they are outlined in the second action plan that the Prime Minister released and that all of the states and territories have agreed to. There are things that go to the primary prevention, the Commonwealth-funded White Ribbon, to particularly try to engage with CALD men to stand up against violence. We have also provided extra funding to *The Line*, which means that we are engaging with young CALD people to think again about the way they are approaching violence. We are also funding Our Watch, previously the foundation in the primary

prevention space to look at work that they may be doing around CALD, and Victoria has also provided funding to Our Watch, the foundation, to be able to look at CALD, in particular.

One of the things that we are doing at the moment, that we are just about to start on tomorrow, is that we have a series of small consultations with CALD women around the country where we have asked people, particular women who are leaders in their communities, just to get together as a small group of women so that they can feel comfortable in having a conversation, and then talking about what would be the best help that they could have and what ways they think the government could assist.

Senator REYNOLDS: Do you do that by a mix of communities together in the one meeting or do you have these meetings with different communities?

Ms McKenzie: We have not done one yet. The idea actually came out of some CALD women who were at the launch of the second action plan. They wanted to be able to have an engagement. They knew that they were a priority under the second action plan, but they were very keen that what did not happen was that things got done to them without their being able to have a say. It was agreed that we would do these small, what we have called, kitchen table consultations. Women have come forward and said that they would like to have one and they would want to invite eight to 10 women and talk about it. Those are going to be happening over the next couple of months.

Senator REYNOLDS: That is fantastic. So, for the information that you have now on the website and online, do you have them interpreted into different languages?

Ms McKenzie: Yes.

Senator REYNOLDS: How many languages have you—

Ms McKenzie: The second action plan brochure and information sheet has been translated into 12 languages.

Senator REYNOLDS: Was the first plan in 12 languages or have you increased that amount of languages?

Ms McKenzie: I think it has been increased, but I cannot say for sure.

Senator REYNOLDS: In relation to people with disabilities who have been a subject of violence, what considerations do you have? How do you provide assistance for people with mental disabilities and physical disabilities?

Ms McKenzie: As I said, during the first action plan there was a lot of work done on what the foundations are and what we need to do next. One of the things that the Commonwealth funded was the Stop the Violence project, which was run by Women With Disabilities Australia (WWDA). That really looked at how women with a disability experience violence and what might be some of the things that could be needed. It was a major consultation and I certainly know in my engagement with WWDA and also with women who have participated, they have found that an extraordinarily valuable experience. What we are doing at the moment is talking to WWDA about how we might continue that on.

Senator REYNOLDS: You mentioned about having the community attitude surveys. Is that the main method of determining success? It is sometimes a bit mercurial in this area to work out how you know if you are making a difference. Is that the primary way or have you got other more qualitative or quantitative ways of measuring success?

Ms McKenzie: In the national plan and also right at the front of the second action plan we list out the key performance measures, the measures of success, for each of those outcomes. If communities are safe and free from violence we would be looking at an increase in intolerance of violence against women, which we would get from the NCAS. But if we are seeing whether relationships are respectful, we are looking for improved knowledge, skills and behaviour of respectful relationships by young people and we will also be able to get that out of the NCAS.

Other ones, where the services meet the needs of women and their children experiencing violence—we will get that from the personal safety survey. Justice responses—we will also get that from the personal safety survey. And whether perpetrators stop their violence will also come from the personal safety survey. We are going back to actual data that people are giving us about their lived experience to work out whether it is a success.

Senator REYNOLDS: So, over the 12 years you can longitudinally track to see how you are going and where you change the program.

Ms McKenzie: Yes.

Senator REYNOLDS: Finally, quite rightly, a lot of the focus is on the victims of violence. How much of the program is focused on the perpetrators of violence, and education/support for them for behaviour or attitudinal change?

Ms McKenzie: This is an absolutely critical area. Providing services to women, as you said, and doing the primary prevention is absolutely critical. Without effective perpetrator interventions the violence will not stop. One of the things that the Commonwealth has committed to in the second action plan is to agree with the states and territories national outcome standards for perpetrator interventions. The Commonwealth has also provided \$3 million worth of funding to Australia's National Research Organisation on Women's Safety, ANROWS, to research the most effective perpetrator interventions. In addition, there is also a small amount of money—not a small amount of money; \$4 million—to be allocated across the states and territories to assist them in implementing the national standards. It is a huge area of endeavour for the states and territories and for the Commonwealth, because some of the things that have proven most difficult in the perpetrators space is really about the integration of systems—police, justice—

Senator REYNOLDS: And getting it all to work together as a single—

Ms McKenzie: and getting it all to work together so that a woman is protected from the time that she actually identifies that violence is happening.

Senator REYNOLDS: Thank you very much. I love your passion and enthusiasm. Of all of the plans to have that passion and enthusiasm I cannot think of a more important one, so thank you.

CHAIR: Just before I go to Senator Waters, I will just advise, particularly for some of those watching and committee members, the intention here, just to give the context, is that we are going to push through till dinner and we will still be going on DSS after dinner. It looks very clear at the rate we are going. The intention then is not to have DHS come later on tonight. There will be a spillover day tomorrow for DHS. Just for those watching, that is the plan. We will go to Australian Hearing Services before we adjourn tonight. That is probably of less value to you, Mr Pratt, but more value to others who are listening. Senator Waters.

Senator WATERS: I, too, have some questions about the national plan. Before I come to those specific ones, I just had some general questions about the impact of the budget and the role that you have played in advising the minister about various different implications of that. I am particularly referring to the reports of widespread support services funding reductions, both in terms of community legal centres, which are federally funded, and also in terms of women's shelters and refuges, which are often state funded but also partially rely on federal funding through various different housing agreements. Are you aware of those funding changes to both of those types of services?

Ms McKenzie: As we talked about at the Senate inquiry last week, a lot of the services are state government services and it is really up to them where and how they allocate the dollars that they receive from the Commonwealth. I think that was something that you were talking about last week, where we did kind of go through that already.

Senator WATERS: We did touch on that. My concern was the uncertainty with the National Partnerships Agreement on Homelessness, with only the one-year extension as opposed to the normal four-year timeframe that most of those services operate under. I understand that uncertainty is flowing through to some of those services making staffing reductions. Are you aware of those sorts of reports?

Ms McKenzie: I think it is important that the Housing and Homelessness people will be on after us. That is really a question better directed to them.

Senator WATERS: If we get to them at any stage tonight. Let us hope so. Just checking whether you have raised any of those funding reductions with your minister or whether you have decided that is the responsibility of those other various parts of government and therefore have not?

Ms McKenzie: In our discussions the other day we talked about the role of PM&C and bringing together the whole-of-government input into the national plan, and the role of DSS in doing the programs but also engaging with state and territory governments. It really was not our role to do what you are talking about there.

Ms Bennett: It was not under this framework.

Senator WATERS: That is what everybody is saying. Let us hope that somebody is able to tell me that they have told their minister about the impact of these cuts. I will take that up in due course. I want to move now to the—

Ms McKenzie: Can we just say again, there has been no reduced funding for women's safety. There has been no reduced funding under the housing and there has been no reduced funding under homelessness, as I am aware.

Senator WATERS: NRAS has been completely cut and the national partnership scheme has only been extended by one year. There is a bit of a disconnect there.

Ms Bennett: That can be explored, but in terms of the package—I was not at the hearings, but we were talking about apples and apples, what is being funded under this initiative year on year. As Ms McKenzie has just said, there has not been a reduction in this funding.

Senator WATERS: I was talking about the housing changes.

Ms Bennett: We just want it to be really clear about women's safety and the national action plan and the investment that has been given—there has been no reduction in the funding.

Senator WATERS: That is right. You have got your \$100 million over four years, which I think is barely enough and it should be much more. That is not a decision that you guys make. Thank you for clarifying that. Moving on to the national plan and the focus on ATSI women as requiring special attention. Are you across the Indigenous Advancement Strategy, which is that new approach whereby services have to compete amongst each other for limited funding as opposed to having dedicated specialist funding?

Ms McKenzie: I think that is more appropriately directed to the Department of Prime Minister and Cabinet, where Indigenous sits.

Senator WATERS: Again, I am just trying to establish who talks to whom and who tells their minister, given that you have responsibility for administration of the plan. Again, is it not something that you have turned your mind to?

Ms McKenzie: In the plan there are a number of initiatives. There are certainly initiatives in communications and safety. We do not monitor or manage those for the Department of Communications. In a similar way, we may engage with the Department of Prime Minister and Cabinet around some of the Indigenous work, but it is really their responsibility.

Senator WATERS: Have you engaged with them around this new Indigenous Advancement Strategy and the impacts that it might have?

Ms McKenzie: I have not personally, no.

Mr Pratt: Certainly at a general level the department has.

Senator WATERS: In relation to the objectives of the National Plan to Reduce Violence Against Women and their Children? I am just trying to get at who talks to whom, if anybody is talking to anybody.

Ms McKenzie: We talk to the Office for Women in Prime Minister and Cabinet and they keep us up to date with other things that are happening in Prime Minister and Cabinet. That includes talking about their commitments in relation to Indigenous. We also have a lot of other things that we talk about, because we talk about the whole breadth of the national plan. One of the things that we need to do is stay really focused on the responsibilities we have under the national plan, not second-guessing other areas.

Senator WATERS: Given that you are responsible for administering the plan, which does include this special focus on Aboriginal and Torres Strait Island women, as well as CALD women and a number of other groups, I am just seeking to understand the level of engagement that you have, particularly around this new Indigenous Advancement Strategy?

Ms McKenzie: In terms of our responsibility for the governance of the plan and providing progress reports on the actions in the plan—and there were a number of actions that related to Indigenous communities and Indigenous women—we will engage with PM&C to provide updates on how those things are going. They are not the things we are focusing on at the moment. What we are focusing on is getting the state and territory work done, engaging with our own programs and trying to push some of the initiatives that have been newly announced.

Senator WATERS: Okay.

Senator Fierravanti-Wells: Perhaps if I can assist, Senator Waters. We have Indigenous cross-portfolio tomorrow. I do not want to cut you off, but it may be more appropriate for these more detailed questions. You will more likely get further responses with more detail that you are seeking in the Indigenous portfolio.

Senator WATERS: Thank you. It just seems a little odd that when department has responsibility for the administration of the plan and decisions are taken which might affect the ability to deliver on the objectives of the plan that there has not been a huge level of engagement, other than that you are chatting with PM&C. I have never worked in the Public Service, so maybe that is perfectly normal.

Ms Bennett: If I could just put that in a different perspective, the plan has been launched by the Prime Minister. We report on it, we work on it, we have developed it, and we have a coordination of it across our own government, the Commonwealth government, and across the state governments. In terms of the nuts and bolts of doing it, every agency that is carrying forward the agenda would do that. We would not need to be intimately involved, but as Ms McKenzie talked about the outcomes, the priorities and the measures, our responsibility is to look at all of the array of activities that are done, both across the Australian government and state governments, and to see that those commitments are met. In terms of the very detailed questions, as Senator Fierravanti-Wells suggested, it would be a good chance to talk to PM&C about the nuts and bolts bits of it, but we engage on that, providing an assurance framework about those elements coming together that match the national plan.

Senator Fierravanti-Wells: It is a whole-of-government approach, coordinated by Prime Minister and Cabinet. I think that would be helpful if you could do that tomorrow.

Senator WATERS: Talk to somebody else, yes. I will think further on your response, because I am still perplexed at having administration of a plan which covers issues, and saying that you have a coordination role, but then not actually raising these issues with the minister. But apparently that is just life. I will move on. The National Plan Implementation Panel has been disbanded. Given that it was meant to coordinate input from the states and the community sector and various other frontline services on the implementation of the plan, can you explain to me what the policy rationale for disbanding that was?

Ms McKenzie: The NPIP, the National Plan Implementation Panel, was a mechanism that was used during the time of the first action plan, when we were trying to get the foundations of the national plan sorted. Given that we are into a new stage where there is lots more going on and lots more that is happening, there has been an agreement to a different set of governance arrangements. If you look at the second action plan, on pages 47, 48 and 49, it explains what some of those arrangements are.

There are meetings of Commonwealth and state ministers, Commonwealth, state and territory officials, and we have a regular monthly telecon to ensure things are on track. There is a commitment to annual national roundtables. There is a commitment to targeted consultations with subject matter experts on the key initiatives under the plan. There are also state and territory advisory and consultative mechanisms which are operating, and they talk about the plan. And there is a commitment to holding national conferences in 2015 and 2016.

In addition, one of the things that was seen as particularly important was that we engage more broadly across the community so that people were aware of what was happening. As I

said, today is the day we put out our first quarterly newsletter that we are using to communicate with the sector. We are really trying to increase the level of communication. So, there will be a communication plan as part of the second action plan. There will also be work that is done by each of the organisations in the plan to try and communicate their activities.

Senator WATERS: Just in terms of being able to receive feedback from what those in the community thought of the plan, your newsletter is obviously you telling people, but it is perhaps not so much about receiving feedback. You have just listed out some of those useful things that are in the plan. Are the national roundtables the only forum where the community can feedback their views? Or is that not for the committee either?

Ms McKenzie: No. The community is feeding back their views in lots of ways. Each of the major initiatives under the national plan have their own means of consultation. If you look at ANROWS, the National Research Organisation, they have done a lot of consultation. They did consultation about the kind of research in establishing the national research agenda. They did a lot of consultation since then. They have done a lot of consultation about the projects that would be required. They have consulted with community groups and they have also consulted with researchers in universities.

Our Watch did a major consultation at the beginning to see what people wanted from the primary prevention focus. They have also done increasing consultation looking at how experts and the community would see different things as working. So, whether they are looking at how they can improve engagement with the media or whether they are looking at primary prevention in CALD communities, they are doing consultation.

There is consultation that is happening in each of those as well as the consultation that happens at a state and territory level, which looks at the implementation of the national plan in a specific jurisdiction. There are established consultative groups that are doing each of those kinds of things. The national roundtable is really about bringing people together once a year with a Commonwealth minister leading to talk about key issues.

Senator WATERS: Who will be the people at the roundtable?

Ms McKenzie: That would depend on what the topic of the roundtable was.

Senator WATERS: Will there be government people?

Ms McKenzie: I imagine it would be some government people, but I think, more than likely, it would be experts and community leaders. I would point out also that in the newsletter I can only imagine that people who have things to say will be encouraged to say it, and we look forward to having a dialogue with people who are engaging.

Senator WATERS: So, you will have an email or something in the newsletter where people can send their feedback?

Ms McKenzie: Yes.

Senator WATERS: I have almost finished. I am wondering whether you have received any negative feedback from the sector about no longer having NPIP.

Ms McKenzie: There were conversations with NPIP members when the decision was being made that it probably was not the most appropriate forum to take forward. My understanding is that most of the members could see the value in the new arrangements rather than just the one kind of panel trying to be in charge of everything.

Senator WATERS: So, no-one was worried about NPIP being abolished?

Ms McKenzie: I think people are always concerned about having one arrangement ceased and not being sure about what the next arrangement will feel like. Certainly what we are hearing about now is that people are quite happy with the current arrangements and they are participating in all the consultative mechanisms we have. When we started to talk to people about the newsletters there were large numbers of people who were interested in getting them. I think it will need a little while to bed down, but I think the majority of people, everyone I have spoken to, has been pleased with the new arrangements.

Senator WATERS: Thank you.

Senator PERIS: I just wanted to make reference to a media release on 19 September regarding the domestic and family violence reduction strategy Safety is Everyone's Right that was launched—

Senator Fierravanti-Wells: Senator Peris, would you kindly provide a copy to the committee so that it can be made available to the officials?

Senator PERIS: Yes.

Senator Fierravanti-Wells: It has been the practice here to make a copy available. It was notoriously enforced against me so I would like to make sure—

Senator MOORE: I think 'notoriously' is a bit harsh.

Senator Fierravanti-Wells: I think 'notorious' is a very good word. You are very strict on this.

CHAIR: While that is being copied, would you like to ask some other questions?

Senator PERIS: It is specifically for the family violence strategy.

CHAIR: I might go to other senators while we are waiting. I do not have any questions in this area.

Senator MOORE: Ms McKenzie, are the submissions to the roundtables up on the website yet?

Ms McKenzie: I do not think the submissions to the roundtable are going up on the website. As I understand it, you spoke with Prime Minister and Cabinet the other day.

Senator MOORE: I certainly did.

Ms McKenzie: They were going to ensure the overview of the roundtable outcomes. The reason why we did not put up the submissions was that a number of the submissions were from individuals and we did not say to them in advance that we were going to be making those public.

Senator MOORE: That is a real shame.

CHAIR: We will go to Senator Waters briefly while we wait for that document.

Senator WATERS: I decided not to ask this, given the response that I had to the Indigenous advancement strategy. But if we are wanting to keep the officials engaged on this issue while the photocopying is done I will give it a shot. I, too, recently met with that service. They are a fantastic service that have worked for many years and I am sure you have heard of them. Have you advised the minister about the risk that they will lose their funding?

Ms McKenzie: I am sorry. Without the exact name I am not sure.

Senator WATERS: It is the National Family Violence Prevention Legal Service. As I was referring to earlier, they used to have a dedicated stream of funding and now they are in a pot with 150 people competing for funding under that Indigenous advancement strategy that we unsuccessfully discussed earlier.

Mr Bennett: I think we need a bit more information to answer the question.

Senator WATERS: It is just whether you have advised your minister under your responsibilities to the minister.

Mr Bennett: Have they applied for a grant in our department? Is that your understanding?

Senator WATERS: I do not believe your department now issues the grants that they have applied for.

Mr Bennett: So, it is Attorney-General's?

Senator WATERS: No. They have actually been moved out of A-G's and they are now with PM&C. They do not know where they belong any more and now they are in a massive funding pot with 149 others. The link with the plan is that obviously they do Indigenous family violence work, which is meant to be a key focus of the plan. It again goes to how changes that are technically outside your department's responsibility and yet fit under the plan are dealt with in the framework of administering the plan.

Mr Bennett: As Senator Fierravanti-Wells said, tomorrow there is the coordinated day to look at Indigenous and a chance to talk to PM&C, which I know is also in the selection process at the moment. They may not be in a position to discuss it with you just as we are not in a position to discuss our grant arrangements at the moment. Therefore, you cannot pre-empt or make any decisions about scope and scale until you know the outcome of those tender arrangements.

Senator WATERS: But it sounds like you probably would not have considered it your role to advise the minister of the potential for the loss of funding for that service, based on your earlier remarks? Would that be fair?

Mr Bennett: It is the outcomes that we are monitoring.

Mr Pratt: Not necessarily, and I do not think we should speculate on this. Certainly we will advise our minister about issues happening under other minister's responsibilities where they are going to have a major impact on our responsibilities. We would do that, but we do not know whether or not that would be the case. The Department of Prime Minister and Cabinet has this process underway. We will not know what the likely impact will be until they have completed it. What will matter is what services are actually purchased or granted as a result of that process and then looking at the potential for that to impact on the plan. It is quite a fluid situation at this stage, and in the event that we thought it was going to be significant then we would advise our minister. If we do not know we probably have not yet.

Senator WATERS: Thank you. That is the kind of clarification of process that I was after before. From that I can infer that you do not think the housing changes are significant enough to have advised your minister, if that is the process that you go through. I am genuinely seeking to understand. I do not want to verbal you.

Senator Fierravanti-Wells: You really are speculating. As I have indicated before, you will have the opportunity of cross-portfolio Indigenous to ask these questions tomorrow, and I am sure that you will be able to do that tomorrow.

Senator WATERS: I have actually gone back to Housing for that one.

Mr Pratt: And to respond directly, one of my department's significant responsibilities is homelessness. We do advise the minister on homelessness issues. I certainly do not agree with the suggestion that we would not see that as important. Of course we see it as very important, and we provide advice on that. We can explore that when we get to the Housing outcome. I think the point was made earlier that there has not actually been a reduction in funding for services under the partnership on homelessness. It has been in fact over the last two years extended by a year each time. The service component of that partnership has continued. It is not the same as in the past where it was subject to a four-year agreement.

