COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

SENATE

STANDING COMMITTEE ON COMMUNITY AFFAIRS

Reference: Families, Housing, Community Services and Indigenous Affairs and Other Legislation Amendment (Further 2008 Budget and Other Measures) Bill 2008

MONDAY, 3 NOVEMBER 2008

CANBERRA

BY AUTHORITY OF THE SENATE

INTERNET

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

The internet address is:

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

To search the parliamentary database, go to:
http://parlinfoweb.aph.gov.au

SENATE STANDING COMMITTEE ON

COMMUNITY AFFAIRS

Monday, 3 November 2008

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

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

Senators in attendance: Senators Adams, Bilyk, Boyce, Carol Brown, Humphries, Moore and Siewert

Terms of reference for the inquiry:

To inquire into and report on:

Families, Housing, Community Services and Indigenous Affairs and Other Legislation Amendment (Further 2008 Budget and Other Measures) Bill 2008

WITNESSES

Committee met at 1.30 pm

CARTER, Mr James Bernard, Policy Adviser, Lone Fathers Association of Australia Inc.

WILLIAMS, Mr Barry Colin, National President and Spokesperson, Lone Fathers Association of Australia Inc.

CHAIR (Senator Moore)—The Senate Standing Committee on Community Affairs is commencing its inquiry into the Families, Housing, Community Services and Indigenous Affairs and Other Legislation Amendment (Further 2008 Budget and Other Measures) Bill 2008. These are public proceedings, although the committee may agree to a request to give evidence at any time in camera or may determine that any evidence should be heard in that way. You have information on parliamentary privilege and the protection of evidence. You have done this many times. I invite either or both of you to make a statement. At the end of your remarks we will have questions around the submission that you have put forward to us.

Mr Williams—As you can see in the paper we presented, we are mainly concerned with four parts of the Child Support Act. The four parts we look at are parts that the task force dealt with which are not in our opinion written up by the policy writers as the task force recommended. We believe that has changed the whole concept of the scheme being fairer to both people.

CHAIR—Shall we go to questions, or do you have more comments about why you think they are unfair?

Mr Williams—I am the person who has been involved the longest in the child support scheme in Australia, as one of the designers of the first one.

CHAIR—Maybe you should get a medal that says that.

Mr Williams—I think I need a rope! Overall the scheme is a good scheme. It is a better scheme than before, but the four categories that we mention make it hard. I have come here to say I believe that the new government should change its phrase 'in the best interests of the child' in determining this. It is great that it is collecting child support, and we endorse that everybody has to pay child support for their children. Moneywise they are doing things for the rights of the child, but only on the money side. On the other side, the payer is paying his or her child support but is not getting any recognition or help from the government or the courts to see his children. Whether we like it or not, the two are nexused together. You say that you are working in the best interests of the child. On one side of the coin you are, by collecting the money and making sure that child gets kept. But on the other side this government and the previous government turned their heads away from the rights of the child to see both parents.

Australia has a big record of teaching human rights and civil liberties to other countries, but we break the child's rights here every day. We are not giving the child its natural rights. I make that comment because I believe that the money that the government gives child support agencies to chase down child support defaulters should also play a major part in making sure that that child is given a natural right to see the other parent too. I have brought this up with Senator Joe Ludwig and I hope to bring it up with Jenny Macklin. My idea is that child support agencies should play a major part in helping children to see the other parent.

The reason I say this is that I am very upset because, in the last fortnight, I have lost two of my members through suicide, directly involving denial of access. We set up a system within Australia which was to use the Federal Magistrates Court to enforce these orders. I have been to meet the Chief Federal Magistrate, John Pascoe. They are as embarrassed as us and as disappointed as us because the minute they do any enforcement the Big Brother Family Court comes in and overturns everything. That is why a lot of people out there do not want to pay their child support—they say, 'Why should I be hounded, yet no-one is helping me.' I know that is getting off the track a bit.

I also wanted to comment on what we wrote here. We buggered it up—if you mind my speech—in that when we were on the task force we recommended that the tax benefit should go to the person who has 65 per cent care of the children. But we did not realise, in making that decision, that we were actually discriminating against people on pensions—disability pensions, old age pensions and things like that—because they might have 32 per cent of the time with the children but then, as we all know, a pension is only designed to keep one person and they cannot afford with that pension to have their children even for that amount of time. I have had letters from people from around Australia saying, 'I can't believe that you agreed to this. I can't have my children now because I would not even be able to afford to feed them.' I think that is an area that we have to look at very closely again and come up with some more amendments, because we should not be discriminating against these people.

In many other cases people cannot make that magic 35 per cent of time because, as I stated earlier—and this is the reason I got onto the issue of access—they are being denied the access, even with a court order in their hands. They are going back to court. I have cases involving 23 contraventions and yet the court just brushes it aside and does nothing. The parent being denied has not been charged with any criminal offence or anything like that; it is just the way our system is not working. That is the biggest issue we need to tie up.

May I also point out to this committee that suicide does not really take place because of child support payments; it is more the denial of access that causes the suicides. Whether Australia or the courts agree with it or not, they are one day going to have to own up and accept that it is causing suicides, because there are up to five men a day committing suicide over this very issue.

The second point we wanted to talk about relates to second jobs and overtime. I am very disappointed with that, because I was the author of that submission. I put it up to the task force and I was surprised that the task force were very keen on it. They suggested that we could not do it forever but they would do it for five years. Then it went to the parliament and the parliament agreed on three years. But when the policy writers had written it up it was only 30 per cent of total gross income. People are saying to us, 'Why the heck would we even try to get another job? We could never re-establish ourselves on 30 per cent of total income.' The idea was that the second jobs and overtime were to allow people who did not have a home through marriage breakdown or separation or something like that to be able to have a home to have their children on access and things like that. But the way it is written up now, if I worked 60 hours a week and paid my child support on that, I would not even consider going out to try and get another job to end up paying more child support out of it because I would never be able to establish myself. We seem to be punishing the payer all the time under this new scheme.

The reason I make this point so strongly is that the last government gave me a commission or a contract, if you like, to go around Australia—which I have been doing for two years—running workshops and seminars explaining the new amendments, relating both to child support and the new relationship centres, and we have had some very big crowds at these meetings. I have travelled to every state in Australia now, to all the main capitals, and we are getting the same questions asked.

In the early years the Child Support Agency and people from Families and Community Services would come to these meetings and tell people, 'You will be right, because in any job you take after your first job, as long as the overtime or second job does not override the first amount of money you are getting to pay your child support, you will be excluded from this for three years to be able to start a new home or re-establish.' They were agreeing, and even in our minutes we have got them saying that this was what was going to happen. Now, as I said before, the policy writers have written it up as 30 per cent of total gross wage. We cannot get any satisfactory answers from them to state why they have done this. They just say, 'It is because of tax purposes.' It has got nothing to do with tax purposes. You would still pay your tax on any amount of money you get, but there is nowhere to say why you should meet more child support obligations out of it. I hope I am making sense.

CHAIR—Have you actually contacted the department and put that question in writing, Mr Williams?

Mr Williams—I have contacted the department but the departments will not write things in natural English. They beat around the bush in writing things and that is what confuses it. The whole legislation is so complex that even barristers and solicitors are stating that they cannot understand it. I believe it has been deliberately written this way to confuse the average person in Australia. You have even got judges saying, 'We can't understand it.' We need a new write-up of the policy so that people out there can understand what their obligations are.

CHAIR—Mr Carter, are you wishing to add anything at this stage?

Mr Carter—I think I will probably just respond to questions.

CHAIR—Okay, we will go to questions. I just want to clarify my understanding of your submission, which is that you do not have comment on the mechanical changes that are in this bill; what you are putting forward are things that you think are still faulty with the bill and would like to see considered. Is that a fair enough assessment of your submission?

Mr Carter—I think the legislation that you are addressing today is largely—

CHAIR—Mechanical.

Mr Carter—Yes, largely machinery legislation. We have looked at it fairly closely and there is nothing too troublesome, but there are still a few outstanding issues.

CHAIR—These core issues that you have raised for a period of time. You are wanting to restate them.

Mr Carter—It is an opportunity to raise them again.

Mr Williams—I think what we are trying to say is that the new scheme is far better than the old scheme. But there were five amendments recommended by the task force that were not really taken up by the parliament. We feel that had those five amendments been addressed properly they would have made the scheme a lot fairer. For instance, it is on shared incomes now and disregarded incomes being the same, but in many cases the payer is going to be paying without any help from the other parent. If you look at the magic $18,252 that both people have to be on before child support is paid, especially for the resident parent, all the people on pensions are never, ever going to make that $18,252 but, at the same time, they might have more time with the children—over 65 per cent—and be getting all the tax benefit too. So the other payer is the only person paying for those children. I guess it is a fault of the task force for not looking at those areas. But there were time constraints, as usual. I asked for another day to talk about capacity to earn. In my opinion it is illegal to impose it on one person unless you impose it on both parents. I was told by the department that the minister would not allow another day. That is another area that is very confusing to people out there. One person is forced to have a capacity to earn; the other person might decide to give up their job and go home and look after the children, and the capacity is not then enforced on them. So it is a one-sided street all the way.

Senator SIEWERT—I want to clarify and reinforce what Senator Moore has just asked. You do not have a problem with the actual amendments in this legislation?

Mr Williams—No.

Senator SIEWERT—Can I go to the issue you raised about the 35 per cent care then. Is your primary area of concern with those on pensions, whether they be old-age pensions or disability support pensions?

Mr Carter—Yes. It is really an issue about who receives the family tax benefit and what happens if one parent has, let us say, 14 per cent of total care and the other parent has the remaining 86 per cent. At that point the parent with the lesser share of total care receives a benefit in a sense, in that it is assumed at that point that they are meeting 24 per cent of the total cost of raising those children. So, from a payments point of view, that is a positive for them. But there is an offsetting negative in that all the family tax benefit then goes to the other partner. As it happens, this is something which seems to have been overlooked by the task force. It is very easy to overlook things when you are carrying out revolutionary changes, which is the case here. It was not realised, I think—and Barry can tell me whether I am right or wrong on this—that there were quite a few cases of old-age pensioners, in particular, who had children under the age of 18. They found that the net effect of the changes to the legislation was that they were receiving no family tax benefit at all, and of course this was a big problem for them.

Senator SIEWERT—Yes, I understand what you are saying. Do you want a correction made for those on pensions?