Senator WATERS: Indeed, and hence staff are being shed.

Mr Pratt: There is still funding going in for those purposes and we do think that they are very important.

Senator WATERS: I might put some questions on notice just to get it clear, because that sounds inconsistent to me.

Senator PERIS: As you would probably be well aware, Aboriginal women are overrepresented as victims of domestic violence. I am sure you would have seen recently that the Children's Commissioner in the Northern Territory said that an Aboriginal woman in the Northern Territory is 80 times more likely to be hospitalised than any other Territorian. Going back to the information you now have, and the \$18 million that was put into this strategic plan, who was consulted to come up with the strategic plan from the Northern Territory? Can you tell me which stakeholders?

Ms McKenzie: In developing the national plan, which is the Commonwealth, state and territory governments, there is agreement between the Commonwealth, state and territory governments about the national plan and the second action plan. So, there was agreement that this was what we all needed to be looking at over the next three years. Each jurisdiction will then, taking this, look at what its contribution to the national plan is. In Victoria it might focus a little bit more on one area in the first year and a little bit more in another area in second year. In the Northern Territory, equally, it will come up with the strategy that is working for the Northern Territory.

Senator Fierravanti-Wells: You may be interested to know there were two roundtables which were chaired here. One was chaired by Minister Cash in Adelaide. She was unable to chair the one in Canberra and I chaired it for her. Both the Attorney-General and Minister Price participated on that day. We had some very valuable input from both of them. It was an important contribution that they made at a very critical time when we were undertaking consultation.

Senator PERIS: I am asking this question, because as the Northern Territory's Minister Price would well know, and as an Aboriginal woman, the violence is not going away. It is an epidemic in the Northern Territory. I hear what you are saying, that she has come here and you have had a roundtable. With the strategic plan, the key components of it, prevention, accountability, rebuilding victims' lives, protection and early intervention, and then you have

got your aims over to the right. What I find absolutely astonishing, and I was staggered when I saw this, was that there was no mention of alcohol in it. When you look at statistics, the latest crime stats show that 65 per cent of all domestic violence assaults are alcohol related. It is of grave concern as a Territorian that they have come up with this strategic plan as such. When I speak to peak bodies in alcohol and family protection areas, alcohol is a key component. You cannot combat domestic violence unless you address these issues.

Ms McKenzie: Certainly I am not going to disagree with you that alcohol exacerbates the violence. It increases the level of violence and it increases the likelihood of violence. I am not going to disagree with you about that. Certainly alcohol is named as something that needs to be dealt with in the national plan. In the second action plan there were things that were focused on, and alcohol and alcohol reduction was not one of those. It was not central to one of the 26 actions that were agreed by the Commonwealth, states and territories. That does not mean that alcohol is off the agenda and we are not discussing alcohol at all. I know there is a lot of work happening around trying to reduce the impact of alcohol and reduce alcohol intake. I think the important thing is in the Northern Territory they may not have put their alcohol reduction in as part of the second action plan because they lined it up with the national plan, but that does not mean that they cannot work on it and it does not mean that we will not be doing work together on it.

Senator PERIS: I hear what you are saying, but what policies are being implemented in the Northern Territory at the moment, where Aboriginal people are incarcerated for health problems which leads to alcohol problems and they are incarcerated in prison? In this press release you talk about '... as well as make perpetrators responsible for their actions and support them to change their behaviour'. That goes back to the core problem of alcohol. When you say on page 2 that the Northern Territory government is providing \$12 million over the life of the strategy, what is the life of the strategy? Is it 2014 to 2017? What is the life of the program?

Mr Pratt: I think this is a strategy which has been developed between the Northern Territory Minister and the Minister Assisting the Prime Minister for Women out of PM&C. I think you need to ask them the question tomorrow.

Senator PERIS: Ms Price may be Aboriginal but she is also a minister for the Northern Territory and we have a big problem with domestic violence. You cannot combat domestic violence unless you address the issues. It is of grave concern that when you are publishing material something like alcohol is not here. I know what you are saying. It does not say, 'We are not addressing it', but the fact that you have not mentioned it suggests that you are not prioritising it.

Senator Fierravanti-Wells: I take your point. This media release was a joint media release between Minister Cash and Minister Price. Prime Minister and Cabinet are responsible because Minister Cash is Minister Assisting the Prime Minister for Women. I really do believe that your questions are best directed at the cross-portfolio tomorrow with Prime Minister and Cabinet.

Senator PERIS: Thank you.

CHAIR: Are there other questions in this area?

Senator BILYK: In that outcome area but not in the—

CHAIR: I am talking about the broader outcome, outcome 2.

Senator BILYK: I have.

CHAIR: Senator Bilyk.

Senator BILYK: I just wanted to ask about the National Framework for Protecting Australia's Children. Does the second action plan under the National Framework for Protecting Australia's Children run from 2012 to 2015?

Ms Hefren-Webb: That is correct.

Senator BILYK: Has any work commenced on a consultation strategy to inform the development of the third action plan?

Ms Hefren-Webb: We have not commenced any consultations. We have had some early discussions with our colleagues in the states and territories and also with our colleagues in the non-government sector about what the shape of consultations might look like, but we have not commenced.

Senator BILYK: Is there a timeline for the beginning of the development of the third action plan?

Ms Hefren-Webb: The current action plan ends mid-2015.

Senator BILYK: I understand, and that is only a couple of months away, 2015.

Ms Hefren-Webb: Mid-2015.

Senator BILYK: Surely you do not wait until it is finished to start the next plan?

Ms Hefren-Webb: No. We have had some preliminary discussions.

Senator BILYK: I asked about a timeline. Is there a timeline?

Ms Hefren-Webb: We do not have an agreed timeline, but obviously we have eight months until the end of the current action plan and we would be looking to try to undertake those consultations and bring them to—

Senator BILYK: So one will just roll on from the next?

Ms Hefren-Webb: That is the model.

Senator BILYK: In the context of work under the national framework to support young people transitioning to independence from out-of-home care, have any of the jurisdictions or members of the coalition—and I do not mean the government coalition; I mean of the organisations committed to the safety and wellbeing of Australian children—raised concerns about the proposed changes to income support for jobseekers aged under 30?

Ms Hefren-Webb: I do not think any issues have been raised through the channels on that piece of work. No, I am not aware of anything.

Senator BILYK: Has the department provided any advice to the minister on the impact of these changes on care leavers?

Ms Hefren-Webb: On the impact of the proposed under-30s measure on care leavers?

Senator BILYK: Yes.

Ms Hefren-Webb: Yes. I believe that would have been one of the groups that we would have provided advice on.

Senator BILYK: You would have given advice?

Ms Hefren-Webb: I should say outcome 1 has been the responsible area in the department—Social Security outcome have responsibility for that measure. They coordinate advice across the department.

Senator BILYK: I just wanted to reiterate that, though we are not in government, we obviously think this is a really important issue. I think it is probably not well known, but this week is National Children's Week. It is important that we keep up to date with what is happening.

Senator Fierravanti-Wells: It is very important.

Senator BILYK: It is just—

Senator Fierravanti-Wells: This is not the right outcome. It was in outcome 1 and I am sure if you want to put some questions on notice in relation to it the officials will probably take that and pass it on to the appropriate officers in outcome 1.

Senator BILYK: Thank you for that. I will put the other questions on notice, if that is the case.

Senator Fierravanti-Wells: So we can put some questions on notice.

Senator BILYK: I was more interested in the consultation and how they consult with people. I think you have said you have had some discussions and things will progress. Thank you.

Senator SIEWERT: I would like to go to the Social and Community Services Pay Equity special account. I know what it is about, but I just did not know what the proper name of the outcome was.

Mr Pratt: It is under outcome 2.

Senator SIEWERT: I know it is right down the bottom. I specifically want to know where we are up to with WA. I would like to know where the process is up to with the additional process for Western Australia, given the WAIRC case over there.

Ms Board: Prime Minister and Cabinet are still leading negotiations with WA Premier's Department. We understand that negotiations are drawing to a close, so we are hopeful that there will be a national partnership agreement signed. The Prime Minister, as you know, announced that \$97 million of Commonwealth moneys would contribute to support supplementation, and we are involved in a legislative amendment around being able to move the \$97 million into the special account so that it can be administered like the other jurisdictions.

Senator SIEWERT: I am aware of that particular amendment. When you say there are negotiations ongoing, are they nearly finished? What is the timeline for that?

Ms Board: I have been advised by Prime Minister and Cabinet that it is imminent. The evidence that we have around that is that they are in the process of almost completing the implementation plan, which follows after the signing of the national partnership agreement.

Senator SIEWERT: You may not be able to answer this. Is it fair to say that the sector is happy with the agreement that is being reached between the WA government and the Commonwealth?

Ms Board: I am afraid I cannot comment on that. That would probably be a question to Prime Minister and Cabinet.

Senator SIEWERT: In terms of the process from there, once the amendment is done and the agreement is signed, does it start being implemented?

Ms Board: That is correct.

Senator SIEWERT: What is the start date in the agreement? Is it being back paid?

Ms Board: Yes.

Senator SIEWERT: Back paid to when? That is what I meant about the start date.

Ms Board: 2013. Can I take that on notice?

Senator SIEWERT: Yes.

Ms Board: As well as that, Australian government agencies have already paid co-payments to eligible service providers for the 2013-14 financial year.

Senator SIEWERT: Have they already done that?

Ms Board: Yes.

Senator SIEWERT: And presumably that will be incorporated into the next process?

Ms Board: Yes.

Senator SIEWERT: Thank you.

CHAIR: Is that all?

Senator SIEWERT: I have another one about indexation, but I do not think that it belongs here.

CHAIR: I might go to Senator Moore on some multicultural grants, before the dinner break.

Senator MOORE: I have a couple of questions on specific grants. I think I know where they are, but I have been asked to ask them from a multicultural perspective. Are the diversity and social cohesion settlement and multicultural arts festival grants, which all come within that area, all part of the recent round?

Ms Bennett: Yes, they are. I cannot discuss what those outcomes would be.

Senator MOORE: Of course not.

Ms Bennett: We are very conscious of different timeframes, which were raised in the earlier conversation, and the cycles of particularly things like festivals beginning. We are making sure that our decision process aligns to the delivery of those elements.

Senator MOORE: Are they all tender grants—people have had to tender for each of them?

Ms Bennett: Yes.

Senator MOORE: Will they be part of the decision that will be by 1 March?

Ms Bennett: It is best to say that it is specifically about festivals.

Senator MOORE: Yes. There is a lot of interest in the festivals.

Ms Bennett: Yes. We are looking at those, because they cover a period. A decision may be made in February. They are not extensions, because they were always one-off grants, but

we may make the decision on those earlier. That is what we are working towards, so that it is available for the festival period.

Senator MOORE: So, any application for them should already be in?

Ms Bennett: Yes. The applications would have had to have been on 24 July.

Senator MOORE: And for settlement and diversity and social cohesion?

Dr Reddel: They are part of the broader process.

Ms Bennett: So, they will be decided by 1 March.

Senator MOORE: So, any of the applicants for all three should be getting a letter in the next week or so explaining what is happening?

Ms Bennett: Yes.

Senator MOORE: What about volunteering grants?

Ms Bennett: They are in the same arrangements.

Senator MOORE: So, anyone who tenders for those will get the same letter and that covers the whole of the volunteering area?

Ms Bennett: Yes.

Senator MOORE: I have one other question on multicultural. It is a kind of grant. It is to do with the trafficking program. The contract for that is next year. In June 2015 that runs out.

Ms Bennett: We would have to bring someone else up for that.

Ms Laffan: That funding agreement ends on 30 June 2015.

Senator MOORE: What is the situation with that? Is there a plan?

Ms Bennett: They are not part of the selection process.

Senator MOORE: No, they are not part of that process. In terms of the grants that are in that area, regarding ongoing action and activity in the trafficking area, what is the process for that?

Ms Bennett: We are just thinking about the most appropriate process for that at the moment.

Senator MOORE: Is that the one where there has been a recent advisory council appointed in terms of the trafficking area?

Ms Laffan: That is Attorney-General's.

Senator MOORE: So, at this stage the plan has not been concluded from what will happen in that area?

Ms McKenzie: Yes.

CHAIR: We are going to suspend. I am advised that all we have left in this outcome is the Charities Commission and Paid Parental Leave.

Senator MOORE: I have a clarifying issue around emergency relief.

CHAIR: Is there anything I have missed?

Senator MOORE: No, not from me.

Senator Fierravanti-Wells: So we have Charities?

CHAIR: Charities and Paid Parental Leave. There was a clarification around emergency relief.

Senator SIEWERT: When we are talking about charities, it is the ACNC staff and the red tape? That is where I thought that we would be doing that.

Senator Fierravanti-Wells: Yes. You flagged that earlier.

Senator MOORE: My link with ACNC is possibly the same area, but it is also the new centre of excellence that is linked to that.

CHAIR: Any other officials are not needed. We will suspend until 7.30.

Proceedings suspended from 18:30 to 19:31

CHAIR: I will go straight to Senator Moore who has questions in a couple of areas.

Senator MOORE: I just want to follow up on two of the grant programs. One is on volunteers, and I asked about volunteer grants, and you said it was in the same round. I want to follow up on volunteer management grants. My understanding is that it used to be a clear funding round with an application process. I am not sure whether we have had anything in the volunteer management grants since April 2013. They used to offer funding between \$1,000 and \$5,000 to help not-for-profit organisations for a whole range of purchases of equipment and stuff like that. I do not remember seeing that, and I scrolled through the big grant document you gave me. I went through all of that and I could not find something that said that, so help me out.

Ms Woolley: It is part of it.

Senator MOORE: It is part of it. What is it described as, Ms Woolley?

Mr Pratt: Volunteer management services, is that one?

Ms Woolley: Yes.

Mr Pratt: It is subject to a two-month extension, so it is part of the process.

Senator MOORE: So it is going to be the same as the other. What is the quantum there? Is it going to be in the same way that they have those relatively small grants?

Ms Woolley: Senator, I will have to have a look back at the selection documentation. It would be on the website.

Senator MOORE: I have been through that. I have to admit that sometimes I just get lost in the middle of it. Could you provide that to me on notice. It is one of those ones that is not big but organisations really like it. The other one I want to follow up, unsurprisingly, and you would be disappointed if I did not ask, is ER.

Ms Woolley: For volunteer grants are you talking about the discretionary funding for that, or volunteer management? Volunteer management is a part of this. Volunteer grants would be a separate round that will occur later.

Senator MOORE: That is the one with Volunteering Australia.

Ms Bennett: Emergency relief is part of that round as well.

Senator MOORE: Yes, I know emergency relief is, but I just wanted to follow up. I have all the documents and the added document with all the stuff. Is the special emergency relief

measure, which was linked to the employment changes, included in the tender process, or not?

Ms Bennett: No, it is not. At the last estimates we explained that, until the passage of that legislation and if that legislation is passed, we will then go to those providers as preferred providers in this and, if that does not cover all those areas, then we would use the other options that we have of direct sourcing.

Senator MOORE: I read that in the transcript, but I just wanted to make sure, because in all the grant documentation because it has not passed it is not written. Just for my peace of mind I wanted to get that right. Also in the extended discussions that you were patient with us in the last time around, we had a discussion about the funding for 2014-15 of \$50 million. That was in the exchange we had at that stage.

Ms Bennett: For?

Senator MOORE: For 2014-15 for the whole area of ER. In the documents you can tell me where I am wrong. It said around 50, and then we check it out in the documents and it is 46-something.

Senator SIEWERT: It is 46.6.

Senator MOORE: What have I missed?

Ms Hefren-Webb: Sorry, could you just explain that the \$50 million?

Senator MOORE: In the *Hansard*. I went back and looked at it all. I was trying to do the impossible, which was compare what was to what is. We were going through that discussion. I was asking: how does the baseline compare to the previous year. It was \$50 million for 2014-15, and I actually reinforced that for 2014-15. I went on to say that 2013-14 was \$57 million, then there was change and the next year would be \$50 million.

Ms Bennett: I will ask Ms Hefren-Webb in a moment, but at the last estimates we explained there had been an adjustment to that. There had been an increase that had occurred in anticipation of the global financial crisis, and the unemployment rate did not match what was predicted at the time, which that funding was associated with. So it had reverted back to that pre-global financial crisis funding level. Then of course there is this un-yet passed measure.

Ms Hefren-Webb: Senator Moore, can I just clarify that, for the \$46 million, you have gone through and added up the quantum available across all the statistical local areas?

Senator MOORE: Yes, I have. With my own finger I did that. I know it is right because I got someone to check it.

Ms Hefren-Webb: Not all of the funding will be necessarily allocated in this grants round. Traditionally we hold some emergency relief funding in case of bushfires and other events like that. I would prefer to go back and make sure, on notice, that we give you the accurate figures, but that would be my sense of why it might be \$2 million or \$3 million different.

Senator MOORE: I went to the tender document that showed state by state, region by region, across the out years, and this was the 2014-15 year. I think it was 46, or whatever Senator Siewert just told me.

Senator SIEWERT: It was 46.6.

Senator MOORE: That was for this year, and then it grew, so could you let me know about that. The other thing I want to clarify is that we had the full explanation of the reason there was less against emergency relief, which as you said, and for the previous two years emergency relief demand had gone down. So the modelling into the future was premised on the fact that we had had less claims. We had a long discussion about that. Should claims go up? Should there be, for whatever purpose, a greater demand? One of the things we found is that a lot of the agencies are expressing that they might be called upon for more help. What is the process? We talked a lot about flexibility in the last estimates and about how the program now is to offer more flexibility. Would there be ability to move to actually change the amount that is in those buckets?

Ms Hefren-Webb: There would be within the overall families and communities outcome. Obviously it would be a decision by the minister informed by advice about a particular level of need.

Senator MOORE: Should there be enough, it would go back into the system and they would have to make a case, through the department to the minister, for any possible change.

Ms Bennett: We would have to, obviously, look at the outcomes. I think the point that Ms Hefren-Webb made is that there is a reserve component, always, to respond to the unexpected. That has been the normal practice. That, obviously, would be an issue that we would look at.

Senator MOORE: So that is just held back—a smallish amount?

Ms Bennett: A smallish amount.

Senator SIEWERT: I have made a point of asking a lot of agencies, since we had this discussion in May, about their emergency relief. Not one has said that their need for emergency relief has gone down. In fact they have all documented that it has gone up.

Ms Bennett: As we explained at the time, we had some figures. The question that you actually asked at the last estimates was, 'What was the call from the money provided by the department for that particular outcome that was sought?' We were able to provide the numbers over a number of years. That is what we quoted at estimates. I do not have that with me at the moment. I think at the time we also had quite a discussion, which said that many of these organisations provide support in emergency relief, which is as they would define it, for their types of organisations that are not necessarily within those programs. At the time, the point I was making was that these are organisations that operate in this space that support communities and vulnerable members of the communities. They will have sources of funding or their own activities. I did not say that they provided less. What I said was: within the funding—

Senator SIEWERT: I did not say that you said that they provided less. I said that your figures show that emergency relief has gone down.

Ms Bennett: Those are the figures that were provided to that.

Senator SIEWERT: Given that the demand has increased, whether it is through the funding that you provide or not, have you thought of looking at that process again so that what is being called for in terms of the demand on the services is better met through this process?

Ms Bennett: We will have to see what comes out of the grants process, what those organisations have applied for and the parameters and outcomes they are seeking in that. Just drawing that together: there is a process still happening and it has not concluded yet, so I cannot comment on that. We have explained that there is a small reserve that is held back for particular responses. We will just have to monitor and see what happens, both in the outcomes of the grant process and in what might be happening on the ground at particular points in time.