Mr Williams—Yes.

Senator SIEWERT—And what are you suggesting?

Mr Williams—I suggest that we should not try to discredit people for wanting to see their children. I know of one personal case—and I know the particular person also wrote to the minister—who was receiving a tax benefit before this new scheme came in. He was having his children. He is an old-age pension but he has young children. Now, he cannot afford to have them because he has lost that tax benefit. That $100-and-something—I just forget the exact figure that he mentioned—a fortnight was what he used to feed his children on. He said that all he gets now is the old-age pension and he cannot afford to have his children come and stay with him. He said that his children want to come and spend time with him but, because of this new arrangement, he can no longer keep them.

Mr Carter—At this stage we are raising that issue, because obviously it is an issue for some people. I am not sure how far we have gone in suggesting how it might be overcome, but we could certainly do that at fairly short notice if you would like us to.

Senator SIEWERT—Yes, that would be appreciated—also what the person would have got under FBT previously. The dollar value would be useful.

Mr Carter—As everyone knows, the problem when you are dealing with people on very low incomes is that you might be talking about a level of payment from the government, under some heading or another, which does not look like very much to someone on a higher income but to people on those low incomes it is very significant.

Senator SIEWERT—Would that person have been paying child support previously? Presumably, if they are on a pension now they are down at the lowest level of child support payments.

Mr Williams—I think they were paying $6.

Senator SIEWERT—And what would they have been paying previously, before the new formula came in?

Mr Williams—I cannot answer that. I imagine at his age he would have been on a pension for a while. He was 66 or something like that. I do not know how old the children were. I think they were very young. We are seeing this with a lot of people in Australia now. I think that he would have always been paying only the amount that a pensioner pays.

But, overall, I want to clarify that the scheme is much fairer than the first scheme. There is no doubt about that. Even though we have brought these cases up, the task force and the people who finished it off have done a damned good job in the way it has been designed. It is just that, in our opinion, the people we have mentioned have been disadvantaged.

We take up to 33,000 calls per annum through our organisation—and they are not all from men. They are from women and payers and payees. There are a lot of questions out there about why the child support scheme is this or why it is that. It would have been too much for us to put the questions in to show you what they are asking, so we do supply them to the departments.

Mr Carter—I suppose the general point we are making is that, if you are dealing with major changes to a scheme, particularly one that has been around for a long time, you really want to arrange matters so that you are getting fairness to just about everyone—hopefully everyone. Sometimes people are going to miss out and it is not always possible when the scheme is first introduced to know exactly how it is going to work out in particular cases. When you discover that there are anomalies and people are being treated unfairly by any measure, then you have to find some way of bringing them within the fold and treating them fairly, like others are being treated.

Senator HUMPHRIES—I think you mentioned in the submission that you were having some discussions with the department about some points in the explanatory memorandum to clarify what those things mean. Have you had that feedback from the department yet, and where has it led you?

Mr Carter—Yes, we have. We just thought that the explanatory memorandum was a bit confusing in various places. Perhaps the panel might have had the same experience—I do not know.

Senator HUMPHRIES—It would not have been the first time, I am sure.

Mr Carter—It is in the nature of the thing. People are writing notes up ostensibly for the benefit of others, but sometimes they are perhaps writing them more for themselves than for the people who are supposed to be reading them. But explanations were provided and they are completely satisfactory.

Senator HUMPHRIES—That is good to know.

Mr Williams—Could I just add to that? We must give the department and the Child Support Agency credit. Anything we ask for, it is there at our disposal. But, as Jim said, sometimes the way it is written up is very hard to understand. But we have to give them credit because we never have to wait. It is always there for us.

Mr Carter—There was one point which was quite interesting. There was a reference to New Zealand as being a bit of a special case, possibly for the reason that the scheme here in Australia and the New Zealand scheme seem to be almost out of the same box. There are many similarities between the two. There are obviously good reasons for that, and therefore it is possible to align judgements being made by the local authorities and the authorities in New Zealand—a result which may not be so easy to achieve with other countries. There was a reference to that which was rather obscure, but that has now been explained.

Senator HUMPHRIES—That is good. To be clear, the point you make about the reduction in that period of grace for non-custodial parents to be earning extra money that is not counted in the child support calculations is not part of this bill. It is not affected by this bill directly.

Mr Carter—No. I think what Barry is doing is harking back to earlier discussions, complaints, criticisms and doubts about that provision. It is something the Lone Fathers has been pushing for for quite a number of

years. It has been partially accepted and then cut back by whoever does the drafting to the point where it really does not help very much, and then the idea reappears some years down the track, is reintroduced under a different name and goes through the same process. So we would rather like to know how many people are actually going to be able to benefit from this compared with the number of people who thought that they would be able to benefit.

Senator HUMPHRIES—You make reference in the submission to the 'failure to date to introduce measures through legislation that would effectively impact on denial of access of non-custodial parents to their children'. Was there a particular change that you were looking for in that remark?

Mr Williams—We have approached the parliament on many occasions to bring in some enforcements, but the history of government is that they do not really want to get involved in Family Court issues. Without mentioning names, I have spoken to a prominent senator and they told me straight that they do not want to put any enforcement on the mums because it affects the children. I responded and said that you are putting enforcements, if you like, on the dads and you will hound them until you get the payment, so we suggest you hound the other side until they abide by the orders that the court has made. If the court makes an order on me and I disobey it and do not abide by it, I would get some punishment and would probably end up being chucked into jail.

There are a million children out there today not able to see their other parent more than once a year and at most four times. The majority of these people have court orders stating that they have reasonable access every second weekend, half the school holidays or, under the new laws, even substantial time. But once they walk out of the court, those laws are not worth anything. What has hurt me most of all is that one of the top judges in Australia—and I am not going to mention his name—said to me: 'You should know better than anyone. When two people come to court, only one is going to get justice.' To me, that is a terrible statement to make in a country like Australia. It just shows that the court does not give a damn about not only the father's natural rights, in most cases, or the mother's natural rights but also the rights of the child. On one side, the monetary side, the money is collected, but we are not doing anything about the other side, the access side.

I have been doing this for 35 years and I know in my heart that if the court were to act and say, 'We make orders and they have to be abided by or we will take some action against you,' we would not have all these problems. We would not have children suffering the psychological, emotional and social problems that we see in Australia today. They need the support of both parents. Australia has always been built on family values and children need the support of both parents, and they have that natural right. The point I am trying to make is that we do not give a damn about the child's rights as long as the dollars are being paid—that is the main thing. That is why I suggest the parliament should rule that we no longer use the best interests of the children unless you really push both issues.

Mr Carter—In answer to your question, this whole discussion over the last few years, which has been a very comprehensive discussion, has involved both the Child Support Scheme and the family law matters more generally. In fact, the investigation of the Child Support Scheme actually came out of an earlier investigation, which centred on family law in general. Both sets of issues have been discussed pretty much simultaneously, but when it came to legislation we had the family law amendments and they went through, and then we had an examination of the Child Support Scheme. During the earlier phase, there was a fair bit of discussion about denial of access as a major issue, comparable in its way to payment of child support. Child support legislation has progressed a good deal further, but very little has actually happened in the area of denial of access. That is the problem. An existing imbalance will be continued, and from a policy review that is unsatisfactory.

Senator HUMPHRIES—I do not know whether you have seen any of the other submissions to the inquiry. The submission from Solomums Australia for Family Equity has attached something from a website, which is headed 'How fathers can win custody to avoid paying child support'. The submission does not describe who is responsible, if it is known, for that information. Do you have any knowledge about that?

Mr Carter—I will tell you what it is. It purports to be—and, evidently, because you do not know the answer to that question you may have also been led to believe that it is—some sort of manifesto by Australian fathers. In fact, it was written by an American woman and is obviously a spoof. So it is entirely irrelevant to this debate and should not be accepted into evidence, I would suggest.

Senator HUMPHRIES—Okay, thank you.

Senator FURNER—The figure was given a moment ago that approximately one million people do not have access to their children. Where do you get those statistics?

Mr Williams—Every three years we run a major national conference in the main committee room here, and we got that from studies by the Australian Institute of Family Studies and other studies back in 2005. John Howard himself made the statement when they brought in the new relationship centres. He used the same words—that up to one million children are not seeing their fathers more than once a year or at most four times and that this has to stop. Children have to be able to see their other parent, especially the father, more than just every second weekend and for half the school holidays. It has to be shared care or substantial time. That was stated at our conference through one of the ministers. I think it was Mal Brough, if I remember rightly.

Those figures have been around for quite some years now. We have no doubt that the figures are true. Child support is not the main problem in Australia. Child support has improved twofold, if you like, over the years. The problem is the access that is denied. If I may say, I lost two members in my branches in the last seven weeks. One was as early as last month. I went to Taree for the funeral and a 12-year-old girl came up to me crying and said, 'If my mother had allowed us to see our dad like the court order said we had to, he would still be alive.' That really hit me and right then I decided I would not stop—I do not care who is in government; I am going to hound them and hound them—until a law is passed to give those children that right. Even if I have to write to international human rights organisations and tell them what Australian courts are doing, I am prepared to go that far. I am prepared to name and shame the courts in our newsletters until something is done because I believe it is the child's natural right. I have had a family member die over the same thing.

Mr Carter—Can I add an extra comment to that. My understanding is that there are some quite credible statistics out there which suggest that 25 per cent of separated Australian fathers see their children once a year or less. I think that is probably about the best figure that we could give you.

Senator FURNER—Are you able to get those stats for the committee, please.

Mr Carter—We will try and track that down.

Senator FURNER—I would be interested in seeing those. I would have thought one million is quite a substantial number.

Mr Carter—I think 1.2 million is the total number of children who have an absent father in the sense of not living most of their time with their father. But probably one-quarter of those are cases where the father would only see the children very seldom or not at all. But we can try and track down the source of that number.

Senator FURNER—Thank you.

Mr Williams—Could I make the very important point that four out of every five payers in Australia pay child support. So we should forget this deadbeat dad syndrome that the media likes to put up and some of the opposition people who do not want to see fairness created.

Senator HUMPHRIES—You mean small 'o' opposition?

Mr Williams—Yes, I do not mean the parliament.

CHAIR—I just felt a shiver beside me when that was said!