Senator MOORE: In terms of the reserve, my understanding from your answer is that that has been a standard process in this field.

Ms Hefren-Webb: Yes.

Senator MOORE: I got the impression from your answer that this is not the first time there has been a reserve.

Ms Hefren-Webb: Correct.

Senator MOORE: Is there a set amount for that?

Ms Hefren-Webb: It is really quite variable. It is \$1 million to \$2 million or maybe a little more. It is generally just to accommodate that we often have natural disasters and things like that over the summer that lead to a spike in demand. We hold a bit back so certain regions or certain services can be supplemented in response to particular need.

Senator SIEWERT: Are you saying that what was allocated used to include that and it does not now?

Ms Hefren-Webb: What I am saying is that the figures in the PBS would include that, but the figures in the selection documentation adding up all the components would not include that.

Senator MOORE: That is where the difference was.

Ms Hefren-Webb: I am speculating—because I want to go back and look at the figures—that that might be the reason for the discrepancy.

Senator MOORE: If you can let us know, that would be good. If it is possible, can you refer us to where that has happened before, if you said that has happened before?

Ms Hefren-Webb: I will point out that we have not ever gone out to an open selection for emergency relief before. It has been the practice of re-funding organisations but always holding a certain amount back to respond to this type of situation.

Senator SIEWERT: There is a calculation around that the ER has decreased by about 20 per cent. It wouldn't normally be that you would hold 20 per cent back though, would it?

Ms Hefren-Webb: No.

Senator MOORE: It is not that much. It is between 46½ and 50.

Senator SIEWERT: There is the GFC money included as well, because that is still being spent. It has been going out there, hasn't it—the GFC money that you are now not funding? People have been using the money that has been available that was put in the pot for ER a couple of years ago. Organisations have been actually using that as emergency relief.

Ms Purdy: Yes, that is right. ER allocation increased around the GFC time and that money has been spent in previous years.

Senator SIEWERT: So organisations are used to using that to provide emergency relief?

Senator MOORE: Up until what year was the GFC money being used in that way?

Ms Hefren-Webb: The GFC money was able to be identified separately until, I believe, 2013-14. But then with the program broadbanding it is no longer identified separately.

Senator MOORE: Only since the broadband came in?

Ms Hefren-Webb: I believe that is correct.

Senator MOORE: Yes, I think that is right—

Ms Hefren-Webb: I can confirm that.

Senator MOORE: If you just give us the information that you can, that would be great. That is the end of my grant questions. I have a couple on paid parental leave before we go to ACNC. Can you confirm what the government's proposed PPL scheme will cost for each year over the forward estimates?

Ms Hefren-Webb: The costings are still being finalised and will be based on the final parameters.

Senator MOORE: So there is no estimate of that at this stage?

Ms Hefren-Webb: As you know, that there was an estimate done pre-election—

Senator MOORE: Yes, but in terms of the standard way—

Ms Hefren-Webb: But we have not finalised—

Senator MOORE: You do not have a public plan for how the money will spread over each of the forward years?

Ms Hefren-Webb: No.

Senator MOORE: Has the department drafted legislation to give effect to the government's Paid Parental Leave scheme?

Ms Hefren-Webb: We have draft legislation; it is not finalised.

Senator MOORE: Minister, does the government still intend to introduce the PPL legislation to the parliament this year?

Senator Fierravanti-Wells: We have indicated that we would introduce a Paid Parental Leave scheme from 1 July—

Senator MOORE: 2015?

Senator Fierravanti-Wells: 2015. Policy and legislation for the new scheme is being developed. There have been consultations undertaken and in due course the outcomes of those consultations will be submitted to the government. It will be a matter for the government to decide whether that information is released and, as has been indicated to you, the final costs will be determined once the policy and implementations have been agreed by the government.

Senator MOORE: Thank you for that. Can we have details and dates of the discussions or negotiations that the department has had with states and territories?

Ms Bennett: The Department of Prime Minister and Cabinet is leading the discussions with states and territories.

Senator MOORE: So they lead the discussions—

Ms Bennett: That should be referred to the Department of Prime Minister and Cabinet.

Senator MOORE: Fine, we will do that. Is your department involved in those meetings because of your expertise in the area?

Ms Bennett: In some of them and some at an official level.

Senator MOORE: At official level?

Ms Bennett: Yes.

Senator MOORE: But PMC has the ownership of actually arranging the consultations?

Ms Bennett: Yes.

Senator MOORE: That is on the government's proposed scheme. Has the department received the third or fourth stages of the evaluation of the current PPL scheme? And if so, when were they received?

Mr Brown: The department has received both the third and fourth phases—

Senator MOORE: Both of them? Right.

Mr Brown: of the evaluation. I will just see if I have information on dates. I do not have the dates with me, but—

Senator MOORE: Can you take that on notice?

Mr Brown: We can take that on notice.

Senator MOORE: And has the department provided the minister with the third and fourth—

Mr Brown: The department has provided the minister with the third.

Senator MOORE: With the third, right. And not the fourth yet?

Mr Brown: We are still working to finalise that.

Senator MOORE: And can we get the date that you provided the third to the minister?

Mr Brown: Yes.

Senator MOORE: Minister, I think this is for you: on what date did the minister intend to table the report in the parliament because of their responsibilities under this evaluation scheme? When there is a report received by a minister there is a time frame where it should be tabled into the parliament.

Senator Fierravanti-Wells: I am not aware of that.

Senator MOORE: Can you take that on notice?

Senator Fierravanti-Wells: I will take that on notice.

Senator MOORE: That would be good.

Senator McLUCAS: Does Mr Brown know?

Mr Brown: I am just wondering whether you are conflating it with the PPL review?

Senator MOORE: The evaluation is the review, is it not?

Mr Brown: No, it is not. It is a separate thing.

Senator MOORE: Okay.

Mr Brown: There was a review as part of the original scheme's legislation. There was a requirement to do a review which would take into account some of the evaluation findings, but which also took into account public submissions and so on.

Senator MOORE: Oh, okay.

Mr Brown: As you would be aware, that was tabled in parliament back in June.

Senator MOORE: So there is no ongoing review requirement to be tabled?

Mr Brown: Not an ongoing review requirement, no, but, as I said earlier, the evaluation that is measuring the impact of the scheme is drawing to a close. That is nearing finalisation.

Senator MOORE: In that case, the review was subject to a requirement to be made public?

Mr Brown: Yes.

Senator MOORE: But the evaluation is not subject to an automatic requirement for public notice?

Mr Brown: That is correct, but, as you would be aware, the baseline report and the first phase are publicly available.

Senator MOORE: Minister, can I ask you—and I know that you will have to take it on notice: when the evaluation reports, as opposed to the review, are finalised by the minister, we would like to know whether they will be made public.

Senator Fierravanti-Wells: I will take that on notice.

Senator MOORE: Thank you.

Senator SIEWERT: I would like to move on to the Australian Charities and Not-for-profits Commission. What is the timing for the phase-out of ACNC and for its replacement?

Dr Reddel: It is still a matter for government to make a decision.

Senator SIEWERT: A decision on when it will bring its new legislation or its replacement?

Dr Reddel: Yes.

Senator SIEWERT: Do you have any idea about when the government is intending to let people know what the time line is as opposed to the time line itself?

Ms Bennett: That is a decision for government.

Senator SIEWERT: How far progressed is the replacement of ACNC?

Ms Bennett: There is not actually a replacement. The government's policy is not for a replacement for ACNC. The proposal is the abolition of ACNC and the core central functions would be administered in different ways. Those decisions are still to be made by government.

Senator SIEWERT: You still cannot tell me the time line for the replacement—I call it the replacement—of the functions?

Ms Bennett: We are not aware of the timing on that.

Senator SIEWERT: So the decision has not been made as to where the regulatory process will go and where the register will go?

Ms Bennett: No, it has not.

Senator SIEWERT: How far developed is the centre of excellence?

Dr Reddel: Regarding the centre for excellence, we have commissioned the Centre for social impact through the University of New South Wales, and they have undertaken some research, consultation and focus groups for stakeholder analysis in developing some possible options and models. There is an interim report that is being prepared on that basis which I think is—

Ms Woolley: Is public.

Dr Reddel: It is public. The department continues to work with them on the further development of those models and providing some further advice to government.

Senator SIEWERT: On the interim models?

Dr Reddel: On the possible options that could go forward to government on the model of a possible national centre for excellence.

Senator SIEWERT: Who has been consulted in this ongoing process?

Dr Reddel: I would have to take that on notice. We are happy to provide the details, but it has been quite extensive in terms of surveys, focus groups and written submissions.

Senator SIEWERT: For the interim report or originally?

Ms Woolley: Through the process undertaken by the Centre for Social Impact, so a lot of that has been administered by them through a series of processes. We could provide more detail on notice.

Senator SIEWERT: That would be useful.

Senator MOORE: The report due now is not the interim one, is it?

Ms Woolley: No, there is a final report to be provided to government.

Senator MOORE: The expectation was that the final report would be due around now.

Ms Woolley: Around October, yes.

Senator MOORE: In fact, the expectation was that it is imminent.

Ms Bennett: Yes it is. First drafts have been looked at but we have not provided final advice on that yet. The contractual arrangements with the Centre for Social Impact go towards the end of the month so we are still working through that at the moment.

Senator SIEWERT: So is it expected therefore that you will get the report by the end of the month?

Ms Bennett: Yes. We will have to look at that and provide some advice on it to the minister.

Senator SIEWERT: So if I understood what you said correctly, it is the centre that is doing your ongoing consultation around the final report?

Dr Reddel: I think it would be fair to say that the consultation is complete and that we are really just in the processes, as Ms Bennett said, of working through a final draft and we are hopeful of it being finalised.

Ms Bennett: And informing ourselves, asking questions and interpreting.

Senator SIEWERT: Is it expected that what the centre comes up with is what the government will run with or is it just input into—

Ms Bennett: It is a contribution to government's deliberations.

Senator SIEWERT: Okay, so it is actually not the final model that they are developing?

Ms Bennett: No decision has been made on that yet.

Senator SIEWERT: Has the ACNC been involved in that process?

Ms Bennett: I do not know what you mean by involvement.

Senator SIEWERT: Have they been consulted by the centre?

Ms Woolley: It will be better to take on notice exactly what involvement they have had because they have had a range of forums, and it would be difficult for us to know specifically whether they have been involved in that.

Dr Reddel: I do understand that some members of the commission's board might have been involved in the consultations but we would have to take that on notice.

Senator SIEWERT: If you could, that would be appreciated.

Senator Fierravanti-Wells: The ACNC is an agency of Treasury so perhaps—

Senator SIEWERT: I asked extensively yesterday of the ACNC and Treasury.

Senator Fierravanti-Wells: But I think, in fairness, it is an agency of Treasury, so probably the questions are best asked to them or questions put on notice to them.

Senator SIEWERT: This agency has responsibility for charities and a whole lot of stuff, so I think it is fair enough that I ask questions that are associated with the ACNC.

Senator FIERRAVANTI-WELLS: I am just telling you it is an agency of Treasury—

Senator SIEWERT: Yes, I know it is an agency of Treasury.

Senator FIERRAVANTI-WELLS: therefore the most appropriate place for you to ask questions in relation to it—

Senator SIEWERT: Are we going to go through this again like we did last time?

Senator Fierravanti-Wells: No, Senator Siewert, I am just simply telling you it is an agency—

Senator SIEWERT: I know very well where the ACNC sits.

Senator Fierravanti-Wells: If you know very well, you do not need me to repeat it to you.

Senator SIEWERT: Exactly, so please do not. In terms of your ongoing relationship with ACNC, could you please tell me how you are engaging with them in the work you are doing with charities. Do you have any involvement with them at all?

Ms Bennett: Yes we do. I did listen last night, I noted the comment that was made and we have a different view on that. We have had a list of meetings with the ACNC across the department on a regular basis—on 13 December, on 19 December, on 13 January, on 30 January, on 7 February, on 20 March, on 21 May, on 10 July and on 16 July. Furthermore, the ACNC attended several public consultations that we had. We do engage with them on matters that are about their operations or when we have matters about the future that we want to inform them about.

Senator SIEWERT: When you said you want to inform them, are they consultations or for information? I am trying not to say 'tell me everything that was said at the meeting', but what general things do you consult them about?

Ms Bennett: They are meetings where a range of issues are discussed.

Mr Pratt: That might cover consultation and information sharing.

Ms Bennett: From what I have observed, I think there is a different view about what consultation might mean.

Senator SIEWERT: That is why I was asking.

Ms Bennett: We do meet with them regularly, we exchange views and we share information on the issues that are being discussed.

Dr Reddel: It would be fair to say that we have a different relationship than the ATO has with them.

Senator SIEWERT: I understand that.

Dr Reddel: Because they have an operational relationship; they need to engage regularly on an operational basis.

Ms Bennett: We have ensured that they have been made aware of things like discussion papers, consultations forums or the papers that we have used. As I said, they participated in some of the public consultations that were held on these issues, which we have discussed previously. Some of their staff attended some of those.

Senator McLUCAS: I understand that DSS had been consulting the charity sector and the not-for-profit sector about the ACNC appeal. Can you explain to me the nature of the consultations that you have had with the not-for-profit sector in a broader sense.

Dr Reddel: As a basis for consultation, we distributed an options paper outlining some options on the replacement arrangements. That was published on the department's website on 4 July this year. We called for submissions regarding that options paper. We also held face-to-face sessions across seven capital cities throughout July. They were attended by around 230 stakeholders, and we received around 90 written submissions on the consultation process.

Senator McLUCAS: So you had an options paper. Have I read you correctly to say it was like a questionnaire?

Dr Reddel: No, it was more outlining a range of elements we might want to consider in a replacement arrangement around four key areas: self reporting; returning the determination of charitable status to the ATO with a framework in place to ensure independence of decision making; a compliance framework; and what the transitional elements were about. So there were four key elements and there were questions related to each of those four elements put in the options paper and made the basis for the stakeholder consultation meetings.

Senator McLUCAS: So you did not ask the question: do you want the ACNC retained?

Dr Reddel: No, we did not.

Senator McLUCAS: Because the government does not want it retained.

Dr Reddel: It is government policy.

Senator McLUCAS: I understand that. You did not even ask the sector what they truly wanted. Was there any way to capture an alternative to the four options that you put forward?

Ms Bennett: There was the capacity to make written submissions.

Senator McLUCAS: Have you analysed those submissions?

Ms Bennett: Yes, we have opened the submissions, we have had a look at them and looked at the comments and the feedback that have been provided through the submissions—and also the public hearings.

Senator McLUCAS: So there were 230 face-to-face meetings and 90 submissions. Of those, how many people said, according to your analysis, that they would like the ACNC retained?

Ms Bennett: We would have to take that on notice.

Senator McLUCAS: Why do you not have it now?

Ms Bennett: Because we do not actually have the list of what the—

Dr Reddel: And also it was not the frame—

Senator McLUCAS: That is correct. You have made that clear, Dr Reddel. That is fine. You did not ask that question and the government does not want you to ask that question; I understand that.

Senator Fierravanti-Wells: Can I just make very clear the abolishing of the ACNC was an election commitment, Senator McLucas, and it was one of the first election commitments that we made. So we are going through this process. I wanted to make that very clear because you are sort of going around and I do not quite understand what you are getting at. The officials have been very clear. There is a process; it is on the website. I am not sure if you have consulted the website to actually see what is on there and what has been provided by the government.

Senator McLUCAS: I understand that totally, Minister. The point I was trying to ascertain from the officials was: of the 230 face-to-face meetings and the 90 submissions that have been already provided, how many of those people have actually said: we do not agree with what the government is proposing; we think the ACNC is a good and proper thing and the right way to regulate the not-for-profit and charitable sector. That is what I am trying to ascertain. It means a proper and open consultation and we should be hearing what people want to tell us.

Senator Fierravanti-Wells: It really was not the point of the consultation process Dr Reddel has outlined—

Senator McLUCAS: Thank you for saying that.

Senator Fierravanti-Wells: and the four elements that were outlined in the options paper. As I said, we did not ask that. We are going through the process that we indicated that we would be doing and the election promise.

Senator McLUCAS: But you do not want to hear what the community do want to say. That is fine. That is clear. It is on the record now.

Senator Fierravanti-Wells: I think we are going around in circles.

Senator McLUCAS: When is the second repeal bill due?

Dr Reddel: That is a matter for the government.

Senator McLUCAS: Will a regulatory impact statement accompany that second bill?

Ms Woolley: That is a requirement.

Ms Bennett: We have to do that.

Senator McLUCAS: Will there be an exposure draft of the second bill?

Dr Reddel: That will be a decision for the government.

Senator McLUCAS: And you do not know when that is due? Time lines are not known at this point?

Ms Bennett: No.

Senator McLUCAS: My final question is sort of about your role as DSS. You are the people who communicate with the not-for-profit sector, the people who do this work in the charitable sector, and our dear friends in Treasury. How do you work together? Is there a head of agreement? How do you manage the tension that must exist in that circumstance?

Ms Bennett: We have not found a tension with our relationship with the tax office.

Senator McLUCAS: Sorry, if I have misstated that.

Ms Bennett: In fact, they have participated in the consultations and been representative all the way through that. There is no tension between us and the tax office.

Senator McLUCAS: Can I interpose there? Please accept my apologies if I have misstated that. I was talking about the policy tension not the personal tension.

Ms Bennett: I do not think there is a policy tension either. The government has announced its policy commitment to repeal the legislation and to have replacement arrangements, so we have been working very closely with the tax office on how that might work. Many of the staff at the ACNC remain ATO employees—that is where they came from 18 months ago. So on practical issues, such as what would happen to those staff in time and what the changes are, we have been working very closely with them. As I said, they were at the consultation, so I do not think there has been any tension in the arrangement which is that it is an entity that sits administratively under the Treasury portfolio but where we have a policy contribution to make to the role of the ACNC and the future arrangements.

Senator McLUCAS: That is all I have. Thank you.

CHAIR: Minister, I have a couple of quick questions. I am pleased to hear that a regulatory impact statement will be part of it because the former government did not do a lot of regulatory impact statements.

Senator McLUCAS: What?

CHAIR: I am sure that a regulatory impact statement will show that this will reduce red tape.

Senator McLUCAS: That is not what everyone else is saying; that is not what the world is saying but—

CHAIR: I know that that is part of the intent. I will put to you, Minister, a couple of the public statements of submitters to the inquiry into this and see if you agree with them and whether or not they fit with the government's intentions. Universities Australia's submission says:

No public interest objective is advanced by the ACNC, imposing additional governance standards obligations on the university sector, which is already more thoroughly and comprehensively regulated by another government agency ...

Minister, do you think that that is one of the possible benefits of abolishing the ACNC?

Senator Fierravanti-Wells: Those comments are certainly consistent with the reasons why we want to abolish the ACNC.

CHAIR: And are you aware of the Independent Schools Council of Australia's submission which said:

... the regulatory burden has been increased on individual non-government schools by the establishment of the ACNC, creating a costly and confusing duplicative governance and reporting environment.

Senator Fierravanti-Wells: Again, that is consistent with the reasoning behind why we want to abolish the ACNC.

CHAIR: So presumably that could be one of the benefits of abolishing it—that there would be less red tape on many of these non-government schools. Are you aware also of the Association of Australian Medical Research Institutes' submission?

They have a lot to say. They say that for the MRI sector the ACNC Act has achieved no benefit and has in fact increased the administrative and regulatory burden for many organisations—the ACNC Act has complicated legislation for MRIs; the ACNC Act has also complicated the regulatory and reporting arrangements for charities; the ACNC Act has not been successful in consolidating and streamlining financial reporting requirements of MRIs. Do you agree with those comments, and do you see benefits should we repeal the ACNC?

Senator Fierravanti-Wells: There are certainly benefits associated with the repeal, and they are certainly not the matters which in earlier discussion certainly Senator McLucas would have been advancing and would have wanted to hear about. Thank you, Senator Seselja, for putting those on the record.

Senator SIEWERT: I could read out dozens and dozens of emails I have had from the community sector saying they support the ACNC. Do you want me to table the EY report, or the Curtin Business Centre report, about the value of the ACNC? Let's not have duelling submissions here. I want to ask about the charities passport. We were told last night that you had not signed up to the charities passport. I thought the department was actively engaged in that process.

Ms Bennett: I do not know what you mean by 'signed up'.

Senator SIEWERT: My understanding of what we were told last night by the ACNC was that a number of agencies had signed up to working with the charities passport that organisations can register for and that helps reduce red tape because they do not have to keep reapplying, or every time they apply they do not have to keep giving their details and all those sorts of things. I understood that FaHCSIA was engaged in that process but we were told last night that the Department of Social Services is not. I am wondering why.

Ms Bennett: Ms Pascoe, as she might have done with other agencies, suggested that it might be appropriate for the grant selection process. We did an analysis of the nature of organisations that would be applying for our grants and there was not a consistent engagement that they work within the rules—the ACNC legislation did not apply to them. The best practice guidelines from the Department of Finance in running grants and selection processes

asked organisations to be cognisant of other regulatory arrangements. We made an assessment on a number of factors, that firstly there was not a coverage for us and also this is an organisation that there is a government election commitment to abolish and so we made a decision not to use that passport facility.

Senator SIEWERT: When it is something that could live on beyond whether the ACNC survives or not—

Ms Bennett: In that case if the nature of the organisations that are involved applies, that would be something we would look at in future.

Senator SIEWERT: So A-G's has signed up, Environment, Health—

Ms Bennett: They would have made decisions on which organisations they were dealing with, how widely it would have applied. They are decisions that they would have made themselves, and it did not apply to the array of organisations that we were undertaking our grant process for. We talked to you before about how information is put into it, how it is worked with FOFMS, the scale of the selection process, and it was the same for everybody rather than having varied arrangements.

Dr Reddel: And we had already developed our own registration process prior to the passport coming into operation.

Ms Bennett: So information could be provided to us once that applies across all programs.

Senator SIEWERT: I thought that originally FaHCSIA were going to get involved in the charities passport.

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

Senator SIEWERT: That would be appreciated.

CHAIR: If there are no other questions on this outcome, we will move to outcome 4, housing.

[20:14]

Senator Fierravanti-Wells: I have a brief opening statement regarding unscrupulous entities trading in National Rental Affordability Scheme incentives. The government expresses its profound concern about allegations of possible fraudulent activity relating to the National Rental Affordability Scheme incentives in Ballarat and Geelong. The department has formally referred to police allegations that unscrupulous persons and/or entities have wrongfully claimed that they have NRAS incentives that are then on sold to unwary investors. Over recent weeks we have become aware of criminal and civil complaints also being made by parties affected by the alleged events. It has also been alleged that some parties have falsified correspondence from the department in order to convince potential investors that the incentives are legitimate. This may mean that in some cases investors may have paid large sums of money for nothing. The government warns investors, developers and charitable organisations to be wary of committing any funds towards a dwelling under NRAS without first verifying with the department that the property in question is indeed eligible for an incentive.

NRAS was a poorly designed scheme—one that the previous government rushed and one that the current government was concerned about. In the case of NRAS the government has been particularly concerned about the grey market in traded incentives that has emerged. That

is why from Tuesday, 23 December 2014 applicants who won a reserved allocation through an application round will be required to use it or lose it. In almost all circumstances applicants will not be able to sell a reserved allocation to another developer, or have it transferred to another dwelling. Now that allegations of fraudulent activity in Ballarat and Geelong are under investigation by law enforcement, it would not be appropriate for me to comment on those specific matters further. Those who believe they may be affected should seek independent advice. Additional information is available on the department's NRAS website, www.dss.gov.au/nras.

CHAIR: Thank you for that, Parliamentary Secretary. Senator Smith.

Senator McLUCAS: No, I am sorry; I have to go first. You cannot just allow that to go forward—

CHAIR: Sorry—

Senator McLUCAS: and not have a response. I have a series of questions that I need to ask.

CHAIR: Sorry. You are not chairing. I will go to Senator Smith and I will come to you when Senator Smith has asked his questions.

Senator McLUCAS: You do not know how to play this game yet, do you?

CHAIR: Senator Smith.

Senator Fierravanti-Wells: I am sure, Senator McLucas, you are not very happy about this given some of the comments that the Labor Party have made in relation to the NRAS scheme, so I am not surprised that you—

Senator McLUCAS: If we are going to play politics with NRAS—

Senator Fierravanti-Wells: are going to get a little bit huffy about it—

Senator McLUCAS: in Senate estimates and talk about fraud, let's do it evenly and fairly. You are talking about fraud. It is a big call, and—

Senator Fierravanti-Wells: Senator McLucas, the government has referred certain matters—

Senator McLUCAS: if there is fraud that should absolutely be investigated.

Senator Fierravanti-Wells: What are you getting worked up about?

Senator McLUCAS: I am not going to defend fraud.

Senator Fierravanti-Wells: What are you getting worked up about? The government has referred—

Senator SIEWERT: The comments that you made about the poor design of the scheme—

Senator FIERRAVANTI-WELLS: Of course it was a poorly designed scheme.

Senator McLUCAS: I have questions to ask and your Liberal Party chair has deferred to his colleague. Let's play Senate estimates properly.

CHAIR: Why is that inappropriate? What exactly is your allegation, Senator McLucas?

Senator McLUCAS: That the allegations that the parliamentary secretary has put on the table need ventilation. We need to talk about this in an open way and a fair way.

CHAIR: So you would like to examine the particular case that has been referred to the police?

Senator McLUCAS: The minister has said a lot very quickly and I need to ask questions about where that has been published, how it has been prosecuted and when these questions were—

Senator Fierravanti-Wells: I am not sure you understand. There are certain matters that have been referred to the police, which are under investigation.

Senator McLUCAS: Good. I need to ask questions.

Senator Fierravanti-Wells: If you had been listening, that is precisely what I said.

Senator McLUCAS: There is no need to ask questions about that.

Senator Fierravanti-Wells: Let us get on with it.

CHAIR: Indeed.

Senator SMITH: In the first instance, Senator Fierravanti-Wells, could you circulate that opening statement?

Senator Fierravanti-Wells: Certainly. I am happy to have it copied.

Senator SMITH: I was going to go to an article that appeared today in the Ballarat paper *The Courier*. Have you seen the article?

Senator Fierravanti-Wells: Perhaps it might be worthwhile if you have a spare copy—

Senator SMITH: I have my highlighted copy.

Senator McLUCAS: The history of this committee is that, if anyone is reading from a document, that document needs to be provided to every member of the committee. Senator Fierravanti-Wells knows that better than most.

Senator Fierravanti-Wells: I was just asking Senator Smith whether he had a copy and was about to ask for the—

Senator McLUCAS: Yes, I know. You were being helpful.

Senator SMITH: Secretary, are you familiar with the article that appeared today in Ballarat's *Courier*?

Mr Pratt: I have read it, yes.

Senator SMITH: What was your reaction to the article when it was brought to your attention?

Mr Pratt: We have been aware of the allegations for a period, and the department has looked into the circumstances around this. As the senator has indicated, these allegations have been referred to law enforcement agencies.

Senator SMITH: The minister did mention—and it is referred to in the article—the cautionary note, or the warning, that went onto the department's website today, the text of which I also have here. Perhaps you might just read out the warning notice that went on the website.

Mr Palmer: It went onto that website on 10 October.

Senator SMITH: Can you read out what it says.

Mr Palmer: Certainly. It has some length:

Cautionary Note to Developers, Investors and Charitable Organisations: Trading of Incentives under the National Rental Affordability Scheme

General Warning

Be extremely careful before agreeing to pay any funds in respect of a transaction involving an allocated or reserved incentive under the National Rental Affordability Scheme (NRAS).

The Department has recently become aware that dwellings are being marketed in circumstances where the dwellings may be falsely represented as having NRAS incentives attached. Falsified documentation may be provided to support such claims.

In addition, the Department is concerned that people may be offering to get an NRAS incentive attached to your dwelling. It should be noted in this regard that in almost all circumstances, the capacity to transfer a reserved incentive to a new dwelling will be ceased from Tuesday 23 December 2014.

Background

The Department has become aware of unscrupulous persons/entities who purport to have NRAS incentives under the Scheme, and who are then selling those “incentives” to unwary investors, developers and charitable organisations. The persons involved may have been falsifying correspondence from the Department as “proof” that they hold the incentives. In some cases, people have found that they have paid a large sum of money for nothing.

What should you do about it?

If you have paid money and subsequently discovered that you have been taken advantage in this way, we recommend that you seek legal advice and or report it to the police. As it is bound by the legislative framework, the Department has no authority to provide you with a separate incentive to make good the loss you have suffered.

Subject to seeking your own legal advice, we would recommend that you do not agree to the payment of any funds until you have received direct confirmation from the Department (not passed to you by a third party) that an NRAS incentive is reserved or allocated in respect of a particular dwelling.

Similarly, we would recommend that you do not agree to enter into a commercial arrangement, where the seller will not agree to give you authority to approach the Department directly and confirm that a dwelling has a NRAS incentive reserved or allocated in respect of it.

Please note:

- The Department has rejected and may reject requests to transfer an incentive from one dwelling to another. The regulations require a stringent assessment before a transfer can be agreed. You should await the outcome of an application to transfer.
- A reserved allocation cannot be transferred to a dwelling that has already been tenanted.

That is the end of the statement.

CHAIR: Mr Palmer, did you say that was 10 October?

Mr Palmer: That is correct.

CHAIR: What prompted the department to place that long detailed warning around NRAS?

Mr Palmer: We became aware of a number of allegations and, as we looked into those applications, we became concerned that the allegations had some substance and that is why they have been referred to the police. It was a general warning to people who operate in the area and we thought it was appropriate to put a warning on our website.

Senator SMITH: How many allegations did you inquire about? How many did you referred the federal police?

Ms Hand: Senator, we really cannot comment on the specifics.

Senator SMITH: I will ask questions and if you cannot comment I will accept that. When did you feel satisfied that the information you had was an allegation that you should pursue?

Ms Hand: Early October is my recollection. Our internal Compliance and Assurance Branch had been investigating for some time and, as Mr Palmer said, there was sufficient substance for us and we were sufficiently concerned—and so was the minister—that we referred it to relevant authorities, including the police.

Senator SMITH: When I saw today's article I thought it was a person, but I reminded myself about the notice was put up on the website. It is very clear from that the word 'persons' in the plural appears in that notice and so this is not just an isolated incident that someone like myself saw in today's *Ballarat Courier*. Can you talk a little bit more about the compliance regime and how it revealed some problems?

Ms Hand: The first thing I would say in respect of the particular allegations is that we really cannot comment any further for obvious reasons.

Senator SMITH: I am more interested in the systemic issues of when we found out about it.

Ms Hand: We monitor on an ad hoc basis and through paperwork submitted from approved providers their activities and if we, through our ongoing monitoring or our spot checks, become aware of behaviour that is of concern we investigate that internally first. If we are sufficiently concerned, we refer it to relevant authorities—that might include ASIC, the police or other relevant regulatory authorities.

Senator SMITH: On this point—

CHAIR: My apologies for interrupting, but I should just say that Ms Hand is correct in being very clear not to make any comment about cases that have been referred to the police. I say that as a reminder for any questioners to stay away from the specifics of the case, but the scheme itself and broader concerns are fair game.

Senator SMITH: Can you detail for me the actions that the department has taken since 10 October with the website notice? Then I have some questions about pre-10 October.

Mr Palmer: The actions we have taken—

Ms Hand: Senator, they really are consistent with what I just said. Detailed internal investigations which preceded 10 October led to us being sufficiently concerned to consult the relevant authorities. It is a big step to put such a strong notice on your website; you need sufficient substance to put such a cautionary note on your website because the last thing you want to do is scare people unnecessarily. We did not want potential investors—

Senator SMITH: I do not think the problem is scaring people by putting something on your website, because a whole bunch of people probably do not go to your website.

Senator McLUCAS: Exactly.

Senator SMITH: Exactly! Thank you. Ms Hand, what else did you do?

Ms Hand: We have done an enormous amount of communication work with people externally to ensure that they are aware of the potential for unscrupulous providers and the

fact that they should always check and double check and seek advice direct from the department to make sure they are in fact genuine incentives.

Senator SMITH: Thank you very much, because that was the point I was getting at. The issue with regard to a grey market and the trading of NRAS incentive certificates is not new, is it?

Mr Palmer: No, it is not new.

Senator SMITH: And, if I remember correctly, I think in July this year the issue of knowledge of the so-called grey market was a point of discussion, or debate, at the economics reference committee.

Ms Hand: That is right.

Mr Palmer: That is correct.

Senator SMITH: And if I remember, the suggestion then, so July this year, was that the so-called grey market in NRAS incentives was 'anecdotal'. Is that the correct word?

Mr Palmer: I think what I said—you asked did we have direct evidence of it, and we had had a lot of people who had provided us with anecdotes that it was occurring, but no-one had provided us with documentary evidence. It was anecdotal in that sense, not in the sense that we doubted that it was happening. I think we were fairly convinced the practice was occurring; we just did not have documentary evidence of the practice.

Senator SMITH: And what efforts did you make to seek out documentary evidence or to satisfy yourself that the anecdotes were just anecdotes, that there was not any substantiation to them?

Mr Palmer: We have amended the regulations. They were amended, and came into effect on 23 September. Going forward, people who seek to make a change request under the regulations must disclose all commercial arrangements that they are involved in that relate in some way to that change request. From 23 December the capacity to seek an agreement for the department to shift an allocation from one dwelling to another will cease in all but situations involving natural disasters.

Senator SMITH: Looking at it a different way: how long had you been aware of anecdotal evidence about the grey market trading of the NRAS incentives? How long was the department aware of the anecdotal evidence?

Mr Palmer: I do not have a date for when we first became aware of it, but it would be a number of years.

Senator SMITH: A number of years?

Ms Hand: I should point out that it is not actually illegal—well, it was not illegal.

Senator McLUCAS: That is correct; it was not illegal.

Senator SMITH: I know—

Senator McLUCAS: We are talking about separate two types of trading.

Senator SMITH: Do not step on this landmine, Senator McLucas. Do not step on this landmine, because this is exactly where I am going.

Senator McLUCAS: Be careful!

Ms Hand: Senator, if I could I will just to finish: it is not in the spirit of the scheme, obviously, and so the regulations that Mr Palmer referred to are designed to stop this practice.

Senator SMITH: Which brings me to the question of the design of the scheme. I was going to have a discussion around the use of the word 'rort', but I recall that in July, at the economics reference committee, it did cause a very strong exchange of words between some senators who are here with us this evening. Let us talk about the design of the scheme and the existence or the non-illegality of the trading in incentives. Ms Hand, what did you just share with me then about the spirit, and can you explain that a bit more?

Senator SMITH: Prior to the introduction of the regulations that came forward in September, trading of incentives was not illegal; however, it was not in the spirit of the original design of the scheme. At best you could say that it was nothing more than profiteering and at worst you could say that NRAS applicants may have lodged bonus applications with the intent of winning some reserved incentives and obviously the goal of on-selling them. The regulations that were brought forward in September were designed to stop that practice going forward.

Senator SMITH: So it was either poorly drafted legislation or a poorly designed scheme—or both.

Mr Palmer: I think you are asking us for a comment, Senator.

Senator McLUCAS: That would be reflecting on the department I think.

Senator SMITH: Well, Mr Palmer, much has been said about the NRA Scheme during various estimates. My question then is: if we had anecdotal evidence for a number of years that we knew of conduct that may not have been illegal but certainly was not in the spirit of the scheme was happening and we only had a regulatory amendment in September this year, I would not regard that as responsive public policy.

Ms Hand: Minister—

Senator SMITH: Senator.

CHAIR: It will happen.

Ms Hand: Senator, as Mr Palmer and I have said, we obviously have had concerns for some time. There is rigorous internal monitoring and compliance activity, but, as Mr Palmer said, we just had no evidence. In terms of the design of the scheme, we have been working with Minister Andrews's office on making some enhancements. They include—there may be others to come—the regulation changes that were made in September, so you cannot change your dwelling or location or the style of the dwelling unless, as Mr Palmer said—

Senator SMITH: My next question was going to be: what is the current minister's attitude, and what remedies has he asked the department to initiate or start to put in place around this? Is there anything more you want to add to that?

Ms Hand: The minister has spoken about this publicly on numerous occasions, as I am sure you know, and has made it very clear that he is not happy with the potentially unscrupulous behaviour of providers and particularly with the issue of the trading of the incentives.

Mr Palmer: There is a further specific regulation that I did not mention earlier—that is, if we find that, in making a request to change, an applicant puts in false or misleading information then that can be grounds for withdrawing the incentive.

Senator Fierravanti-Wells: Can I just make a point here?

Senator SMITH: But it was not a feature of the original design?

Mr Palmer: No, that was not a feature of the original design.

Senator Fierravanti-Wells: Can I just make a very important point here? This was a program of the previous government, and we have now been left to clean up this mess. While the officials will assist with questions around the detail, I think it is very, very important that everyone understands that this was a badly designed scheme of the previous government—one of a number that they were guilty of. It needs to be said. The officials are now cleaning up a mess left by the previous Labor government. I would like to put that on the record.

Senator McLucas interjecting—

Senator SMITH: It is certainly etched in my mind.

CHAIR: Can I just go back to this issue that Senator Smith was pursuing about the intent?

Senator McLucas interjecting—

CHAIR: Is the evidence that the scheme was designed not with the intent of allowing grey market trading to occur? Is that the intent behind the scheme?

Ms Hand: That is my understanding.

CHAIR: But surely it would have been foreseeable though that this could happen? Even if it was not the intent, the way the scheme was designed—

Senator SMITH: Obvious risk.

CHAIR: would it not have been obvious that this was a potential risk of the scheme?

Ms Hand: That may be the case, but unfortunately neither Mr Palmer nor I were involved in the design of the scheme, so we cannot really comment.

CHAIR: Was there any sort of risk assessment done at the time in terms of the downside to these sorts of allegations that we are seeing at the moment? Was there any risk assessment done that this kind of trading—and, in fact, potentially worse allegations—could occur or could be encouraged by this scheme?

Mr Palmer: I am not aware of anything. If you want, we can look through our files, but we would have to take that on notice.

Ms Hand: One thing I should explain, which may not be clear to all the committee, is that this program has suffered, to a certain extent, from machinery of government changes. It began in the former FaHCSIA. It moved to the SEWPAC then it moved back to FaHCSIA. So some of the questions that we were asked by the committee and that Senator Smith talked about earlier and also here tonight are difficult to answer without having relevant officials from those departments here.

Senator SMITH: Some policymakers in governments would not put you in the difficult position of having to administer poorly designed programs. The emphasis and requirement should be on government to design good programs and to design them well, so when

machinery of government is happening—as night follows day—programs can still be efficiently administered and taxpayers' money protected.

CHAIR: On two aspects of the statement, I was wondering if we could get some clarification. The statement says that over recent weeks, we have become aware of criminals who have complaints. I do not want to know the details of the criminals who are complaining—although, I imagine the civil complaints would probably be somewhere on a court register—but I am interested in how many. Are we talking about one or two? Are we talking about many? I am interested to know—

Ms Hand: Senator, I really cannot answer that. I am not in that position.

Senator Fierravanti-Wells: You just ruled that out of order.

Senator McLUCAS: We ruled that out of order earlier on.

CHAIR: No, I did not rule that out of order. What I am saying is that we are not going to the detail of any complaints—

Senator Fierravanti-Wells: We are not in a position to—

CHAIR: So you cannot—

Senator McLUCAS: You said yourself that you ruled that out of order.