Mr Williams—Those figures come from Mr Miller himself. He is the General Manager of the Child Support Agency and he says four out of five payers do the right thing and pay. So we are miles ahead of any other country in this area of people paying child support.

CHAIR—You have had ongoing involvement in this process and the advisory group that was formed while the legislation was being developed. Is there any ongoing interaction between the people who have interests, like you, and the department in terms of the operation and review of the legislation?

Mr Carter—There certainly is. There is a group called the stakeholders group—

CHAIR—That is what I wanted to get on record.

Mr Carter—which meets about three or four times a year.

CHAIR—And your organisation is on that group?

Mr Carter—Yes.

CHAIR—And the issues that you have put in your submission are being raised in that forum by you?

Mr Carter—Yes.

CHAIR—Good.

Mr Carter—In fact, there is a thing called a register of emerging issues. Those are issues which have emerged in discussion over the last two years. At each meeting new items are added, items are dealt with and analysed, answers are given and then items are struck off the list. That list exists. I am sure the department would make it available if you wanted it.

CHAIR—I just think it is really important because we have been talking about this for a number of years now. I wanted to get on record the ongoing process and the fact that that your organisation is a strong member of that.

Mr Carter—Yes. It is a very large gathering. I have only been to one or two sessions, but there could be four, five or six stakeholders, in the sense of advocate organisations like our own, and about 20 people from departments. So I think they are very well informed by now. And they make contributions, it has to be said.

CHAIR—Mr Williams and Mr Carter, thank you for your submission and the ongoing time you give to our committee. I am sure we will meet again.

[2.07 pm]

McINNES, Dr Elspeth, Steering Committee Convenor, Solomums Australia for Family Equity

CHAIR—Welcome. Is your title new?

Dr McInnes—Yes. I was previously the convenor for the National Council of Single Mothers and their Children. There has been a change in organisational places and people. Solomums Australia for Family Equity is a policy focused information group that is part of a change in the organisation. It is not the same as NCSMC. It is a different organisation but it is quite aligned with NCSMC's interests, I would say.

CHAIR—You understand processes of evidence and the protection of witnesses as you have done this many times. We have your submission. If you would care to make an opening statement, we will then go into questions.

Dr McInnes—First of all I thank you for the opportunity to respond to this inquiry. We have taken the opportunity to comment more generally on the outcomes for women and children of the child support changes that have been introduced. One thing I have not put in the submission but I think nevertheless adds to the matters of consideration for the committee regards Social Security Appeals Tribunal hearings. There has been a level of concern and difficulty in reports to me of people being told that the other party would have people representing and supporting them and that they had no capacity or right to object to people representing or supporting the other party.

In the case that was mentioned it was the Lone Fathers president who was apparently the person whom the person had been advised was going to be representing the other person. She sought advice from the Attorney-General, only to be told that people were allowed to have support people. As I understand it, she had to go ahead without access herself to a support person and with no capacity to object to other third parties being involved in the hearings. This was experienced by the person as being intimidating and unfair. So I think there are issues involved around whether or not people should be allowed to have fair access to representation. If they are not to have that, then that should be applied globally, as it were. I will stop there because I think that leaves an opportunity for the committee to ask questions.

CHAIR—Thank you, Dr McInnes. I want to make it clear on the record that you are submitting this submission to us while talking about general issues that you have concerns about as to the piece of legislation before us, rather than concerns about specific measures in the legislation.

Dr McInnes—I have made reference to some specific issues in the legislation that you have before you, but as well I have taken the opportunity to make more general commentary.

CHAIR—Thank you, Dr McInnes.

Senator SIEWERT—With the bill before us, what specific points do you think should be amended?

Dr McInnes—I am not privy to the technical elements that are driving it. I can certainly look at some of the issues that are presented. I have referred to percentage of care and childcare costs. They are two of the issues that are named in the legislation. I highlight, as to the issue of percentage of care, that women and children are experiencing difficulties in the processes around which that is established, particularly where it changes from the formal parenting plan or court order but the changes are not necessarily with mutual consent by both parties and the determination of who is correct as to the percentage of care then becomes something that is often experienced by women as being highly unsatisfactory. They are told either, 'Well, if he's kept the children and now has them 100 per cent of the time, that's not our problem,' or 'Well, we have to go by the letter of the law and that is the letter of the law and we can't change it'. So there seems to be a range of difficulties when care changes.

Anecdotally, there are also problems when there is an artificial use of foreshortened periods of care to change percentages. I will explain that a bit more. The default childcare percentage period, as I understand it, is 12 months but it can be varied downwards to shorter periods—for example, 12 weeks. If there is a case where a mum might be looking at doing something, such as taking a course for a month, or having to go somewhere, they might vary the care upwards for that month on the expectation that it would go down at another point in the year; that is, the 12-month average. But then if you recalculate on a shorter period it means that that opportunity to balance it over the 12 months is in effect removed and the parent might be finding that they have to pay child support during that period, whereas in fact if it were over 12 months they would not

have to. So there are issues that we are very concerned about around how those periods of care are used and how they are determined and varied. That is one of the specific areas in the legislation before you.

Another one is childcare costs. From mums in the field we get reports that, where there is a new partner with children, adding that person's children and the mum's children to the childcare tab presents a high childcare cost outcome, which has been used to calculate reduced child support by the payer as it indicates a high childcare cost in that household. So, in a sense, the outcome for the payee parent is that their child support is being reduced in order to fund the childcare costs of the other parent's new partner—and that is not particularly fair.

The other issue of concern with that is where a third party is operating the childcare system on behalf of their children—that they also have access to those childcare records. Thus, there were also concerns about privacy for those children when the information is being shared with another person—a third party, a non-parent carer. I think that is the language used. Those are the issues that specifically come out of the legislation that is before you.

Senator SIEWERT—Regarding childcare costs, the argument is that if you are a parent you cannot charge for child care, but if you are the partner of a parent you can charge for child care.

Dr McInnes—Yes. Not only that, but you can add the children of your new partner, so the payer's children get added to the pool of children of the household seeking child care. That can lead to a high childcare cost status against which you can reduce child support payable.

Senator SIEWERT—In terms of the percentage of care, have you noticed an increase in disputes? Now that the new changes have come in, is there an increased level of dispute between the 65 and 35 per cent?

Dr McInnes—There has always been a level of dispute. I would also add that when you tend to hear about it is when there are problems rather than when things go smoothly. We would ordinarily tend to hear about problems with variations to percentages of care anyway, and to me that does not seem to have changed at all. The issue that has been coming out is shortening periods of care. A short-period increase in the level of care by the other parent is being used as an opportunity to vary child support.

Senator SIEWERT—Can the other parent go back and say, 'At the end of the three months, the care arrangements have gone back to what they used to be?'

Dr McInnes—They can. Of course, that demands a literacy of the system and an extra process. I guess that is one of the issues that underpin the increasing complexity of the child support system: if parents do not really know how to use it they are truly disadvantaged, particularly if the other party has quite a lot of literacy on that. Their expectation is that it will simply be a short-term variation of a week or two to the 12-month pattern of care. Not knowing about periods of care, not knowing about the processes of applying, not knowing about appeals and not knowing about the process to make that change when it does revert means that, when we enable people to make these kinds of changes, we also have to have a much more vigorous education and information campaign and assistance for people who might have language or minority positions, which means that they are disadvantaged in relation to engaging with these kinds of complexities.

Senator SIEWERT—My other question goes to the wider extent of the changes. We have been told by the department—and I will chase them up when we see them—that there has not been a great deal of dissatisfaction with the new formula. Is that your general sense?

Dr McInnes—Not at all. In fact, as I detailed in our submission—and, again, bearing in mind that happy people do not complain—we have had nothing but negative feedback on the changes, because overwhelmingly payees with primary care of the children are losing money in most instances. That is a population that has already been identified over time, statistically and in every possible income assessment, as the group that is most vulnerable to financial pressures and it is the group that child support is supposed to assist. Any kind of reduction in income means that the standard of living available to the children of that household is necessarily reduced. So, at a time when various groups are being held up as doing very well or deserving of relief, single parents with responsibility for the children have experienced reductions in child support overwhelmingly as well as reductions in Welfare to Work income support.

The level of dissatisfaction amongst women is, in my experience, high, and one of the most common comments is, 'Nothing has changed for me except my income has gone down.' They have experienced no reduction in costs; they have experienced all the cost of living increases. His income has probably gone up with those adjustments over time in income earning capacity, but she experiences a cut in income as well as the ongoing responsibility for children, which cuts into her income earning capacity as well as her household

costs. Whilst some women will not be too badly off, particularly those who have had non-payers—the $5 population—and have been losing large amounts of family tax benefit under the old system and are now receiving a hundred per cent of the family tax benefit under this system, they are one of the groups who would be happier. But for all of those who were receiving child support usually it has gone down.

Senator SIEWERT—Do you have any figures on that?

Dr McInnes—I do not have figures because we do not have the capacity to do national poll research, as it were. But 100 per cent of the responses that come into the national email lists of mothers that I am on are critical of the scheme. You only have to look at the elements of the formula. If the children are zero to 12, the percentage of care would be reduced. The new formula is capped at three children. So if you have four or more children, immediately you have lost out. If you are in the paid workforce, the amount of earnings you could make before your earnings reduced the child support has more than halved, so you are going to lose there. Once the child is seeing the other parent for one night a week, their assessed child support will go down by 24 per cent. The only areas of increase, as I say, are if the children are teenagers and the formula has gone up slightly there. If you are in that particular bracket where he paid the $5 before but took lots of FTB and if you have now managed to get a 100 per cent of FTB then you are going to be better off. But those are two very narrow strands of family formation to determine a statement of 'better off'.

The other thing in the data that I have seen so far published by the Child Support Agency on satisfaction is that they have presented material in terms of averages. Of course, that conceals the high-end gains when the cap on income was reduced to around $100,000. It means that, increasingly, particularly as executive salaries skyrocket, the gains for the top end of town in terms of income earning have been exponential but this is concealed within the kind of counting of averages that is being done. I am also concerned that when you carefully structure market research, focus group or small groups, you are not going to get the same kinds of results as independent, national research carried out by a contracted, credible, academic research body. This is internal market research polling—focus groups, selected participants, averages—and I do not think it is the same as proper, independent evaluation.

Senator SIEWERT—Thank you.

Senator ADAMS—Thank you for your submission. In your opening statement, you spoke about solo mums not having any support or not being aware that they could have support. As an organisation, have your members been advised that they may have a support person if they have to appear?

Dr McInnes—As I said, I sought to clarify that. They were told they might have a support person, but she did not have anybody available to her at that time. As I understand it, there is no particular cupboard that you can go to and ask, 'Could I please have a support person to go to the Social Security Appeals Tribunal with me?' and be allocated one. Whilst she might be allowed to, the fact of the matter was that there was not a person available to her, and this was in an arena where she was being expected to present her material and the other party was entitled, apparently, to organise a third party who she did not know and whose presence in the proceedings she was intimidated by.

Senator ADAMS—I realise that, but the question I am asking is: since this has happened, have you made your members aware of the fact that they may have a support person with them? It could be a qualified support person or just someone to go with them so they are not there alone, which would be quite intimidating.

Dr McInnes—Certainly it has been discussed on our networks and people are aware that that is something that can happen. But, in the absence of practical access to a service, it is not one that is easily accessible to people to use in reality.

CHAIR—I have two questions. One relates to the attachment to your submission 'How fathers can win custody to avoid paying child support'. It does not seem to be referenced anywhere in your submission; it is just on the attachment. Is there any particular reason we have that?

Dr McInnes—It is referenced at the top of page 3:

> This submission focuses on child support … Mothers and children are experiencing high rates of abuse and violence from ex-partners and child support is a key motivator for this. (See them in their own words at Appendix 1.)

This particular appendix is the content of a website that was circulated, and the website is at the top of the attachment. It really highlights how the nexus that has grown under recent policy changes between child support and custody is in fact a key driver behind a whole lot of behaviours that are impacting adversely on the lives of women and children. The original intention of the Family Law Act provided that there was no necessary connection between child support and child contact, given that children need to have contact with

positive people in their families in their lives regardless of whether or not child support is paid, and that children need financial support in their lives from their parents regardless of the contact patterns of those parents.

Public policy through the mid-nineties and more recently has increasingly seen child support as a way to entice fathers to take more time with their children. 'Discount your financial support by replacing it with direct time with your children,' sounds good at the positive end but, as this particular example provides, it can be quite sinister when it is applied at a venal end which has no regard for the wellbeing of the children. That is most concerning and I really think that the public policy makers need to be aware that this is circulating and freely expressed as part of the texts of talking about the nexus between child support and contact. I think it is very dangerous.

CHAIR—Do you know where it comes from? We asked a previous witness and the answer was that it was something that had been created overseas and was a spoof—that it was not a reputable document.

Dr McInnes—I will put it this way: I know that it was not an Australian document. I think from the language it refers to the US, looking at words like 'attorney', but even if it is 'a joke' it is drawing on existing real sentiments, as every piece of 'comedy' might. It is nevertheless speaking to and is recognisable as sentiments that are actually being expressed and in operation in families.

CHAIR—I just did not get the reference on page 3. I did not understand the link at all, but I see what you are saying there. The other thing is about the ongoing involvement that groups like yours have in the evolution of the legislation. Certainly this committee had evidence during the process of developing the original legislation that there was going to be an ongoing interaction between stakeholders and the government as the legislation panned out to try to see that there would be ongoing discussion. Are you part of that?

Dr McInnes—Yes. I sit on the Child Support National Stakeholder Engagement Group, I think it is called. One of the ways in which it is operating at the moment has been to get the changes out and occurring, so there has not been any real level of evaluation and we have not seen any detailed feedback on the impacts on the population in the short period since the formula changed. But it is a big, diverse group and whilst it might be part of an ongoing conversation it is not at this stage in any way a proper evaluation or opportunity to seek to change policy. Rather, I suppose, it talks about the issues and vents those from a stakeholder point of view. So, while it is there, it does not replace hard-headed data.

I would draw your attention to the recommendation in my submission on recommendation 9.3 of the best interests of children task force, which was a review of the maintenance income test, for example, that was never actioned by the previous government. It remains sitting there as a means of addressing some of the poverty or income loss aspects of the changes to the households which are bearing the costs of raising children. For example, I could not see that that arena would be the sort of arena where you would be able to take those things up and actually get changes but rather more on information about what is happening and how people are experiencing the new system.

CHAIR—So the kinds of issues you have put in your submission—you do not feel that body is the place that they can be aired?

Dr McInnes—They can be aired, but whether anything can or will be done about them does not necessarily follow. It is not a body that is authorised to act or is driven by any decision-making process to act to bring about changes in policy in that way, as I have experienced it or seen it in operation so far. I would see that that involves taking more opportunities to alert parliamentarians to what is happening and the need for initiatives at the political level rather than just a reliance on the administrative process.

CHAIR—Thank you. As always, I am sure we will be talking again.

Proceedings suspended from 2.34 pm to 2.54 pm

KINNEAR, Dr Pamela, Branch Manager, Families Research and Data, Department of Families, Housing, Community Services and Indigenous Affairs

SANDISON, Mr Barry, Group Manager, Department of Families, Housing, Community Services and Indigenous Affairs

WARBURTON, Mr Mark, Branch Manager, Family Policy Development Branch, Department of Families, Housing, Community Services and Indigenous Affairs

CHAIR—Welcome. As departmental officers, even if asked, you do not have to answer questions on policy decisions but rather on timing and access to policy. The committee follows the same rules as Senate estimates. Would any of you like to make an opening statement?

Mr Sandison—No, thank you, Chair.

CHAIR—As you have heard most of the evidence and seen the submissions, I now invite my colleagues to ask you some questions.

Senator HUMPHRIES—I was interested in the ongoing process of consultation with affected stakeholders regarding changes to child support and related mechanisms. I assume that the task force that once existed is no longer there; it has been wound up.

Mr Sandison—Yes.

Senator HUMPHRIES—We heard a little bit from the previous witness about an ongoing reference group. Can you describe the process that you are using to stay in touch with stakeholders about these issues?

Mr Sandison—That is the advisory group that was mentioned by the previous witness. That involves a series of regular meetings. The advisory group is made up of a representative body of people from a range of different stakeholder organisations. We can furnish the membership for you, Senator, if you would like. We have regular meetings with them. Minister Ludwig and Minister Macklin attend some of those meetings. It is an advisory group that is linked between child support agencies, so it is within the Human Services Portfolio and FaHCSIA. It is basically an opportunity for engagement with a range of stakeholders to raise issues and to suggest items for the agenda. The department might respond, depending on what the issues are, provide advice and information and then discuss those issues. The last one was held in Melbourne. I think it was about five or six weeks ago. The next one is due to take place in early December, here in Canberra.

Senator HUMPHRIES—How many members of that reference group are there?

Mr Sandison—I would have to check. It is very large; it has about 25 or 30 members so as to get as broad a range of representation as possible.

Senator HUMPHRIES—Would you say that there was broad consensus for the legislation in front of us at the moment from that reference group?

Mr Sandison—I would have to do a check. The discussions that were held at those meetings often brought forward different views. So whether you would call it consensus, I am not sure. I think in general, though, most people would acknowledge that the amendments put forward are improvements to the system and are looking to clean up some omissions or things that have come to our notice since the main legislation was changed.

Senator HUMPHRIES—You may have heard or seen the submission from the Lone Fathers Association of Australia which canvassed the original task force recommendation of a five-year window for paying partners to earn a certain amount beyond what their original earnings were before they had that counted towards their child support obligations. That has been reduced to three years and it has been further watered down to any amount up to 30 per cent of their total income. Can you describe how that sort of change occurred? Is making those reductions purely policy decisions made by government in the scope of the original recommendation, or is it the result of some other process at work?

Mr Sandison—I will ask my colleague to respond.

Dr Kinnear—The issue about the change in the task force recommendation itself from five years to three years was a decision of the previous government at the time when it was deciding whether or not to accept all the recommendations. It was a decision of government to reduce it from five years to three years. In terms of the subsequent operationalisation of that recommendation, we needed to put some sort of limit on the amount of additional earnings that would be excluded from child support so that we were not in a situation where a

large portion of a child support payer's earnings was in fact excluded from their child support. That would be at odds with the concept that their capacity to pay should be taken into account.

Instead, it seemed reasonable, during the course of making that recommendation operational, in writing the legislation, to consider the payer's total income and to place a limit on the total income that would be then excluded from child support, and the decision at that stage was to put that limit at 30 per cent of the total income. In many cases, that still covers most of the additional earnings that a payer will have and, in instances where a payer has earned considerable additional earnings, it means that some of those are still available for the child but a good portion is still available for re-establishment.

Senator HUMPHRIES—Okay. Thank you.

CHAIR—I am sure some of you heard the evidence from Solomums Australia for Family Equity, or SAFE, and, as with Senator Humphries, I will just ask questions that they raised. Both the Lone Fathers Association of Australia and the solo mums took the opportunity to talk about general issues with the legislation—not just what was before us but two of the particular issues in their submission. There was one about percentage of care. Another issue was that the actual contact time taken by payer parents is often less than the amount formally specified in agreements and that this actually leads to a disadvantage to the custodial parent in terms of working out their own rights and their own access to funding. Has that point been raised?

Dr Kinnear—Not to our knowledge. We looked at that and that does appear to be new information to us. We are very interested to hear that type of anecdotal evidence about the kind of thing that happens. So this would be the kind of exchange that we would be having.

CHAIR—The second dot point under the same heading was about an issue that came up in discussion when the legislation was brought in and that was about undue force being used by non-custodial parents towards custodial parents. I will read it out:

> Some mothers have reported fathers breaking court orders and agreements and keeping children for additional care time and claiming the additional child support and FTB despite the mother's lack of consent. Again threats and violence against the mother by the father are used to constrain her actions. Mothers in this situation say they have advised the Child Support Agency that the father has effectively forcibly abducted the children but this has been met with 'it's not our business' and a demand for child support payment.

Has that come up in the process? It is actually in the submission in the same area.

Mr Warburton—The legislation around determining percentage of care, as I understand it, requires the registrar, if they can, to base that determination on the court order or agreement. So it is a little unclear to me precisely what claim is being made in what you read out.

CHAIR—The recommendation from the solo mums organisation, after giving those two cases, is:

> SAFE recommends that child support payers and payees receive education in the process of varying and verifying change of care patterns including advice on the impact of such variations on child support and Centrelink payments.

They also talk about having:

> … a safe process to establish the actual care provision accords with the agreed or ordered outcome.