CHAIR: And the same with the referring. Because it says 'police allegations', we know that it is more than one but that is all that you can share with us.

Senator McLUCAS: Chair, a point of order—

Ms Hand: The problem is we jeopardise the potential police investigation—

Senator McLUCAS: Sorry, Ms Hand, I just called a point of order. We have been on this outcome for half an hour. The total allocation to this program is one hour, except that standing order 26 may have to be invoked.

CHAIR: Indeed.

Senator McLUCAS: The good faith that I have shown you as chair, I think, has just gone down the drain.

CHAIR: Sorry, I am not sure what that good faith is, Senator?

Senator McLUCAS: The good faith about trying to manage this program. This has been a set-up. I am a little disappointed with this constructed activity and the players in this activity. If there is fraud, prosecute the buggers. Take them to the cleaners. We are talking about a number of events that have occurred in Ballarat and Bendigo. Wherever it is: take them to the cleaners. But to conflate these allegations to what we have heard Senator Smith talking about, the half an hour of adding on to this dreadful program that has actually built 24,000 homes, thank you very much—

CHAIR: Senator McLucas—

Senator McLUCAS: who is now playing the politics?

CHAIR: This is no longer a point of order—

Senator McLUCAS: We have one hour to talk about housing and homelessness in these Senate—

CHAIR: This is a speech.

Senator McLUCAS: estimates, and this has been absolutely hijacked—

Senator SMITH: This is a pattern of behaviour. We heard today that the dementia and severe behaviour supplement—

Senator McLUCAS: I put to you—

Senator SMITH: is poor design. We have seen the National Broadband Network, poor design—

Senator McLUCAS: the smiling minister—

Senator Fierravanti-Wells: I am not smiling, Senator McLucas.

Senator McLUCAS: absolutely—

Senator FIERRAVANTI-WELLS: I do not smile about chaos and dysfunction. With six housing ministers, you should be ashamed of yourself, Senator McLucas, to even come in here with this diatribe—

Senator McLUCAS: Let's get on with the program, except for this constructed little event—

Senator Fierravanti-Wells: You had six housing ministers in six years—

Senator McLUCAS: an absolutely orchestrated event, and you have—

Senator Fierravanti-Wells: and they left absolute chaos and dysfunction.

Senator McLUCAS: inveigled your department—

Senator Fierravanti-Wells: Don't you dare come in here and accuse government senators of raising issues—

Senator McLUCAS: You should be ashamed.

Senator Fierravanti-Wells: about chaos and dysfunction.

CHAIR: Minister—

Senator Fierravanti-Wells: If you have a question, Senator McLucas, ask it. This is why we are here.

CHAIR: The problem, Senator McLucas, is that you were not making a point of order; you were making a speech. So I am going to go to Senator Smith, and he has one last question.

Senator SMITH: Has the Australian National Audit Office been asked to conduct an audit or an inquiry? Is this a part of their work program? Of course, they are the most suitable people to investigate problems or failings on the government side of the equation and, of course, law enforcement people are responsible for the other side of the equation. So what, if any, action is the Australian National Audit Office expected to take?

Ms Hand: I will let Mr Palmer talk to the detail. But through our internal audit processes and our audit and risk management committee we regularly report on any issues. We have reported to the committee on this issue and the actions we are taking to mitigate issues with the program. The ANAO has indicated a desire to audit the program and we would welcome that. I should also say that we have instigated our own health check, or review, of the program to really look at all the potential issues and come up with a short and longer term plan to address any issue associated with the program.

Senator McLUCAS: I would just like to place on the record that any fraudulent behaviour by any person in any program should be prosecuted to the fullest extent of the law. You are talking about a number of allegations. I understand, Ms Hand, that you are not going to tell us how many there are but it is in the nature of the plural. That should be pushed and pursued. But I do want to know about the timing of this. I think this is rather remarkable. Mr Palmer has talked about putting a notice on the website when you became aware of this on 10 October. Is that correct?

Mr Palmer: That is when the notice went on the website. That is correct.

Senator McLUCAS: What else did you do?

Mr Palmer: I also sent the notice to all states and territories. I spoke to the president and the secretary of NRAS Providers Ltd with a draft notice before I put it on our website.

Senator McLUCAS: What other public activity did you do?

Mr Palmer: I have not done any further public activity.

Senator McLUCAS: Did you recommend to the minister that he do something public about this?

Mr Palmer: I provided a brief to the minister outlining the situation and suggested some pathways forward.

Senator McLUCAS: And the first time this has made the public arena is in the *Courier* today?

Mr Palmer: That is my understanding, yes.

Senator McLUCAS: Today?

Mr Palmer: Yes.

Senator McLUCAS: The day of housing and homeless estimates. Has the senior minister—

Senator Fierravanti-Wells: What are you inferring there? Can I just ask you to clarify—

Senator McLUCAS: Oh come on, you have had half an hour in the sunshine! Can I ask some questions?

Senator Fierravanti-Wells: What are you inferring?

Senator McLUCAS: I am asking a question. Mr Palmer, you have put it on the website and you recommended to the minister that certain things happen—I do not want to know the nature of that recommendation. The first time it has become public that there are allegations of fraud that need to be investigated is in a paper called the *Courier* today. Is that correct?

Mr Palmer: That is my understanding.

Senator McLUCAS: Thank you very much.

Mr Palmer: The journalist from the Ballarat *Courier* has been in contact with us last week and this week—not with me personally but with our immediate area.

Senator McLUCAS: Do you have any idea of where Mr Vallely was tipped off?

Mr Palmer: I have no idea.

Senator McLUCAS: No. It is a bit inappropriate for me to ask you.

Senator SMITH: It might have been Uniting Care, Catholic homes or St Laurence who felt cheated.

Mr Palmer: He might have read the website.

Senator McLUCAS: It might have been. Minister, your public statement tonight is the first public statement from the executive about this matter?

Senator Fierravanti-Wells: There has been—

Senator McLUCAS: Sure, the website has got it up. But this is the first public statement from the executive? The minister has not said anything in the public arena? There is no press release that I can be alerted to?

Senator Fierravanti-Wells: I have made this statement this evening. I shall take on notice whether there have been other comments made by the minister of which I am not aware.

Senator McLUCAS: Mr Pratt, do you know of any statements from the minister?

Mr Pratt: I am not aware of any other statements by Minister Andrews.

Senator McLUCAS: I think the case is pretty clear. This has been a total set-up, and to waste—

Senator Fierravanti-Wells: Oh, really, Senator McLucas!

Senator McLUCAS: estimates time on something that is as serious as this—to make a political point about something—

Senator SMITH: There is a statement—

Senator Fierravanti-Wells: There has been a statement on the department's website. Obviously, Senator McLucas, you were not very assiduous in your investigation—

Senator BILYK: Chair, what happened to the 'no interruption' rule?

Senator McLUCAS: Your defence of your behaviour tells me a lot!

Senator Fierravanti-Wells: because you have only just become aware of it!

Senator SMITH: You have *The Australian* on 11 March say, 'ALP housing scheme abused'. We had articles on 29 September, again in *The Australian*, about the NRAS incentive payments. We have had communications with stakeholders—

Senator McLUCAS: Excuse me, Chair, I have a point of order.

Senator SMITH: If this is the best of your detective—

CHAIR: Order! The point of order is accepted. Senator McLucas has the call.

Senator McLUCAS: Thank you very much. These are serious allegations. They warrant sensible and reasoned analysis. They do not warrant a political bunfight at half-past nine at night at Senate estimates. And I am—

Senator Fierravanti-Wells: Well, that is your opinion, Senator McLucas.

Senator McLUCAS: disappointed with you, Minister, that you would use this forum to—

Senator Fierravanti-Wells: That is your opinion, Senator McLucas, but you have a whole litany of people who have been out in the public arena—

Senator McLUCAS: Excuse me, Chair, can I have my—

Senator Fierravanti-Wells: defending this absolutely appalling program—

Senator McLUCAS: Come on!

CHAIR: Senator Fierravanti-Wells, order!

Senator Fierravanti-Wells: I am not surprised that you, yourself, are coming in and making grandstanding yourself.

Senator McLUCAS: Chair?

CHAIR: Order! We will try not to speak over each other. I do not know if Senator McLucas was still speaking—

Senator McLUCAS: I was still speaking, thank you.

CHAIR: so could you wait for Senator McLucas to finish before responding.

Senator McLUCAS: My assertion is that this is not the right place to ventilate the allegations that you are making. They are serious allegations that should be prosecuted to the end but not by using this forum to make these allegations into a political statement of attack against a program that may have had some serious problems—it may have—but my suggestion to you is that these problems are on the edge.

I want to ask some questions about a review of housing and homelessness, thank you very much.

Senator Fierravanti-Wells: Just before we close this, can I—

CHAIR: You can respond to that, but Senator Smith has a final one that I missed and then we will go to other questions.

Senator SMITH: In all seriousness: Secretary, Ms Hand and Mr Palmer, you will recall that at previous estimates I have talked about the NRAS scheme. Minister Andrews is in the media as having visited Albany, where I talked to him personally about the NRAS scheme. My interest in this is longstanding, but thank you for—

Senator Fierravanti-Wells: Can I just say—

Senator SIEWERT: You always—

Senator Fierravanti-Wells: given the comments that have been made and the commentary that has been put in relation to the NRAS scheme in estimates, in inquiries, by the department and by the minister, I find your comments, Senator McLucas, absolutely outrageous. You should be ashamed of yourself.

Senator McLUCAS: I am terribly wounded. Let's go to the review of housing and homelessness. Question No. 127: I have some questions about housing and homelessness. As we discussed earlier today, Mr Pratt, I received a response that I found less than satisfactory.

I found it less than satisfactory because I have never been referred to a *Hansard* in an answer to a question previously, where we traversed these actual questions and people said they would take it on notice. So I was somewhat offended to receive that answer. But, given your invitation this morning, I will now ask the question. Minister Andrews has referred to a review of housing and homelessness policy and programs from November of last year. Most recently, he has referred to it in a speech in September. So I ask: when will this housing review start?

Mr Pratt: I will allow Ms Hand and Mr Palmer to address that side of things. Can I just go back to the question on notice response first?

Certainly, it was not our intention to offend you with our answer. As I was attempting to explain this morning, the reason for the referral to that transcript was because of the context. At that time during the hearings, it was clear that we were unable to answer those questions because they were not yet determined—the issues that you were seeking detail on. That remained the case at the time when we had drafted the questions, so there was no intention to say: please see a transcript which says we will take that on notice. It was basically around the detail that was provided at that time. Without wanting to suggest that we are unresponsive to questions on notice—because, as we indicated earlier today, we see the Senate estimates process as being very important and as part of the accountability process, and we certainly put a lot of effort into trying to answer questions—when we have such a large number of questions we are always going to look for ways to try and reduce the amount of workload. Where we have nothing new to add to what was previously presented, that is the reason for a referral back to the transcript. So please be assured that there was no intention to brush you off in any way with that answer. Ms Hand can update you on questions around the housing review.

Senator McLUCAS: We do go on, Mr Pratt. The reason things go on notice is that sometimes there is a time lapse between the actual day of asking questions across this table and the day that the answers are given. Given that time lapse, the answers surely should have been: 'There has been no progress. Nothing has changed since estimates. There is still nothing to report about this review.'

Mr Pratt: That may have been a better formulation.

Senator McLUCAS: Thank you. When will this review start?

Ms Hand: The government's primary vehicle for considering housing and homelessness is being done through the reform of Federation—the white paper process—which has a particular focus, amongst other things, on housing. There will be an issues paper on housing and homelessness coming out, we expect, by the end of this calendar year. The reform of Federation review is considered the right process to really look deeply at housing and homelessness issues because, as you know, the service delivery for housing and homelessness is done almost exclusively by the states. The Commonwealth is involved in terms of its funding role through agreements through the NAHA and the National Partnership Agreement on Homelessness, and so it is considered that, to really look deeply at the issue, it is appropriate to do it through the review of Federation process. Having said that, the minister and government continue to meet regularly with stakeholders and on issues of housing and homelessness, and will continue to do so. Concurrently, the minister intends in the very near future to host roundtable discussions with representatives, stakeholders and service providers on housing and homelessness matters. From those ongoing consultations and roundtables, relevant issues will feed into the review of Federation process to inform that deep review.

Senator McLUCAS: So you are telling me that the announcement that Minister Andrews made in November of last year and repeated on three or four occasions, most recently in September at the Gold Coast conference where he said that he is currently talking with the Prime Minister, no less—that review is now not going to happen?

Ms Hand: A very deep review is going to happen through the review of Federation, and I guess—

Senator McLUCAS: Sorry, Ms Hand—I have asked you a specific question, and I want the answer. Sorry, I am a bit tired and I need the answers quickly.

Ms Hand: Minister, the government does not believe—sorry, why do I keep on saying 'Minister'? Senator, the government does not believe in creating duplicative bodies, and so after a lot of due diligence and analysis it has been decided for the minister to feed into the review of Federation process through the ongoing roundtables and the stakeholder consultation that he has.

Senator McLUCAS: So it has taken us more than 12 months to understand that there might be a duplication given that COAG met in December of last year and disestablished the ministerial council on housing? COAG then at that time—and I am sorry, I should be looking at the minister—said that we were not going to have a ministerial council on housing and disestablished all of the consultative mechanisms between states and territories and the Commonwealth. It then said we were going to have a full review into housing and homelessness policy. It said in December of last year that we were going to have a review into the future of Federation and a taxation white paper. And now, tonight, we find out that, some 13 months after the announcement of that review, it is not going to happen. This is quite extraordinary. Nothing has happened in housing and homelessness in 13 months except the announcement of many reviews. But I want to point you, Minister, to the words from Minister Andrews when he said:

These are all issues which should be looked at and considered in detail. While our Tax White Paper and our Review of Federation will consider some of these issues—

He was talking about affordability, the need for assistance in housing and a proper role for Commonwealth and state. He said:

While our Tax White Paper and our Review of Federation will consider some of these issues they will not comprehensively deal with housing policy as a whole.

So where are we going to do that work? Where is the review, the policy work, going to happen? Ms Hand quite rightly says that it is going off to the review of Federation and review of taxation. Is that it? Is that the end of the federal government's involvement in housing and homelessness policy in this country?

Senator Fierravanti-Wells: As Ms Hand has indicated to you, we do not believe in creating unnecessary duplication and duplicate bodies for their own sake—

Senator McLUCAS: No, your minister has said that for some of these issues they will not comprehensively deal with housing, with policy, as a whole.

CHAIR: Senator McLucas, just as I asked Senator Fierravanti-Wells not to speak over you, I would ask you not to speak over her. I will ask you to allow her to answer, and then you can come back and ask more questions.

Senator Fierravanti-Wells: I think it is really a bit rich, Senator McLucas, to say that nothing has happened on homelessness. Let us not forget that you did not budget a single dollar for the National Partnership Agreement on Homelessness, and we had to take action in relation to that, so—

Senator McLUCAS: Bring your own violin!

Senator Fierravanti-Wells: I find it somewhat hypocritical on that point. But, as Ms Hand has indicated, the minister will continue his practice of consulting with a broad section

of stakeholders to continue our thinking on housing and homelessness policies. We have concluded that the optimal vehicle for refining our housing and homelessness policy will be through the Federation review.

Senator McLUCAS: Let us go to consultation. In answer to question No. 132, Ms Hand, you said that the minister is intending to have lots of consultations with people. To question No. 132 you said that the minister at that stage—it was handed to us on 25 July—had met with the Community Housing Federation of Australia, the Property Council of Australia, National Shelter and Homelessness Australia. And then the answer goes on to say that the minister has been consulting with state and territory governments using the Housing and Homelessness Ministers' Advisory Committee and the Housing and Homelessness Policy and Research Working Group. Were they currently working on 25 July 2014?

Mr Riley: At the time the question was drafted, we had recently met with state and territory officials through both of those forums, so I thought it was appropriate that we pointed that out in the answer.

Senator McLUCAS: It is a joke, Mr Riley. They are disbanded. They are gone.

Mr Riley: We had met through—

Senator McLUCAS: There is no forum for consultation between this government and states and territories. When I read that, I thought, 'Someone's pulling my leg.' These were disbanded from the COAG meeting in December last year and finished at the end of June.

Ms Hand: Housing and homelessness, as you probably know now, are looked at under the COAG Council on Federal Financial Relations. On top of that, in the normal day-to-day business, both the minister and the department at officials level meet with our state and territory colleagues and other relevant stakeholders on a regular basis. That includes in meetings called chief executives meetings, where the chief executives from the states and territories come together, and, as appropriate, the department will join those meetings or not. So there are other vehicles for informal consultation, but the formal consultation now happens through the COAG Council on Federal Financial Relations.

Senator McLUCAS: Who sits on that from here?

CHAIR: I will just interrupt you there. We were due to break at nine o'clock. I said we would assess whether we would be finishing. I suspect we will not be because you appear to have several more questions, and I know that Senator Reynolds and Senator Siewert have some questions in this area.

Proceedings suspended from 21:05 to 21:19

Senator McLUCAS: Is there a review of the National Partnership Agreement on Homelessness?

Mr Palmer: The National Partnership Agreement on Homelessness will be picked up in the federation review process.

Senator McLUCAS: Is the Department of Social Services involved in the drafting of the issues paper?

Mr Palmer: We are not actually drafting it, but we have been—

Senator McLUCAS: That is not the question I asked. I asked: is the department involved in the drafting of the issues paper?

Mr Palmer: We are not actually drafting it, but we have been consulted quite substantially by the Department of the Prime Minister and Cabinet on its drafting.

Senator McLUCAS: So the answer is yes?

Mr Palmer: Yes.

Ms Hand: We are providing input.

Senator McLUCAS: What sort of input have you been asked to provide?

Mr Riley: We have provided historical input around government involvement in housing over an extended period—a lot of factual content.

Senator McLUCAS: So figures, amounts of money, purposes of programs—

Mr Palmer: Broadly, yes.

Senator McLUCAS: Outputs of what those programs have delivered?

Ms Hand: As you are probably aware from the terms of reference for the review of federation, it is very comprehensive, so the input we have been asked to provide and have provided, where we have been able, is also quite comprehensive.

Senator McLUCAS: Even though the minister says this will not cover all housing and homelessness policy?

Ms Hand: As I said, we in the department have provided comprehensive input.

Senator McLUCAS: On notice could the committee receive a precis of the work that you have undertaken?

Ms Hand: We will take that on notice. Obviously, it is a draft issues paper that has not been published yet, so we will take that on notice.

Senator McLUCAS: I am looking for the nature of the advices that you have provided, not the content.

Mr Palmer: Certainly.

Senator McLUCAS: What has been the nature of the consultation between states and territories around the National Partnership Agreement on Homelessness in the last period, given that the NPAH is only funded to the end of this current financial year and the white paper will not be completed until after that?

Mr Palmer: This is the second national partnership agreement that has been a one-year agreement.

Senator McLUCAS: That is correct.

Mr Palmer: We are only in the last stages of finalising the last action plan in respect of that agreement. As happened in the two previous years, I would expect that, first of all, a government decision is needed about continuing or about a further national partnership agreement. I would expect, as happened in the last two years, that that would happen somewhere between MYEFO and budget—in that part of the calendar. Once that government decision has happened, we will then, as we did in the first six months of this year, negotiate that with the states and territories if that is the government's decision.

Senator McLUCAS: So you are telling me that there have been no discussions with states and territories to this point in time about an extension of NPAH after the end of June 2015?

Mr Palmer: There have been no discussions at this point, but it is on the agenda for our meeting next week with the states and territories.

Senator McLUCAS: Is this the chief executives meeting that Ms Hand is talking about?

Mr Palmer: That is correct.

Senator McLUCAS: Who will attend that meeting?

Mr Palmer: I will be attending that meeting.