This must be very common, in terms of discussion. It is a step beyond when the order was made, where the order is breached in various ways and the system is unable to effectively investigate and determine what has happened. Is there anything within the system that could address that issue?

Dr Kinnear—I think my colleague was right when he said before that the difficulty is that the child support system itself is required to base the child support on the court ordered amount of care. If that level of care or that agreement or that court order is either breached or breaks down, it is a family law matter and not a child support matter.

CHAIR—And then it goes into the legal system.

Dr Kinnear—Yes.

CHAIR—They were the key points raised by the solo mums.

Senator SIEWERT—I would like to go to the issue of percentage of care. What I am about to say may be because I am a little bit slow and am swapping between too many issues. This is where the percentage of care change is less than 7.1 per cent, is it? Is it the issue if it takes you over the 65-35?

Mr Warburton—In the legislation that is one of the issues being addressed. The general policy coming out of the child support reforms is that, where a change in care is less than 7.1 per cent, the Child Support

Registrar will not change the care percentage. The point of that is to limit the opportunity for parents to have disputes about care. It is already the case that, where a change in care crosses the 14 per cent threshold, the care determination will be changed. One of the things that this legislation is doing is introducing that also in respect of the 35 per cent level, which is also a significant threshold. While this is not the legislation that determines access to Centrelink benefits, it is the case that within FTB legislation once you have crossed that threshold you can get access to FTB, so there is some potential for customers to be confused about these arrangements. This makes it clear that if you cross over the 35 you can have your care percentage changed. You would also get access to FTB. The respect in which the legislation is changing the arrangements is to basically say if the parents are agreed on the care arrangements and they have changed the percentage the CSA will accept it. There are also some changes—

CHAIR—How do they approve that agreement, Mr Warburton? This goes back to the issue raised by Solomums in that sometimes an 'agreement' has been presented to the agency as though it is an agreement to allow the change in circumstances but there is a concern that the agreement may not be voluntary. What checks are done? How do they actually prove that they have an agreement that they can bring to your organisation?

Mr Warburton—I suppose the first point to make is that I do not have a great knowledge of the particular administrative processes that the CSA has in place. In general terms, I would have thought that if there were an agreement that had the signatures of both parties on it the CSA would probably accept it. If you are saying that one of them has signed under duress, that would be a difficult matter for any administrative organisation to deal with unless they had some evidence or a statement from the person who was subject to the duress that that was the case. I think they would tend to accept signatures generally. Where it is an oral agreement, I suspect—I am not 100 per cent familiar with the CSA procedures—that they would consult both parents to find out whether such an oral agreement existed.

Senator SIEWERT—Solomums said that what is happening sometimes is that there might be an agreement for three months and that is then being taken to be a 12-month agreement, so the child support payments are being altered for the three months but then it is all being carried over for 12 months, to reflect what is in fact not the real situation.

Mr Warburton—My understanding about how the legislation is meant to work is this. The registrar is meant to determine a percentage of care based on the care that a parent is likely to have essentially in the coming 12 months. Where there is a court order or an agreement and the percentage can be derived from that, they are to go by that. If that evidence is not available to the CSA, then the CSA needs to determine it itself. So generally it is attempting to determine it based on the care parents are likely to have over a 12-month period. It can do that by reference to a sufficient period to establish a pattern of care. So if there were a temporary arrangement in place, I would have thought the CSA would still be seeking to determine the percentage of care over the 12-month period, taking into account that change.

Senator SIEWERT—Solomums actually provided an example of where that did not occur. It may just be that particular circumstance.

Mr Warburton—I am really only able to comment in terms of the general policy and what we are seeking to put in legislation.

Senator SIEWERT—I appreciate that. The point is that, from the evidence that Solomums have presented, it is not happening in all the cases.

Mr Sandison—If there is a case such as that, the opportunity arises for the individual—particularly if they go to Solomums or any other representational organisation—to take that forward with some information that allows us and/or Child Support Agency to have a look at that instance and see whether or not the legislation is operating as it should. I can understand that they would raise these issues for an inquiry such as this, but the next step would have to be to find a specific case that can be looked at to make sure that the process is being followed properly or, if it is not, to find ways in which it could be changed or improved.

Senator SIEWERT—The other issue is around higher childcare costs. While I can understand the intent of the change, again Solomums put forward the case where an ex-partner's new partner is providing the childcare costs. I must admit that to me that sounds pretty outrageous. I am wondering whether there are provisions in the act to ensure that that does not occur, because that seems to me to open it right up for rorting, to be quite honest—'I don't look after my child; my new partner's at home with the kids and is now charging higher

childcare costs.' What provision is there in the legislation to stop that happening in normal home-care cases? Do they have to provide evidence of outside child care?

Dr Kinnear—I can shed some light on that. The first thing to say is that I certainly have not heard before of this sort of case happening, so what Mr Sandison said earlier applies—we would be interested to hear about that kind of thing and investigate whether the legislation is being applied properly. Certainly the intention—without having refreshed my mind exactly on what the legislation says—is that the childcare costs are applied against the child support children only, not the non-child-support children. Taking account of childcare costs is undertaken through a change of assessment process by the Child Support Agency. There is a special reason under which you can apply for high childcare costs and get that taken into account in your child support assessment. The senior case officer in that circumstance would investigate the circumstances of the case and make a determination on high childcare costs and whether that is appropriate.

Senator SIEWERT—So they would look at whether—

Dr Kinnear—Yes, it is a senior case officer's decision through a change of assessment process.

Senator SIEWERT—The other issue that was raised—and I admit it does not specifically relate to this piece of legislation—through, I think, the Solomums' submission, was partners not putting in tax returns. There was an example where a partner's tax return had not gone in for a number of years. Does the Child Support Agency refer such matters to the tax department and say, 'Listen, we haven't got the information here that we require; this person obviously has an issue'? I know of two cases where the partner has not put in a tax return in a couple of years.

Dr Kinnear—That was raised very early on and in fact, as part of the large package of compliance measures that was announced in 2006, the Child Support Agency was given significant additional resources—

Senator SIEWERT—I remember that very clearly.

Dr Kinnear—At that stage they were able to refer about 25,000 cases per year to the ATO for investigation, and that change enabled them to refer 125,000 cases. That has been an extremely successful measure in terms of returns on child support.

Senator SIEWERT—I will report that I have several constituents who are very pleased with the fact that they have actually recouped some of the money owed to them, but the fact is that I also know about these two particular cases that are happening right now.

Mr Sandison—Perhaps as a good reference point in relation to that, as at 30 September that lodgement enforcement project had resulted in the referral of 363,000 customers to the ATO for lodgement enforcement, 119,000 customers lodging 193,000 returns and the generation of a payment of $44 million in outstanding child support. To give context to that, hopefully the bite of that enforcement process, to make sure that fairness in the system is working, is the indicator. Rather than just saying, 'Yes, there's a process that we'll be putting in place,' there is a process that is actually there now and working.

Senator SIEWERT—That is rolling on? The funds are still available for doing that compliance?

Mr Sandison—That is correct.

Senator SIEWERT—So those people who are doing it right now and have their tax return in can expect a letter at some stage in the future?

Dr Kinnear—I would imagine so.

Senator SIEWERT—I am very pleased to hear that. I have asked this question a number of times. The Solomums were saying that they have a lot of people who are not happy with the new formula, and I understand there have not been a lot of complaints that you have received formally about it. I wonder whether that is still the case now that the effects are actually starting to come into play. Are you starting to get more complaints or feedback about the new formula?

Mr Sandison—I think our answers are still pretty much the same as they were at Senate estimates a week and a half ago, in terms of the level of feedback and so on. There has not been a noticeable change to the numbers that we read out at Senate estimates. It has not been as high as we had forecast, in terms of what we talked about regarding the expectations. Obviously we are monitoring it and making sure that, as and when phone calls or ministerials come in, we respond to them and keep an eye on the level and the issues raised.

Senator SIEWERT—Thank you.

CHAIR—I am getting the explanatory memorandum printed. Because we have got some time, I wanted to look at the changes. They are a series of mechanical changes and, because the evidence we have had has been more wide and general on issues to do with the whole legislation, it is too good an opportunity to miss qualifying exactly what the changes are in this bill. We want to be across it all so that there is no confusion. One of the ongoing issues in this legislation is that there seems to be so much confusion and lack of understanding by the people who are caught up in it. That was raised again today in evidence.

Senator SIEWERT—When the bill came up in the first place, I am pretty certain we had some talk around agreements and, in fact, changes were made to the legislation. Can you walk me through how setting aside an agreement—this particular amendment—is actually going to work? Does it also relates to where there are issues around disputes over the percentage of care, which Senator Moore touched on previously, where that is in dispute? What we talked about before was setting in place an ideal agreement, and what you find happening is that one parent—and I must admit that the evidence to me suggests it is more often the carer parent—ends up doing more care than was in their original agreement. Is that what that is designed for?

Mr Warburton—I think you are referring to provisions in part 3—

Senator SIEWERT—Yes—departure of assessments.

Mr Warburton—around departure of assessments. I can understand why some people find it difficult to understand some of this legislation. Most of these provisions are around when one or two parties to a child support assessment have applied for a change of assessment. Essentially they think that the result that is being given under the formula is unfair and unjust. That leads to an application for a change of assessment being made to the Child Support Agency. These provisions deal with where they come to an agreement—in particular a limited agreement. They make sure that provisions work right so that the CSA can appropriately accept that agreement, the change of assessment process can come to an end and so forth.

These particular provisions about setting aside an agreement just make it clear that when the CSA accepts an agreement while a change of assessment process is underway that that agreement can also be set aside by a court. There were provisions along these lines in the original legislation, but this is a range of technical ones to ensure that the agreement provisions sit appropriately with the change of assessment provisions.

Dr Kinnear—If I could just clarify whether the issue that Solomums was raising was related to this matter. 'Agreement' is a term that can be used either generically or technically. In this instance it is a technical term. It is referring to a formal agreement and, particularly in terms of setting aside an agreement, usually it is referring to a binding agreement that the parties have had to go through court to get.

Senator SIEWERT—That is what I presumed.

Dr Kinnear—That is right. The changes that we made to that provision during the last legislation process that you are referring to were very much to ensure that that agreement could only be set aside in very limited circumstances. This is simply making sure that the same thing can happen where parents make that agreement during the change of assessment process.

CHAIR—Can you explain part 5, 'Reducing rate of child support under minimum annual rate assessments'?