Senator McLUCAS: The term 'chief executives meeting' is unknown to me.

Mr Palmer: It is the heads of housing and homelessness agencies in the states and territories.

Senator McLUCAS: Does that replace the Housing and Homelessness Policy Research Working Group?

Mr Palmer: It is not a formal mechanism as the former Housing Ministers Advisory Committee, HMAc, was; it is an informal network.

Senator McLUCAS: So it is all very ad hoc, as I thought.

Mr Palmer: We do talk to the states and territories about policy matters quite regularly.

Senator McLUCAS: You just do not have a proper format to have minuted discussions where we can actually come to agreement.

Senator Fierravanti-Wells: Chair, can I just remind Senator McLucas: you had such a great concern for homelessness that you left it without a single dollar, and we have now funded it for a couple of years.

Senator McLUCAS: That does not wash anymore, Minister.

Senator Fierravanti-Wells: So change your tone, Senator McLucas, and do not attack the officials.

Senator McLUCAS: It does not wash—I am not attacking the officials.

Senator Fierravanti-Wells: You obviously were not very concerned about it.

Senator McLUCAS: I am asking questions of the officials.

Senator Fierravanti-Wells: Do not criticise ad hoc arrangements in your comments to the officials when you did not leave a single dollar for these agreements. Get off your high horse.

CHAIR: Thank you, Senator McLucas.

Senator McLUCAS: Right. Is the National Affordable Housing Agreement going to be reviewed as well?

Mr Palmer: The National Affordable Housing Agreement exists in perpetuity. It is not a time—

Senator McLUCAS: I understand that; you have told me that twice before.

Mr Palmer: It will be reviewed as part of the federation review. In reviewing housing and homelessness under the federation review, the NAHA would be front and centre in that process.

Senator McLUCAS: The funding for the NAHA is in the forward estimates till when?

Mr Palmer: My understanding is forever.

Senator McLUCAS: Yes, I understand that, but I mean the actual dollars in the forward estimates.

Mr Palmer: The forward estimates go for four years, so—

Senator McLUCAS: And there are dollar allocations for those years?

Mr Palmer: Yes, but it is understood to be beyond that as well.

Senator McLUCAS: The minister expressed a desire to receive more information from states and territories about the outputs for the NAHA. You did provide me an answer on notice about that, which required some further understanding.

Mr Palmer: What number was that?

Senator McLUCAS: I am sorry, I cannot put my finger on it. I would have to go on notice! There was a question on notice—and I cannot find it—around the indexation on the NAHA. Would you explain how that worked.

Mr Palmer: There are some dark arts that are even beyond me. It is indexed by Treasury and there is a formula. I cannot recall what the nature of that formula is. I do not know whether Mr Riley recalls.

Senator McLUCAS: Is it WCI1 plus 75 per cent but 25 per cent of CPI?

Mr Palmer: It is something complicated like that, but I cannot remember the exact detail. I am happy to take that on notice.

Senator McLUCAS: My question is: is it the same as has been applied in the past?

Mr Palmer: It has not changed, is my understanding.

Senator McLUCAS: I want to go—and, sorry, I am backtracking a little here—to the National Partnership Agreement on Homelessness again. In budget paper 3, part 2, there is an explanation of the 12 months allocation of \$115 million separated out by states and territories. Can you explain how that was applied?

Mr Palmer: Certainly. What we did was take last year's allocation to states and territories. There was a small increase, and that was what was offered to states and territories as a starting point for this year. It was about continuation of service delivery, and we took the service delivery component from the NPAH from last financial year. It was increased by a small amount, and that was what it was allocated.

Senator McLUCAS: When you took the capital money out and left it with \$115 million, are you saying that the states of South Australia, Tasmania and the ACT had a larger capital component in 2013-14, so that is why it looks in the table as if they have had a huge reduction in their NPAH funding?

Mr Palmer: The capital component was allocated on an application basis from the states and territories to the former minister, and it was determined by selection, so, yes, those reductions—for example, the ACT received quite a large sum of money to build a Common Ground service in Gungahlin—would have been in that financial year, not in this financial year.

Senator McLUCAS: So that page—

Mr Palmer: I do not have the page in front of me.

Senator McLUCAS: No, I am asking you to take something on notice. Could you disaggregate that table, which is on page 4 of Budget Paper No. 3 part 2, which is the—

Mr Palmer: Yes, I am happy to.

Senator McLUCAS: disaggregation of the national partnership on homelessness. Disaggregate the 2013-14 capital component out of that line, and then I might be able to understand—

Mr Palmer: I am more than happy to do that.

Senator McLUCAS: whether there has been an equitable transfer of funds between the two years. Can I now go to Commonwealth rent assistance?

Mr Palmer: Certainly.

Senator McLUCAS: There were two questions on notice about CRA. You have told me that there has been indicative costing analysis for a number of policy options, which was terribly helpful, around redirecting funds from the Commonwealth agreements to an increase in rent assistance. Can you give me an understanding of the nature of the work that you have done there, please?

Mr Palmer: That goes to the nature of policy advice to the government of the day.

Senator McLUCAS: All right, I will ask the question differently. If Commonwealth rent assistance were applied to public housing tenants, what would it cost the Commonwealth?

Mr Palmer: Indicatively?

Senator McLUCAS: Yes.

Ms Hand: We will have to take that one on notice.

Senator McLUCAS: Why, Ms Hand?

Ms Hand: Because we do not have the figures here.

Senator McLUCAS: But you have done the work?

Ms Hand: I believe that Bryan's people may have looked at this issue. I have not seen, myself, any specific modelling.

Senator McLUCAS: So you will take that on notice?

Ms Hand: Yes.

Senator McLUCAS: That will cover that, thank you. Now I would like to go to some grants questions.

Senator SIEWERT: Can I ask a few questions on Commonwealth rent assistance?

Mr Palmer: Yes, sure.

Senator SIEWERT: You may have to take them on notice. I would appreciate that. Can you tell me how many people who live in retirement villages claim, if they do, Commonwealth rent assistance?

Mr Palmer: We would have to take that on notice. I do not know whether we would have address data that allows us to get to retirement villages, but I am happy to look and see if we can answer it.

Senator SIEWERT: That would be great. There are a couple of these that I will ask and see if you do know. Do you know in terms of people who live in caravan parks?

Mr Palmer: Again, I certainly do not have those figures with me. Again, I do not know whether, in our address data that we get out of the Centrelink database, there is a caravan park flag that allows us to aggregate easily. If not, we will get back with that information.

Senator SIEWERT: You can tell me. And then there are the manufactured home villages, which are like the prefabs in the—

Mr Palmer: Right, yes. It would be the same thing. But I am happy to look at all three of those situations.

Senator SIEWERT: If you could, that would be great. If you can, could you then tell us how much the total cost of those payments is—the value of those payments?

Mr Palmer: If we can do it, we can do the other piece of maths.

Senator SIEWERT: How many people and what the value of that is, and then the total value for all of those.

Mr Palmer: Yes. Are you only asking for the rent assistance component of the payment, not for the total payment?

Senator SIEWERT: Yes.

Mr Palmer: We can look at that.

Senator SIEWERT: What proportion of CRA recipients receive it with their FTBA? Are you able to tell us that?

Mr Palmer: I am just seeing if I have that figure here. I have an FTB only figure. I am just conscious that it is tricky for people who are on both FTB and on another payment.

Senator SIEWERT: Can you give to me with the FTB?

Mr Riley: Could I confer with Mr Palmer for a moment. There is a technical issue here.

Mr Palmer: This is the FTB only figure. There will be people who are on a base payment and they are on FTB MSR. We have 182,697 income units. This data is at June 2014.

Senator SIEWERT: I have one question to follow up on the partnership on homelessness. In relation to the ongoing discussions that you have just articulated, what form will any outcome at the other end of that discussion have? You said you expect an announcement to be between MYEFO and the budget. Would that be an ongoing new partnership or re-signing of that? Or would it be some other form?

Mr Palmer: It would be a matter for government to decide what approach it took going forward.

Senator SIEWERT: That has not been decided yet, you are saying?

Mr Palmer: That has not been decided yet.

CHAIR: Senator Waters is keen for a couple of minutes. I know she is on a break from another committee. I will give you just a short time, Senator Waters, probably just two or three minutes, and then I will go back to Senator McLucas and then briefly to Senator Reynolds. I would make the point: senators are aware that we are hoping to give hearing services about 20 to 30 minutes at the end, so we need to get to disability. I am conscious of that timing. It is going to be up to everyone. I will go briefly to Senator Waters.

Senator WATERS: Thanks very much for your indulgence, colleagues. I am just wanting to ask about the Minister for Social Services, Housing and Homelessness's review and the consultation process that has happened with other agencies on that. Do we have the right people here at the table?

Mr Pratt: Yes, senator. We have covered that quite extensively

Senator WATERS: I apologise. I have been next door talking about gender equity. I will ask what I have, and if it is duplicative just tell me to go and read the *Hansard*. I am interested in whether there has been consultation with officers administering the National Plan to Reduce Violence against Women and Their Children, who we heard from earlier today.

Mr Palmer: My staff have had extensive consultations with the people administering the national plan.

Senator WATERS: Great.

Mr Palmer: In fact, the person who was earlier speaking about the national plan used to work in my area.

Senator WATERS: That is good to hear. Can you take on notice to provide me with a bit more detail of the nature of the discussions, to the extent that you are able to?

Mr Palmer: I am happy to do that.

Senator WATERS: Have you met with or briefed the Minister Assisting the Prime Minister for Women, or the Office of Women, on this issue?

Mr Palmer: I have not.

Senator WATERS: Have the folk doing the housing and homelessness review met with either the minister assisting or the Office of Women?

Ms Hand: I believe not.

Mr Pratt: In fact that would be slightly out of the ordinary. It is not impossible, but normally we would just brief PM&C, who would then brief their minister.

Senator WATERS: Have you briefed PM&C?

Mr Pratt: We have been working extensively with them on the housing and homelessness issues.

Senator WATERS: If you wouldn't mind taking on notice to provide the scope of the collaboration and the consultation.

Mr Pratt: Yes.

Senator WATERS: Will domestic violence issues and gendered service provision be included in the terms of reference for the homelessness and housing review?

Mr Pratt: One of the issues which we have talked through is that the housing and homelessness review is being picked up by another process, which is the Federation white paper process. It is hard to anticipate whether we will get to that level of detail in that process at this stage.

Senator WATERS: Perhaps it is a bit premature, but do you envisage that there will be a key performance indicator to measure housing options for women escaping violence?

Mr Pratt: That is impossible to say.

Senator WATERS: Too early. Do you know who will be on the review panel and how many of those will be women?

Mr Pratt: No. In fact, any questions on the white paper process should go to PM&C. They would be able to advise you.

Senator WATERS: Has your section been tracking the specialist women's shelter funding reductions that have happened? Primarily those cuts have happened through state funding but there has been some interrelationship there with NPA. Has your section been tracking those as a matter of interest?

Mr Palmer: Under the arrangements put in place by the previous government, the management of service delivery for homeless people is pretty much entirely a matter for the state and territory governments. We do not control or set targets or intervene into the front-line management of those processes. The reporting on service delivery is done through the reporting on government services processes. It is also through the Australian Institute of Health and Welfare Specialist Homeless Services collection. They collect data on gendered issues as part of that collection.

Senator WATERS: I will put some more questions on notice. Thank you very much, Chair and colleagues.

CHAIR: Thank you. Senator McLucas.

Senator McLUCAS: I want to alert the secretary to the fact that there will be a lot of questions on notice, given the conversation that we have had earlier today as a result of what is happening this evening. How many applications for funding were received under the housing and homelessness program, the grants program?

Mr Palmer: We do not manage the housing and homelessness grants program. That is being managed by the cross program—

Mr Pratt: And also at this stage in our process, we cannot drill down that far into the details about applications.

Senator McLUCAS: It is probably best if we put the rest of those on notice and then move straight to disabilities and carers.

CHAIR: Sure, we will in just a moment. Senator Reynolds has just a few short questions.

Senator REYNOLDS: I do. Thank you very much. Mr Pratt, in the discussion on the NRAS—and I will not be opening up the broader issues we have already discussed—there was some discussion about the ANAO. Was the question: have you asked them to do an audit on the NRAS; or are they going to do an audit on the NRAS?

Ms Hand: We internally have initiated our own independent audit using independent organisations to do that and health check. Separately, the ANAO has indicated interest in doing an audit on the program, but no definitive decision has been made.

Senator REYNOLDS: Thank you. I just wanted to clarify that, because just listening to the testimony on the NRAS made me think of the Building Better Regional Cities Program. I understand there has been considerable discussion and debate on that. I am a big fan of ANAO reports, so I wanted to raise that. I went back to the ANAO report and a number of the things that we heard about the NRAS program this evening resonated with me in the ANAO report. That is really what I wanted to ask you about quickly. The ANAO had reported that:

... the BBRC program has been implemented in a way that gave insufficient attention to the program's objective, the related key performance target ... the program guidelines and the importance of achieving value from the expenditure of public funds. Rather, emphasis was given to spending the program's ... budget, notwithstanding ...

the recommendation.

Going on, it said that the result was that the grant funding was awarded to 17 projects that were expected to provide less than half of the original program amount. But for me what was quite damning was that it said all but four of these 17 approved applications had been assessed to have not adequately met at least one of the published merit criteria. Then the audit report goes on to make findings that the program was poorly performed in terms of delivering the benefits and that a number of projects had not proceeded or had had significant changes to their contracted scope. In fact, it found that only eight of the contracted projects were on track to deliver the funded outcomes.

So that was the audit report. There were shades in there that resonated with the NRAS. So I was wondering if you could provide an update from the ANAO report. I understand at the Senate estimates committee in July it said that 247 dwellings had been completed. Can you update the committee on how many under that program—

Mr Palmer: Certainly. As at 30 September this year, 382 homes have been delivered with the rebate.

Senator REYNOLDS: Out of how many that were planned to have been finished by this date?

Mr Palmer: It is a moving target. Certainly when the former minister decided how many would be funded that in effect set the target. Given people have withdrawn from the scheme, we are looking to a total amount now of 2,392. That would be by 30 June 2016.

Senator REYNOLDS: I want to see if I have this right. The target was 8,000 affordable homes—

Mr Palmer: That was the policy goal that was originally set when the program was reduced from \$200 million to \$100 million in real terms.

Senator REYNOLDS: Then the \$100 million in expenditure went to \$113-odd million.

Mr Palmer: That is correct.

Senator REYNOLDS: That was for 3,200 dwellings. Now the target is 2,392 dwellings. What is the budget for that? Is it still at that \$113 million?

Mr Palmer: No, the budget has reduced to \$109 million. But there may be repayments. Some people might decide to withdraw from the arrangement and make a repayment to the Commonwealth.

Ms Mills: We are currently, as a result of the ANAO audit and the Joint Parliamentary Committee of Public Accounts and Audit inquiry into this program, having a fairly forensic look at the projects that are still underway. There are 16 of those. We will definitely be going through those. There are about five we think at the moment are at risk of not being able to deliver their outcomes. We will be working with those proponents closely and trying to accurately get a picture of whether or not they will be able to deliver. If they cannot, we will try to put in place some process where we might be able to recoup some of the funds.

Senator REYNOLDS: And perhaps then redirect them somewhere else.

Ms Mills: Probably back into consolidated revenue.

Senator REYNOLDS: From those figures, I can clearly see why the ANAO audit came to the findings that it did. I am actually very glad. When will we know whether the ANAO will be doing an inquiry into the NRAS?

Ms Hand: As I said, the ANAO has indicated a desire to do so probably later in this financial year. But of course they have their own work program and priorities, so it is very much up to them to determine whether they will definitely be doing one. As I said, whether that happens or not, we are doing our own very, very forensic audit. It is being done by an external independent company. We are very much committed to improving the program. We have accepted all the recommendations from the ANAO audit of the Building Better Regional Cities Program. Many of those lessons, as you have said, could apply to any program, particularly in the housing and homelessness space. So, as we look at enhancing the NRAS program, we will also be looking to apply those learnings.

Senator REYNOLDS: That is good to know. So the lessons and recommendations of the ANAO have been fully implemented now for the Building Better Regional Cities Program?

Ms Hand: Some have been implemented and some we are in the midst of implementing.

Senator REYNOLDS: Which ones in particular do you think you can now extrapolate and apply to the governance of the NRAS program?

Ms Hand: I think the key findings for the Building Better Regional Cities Program—or BBRC, as we call it—around value-for-money outcomes and monitoring of performance can be applied equally to the NRAS program.

Senator REYNOLDS: I was interested in the discussion on risk. I think you said that the grey market was not illegal, but it was certainly not in the spirit of the law. It was clearly there for some time. So I just wondered if you had identified the failures yet. Was there a systemic failure in this program or in the department more widely? If you have a \$4.5 million program, it would be entirely predictable that you would have to have a system in place to try to try to minimise the opportunity for exploitation or rorting of the system. Have you had a chance to reflect on that yet?

Ms Hand: Yes, we are in the midst of doing, alongside the check that I mentioned, a very thorough risk review and analysis. I expect that we will learn from that and again apply the lessons to future programs.

[21:51]

CHAIR: Let's move on to disability and carers.

Senator McLUCAS: With respect to the preparations for the full rollout of the NDIS, can DSS please advise what negotiations between the Commonwealth and the states and territories have begun for the phasing of the scheme beyond the launch sites.

Ms Hand: As has been said at previous Senate estimates, any transition to a full scheme and any change to the time line has to be agreed with the states and territories. There has been absolutely no decision to change that time line. We would need the states and territories and the Commonwealth to agree to that. As has been said, the NDIA board commissioned KPMG to do an independent review. That review has informed the board's current thinking around

the time line. But we have had no formal discussions between the states and territories around that issue.

Senator McLUCAS: That is what I was concerned you were going to say, Ms Hand. The agency has a responsibility in terms of the rollout, but the negotiations between states and territories and the Commonwealth about the progress of this will come from the Department of Social Services. So I am trying to ascertain what work DSS has done to continue the work that has previously been done around negotiations for rollout.

Dr Hartland: We have not formally started bilateral discussions about the precise numbers in the rollout, but we have had a number of discussions in multilateral forums about the transition from the trials to the full scheme. At the last Disability Reform Council meeting, as you might have seen from the communique of the council, the council noted that the NDIA had provided advice on the transition schedule and that it had asked Commonwealth and state officials to work together and with the NDIA to consider feasible options for transition. We have started work with state officials, in a preliminary way, on the elements that will need to be agreed for transition. Though we have not started bilaterally talking to them about what should be the numbers in each year, we have started talking with them about the timing and sequencing of the work that needs to occur. We have started talking with them about the nature of the agreements that would need to be in place, and how officials will work together to get to having agreements in place well before the transition from trials to full scheme starts.

Senator McLUCAS: So it is preliminary, Dr Hartland?

Dr Hartland: It is the necessary preparatory work in order to have the discussions that need to occur for the bilateral agreements to be in place in the first half of next year.

Senator McLUCAS: Thank you. So by the first half of next year you expect that there will be a program? What do you expect that you will have by the beginning of next year?

Dr Hartland: I think we would be expecting that by the first half of next year we would have the actual agreements between the Commonwealth and states very substantially concluded.

Senator McLUCAS: Okay. So the full bilateral agreements done for full scheme rollout.

Dr Hartland: Yes, that is right.

Senator McLUCAS: Can I ask—and this is a question maybe for both DSS and NDIA—is there a real clarity between the role of the NDIA and DSS in terms of who is responsible for what, in terms of the scheme rollout?

Ms Hand: Yes, we have very good clarity. Mr Bowen, the CEO of the agency, and I as deputy secretary, with relevant senior people under us, meet weekly by videoconference, usually. We have real clarity about what the department is responsible for—and the Commonwealth, because it is not all done by the department, of course; PM&C and other agencies are involved—the policy aspects, for the legislative legal aspects, for financial negotiations and governance; those sorts of things. Of course, the agency and the board of the NDIA are responsible for implementation and assisting with detail around phasing and those sorts of things.