Mr Warburton—Currently, the legislation outlines that if a parent can satisfy the CSA that their income is sufficiently low then a nil rate of support should be applied for all days in a child support period in which minimum annual rate assessment would otherwise have applied. Essentially, there is a threshold test for the minimum rate of assessment to be set aside and if you meet that test then the minimum rate set aside is for the entire child support period.

The view is that that is not always appropriate. For instance, if a person was put in prison for three months then the way to deal with it would be to look at that three-month period. If the person was unable to pay the minimum assessment for that three-month period then you would remove the minimum assessment for the three-month period rather than apply it to the whole child support period. These amendments change the threshold test so, rather than looking at the person's income for a 12-month period and then getting rid of the minimum assessment for the whole child support period, you just look at the period for which the person is making application and decide whether the minimum assessment should not apply for that period. Does that make sense?

CHAIR—So you can actually do it for a set time, but you could not do it before without going back?

Mr Warburton—No. In some cases it could lead to overpayments being received by a payee.

CHAIR—The other general point—and I think we have covered most of them in one way or another—is the stimulant for these changes. I know they are mainly mechanical changes. What is not explained in the explanatory memorandum is what has led to the decision to make the change. I know there is overriding government policy, but earlier we heard evidence from both groups—the solo fathers and the solo mothers—that, whilst they are both stakeholders in the ongoing interactive body which has been set up, neither of them felt that it was the kind of body where issues could lead to a legislation change. They both made the point that people could go and talk but neither of them felt that, through that process, they could necessarily come up with the kind of legislative change that they are seeking. The kinds of changes here all seem to be around particular operations, mainly assessment that has come out through the evolution of the legislation, all of which we heard when the legislation was brought in. What kinds of things lead to these changes being made?

Mr Warburton—I think the assessment that you made then is quite right. Essentially, we had a very large set of legislative changes put in place—

CHAIR—Huge.

Mr Warburton—we had a very huge implementation agenda and quite a long lead time, and then a whole lot of detailed and technical work had to be done during that period. Basically, the CSA has been implementing that legislation over the past period. Some of that almost started before the date of effect of the changes. In the course of that, it has uncovered some deficiencies in the legislation. We have a process with the CSA where we try to keep track of all of those things that we uncover. We make sure that we have correctly identified the problems and that we have decent solutions, and then we try to get them through government approval processes and into legislation to fix them up. We have been in the implementation stage. We are just starting to bed down those ongoing processes with the CSA to try to make them work smoothly. It is very complex legislation. There are likely to be some other technical things that we pick up in future bills as well. These are some of the higher priority technical ones.

CHAIR—So as the CSA work through these things with cases they can come up with better practice by doing that?

Mr Warburton—Yes. They can highlight areas where technically the provisions are not functioning correctly, and we will seek to fix them as we go along. Most of them are within the context of the broad policy which has been announced and which was put in legislation. I do not think there are any fundamental changes to the policy direction in here; they are really making sure that all the mechanics of the provisions work right.

CHAIR—Can I also ask a question about the immunisation allowance, which is changing significantly in the way that it is to be paid. What is the rationale for that? My reading of the legislation is that there is a whole bunch of stuff around child support, there is the stuff around immunisation and there is the stuff around DVA pensions, and they are all in the one omnibus bill.

Mr Warburton—There are two broad policy changes that are going through in the maternity immunisation allowance. One that was announced by the previous was to extend that to adopted children.

CHAIR—Yes, and that policy decision has been picked up in this legislation.

Mr Warburton—The second one relates to a budget change announced earlier this year—and I think we discussed it at Senate estimates—to split the maternity immunisation allowance so that one payment is made when children are between 18 months and two years of age when they are appropriately immunised and the other is made when children are between four and five years of age, because the government had some concerns that the rate of immunisation was not as high as it could have been for four- to five-year-olds. It was actually difficult to mesh those two policies. It took us a while to do that. As always, the legislation has tended to be a bit complex. It was a bit complex for us to meld those two policies.

CHAIR—So, in effect, the payment itself has not changed; it is now being paid in two instalments to make sure the follow-up immunisation is done. Is that simplistically right?

Mr Warburton—That is correct—and to enable the payment to be made to children adopted from overseas up to the age of 16. For the older children, we will tend to pay them one amount of maternity immunisation allowance when the children are appropriately immunised. For the younger ones, we pay it in a split payment.

CHAIR—With the age process which links to when you get the immunisation?

Mr Warburton—Yes.

Senator SIEWERT—I am sorry to backtrack, but I have a question about the compliance regime, for want of a better word. Who initiates it? Does CSA initiate the process?

Mr Sandison—This is for the tax?

Senator SIEWERT—Yes, the tax.

Mr Sandison—I think there is a broader range of compliance issues.

Senator SIEWERT—Sorry—for the tax.

Mr Sandison—It is the Child Support Agency who make the decision about the primary—the 125,000—referrals but individuals can raise a concern which might end up with a referral as well.

Senator SIEWERT—So there are both?

Mr Sandison—Yes.

CHAIR—Thank you very much, and thank you for your patience.

Mr Sandison—Thank you.

[3.31 pm]

HODGES, Mr John Michael, National Veterans Affairs Adviser, Returned and Services League of Australia

CHAIR—I welcome Mr Hodges. I know you have information on parliamentary privilege and the protection of witnesses in evidence as you have been through this before. We have your submission. If you would like to make an opening statement then we will go to questions.

Mr Hodges—Thank you very much, Senator. The RSL welcomes the opportunity to appear before this committee and thanks the committee for its invitation. I have nothing further to add to our submission to the committee but would like to take this opportunity to elaborate on our position with regard to the illness-separated partner service pension. It is the RSL's belief that the partner of a veteran should not be alienated if, because of the veteran's accepted disability, she can no longer endure the abuse she has suffered and must for her own safety separate from the veteran. From personal experience I know that these spouses have put up with a lot and have supported their veteran spouse in attempting to maintain their relationship. It is because of the abuse arising out of the accepted disability alone that has caused the separation. In more cases than not, the abuse is caused by the veteran's mental disability, PTSD, anxiety disorder and/or depression. The RSL commends the Senate for establishing this inquiry and hopes that out of your deliberations a fair and, most importantly, a just outcome for recipients of partner service pension can be achieved. We all have a duty of care towards those who stood by those who served our nation. We must support them in their time of need.

CHAIR—Thank you, Mr Hodges. Are there any questions?

Senator HUMPHRIES—I think you make a good point, Mr Hodges, about the link between an ex-service person's service and the likely causes of a separation. I am interested in whether one needs to establish in those circumstances that there actually is such a link when one is considering whether the pension should be paid to the separated partner, or whether it is appropriate to assume that the separation is service related in every case. Is there a place for some kind of process to assess that or should we make that assumption?

Mr Hodges—As a little bit of background, right at this point in time a partner of a veteran who is in receipt of the service pension can walk out for any reason whatsoever and, if she is not caught or whatever, she can have the partner service pension, even though they are not living in the same house. What these amendments to the bill try to do is say, 'Okay, if you walk out for any reason, after 12 months it is going to stop.' We do not have a big problem with that. The problem we do have is where a veteran's spouse actually has to move out because of the verbal or physical abuse that is happening because of an accepted disability—for example, the veteran has put a claim in to the Department of Veterans' Affairs for his PTSD, for argument's sake, and it has been accepted as war or service related, and he manages his PTSD by going to the counselling service and everything but every now and again it flares up with physical, mental or verbal abuse, and at some stage the wife says, 'No, I have tried but I can't' and separates from the husband. We are saying that in circumstances of such a separation, for an accepted disability alone, the partner should be entitled to continue the partner service pension.

Senator HUMPHRIES—So there would have to be, under this test, a condition that was at least partly psychological in nature that had been accepted by the department as being a product of service.

Mr Hodges—That is correct.

Senator HUMPHRIES—I suppose it would then be a matter for the separating partner to attribute the separation to that condition.

Mr Hodges—Right now there is the illness-separated partner service pension, which you fill in a form for and if you tick all the right boxes you get. That at the moment applies where one of the partners is in a nursing home and that type of stuff. What the RSL is doing to soften this bill is to bring into this illness-separated definition spouses who have to separate because of the abuse of partner with an accepted disability.

Senator HUMPHRIES—In the case of a physical disability it is fairly easy to prove that that separation is necessary, I suppose. There is a slightly more subjective element in this case. The department might argue that it is likely to be relied on automatically by separating partners in these circumstances, who might say, 'My husband has issues relating to his service, and that is why I am moving out.' I suppose it would be hard to prove one way or the other whether that is the case.

Mr Hodges—We mention that in our submission. I think I said something along the lines of requiring either a doctor or a registered and qualified social worker. The second-last paragraph states that 'the decision that the separation was caused by an accepted disability could be made by the spouse's GP or a qualified an registered social worker and accepted by the Repatriation Commission as evidence of the entitlement of the illness separated partner service pension.'

Senator HUMPHRIES—I daresay that a doctor, unless that doctor happens to treat both the husband and wife, may not have sufficient knowledge of the circumstances inside a family home that contribute to that situation. They may have that knowledge—I accept that that could be the case. I suppose I do not want to impose a test that might be considered unreasonable by some people—if there is no doctor who fits that requirement if the partner has to go and find a social worker capable of, as it were, stepping into the family home and trying to work out what is going on.

Mr Hodges—With the introduction of the social worker for going down the path of trying to get the illness-separated pension, perhaps a little miracle may happen and the social worker could actually direct the couple back together again. To get the partner service pension the spouse would have to go and see a social worker—we are forcing her down that path—so perhaps a good thing could come out of it anyway.

Senator SIEWERT—I am wondering whether that would be a role for the family relationship centres. You could build those in.

Senator HUMPHRIES—Yes, you could do that.

Mr Hodges—We do not want by any stretch of the imagination a spouse to say, 'I'm being beaten; I want the partner service pension.' It does not work that way.

Senator HUMPHRIES—I suppose I tend to the view that in these situations it is best to look for empirical evidence and not rely on outsiders coming in to try and judge the nature of a relationship, and that you could say that when a separation occurs where there is a compensable injury that has been determined and accepted by the department you would almost have a right to make that claim and not have it second guessed. I do not know whether that is administratively easier or not, but certainly it avoids the question of social workers or bureaucrats trying to guess what is behind a particular marriage or relationship breakdown. Thank you for those comments.