Senator McLUCAS: You would concur with that, Mr Bowen?

Mr Bowen: Certainly, there are very good working relationships with the department and the state departments as well. Our role here is to provide advice to all of the governments, including on lessons learnt throughout the trial period, and then to participate not in the development of the funding agreement but in the details that will sit underneath and around how the full scheme will be rolled out, because they go to matters of both the operations of the agency and the relationship the agency will necessarily have with all of the existing programs.

Senator McLUCAS: In terms of the negotiations between the Commonwealth and a state or territory, in that bilateral negotiation, what role does NDIA play in that?

Mr Bowen: There is an agreement that the agency should be involved, as appropriate, in those discussions. We would not see ourselves having any role in the discussion between the Commonwealth and the states on funding agreement, but we would expect to be able to provide advice as to whether what is being proposed is able to be rolled out by the agency.

Senator McLUCAS: Because there could be implications for your activity—

Mr Bowen: There are implications, yes. And I should add that that position, I think, is well accepted by all parties.

Senator McLUCAS: When was the last time the department met with the NDIA's Independent Advisory Council?

Dr Hartland: We have met a couple of times. I have met with them once very early on in the piece. Officers from the area of the department that looks after the evaluation have been presented to the council more recently, but I do not know the date of that second meeting.

Senator McLUCAS: In the last few months?

Dr Hartland: In the last few months, yes.

Senator McLUCAS: What work has DSS done on the transition to the full scheme in terms of how it might happen in various different jurisdictions and the whole question of age, geography, alignment with existing state service regions and areas of highest unmet need?

Dr Hartland: Those are aspects that we would expect to be discussing more formally with the states when we talk with them over the coming months. We have been doing some preparatory work to understand the Commonwealth's funding envelope, and the modelling that underpins that, to see what various options the Commonwealth would be able to afford, but we have not looked in detail at specific approaches.

Senator McLUCAS: Is the department aware of any other proposals for rollout in any jurisdiction—for example, from a consultancy firm, a peak group or any other private or non-government organisation?

Dr Hartland: I think just about every possible approach to transition that you could imagine has been proposed in one form or another by community groups and all sorts of people whom you might meet. A whole range of options have been floated informally.

Senator McLUCAS: Are you talking about service providers or a scheme roll-out?

Dr Hartland: Service providers, community groups—

Senator McLUCAS: Sorry, service provision rather than—

Dr Hartland: There are lots of people who have a view about how the NDIS should roll out. We are aware of a range of options and views that have been floated.

Senator McLUCAS: Has DSS had any discussions with state and territory officials since Senate estimates in June about making any changes at all to any of the time frames stipulated in those agreements?

Dr Hartland: No.

Senator McLUCAS: Has DSS done any work at all around the possibility of changes being made to the timetable of the rollout of the NDIS?

Ms Hand: We would continue to look at the performance of the agency, the readiness of the market and the workforce and a range of other things. Of course, we would analyse that and provide advice to government and our minister as appropriate.

Senator McLUCAS: Do you see any risks in any of the areas?

Ms Hand: I think it has been widely said that there are big workforce risks in terms of workforce growth, sector readiness. There have been independent reviews, as I am sure you know, about agency capability and a range of other issues. I think that with a scheme the size of the National Disability Insurance Scheme there are going to be risks, and they need to be managed and monitored regularly.

Senator McLUCAS: What is the strategy to manage those risks, Ms Hand?

Ms Hand: There are a range of strategies. First, I would say that at the very highest level there is clearly very strong governance with the COAG Disability Reform Council, chaired by Minister Fifield. One of the biggest things that that council monitors is the implementation of the trials and the performance of the trials, including risks of course. The joint standing committee—the bipartisan committee—regularly looks at those issues. Of course, we in the department, the agency and the board of the NDIA monitor those risks and implement appropriate actions and mitigation strategies. Of course, there is still a Commonwealth board of relevant agencies within the Commonwealth government chaired by Mr Pratt, our secretary. That board looks rigorously at the risks.

Senator McLUCAS: What work is DSS doing on defining what is in and out in terms of tier 1 or tier 2 services?

Ms Hand: Tier 1 or tier 3 and tier 2?

Senator McLUCAS: In terms of tier 1 and tier 2?

Dr Hartland: We are working with state and territory officials on further defining what is in scope for tier 2. That work has involved a couple of intensive seminars with the states and territories. We have conducted an audit of what they currently fund that would, in their view, fall into tier 2. We are in the process now of writing that up and that will go to ministers, we hope, in December. There has been a considerable amount of work put into further refining the understanding of what local area coordination and capacity building under tier 2 should look like. Tier 1 has not been as much of a focus of effort because at this stage we felt the need to get tier 2 well defined.

There is a fair bit of work going into understanding the boundaries between what should be funded within and outside of the scheme. If you extended the concept, one aspect of tier 2 is access to mainstream services. You might recall that in the lead-up to the scheme we did

extensive work through COAG defining what the NDIS should be responsible for and what to be the responsibility of other systems. We are also about to review that work to see whether, in practice, that detailed work has turned out to work quite as well as we thought it would at the time. We will review that over the coming months to get a better sense of what the NDIS should rely on in mainstream services.

Senator McLUCAS: Are you contemplating that what was originally captured by tier 3 and tier 2 might change?

Dr Hartland: In the broad, the two will end up pretty close to where the PC had thought. I think it is really more a matter of—

Senator McLUCAS: To where the PC would have thought rather than the original proposal from the government of the day?

Dr Hartland: The government of the day, I believe, largely drew on the PC's report in relation to certainly tier 2. You could characterise the work as, rather than changing it, more operationalising the broad concept of a set of services outside of the boundary of individually funded packages that built people's capacity and connected them to local communities. The nature of the work is not changing that; rather, it is further defining it. Frankly, as my secretary keeps pointing out, it can be communicated more clearly than just using the 'adding tier 2', but also so that it can be operationalised by the agency.

Mr Pratt: My recollection under the previous government was that there was always some contemplation that through the launch phase we would be better informed about the operation of tier 3. There was a grey area between tier 2 and tier 3 and, over time, we would work out where the best investment of resources was. It may be that we can get a better result for clients of the NDIS by investing a little bit more in tier 2 to help people avoid having to go into tier 3. Our thinking would probably be in the same range now as it was back then.

Senator Fifield: Senator McLucas, there has been no real conceptual change in relation to the tiers, in summary.

Senator McLUCAS: I understand that the tiers will stay the same. I am trying to ascertain what is captured within those tiers. Let's go to the Phams program, then; in fact, Partners in Recovery. What work have you done around ensuring that current clients of Phams in your department, or Partners in Recovery in the Department of Health, will be certain of services into the future?

Ms Hand: There are a number of things underway at the moment in terms of the Commonwealth's mental health programs and mental health more broadly. It is fair to say that, obviously, we are learning and the agency is learning a lot, as are all of the Commonwealth, state and territory programs transitioning into the NDIS. One of the key things we are all trying to do is to ensure there is absolutely no service gap for the very small number of people, we think, who may be eligible for Phams or are participants in other Commonwealth mental health programs. If they are not eligible for NDIS then obviously we want to ensure they get continuity of service, which, as you know, is part of the scheme.

The agency is looking at whether the eligibility criteria are being applied a bit too stringently—and Mr Bowen could talk in more detail about that. I am sure you have heard that there have not been as many people out of FAMS found to be eligible for NDIS as we had anticipated. That said, we believe some of the numbers that have been quoted are

exaggerated. We believe that if the eligibility criteria are applied correctly and we can get more data from the agencies as the trials continue, a very high number of Phams people today will become participants in the NDIS and there will only be a very small number who do not.

Senator McLUCAS: Is that your view, Mr Bowen?

Mr Bowen: Yes. We have conducted a review of all non-eligible decisions through to the end of March—a bit over 531 of them. As a result, we have reversed about 76 of those where we thought we had applied the eligibility criteria a little bit harder than perhaps the legislation and the rules intended. Some of that did include Phams clients. We do not have the breakdown of the non-eligible by program with us tonight but we can take that on notice and provide that. The more important issue going forward is to understand those people who have an episodic support need but at a level that warrants support through the NDIS being able to be supported either by coming into tier 3 or, as Dr Hartland indicated, having a little latitude in terms of what is spent in tier 2. But for those who do not have that support need at that level equivalent to NDIS there is something else in place.

Senator McLUCAS: The question comes to episodic mental illness. That is the difficulty.

Mr Bowen: I think it is a combination of the episodic need and the type of support that is required.

Senator McLUCAS: Thank you. How is the Commonwealth ensuring that states and territories are meeting their requirements under the NDIS agreements to ensure that states and territories are not withdrawing any effort while we are rolling out the NDIS? What do you have in place to ensure that effort is not being withdrawn?

Dr Hartland: There are three things that are happening here. The first is in relation to continuity of support. That is a matter for each government to manage. But we do regularly talk with the states and territories to make sure we understand where there are any gaps and where people are not meeting their obligations. The second area where maintaining support is relevant is in relation to maintaining mainstream supports. That is an area where the performance criteria for the scheme include reporting obligations. That will be actively monitored as the scheme rolls out. There is a third issue, which I think might be the one you are concerned with, and that is what is happening outside launch sites. That is an issue that is caught with the National Disability Agreement, the ROGS process and the National Disability Strategy. So those are the mechanisms where that level of effort is monitored. Unfortunately the agreements for the NDIS as such do not include specific reporting requirements for the states to report to the Commonwealth on assistance provided to people outside of the NDIS.

Senator McLUCAS: I think it is also outside of disability specific program delivery—it is in education, it is in health. That I think is where the problem will be.

Dr Hartland: Yes. Those will be caught by the ROGS process. The agreements for the NDIS do not have reporting requirements for the states to the Commonwealth.

Senator McLUCAS: What about when you see it happening right in front of you? You cannot wait for a ROGS process to tell you 12 months or 18 months later. What can you do when you know something is happening right here and now? Maybe that is more of a question for Mr Bowen.

Dr Hartland: Certainly if it was a question about, say, access to education services, then the agency has a requirement to report on mainstream services. We would have a very strong

expectation that, if there were a problem that was increasing costs of the scheme, that would be something that the Commonwealth would raise with the states. There is no doubt about it—if it were of the nature of a mainstream service that a person would normally get access to but someone was trying to cost-shift to the Commonwealth, we would be very concerned about that and we would deal with it through the governance processes. In a way, that is a fourth issue, because that issue underlines why we put so much work into the tables of supports that we pushed through COAG. We were very determined to make sure that the boundaries of the scheme were clear. While I think it is true that those tables by themselves do not establish an obligation on state systems, they are pretty clear about what people should be expecting state systems to be providing, so that was part of the point of that work.

Senator McLUCAS: I have a few quick questions to the agency. The NDIA released its fourth quarterly report on 18 August, which showed some very positive results. Where is the next report up to? When will we get the next one?

Mr Bowen: Under the reporting schedule, we report quarterly. The end-of-September report is due to be delivered at the end of October to the minister, as the chair of the COAG Disability Reform Council. Release of that report is a matter for the council.

Senator McLUCAS: Minister, do you expect that will be released publicly?

Senator Fifield: All quarterly reports to date have been and they have been released in a fairly quick time.

Senator McLUCAS: The NDIA released a paper prepared by KPMG looking at arrangements. We referred to that earlier. Mr Bonyhady said at the time that the paper was released as the NDIA would 'embark on an extensive round of engagement with Commonwealth, state and territory governments and peak disability groups'. What has been the nature of that engagement following the release of the KPMG report?

Mr Bowen: Following and during the process of the final preparation of that report, Dr Bonyhady, as the chair, met with all state ministers. I attended the majority of those meetings with him. The agency also met with state officials. It was important for us to get a sense of the response from the states and territories. Of course, we also had the meetings with the Commonwealth about the risks that KPMG had identified and how they might have been mitigated in full scheme. That formed part of the information that was used by the board in making a recommendation to the Commonwealth and state ministers for transition to full scheme.

Senator McLUCAS: I am sorry to be pushing, but we are short of time. The NDIA housing paper was expected to have been released in December 2013. I am aware that the paper has been provided to government. Is that correct?

Mr Bowen: The paper had a period of consultation with the Commonwealth, states and territories. The latest position on that is that we have had some indications of concern from some states about elements of that. In fact, the agency is in the process of rewriting that paper. We also thought it was important to concentrate on that matter which was within the remit of the agency: that is, how to appropriately manage the expenditure around the item which is called the 'user cost of capital' within the statutory power to expend money in a bulk purchase way. The revision is really focusing on that. It is also making necessary points that the agencies are not otherwise responsible for the provision of housing support for people with

disability, and we should not be stepping into territory that would take the responsibility off states and territories for their primary duty to provide accessible housing that would be, for many of the people in the NDIS, the main form of housing support.

Senator McLUCAS: As a matter of process, at the end of last year the NDIA had completed a report around the housing needs of people with disability. That was provided to the Commonwealth minister.

Mr Bowen: And to state the states and territories.

Senator McLUCAS: At the same time?

Mr Bowen: I do not know that it was necessarily provided to the Commonwealth minister. It was not formally submitted to the minister. I believe we may have discussed it with the minister, but it was primarily provided through Commonwealth state and territory officers.

Ms Skordis: A draft document was circulated to state, territory and Commonwealth officials for input, and that is subsequent to consideration of the draft document, and we are at the point of some of the additional changes that Mr Bowen has just mentioned.

Senator McLUCAS: When did that happen, Ms Skordis?

Ms Skordis: There have been a number of iterations across the last six months. I cannot be precise on dates, I am sorry.

Senator McLUCAS: So, a final document is still not complete?

Mr Bowen: That is correct.

Senator McLUCAS: When do you expect that? Who owns this document? It is a report from the NDIA to your governments.

Mr Bowen: The report, in its final form, will be a report from the agency to engage in discussion about how the agency may best utilise that funding, which is part of the package costs, to assist in the development of housing support for people with disability, but not the primary provision of general housing support for people who have a specialised housing support need as a result of their disability. That was the construct from the Productivity Commission. We have taken that construct and we have said that, if we have that amount of money, what is the best way to leverage off that to get the best return on that money in terms of the development of new housing stock.

Senator McLUCAS: Does the report contemplate the use of the National Disability Strategy to be able to deliver more appropriate housing for people with disability?

Mr Bowen: It sees the role of the NDIS funding as supplementing the critical responsibility of states and territories to otherwise provide housing. We certainly do not see that we should be substituting for those responsibilities.

Senator McLUCAS: But you do not take the next step to say that the strategy should drive the delivery of by state and territory governments.

Mr Bowen: No, we have not. We have not taken that step explicitly, but I think it is certainly implicit in the way we are framing it.

Senator McLUCAS: Maybe this is question for the minister. When do you expect that this policy paper on housing will be able to be published?

Senator Fifield: Senator, I do not think we are yet in a position to indicate when its publication will be. There is still further work to go, and there is still further discussions with the various jurisdictions. Once that is complete and the document reflects that input, then we will be in a position for that to be released.

Senator McLUCAS: What, in your view, are the obstacles for its publication, Minister?

Senator Fifield: What are my views? Well, as Mr Bowen said, it is important to ensure that the document has a focus on that which is appropriate for the agency to do and to be involved with, and to ensure that the NDIS agency, through its involvement in housing, does not inadvertently supplant the state responsibilities in relation to public housing and social housing. From my point of view, that is the critical issue.

Senator McLUCAS: Public and social housing. That is the scope.

CHAIR: Senator McLucas, sorry, Senator Siewert is waiting, so I will make this the last question as Senator Siewert is keen for some questions before we move on to Australian Hearing.

Senator Fifield: I am not saying that is the only focus of the paper. I am just saying that I think that is one of the ways that we have to make sure that the paper is appropriately focused on the best way for the funds available to the agency to be leveraged.

Senator McLUCAS: My final question is: how much funding will be made available for new housing for people with disability with high support needs in the financial years 2014-15 through to 2018-19? You probably want to take that on notice, Minister.

Senator Fifield: Are you saying through the NDIS, through the agency?

Senator McLUCAS: For people with disability. They do not really care where the money comes from.

Ms Hand: We will take that on notice.

Senator McLUCAS: Thank you.

Senator SIEWERT: I just want to follow up on that. I understand what you are saying when you talk about looking at the disability support needs, but will the paper then canvass—or have I missed this—the fact that there is no point just looking at the specific needs to support their disability in housing if there is not any housing stock in which to support them?

Mr Bowen: That is very much the point that was recognised by the Productivity Commission in suggesting that, in addition to the funding to support people with significant disabilities, there needed to be some additional funding for use cost of capital to assist with the provision of specialised disability housing. The commission made the point that, unlike the rest of the person's package, this did not need to be individualised. In fact, you would get the best return by treating it as a single amount to leverage the development of further stock. That is really where we are. We are not trying to allocate it to an individual, but trying to connect it to people with significant support needs, including housing needs, and say, 'How will we use this amount of money over the period as it comes into the agency to leverage the development of new housing stock?'

Senator SIEWERT: That is actually in the paper?

Mr Bowen: Yes, that is what the paper is about.

Senator SIEWERT: Okay, thank you. Senator McLucas has gone into a lot of detail and covered a lot of what I wanted to cover. However, I did want to ask specifically about Western Australia. Who does the liaison with the My Way process? Is it the department or does it rest with the agency?

Ms Hand: We do both because there are different aspects that the department engages in with the Western Australian relevant officials in terms of My Way, and then the agency has a more operational relationship with My Way. As you are no doubt aware, as the NDIA trial in Western Australia rolls out with the My Way at the same time, there is a joint steering committee that I, with Western Australia, co-chair to make sure we are: (1) that we are monitoring the performance of both of those; and (2) that we are learning from both trials and can apply the best lessons going forward. To answer your question for different reasons, policy, financial, et cetera, DSS and operational NDIA.

Senator SIEWERT: So, both the department and the agencies are on that steering committee?

Ms Hand: Yes.

Senator SIEWERT: One of the issues that has been raised with me for the My Way site is around psychosocial matters. Has that been raised with you?

Ms Hand: The issue has been raised generally, as we were discussing earlier.

Senator SIEWERT: I understand the general. It is the specific I am interested in.

Ms Hand: My understanding is that there are issues, and I might ask Mr Bowen or Dr Hartland if they want to talk in more detail.

Dr Hartland: I do not have the specifics of the issue, but as I understand it they are running the system slightly differently in the My Way site in that they are still having their Mental Health Commission involved in the provision of services. So they have a bit of a different structure.

Senator SIEWERT: If it wasn't any different, there would not be so much point in participating in the two processes, would there?

Dr Hartland: The proposition of the My Way site in total is that, with more insurance, they can deliver an insurance approach within their current structures; they would be expecting, therefore, both their Disability Services Commission and their Mental Health Commission to reform their processes to pick up the insurance aspects of the NDIS. Effectively, they are now trialling if, in Western Australia, that is a better way of doing it than the NDIA model or using the government's model that is agreed in the rest of Australia. So they have a slightly different structure, but I have not heard anything—Mr Bowen or one of his colleagues may know something more specific—about there being a problem, other than the one we are confronting, which is: how do the eligibility criteria relate to people that need community mental health?

Senator SIEWERT: You think it is that, more than—

Dr Hartland: That is my view, but there might be someone in the agency with more operational involvement that can assist.

Ms Skordis: One of the only issues that I am aware of, from an agency perspective, is that in the NDIA Perth Hills site, not the My Way site, there is a greater proportion of hostels,

which have historically provided housing for people with psychosocial disability. So there is a greater proportional representation within the NDIA site than within the My Way site; that is the only issue that the agency is aware of.