Senator ADAMS—I am looking at the department's submission, which we have just received. It says there are 580 separated partners who could potentially be affected by the passage of this legislation. To date 135 separated partners have contacted the department, 15 have reconciled or intend to and the remaining 120 are being assisted by a special team, with 60 seeking reassessment as an illness separated couple. There are another 50 who will explore options for a Centrelink benefit. This includes some individuals who are also seeking illness separated status. Have you had any feedback from the people who have been to the department and are going all through these different phases?

Mr Hodges—No, I have not.

Senator ADAMS—Nothing at all?

Mr Hodges—No. Regarding the stuff I mentioned before, I came across that a couple of years ago in my capacity as executive officer of the defence assistance centre in the RSL at Anzac House in Sydney.

Senator ADAMS—Of course, a number of us have received some very emotional emails from partners of veterans, and they certainly have described the things that you have described and are very fearful about what may happen to them and their eligibility to continue when they have had to move out of the marriage.

Mr Hodges—There is a lot of perception in veterans affairs from the soldier who joins and is told as a young 18-year-old that the Army will look after him and all of a sudden while he is on leave he falls out of a tree and breaks his leg and discovers the Army does not look after him when he is on leave—there is no compensation when he is on leave. The same thing flows down to the spouses. They put up with their husbands going away on deployment and coming back, raising the kids and all that type of stuff. The perception is, 'The military will system will look after me because I am an Army wife.' When something happens within the home that breaks it down, there is a perception, 'Bloody hell, the Army caused that problem with my husband,' or, 'The Navy caused that problem; they've got to fix it.' It is not too much to ask really because we are looking at a certain category of people—and, admittedly, there are not many—

Senator ADAMS—Yes, 580.

Mr Hodges—that have put up with it and, all of a sudden, if this bill passes we say to them, 'Okay, you've been separated from 12 months; you're no longer part of veterans affairs; you're just like the rest of the Australian population. Go to Centrelink.' We have let them down.

CHAIR—You are not saying that all 580 would meet—

Mr Hodges—No.

Senator SIEWERT—Can I just double check. In that case, what you are suggesting is that it should be amended to along the lines that we have been discussing of excepted disability.

Mr Hodges—Correct.

Senator SIEWERT—My question then is: are veterans having problems getting assistance or diagnosis, in particular where it is not a physical disability but more psychological? Is that proving to be a problem?

Mr Hodges—Mental health in the military and the veteran community. If you have five days I can talk about it. The answer to your question is, no, I am fairly happy at the RSL with the way that the Department of Veterans' Affairs handles mental health issues. They put in a lot of money, a lot of effort and a lot of people.

The system is there to look after the people that present with mental health problems—so much so that, if you have had active service and you present with a mental health problem, the Department of Veterans' Affairs will give you a repatriation health card to get that mental health problem treated without you even having to prove that it relates to your service. If you want to prove it is related to your service, then you will get a disability pension, but right at the onset, if you present with a mental problem, the Department of Veterans' Affairs will pay for you to get fixed if they can.

Senator SIEWERT—Good, because that would be my concern—if that was proving to be a problem, there would be two hurdles there.

Senator FURNER—I received an email from a constituent on Friday, and I am not certain whether you are able to answer this but I will give it a go. It might be helpful to put it on notice for the department. The gentleman asserts that 'All of the partners, mostly women'—I think it has now been established in government estimates that the ones we are referring to are all women—'will be over 50 and most will be either staying at home or working part time.' This is the part that I need to clarify: 'If they are not employed, they will be required to register with Centrelink. Many will find this an embarrassment. The cost of these benefits combined with Centrelink and employment agency costs will be more than the pension.' To your knowledge, is that a correct assertion?

Mr Hodges—Without the figures, I am not quite sure. I have the figures of the partner service pension, but I do not have any other figures with me, I'm sorry.

Senator FURNER—That is okay. It may be relevant. Future witnesses in this inquiry might be able to provide the answer or it might be appropriate coming from the department. The other thing I wanted to explore was the fact that we are currently in all parts of the world in wars and conflict and we will not only end up with service men; we will end up with service women. So I imagine this type of pension will flow on to them in the future as a result of their return. Would you have any contemporary estimates at this stage of what we would be looking at in terms of figures of service men and women in other countries?

Mr Hodges—I think about 30 per cent of ships are manned by women now. But you must remember that at this point in time women cannot go into active combat, but that may change in the not too distant future. The service pension, of course, is the old age pension—the same rules and everything—but you can get it at 60. A lot of serving personnel do not get the service pension because their military superannuation puts them out of the bracket. However, you are absolutely right: if a female has qualifying service—that is, active service—at the age of 60 she will be entitled to the service pension.

Senator FURNER—And the spouse of that female.

Mr Hodges—Yes, and then the spouse of that female veteran, if he was not a veteran himself. That gets a little bit tricky, I suppose. It probably depends on who turns 60 first, actually, thinking about it. So if they are both veterans and the wife turns 60 first and their income and assets put them in the service pension category, then the husband will become the partner pensioner.

CHAIR—It seems that your statement is clear that it is not all partners that should be protected, that it is partners who can point to separation because of the illness of their—

Mr Hodges—Accepted disability. Remember that one, Senator—'accepted disability'.

CHAIR—Accepted disability. Thank you.

[3.49 pm]

BROMHEAD, Mrs Narelle, National President, The Partners of Veterans Association of Australia Inc.

MINNER, Mrs Lesley, National Treasurer, The Partners of Veterans Association of Australia Inc.

CHAIR—Good afternoon and welcome. You have information on parliamentary privilege and the protection of evidence. We have your submission; thank you very much. I invite either or both of you to make an opening statement and then we will go to questions.

Ms Bromhead—Good afternoon and thank you for your time today. Our association is very concerned about the ramifications should schedule 2 of this bill be passed, resulting in the cutting off of partner service pension from separated wives 12 months after the separation or immediately if either partner begins a new marriage-like relationship. This cut will be very unlikely to have any effect on wives of World War II veterans. However, it will most certainly impact heavily on the wives of Vietnam veterans and, additionally, partners of both our current and future serving Defence Force members. The wives and families of our Vietnam veterans have already paid a huge price for their veterans' war service and they continue to suffer the consequences of that service—to the extent that, for some, the cost became too much. No consideration has been given to the many years of service that these unfortunate families have endured only to be advised, in no uncertain terms, that they will now become welfare recipients. Those in the Australian community who have served their country in war cannot be compared to the most dangerous civilian occupations, and nor should they ever be. This is also the case for the families they return to.

In many cases these wives have taken their responsibility as the wife of a war veteran very seriously, often to their own and their family's detriment. While they may no longer be able to cohabitate with the veteran, that responsibility may continue, despite their living apart or, in some cases when finances do not allow that, living separate lives in the same dwelling. What right does any government have to cast aside the all-too-often damaged partner and unceremoniously force them to become welfare recipients after what, in many cases, has been years of providing care and support for the veteran damaged by his service to our country?

Another provision of schedule 2 is to increase the current eligible age for access to the partner service pension from 50 years to 58.5 years and then increasing incrementally to age 60 years unless the partners have dependent children or one is the partner of a TPI, EDA or TTI disability recipient. Those partners under the eligible age also have and will continue to have the responsibility of their veteran spouse, yet they are expected to undertake what may be full-time care and be rewarded by being duckshoved to the social welfare system. Social security will assess any disability compensation payment that the veteran may be receiving from DVA as assessable income, therefore reducing the amount that the veteran family will be entitled to. This will be a direct erosion of the veterans entitlement. The PVA has always maintained that the whole veteran family should be the responsibility of the Department of Veterans' Affairs, to ensure that the veteran's needs are being met. Please do not let us forget that a war veteran is not a single entity but that he or she is part of a whole family unit, and we therefore ask that this entire part of the bill be rejected. Thank you.

CHAIR—Mrs Minner, do you wish to add anything at this stage?

Mrs Minner—No, not at this point. We will just take questions if you do not mind.

CHAIR—Senator Furner can go first as he has to leave.

Senator FURNER—You were in the room at the time I asked Mr Hodges the question in relation to a matter that was sent to me. I would like to ask the same question of you. Would you like me to repeat it to you?

Ms Bromhead—Yes please.

Senator FURNER—The gentleman in the case said that all of the partners, mostly women, will be over the age of 50; most will be either stay-at-home or working part-time. The part related to the question was this: 'If they are not employed, they will be required to register with Centrelink. Many will find this an embarrassment. The cost of these benefits combined with Centrelink and employment agency costs will be more than the pension.' I noticed you nodding your head in the room at the time.

Mrs Minner—In answer to that question: should these people be forced to go to Centrelink for a Newstart allowance, possibly a disability pension on their own, or maybe even a carer payment, depending on what their situation is? But if they are applying for Centrelink, yes, the difference between the amount they would be getting from DVA as a partner service pension and the amount they get on Newstart is $118. That is the actual

net saving per person—the maximum amount that can be saved—which is the difference between them being on DVA as a partner and being on Centrelink as a Newstart person. So what that person has said does make sense to me. By the time you add in all of those additional costs in trying to find that person a job and the extra administration of doing all those things I can see that there probably would be no saving. Even taking into account the fact that the department would be saving $118 per person per fortnight by putting them onto the social welfare, the amount would be pretty well immediately lost in that.

Senator FURNER—So they would be one-off costs as a result of administration and things like that. It is not a recurring cost.

Mrs Minner—No, the employment agencies or whatever are trying to find jobs for people and Centrelink have to pay those employment agencies to look for jobs for these people.

Senator FURNER—I see where you are coming from.

Mrs Minner—I would imagine that it would not take too long to reach that amount in trying to find employment for an unemployable person.

Ms Bromhead—Can I just add here that the number of women we are speaking about here is 580 in total. Of that 580, 505 are over 50 and up to pension age, which is 63. So the majority—505—of these women are between the ages of 50 and 63. Only 75 are below the age of 50.

Mrs Minner—Do you mean the wives who are now being changed from 50 to 58 or the separated wives? Which ones do you mean?

Senator FURNER—No, the question was based on women over the age of 50.

Mrs Minner—So those are the women who are still with their husband, are under the age of 50, and therefore the husband gets the service pension and the wife has to go to Centrelink? They are together as a veteran family unit.

Senator FURNER—Well, there is no description about whether they are together or separated.