Senator SIEWERT: Thank you. That one has been raised with me as well. But this has been specifically about My Way. It has been specifically raised with me by people in Western Australia. Who do they go to if they want to talk about it? Is it just to the My Way site, to the steering committee?

Dr Hartland: Ideally, we would encourage them, as we would in the NDIA trial sites, to raise concerns that they have with the local administration, because if there are concerns about the local administration that is where they should be solved. They should really be talking to the Western Australian Disability Services Commission or the Western Australian Mental Health Commissioner about their concerns. The steering committee does have community representatives on it. So certainly, if there was an issue that could not be satisfactorily resolved at the administration level, then the steering committee has actually been set up in this instance to have a conduit into community concerns. I am sure the steering committee would be happy to deal with it. But I think WA officers, like Commonwealth officers, would expect that it can be dealt with at a local level. If the nature of it is an administrative issue, then you deal with it at that level. But, frankly, we are struggling a bit because we are not aware of the specific issue that has been raised, so it is hard for us to tell what the right governance response to that is.

Senator SIEWERT: The concern is that the issues are not being addressed.

Dr Hartland: The third thing to say is that, like the National Disability Insurance Scheme in the NDIA sites, there is an evaluation of the My Way site going on; therefore, if there was a serious concern about it not being able to meet the needs of people with a mental illness, you would expect that the evaluation would pick it up.

Senator SIEWERT: I have one more question and I will put my other ones about carers on notice. I appreciate what you just said. One of the issues that seems to be emerging is on general mental health issues. There is a bit of a thing going saying, 'mental health issues are missing out because of NDIS'. This is specifically in the My Way site. And I am not having a go at My Way at all, because I realise this is a trial process. It could also be related to the Perth Hills site as well, but it is definitely an issue on the ground.

Ms Hand: I am not aware of that at all. So I might ask Mr Bowen.

Mr Bowen: I am not aware of any issues related to My Way.

Senator SIEWERT: I will get more information from the people that are raising it with me and send it through.

CHAIR: If there are no other questions here, we will move on to Human Services.

HUMAN SERVICES PORTFOLIO

Australian Hearing

In Attendance

Senator Payne, Minister for Human Services

Department of Human Services

Executive

Ms Kathryn Campbell, Secretary

Outcome 1

Mr Ben Rimmer, Associate Secretary, Service Delivery Transformation Group

Mr John Kilner, Acting General Manager, Digital Transformation Division

Ms Michelle Lees, Acting General Manager, Transformation Projects Division

Mr Tam Shepherd, General Manager, Business Systems Design and Transformation Division

Mr Kim Terrell, General Manager, Change Management Division

Mr Grant Tidswell, Deputy Secretary, Service Delivery Operations Group

Mr William Garton, Acting General Manager, Face to Face Service Delivery Division

Mr Graham Maloney, General Manager, Service Performance and Coordination Division

Ms Roxanne Ramsey, General Manager, Indigenous, Regional and Intensive Services Division

Ms Jenny Teece, General Manager, Smart Centres Division

Ms Elizabeth Zealand, General Manager, Child Support Smart Centres Division

Ms Malisa Golightly, Deputy Secretary, Social Services Group

Ms Vicki Beath, General Manager, Service Strategy, Disability and Older Australians Division

Ms Sheryl Lewin, General Manager, Aged Care Division

Ms Catherine Rule, General Manager, Budget Implementation and Reform Unit

Ms Melissa Ryan, Acting General Manager, Participation Division

Mr George Thiveos, General Manager, Families Division

Mr Dennis Mahony, Acting National Manager, Families and Child Support Policy Branch

Mr Barry Sandison, Deputy Secretary, Health, Compliance and Information Group

Mr Darren Box, General Manager, Debt, Appeals and Health Compliance Division

Mr Colin Bridge, General Manager, Health Support and Business Services Division

Ms Alice Jones, General Manager, Health Programmes Division

Mr Gary Moorhead, Acting General Manager, Strategic Information Division

Mr Mark Withnell, General Manager, Business Integrity Division

Mr Jonathan Hutson, Acting Deputy Secretary, Enabling Services Group

Ms Sue Bird, General Manager, Whole of Government Coordination Division

Mr Hank Jongen, General Manager, Communication Division
Mr Barry Jackson, General Manager, Corporate Operations Division
Ms Annette Musolino, Acting Chief Counsel, Legal Services Division
Mr Michael Nelson, Acting General Manager, People Services Division
Mr Jeff Popple, General Manager, People Capability Division
Ms Mandy Ritchie, General Manager, CRS Australia
Ms Jo Talbot, General Manager, Enterprise Agreement Negotiation
Mr Gary Sterrenberg, Deputy Secretary, Chief Information Officer Group
Mr Mike Brett, General Manager, ICT Infrastructure Division
Ms Alaine King, General Manager, ICT Business Services Division
Ms Sue Kruse, General Manager, Customer Service Systems Division
Ms Emily Canning, Acting Chief Financial Officer, Chief Finance Officer Division
Mrs Kym Partington, National Manager, Financial Accounting Branch
Mr Michael Robinson, Acting General Manager, Audit Division

Australian Hearing

Mr Bill Davidson, Managing Director
Ms Gina Mavrias, Operations Director

[22:35]

CHAIR (Senator Seselja): I welcome Minister Payne, Ms Campbell and officials from Australian Hearing.

The Senate has referred to the committee the particulars of the proposed expenditure for 2014-15 and related documents for the portfolios of Health and Social Services, including Human Services. The committee may also examine the annual reports of the departments and agencies appearing before it.

The committee has set Friday, 12 December 2014 as the date for the return of answers to questions on notice. Senators are reminded that any written questions on notice should be provided to the committee secretariat by close of business Friday, 31 October 2014.

The committee's proceedings today will begin with the examination of Human Services, commencing with Australian Hearing. Under standing order 26 the committee must take all evidence in public session, this includes answers to questions on notice. I remind all witnesses that in giving evidence to the committee they are protected by parliamentary privilege. It is unlawful for anyone to threaten or disadvantage a witness on account of evidence given to a committee. Such action may be treated by the Senate as contempt. It is also a contempt to give false or misleading evidence to a committee.

The Senate by resolution in 1999 endorsed the following test of relevance of questions at estimates hearings. Any questions going to the operations or financial positions of the departments and agencies which are seeking funds in the estimates are relevant questions for the purposes of estimates hearings. I remind officers that the Senate has resolved that there are no areas in connection with the expenditure of public funds where any person has discretion

to withhold details or explanations from the parliament or its committees, unless the parliament has provided expressly otherwise.

The Senate has also resolved that an officer of the department of the Commonwealth shall not be asked to give opinions on matter of policy and shall be given reasonable opportunity to refer questions asked of the officer to superior officers or to a minister. This resolution prohibits only questions asking for opinions on matters of policy and does not preclude questions asking for explanations of policy or factual questions about when and how policies were adopted. I particularly draw the attention of witnesses to an order of the Senate of 13 May 2009 specifying the process by which a claim of public interest immunity should be raised.

The extract read as follows—

Public interest immunity claims

That the Senate—

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

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

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

(1) If:

(a) a Senate committee, or a senator in the course of proceedings of a committee, requests information or a document from a Commonwealth department or agency; and

(b) an officer of the department or agency to whom the request is directed believes that it may not be in the public interest to disclose the information or document to the committee, the officer shall state to the committee the ground on which the officer believes that it may not be in the public interest to disclose the information or document to the committee, and specify the harm to the public interest that could result from the disclosure of the information or document.

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

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

(4) A minister, in a statement under paragraph (3), shall indicate whether the harm to the public interest that could result from the disclosure of the information or document to the committee could result only from the publication of the information or document by the committee, or could result, equally or in part, from the disclosure of the information or document to the committee as in camera evidence.

(5) If, after considering a statement by a minister provided under paragraph (3), the committee concludes that the statement does not sufficiently justify the withholding of the information or document from the committee, the committee shall report the matter to the Senate.

(6) A decision by a committee not to report a matter to the Senate under paragraph (5) does not prevent a senator from raising the matter in the Senate in accordance with other procedures of the Senate.

(7) A statement that information or a document is not published, or is confidential, or consists of advice to, or internal deliberations of, government, in the absence of specification of the harm to the public interest that could result from the disclosure of the information or document, is not a statement that meets the requirements of paragraph (1) or (4).

(8) If a minister concludes that a statement under paragraph (3) should more appropriately be made by the head of an agency, by reason of the independence of that agency from ministerial direction or control, the minister shall inform the committee of that conclusion and the reason for that conclusion, and shall refer the matter to the head of the agency, who shall then be required to provide a statement in accordance with paragraph (3).

(Extract, Senate Standing Orders, pp 124-125)

Department of Human Services

Australian Hearing

[22:38]

I welcome Minister Payne; the departmental secretary, Ms Kathryn Campbell, and officers of the Department of Human Services. Minister, do you wish to make an opening statement?

Senator Payne: No, thank you.

CHAIR: Senator Cameron.

Senator CAMERON: Thank you, Minister, Secretary, Mr Davidson and staff. I have just had a look at your annual report for 2013-14. Once again, congratulations on the results. I think it is fair to say—I think you have said—that they are excellent results. Is that a fair view?

Mr Davidson: Thank you. Yes, I think they are a good set of results this year.

Senator CAMERON: In part 1 of your annual report, Mr Davidson, you say you have commissioned some recent research that has confirmed that clients want understanding, trust and reassurance and you say:

We believe that we are best equipped in our market to deliver these needs to our clients.

Can you advise me how you believe that?

Mr Davidson: Obviously, I believe that personally, but I cannot give you the background to that except I purely believe that. I think one of the ways we may well be evidencing that though is that for the first time in many years we have actually started to recapture market share in the voucher scheme from the competition and we have reversed the trend of a downward spiral, if you like, of losing out to the private sector. That would appear to indicate that our offer in the market is better appreciated from that point of view.

Senator CAMERON: So you are saying that your offering in the market is superior to that in the private sector?

Mr Davidson: Again, it is difficult to say 'superior', but it is certainly having success.

Senator CAMERON: So within the marketplace it is having success?

Mr Davidson: In the voucher sector, yes.

Senator CAMERON: What other issues came up in terms of the research that you did?

Mr Davidson: The research was conducted to look at the market as it currently exists and to try to understand our customer needs. For some time we have been more inward focused as an organisation and I wanted to try to settle the organisation going forward to be much more customer and client centric. In order to do that we quite rightly and fairly went and asked our customers and non-customers what they were looking for from a hearing services provider. It was research into the needs of the market so that we could better position ourselves.

Senator CAMERON: Good. So your earnings before interest, taxes, depreciation and amortisation, your EBITDA, was 8.8 per cent.

Mr Davidson: Yes, it was.

Senator CAMERON: What was it the previous year?

Mr Davidson: It was 4.2 per cent.

Senator CAMERON: So you more than doubled your earnings?

Mr Davidson: We did.

Senator CAMERON: Apart from your brilliant leadership—

Mr Davidson: Thank you.

Senator CAMERON: what do you say delivered that?

Mr Davidson: I think there were a number of elements.

Senator CAMERON: And for the *Hansard*, there was laughing.

Mr Davidson: I accept that. I think it was the fact that we have restructured the business to be more customer focused. We restructured the business to give our operations, in particular the hearing centre managers, more autonomy over how they operate their business in their local communities. We have engaged more effectively with the communities than we have done before, so we are more of an egalitarian organisation rather than top-down driven. I think that has had a lot of success in the centres who are engaging more successfully with their communities.

Two other matters that assisted our EBITDA was when we tendered for hearing aid devices we got a better price than we had had in prior years and that was better than our budget and better than last year. That affected our margins in a better way. Then halfway through the year the Office of Hearing Services introduced their electronic portal so the referral of people with a need from the doctor back to us became a much more simple and effective and faster process. We cut down the waiting time between looking for an appointment and receiving an appointment, which was previously between six and eight weeks, to between six and 10 days. So we are servicing the needs of our customers much more effectively.

Senator CAMERON: Your return on assets was what is described as a 'healthy' 7.7 per cent.

Mr Davidson: Yes. Once again it is an improving situation. Our intention of course is to try to build on that.

Senator CAMERON: What was it last year?

Mr Davidson: Last year the return on assets was less than three per cent.

Senator CAMERON: So you have more than doubled that as well?

Mr Davidson: Yes.

Senator CAMERON: I think that is, by any stretch of the imagination, a good result. When you say you managed to get a bulk deal on your hearing aids, how was that reflected? Was that reflected in your profits or was it passed on in benefits to your clients?

Mr Davidson: Both. It was shared equally.

Senator CAMERON: What did it mean for the customers?

Mr Davidson: The customers ended up with a better product at the same price. The technology itself is dramatically better and the benefits of the hearing aids to the customers are dramatically better at no extra price.

Senator CAMERON: Are you saying that that offer you make in the marketplace is as good as or superior to the market competition?

Mr Davidson: In the virtual market, we believe that our prices are competitive, but they are not markedly so. We believe that our service, our footprint and our aptitude is better than our competitors'.

Senator CAMERON: Things like understanding, trust and reassurance?

Mr Davidson: I think so. It is inherent in the staff. It is inherent in what we do.

Senator SIEWERT: You said that you had previously had a more internal focus but that you have now changed that around. I do not quite understand why you said you had an internal focus previously. I thought it was always about delivering for your customers—or clients, I should say.

Mr Davidson: It is not a criticism of previous ways of doing things. It is just that we had a much more command-and-control way of managing the business. In many ways it was top down. I released the levers to allow the people who are dealing directly with our clients, who are in the communities, to have more autonomy. It has had a dramatic impact on the performance of all the staff.

Senator SIEWERT: Presumably that is also then translating into your other client group—the younger cohort?

Mr Davidson: The community service obligation element of our business is where the younger cohort are. As there is no competition in that sector and no profitability associated with it, you could probably say they receive a remarkable service—above and beyond the call of duty. That has never been affected. The same people who are working in the voucher market are still there supporting the CSO clients—they are getting the same level of support.

Senator SIEWERT: I did not for a minute think that they were not going to be getting the same level of support. The refocus you have had for the voucher clients—do the benefits from getting the cheaper hearing aids and the bulk hearing aids flow through to your CSO clients?

Mr Davidson: Our CSO clients get that better technology as well at the OHS price.

Senator SIEWERT: Is that saving some money? Where does that saving and better, more efficient provision of services to CSO clients end up?

Ms Mavrias: Australian Hearing gets block funding allocation for the provision of CSO services. By negotiating a better price in terms of devices we are able to allocate more of that funding to the provision of services, that is exactly what we did.

Senator SIEWERT: What do those services do in providing more services?

Ms Mavrias: In terms of the previous financial year, we saw more children requiring hearing aids. That was probably the area that showed the most growth in terms of our program.

Senator SIEWERT: In terms of—do I dare go here now—your CSO obligations, what analysis has been done? If Australian Hearing is sold, what analysis has been done of the value of that and how those CSO obligations can be maintained in a more commercial environment? Have you done any analysis of that?

Mr Davidson: That is actually a matter for the scoping team who are conducting the scoping as such. The terms of reference clearly identify that the scoping team, under the control of Finance, should certainly make sure that they consider carefully their obligations under the Community Services Program.

Senator SIEWERT: I understand that. I am wondering how much work you have done on putting a value on the work, considering your dedicated team with the expertise that you have into the CSO.

Mr Davidson: Until such time as we know the outcome of the scoping study, it is difficult to second-guess what the scoping study recommendations will be, what the government's deliberations will be and the government's decision thereafter.

Senator SIEWERT: I understand that. I am asking: have you looked at that yourselves—the value of that?

Mr Davidson: Not as such.

Senator SIEWERT: Could you remind me how many regional centres you have?

Ms Mavrias: Australian Hearing has 129 permanent hearing centres. I do not have the exact number, but approximately 55 to 60 per cent are in regional areas.

Senator SIEWERT: We have had discussions before about access to specialist expertise, particularly audiologists in the bush. Has that situation improved?

Ms Mavrias: At the moment we are quite well resourced in terms of our expertise. In terms of specialist skills, we do a lot of internal training. As long as there is a good pipeline of graduates, we are able to upskill a lot of our staff. We are getting close to the end of the calendar year where we will get another intake of audiologists. At the present time, we do not really have any major shortages. There are some vacancies, but we are already making offers for new graduates to fill those.

Senator SIEWERT: So those vacancies are just your normal turnover? A couple of years ago you were having trouble in getting audiologists for some of the centres.

Ms Mavrias: It is still a challenge in some areas—in Northern Queensland, for example. It is still a challenge to get clinicians to move there. Generally we are able to recruit to some of our metro areas and support them through a kind of flying squad arrangement.

Senator SIEWERT: I have been to some of your services in the bush and you do run an excellent service for regional clients. I am trying to work out how to phrase this so I will not be told that it is not appropriate or whatever. Because you have such expertise, because of your community service obligation and because of the size of the organisation, you are able to build up and support regional clients quite well?

Ms Mavrias: That is true.

Senator SIEWERT: Have you ever done an analysis of what that is worth? What would happen if you were not there to provide those services?

Ms Mavrias: To be honest, we have not done that analysis.

Senator SIEWERT: I want to go to your Aboriginal clients and whether there has been any progress in being able to negotiate how you provide some support in schools. I am totally aware of the legislative barriers, but is there any way you have been able to work to improve that situation?

Ms Mavrias: Not directly. In terms of schools, we do have arrangements to provide some units, some support. Was there something specific?

Senator SIEWERT: The whole issue about sound fields. I want to come back to the aids in a minute.

Ms Mavrias: Australian Hearing does not provide sound fields. We provide advisory and support services to schools that have those.

Senator SIEWERT: Is the situation that we had several years ago, where the Community Affairs Committee recommended that the legislation be looked at and changed, still a barrier?

Ms Mavrias: There has not been a change in that legislation. However, there has been some funding in that space, so the role we could play was in terms of advising schools and assisting them in some of the issues around—

Senator SIEWERT: But you are able to do that, though?

Ms Mavrias: We are able to provide advice. We do not provide the funding.

Senator SIEWERT: Obviously, from what you have said, that has increased now that that funding has been made available?

Ms Mavrias: Yes, there is better access to sound field systems now.

Senator SIEWERT: In terms of aids, particularly in remote locations and for Aboriginal children in remote locations, one of the significant issues is not engaging with them well. Has that situation improved?

Ms Mavrias: We have seen a steady increase in terms of our fitting of Aboriginal and Torres Strait Islander children. We have great relations with some of the communities, but there are also some arrangements with programs like Deadly Ears that help us in terms of encouraging the uptake of services and the use of hearing aids. I believe we have made progress in that space.

Senator SIEWERT: So you have made progress. Are we still seeing the same rate of Aboriginal children with significant hearing impairment and hearing loss?

Ms Mavrias: In terms of those communities, there is a very high incidence of middle ear problems, and we are still seeing that. That has not significantly changed; it is still a challenge. In terms of the support we provide, we find that more children are making their way to our program and, where they can benefit from amplification, we have been able to increase the number of children that are wearing hearing aids.

Senator SIEWERT: So we have not seen a decrease in the incidence of hearing loss and hearing impairment, but we are seeing an increase in the rate of kids who are getting to your services and accessing supports—is that correct?

Ms Mavrias: A better proportion of children who come to us need our services and get a hearing aid.

Senator SIEWERT: Are you monitoring them? The issue then is: is there engagement with the school and their learning? Are you monitoring them in terms of how they are integrating better in school?

Ms Mavrias: Yes. As best we can, in terms of the frequency we can go to the community, we return and offer follow-up and monitoring support. What we find in some cases is that, because of the cause of the hearing loss, the hearing loss may actually improve because it is a middle-ear problem. We can get fluctuations in the use of the device, but, from the reports we get from schools, many of the schools have good programs to encourage the children to wear hearing aids at least in the school environment.

CHAIR: We will leave it there. Thank you very much.

Committee adjourned at 23:00