Mrs Minner—Depending on what is actually meant or what the situation could be.

Senator HUMPHRIES—You mentioned that the legislation makes no allowance for the fact that many of these wives have been forced to give up careers and the ability to accrue superannuation in order to be full-time carers for those veterans. Do we have any figures that would indicate what proportion, particularly of women, would fall into that class—that is, people who have not had careers or who have only had part-time careers?

Mrs Minner—That can get a little bit difficult because, as Narelle said before, PVA have always maintained that the whole veteran family should be the responsibility of the department which is set up to care for the veteran. But at the same time DVA always maintain that they will not be responsible for looking after the carer. Therefore, the only way that any figures could be ascertained or pulled out would be by going to Centrelink. If there is a payment—which would be carer allowance—that many of these wives get, it would be through the social security system. DVA will not take responsibility. We keep saying, 'At least administer it so that these people do not have to meet Centrelink rules but have to meet the rules of the department, which understands the types of disabilities that the veterans have. Centrelink do not understand. It is beyond their capabilities. They do not deal with it.

Senator HUMPHRIES—But I assume you would say to the committee that, anecdotally, there is a much higher rate of women being out of the workforce or only part-time in the workforce because of that kind of relationship?

Ms Bromhead—Yes.

Mrs Minner—Yes, particularly where you are talking TPI. And, as Narelle said before, if you look at that 580 who will be severely impacted, there are 1,190 in total. I think the difference is actually 590. They are of pensionable age. So DVA are going to retain them. They will not go to Centrelink. They will stay there because they are 63, or whatever. Of the remaining 580, 362 are married to a veteran with a war caused disability of PTSD mental illness. So that on its own says a lot. Well over 60 per cent of these women have lived in this environment and this is the result of their lives. And they are now being told: 'Get a job. Look after yourself.'

Senator HUMPHRIES—You may have heard a previous witness from the RSL talking about a sort of halfway house in this arrangement. You have made a very respectable case, may I say, for simply voting down

these provisions altogether and not letting any of that change occur. But what the RSL was suggesting was something slightly different: that, where you could show that the breakdown had been caused by the pressures on the relationship by virtue of the military service, you would exempt these people from these changes. You mentioned that 362 of the 580 in fact have a diagnosed and accepted disability of PTSD.

Mrs Minner—By the department, yes.

Senator HUMPHRIES—Presumably others of those 580, or the remainder of that figure, would also have other conditions or illnesses which contributed to breakdown of a relationship.

Mrs Minner—Possibly, yes. We do not know exactly. The department have not been able to tell us that information.

Ms Bromhead—From letters we have received from these women we have found that a lot of them have things like cancer—for instance, breast cancer or bowel cancer. It seems to me that it has affected them in quite a lot of ways, and they really are quite frightened about what is going to happen to them. So it has affected them as well because, as to cancer, extra stress in the family can cause this.

Senator HUMPHRIES—Sure. It is a good point. So, as I say, you would prefer not to have these provisions here at all?

Mrs Minner—Definitely.

Ms Bromhead—That is right.

Senator HUMPHRIES—But if you did say that the pension was still payable where the relationship had broken down as a result of the conditions—that it was attributable to military service—then that would capture, presumably, a very high percentage of those women who are in that position.

Mrs Minner—There is also within DVA a provision called 'illness separation'. Illness separation generally is if the veteran or the wife, either one of them—maybe because they are elderly, or for whatever reason—are in a home somewhere. That is illness separation. But, in this instance, these people are, in effect, I suppose, illness separated. They cannot cohabitate. Yet they still, in many cases—I do not know if you have got some of the letters we had—have daily interaction and they are the responsible person, in the end, for this veteran, as far as they are concerned. So they are married to the veteran and that is it; they will come to the fore again should something go wrong. It is the veteran's war caused illness, so why is it not illness separation anyway—even if this thing did come in?

Senator SIEWERT—Doesn't what you were talking about qualify for illness separation?

Mrs Minner—No. Illness separation is when you are in a facility.

Senator HUMPHRIES—You are physically separated.

Mrs Minner—Yes, you are in a facility. And let us not forget: you can be in that facility not because of any war caused injury. It is accepted to be illness separation where the reason for that person being in the home has nothing to do with his war service—for instance, he is simply elderly. How can that be accepted as illness separation and yet a condition that is accepted by the department—and for which there are Lord knows how many programs via DDCS, to deal with the ramifications that this illness has created within the family—not be? They have accepted that there is a problem. There are even programs for the wives of these mentally disturbed veterans to learn how to deal with it. They are teaching us how to deal with all these things and they are saying, 'We will teach you how to look after the veteran,' but when it comes to us and when it comes to these wives, it is: 'Off you go. Our responsibility is finished once you are no longer his full-time unpaid nurse.' That is when the responsibility is gone. And that really is very sad.

CHAIR—For any reason? I asked the RSL gentleman about the 580. Certainly he made the case for people who were separated as a result of illness and were incapable of being in that position. But if someone just separates and divorces, should they be covered by this process?

Mrs Minner—If they were divorced they were never covered anyway. Divorced: finished.

CHAIR—But if they separate?

Mrs Minner—People in the general community separate for any number of reasons.

CHAIR—And maintain a pension?

Mrs Minner—I know they do.

CHAIR—But I am asking for your statement on record: if your relationship ends, should you actually be able to maintain a pension on the basis of that previous relationship?

Ms Bromhead—These women should be able to state reason the relationship broke down and it should be judged on the merit of that. We are more concerned about the ones with PTSD because this is where—

Mrs Minner—In some instances when these people separated, I think that was the condition under which they separated. For example, if they separated four years ago or eight years ago or whatever, they may have been 54 or 52. PTSD was the reason they separated eight years ago. Now they are suddenly being told: 'You're 60. Sorry, you're not old enough for anything else. Retrain. Get a job.' Do it then but do not make it so that it affects backwards. Either way, someone is not going to be happy.

Ms Bromhead—I do believe that of the 580, around 276 have been separated for less than five years. Is that right?

Mrs Minner—I cannot remember.

Ms Bromhead—It is almost line ball with the number that have gone for more than five years. As I said, if you go back and calculate the ages of these women, the 270 odd have left in the last five years. They are possibly still in their fifties. So they have stuck it out until then; they have stuck it out for between 30 and 35 years. Sometimes it just gets to the point where you just have to go.

Senator ADAMS—What is the department doing in relation to providing support to partners who will be affected by the proposed changes to the legislation? Have you had any help from the department?

Ms Bromhead—I believe that the first letter to partners went out around 23 September, and it said that they could contact DVA. I believe that a good system was set up whereby experienced people would talk to the women. Obviously, quite a few would have contacted them. I have had feedback by telephone from a few women who said that the department had said to them to go to Centrelink and find out about their options. The women were very upset by that. But I think the department are doing as much as they can to advise these women as to what is going on. My biggest fear is that it is now November and that, as of 1 January next year, it starts. To me, that is not a very long time to get your act together. I do not believe that many of these women will be employed. Some of them who are already in part-time work may be able to extend it. We do not have those figures. We have no idea.

Senator ADAMS—We were talking about the illness-separated couple and the criteria associated with that. Could there be another category in that for those people who, as you were saying, have separated and are still prepared to care in a desperate situation, but they cannot cope physically with the day-to-day problems that are associated with that.

Ms Bromhead—Definitely.

Senator ADAMS—So we have the illness-separated status category where a person goes into a nursing home, a mental health place or rehabilitation or something like that, but then there is a second category where a person still desperately cares—at this stage we will say—for her partner, but they just cannot do anything. We will have to perhaps explore that area and see whether there could be a second category for illness-separated status. Those people are still taking complete responsibility for that person, despite the fact that they are not living together.

Ms Bromhead—As I said before, we have 362 who have accepted PTSD as a war caused disability but there could still be any number of reasons why the marriage has broken up. These women should be written to about what circumstances brought their marriage to an end or what made them separate from their partner. Their marriage has not ended; they are still married—and that is the whole point. I think that would be a fairer way to do it rather than to just let them know that they have to go to Centrelink after 1 January.

Mrs Minner—There would also be some who are not caring for their husbands anymore. They are the ones who have possibly been terrorised or been in a relationship where violence has been involved. What is really quite strange in the letters that we are getting from women who have been in that position and who, along with their children even, have actually been physically attacked is that, when the wheels fall off for their husband, they still turn up and support them. Not all of them do that. But, looking at it from my point of view, I find it quite astounding that there are those who still support their husbands. We have often talked about this. Is it because they are married to a veteran, particularly a Vietnam veteran, who has suffered from going to war and needs ongoing treatment? A lot of these wives have taken far too much responsibility by saying, 'Okay, we have to make up for what has happened.' I do not know what it is, but something is awry when the wives of

the Vietnam vets in particular seem to be the ones who just keep taking more and more responsibility and cannot let their husbands be hurt anymore. I do not know what it is.

Senator ADAMS—As we were saying, most of those people are now around 63 or 65 years of age and are of a completely different generation to the younger generation. I am not trying to go against the younger generation, but I think the view of people from that time was that you were married and that was it.

Ms Bromhead—It was a different culture.

Senator ADAMS—Yes, completely and utterly. You coped with everything the best way you could, and it was an absolute disgrace not to.

Ms Bromhead—You just did not do it.

Senator ADAMS—I think we are probably looking at two generations of women. The first is an older group of women who are 63 and moving towards the pension anyway.

Mrs Minner—No. It would be lower. It would be early fifties up to probably 60 and, I suppose, possibly 70.

Senator ADAMS—Then there is another generation below that.

Mrs Minner—Yes. We know that they are already being heavily impacted by the service of their veterans in Afghanistan, East Timor and Iraq. We know that it is being repeated. The same things are happening to them. Whether they do things differently because they are of a different age, I do not know. Nobody will know. Time will tell. But there are also many more things in place for the veterans and their wives than there were for our lot.

Senator BILYK—In your submission you talk about the age that a partner of a veteran is eligible to access the partner service pension as being 58.5 years, and then in the next sentence you say:

It seems unfortunate that the DVA cannot adopt one age, ie 58.5yrs rather than arbitrarily alternating between the civilian age 63 and 58.5 and then selecting whichever will be the most cost effective to the Government.

It has been a long day for some of us up here. That is not very clear to me. Can you explain that to me so that I can get it clear in my own head?

Mrs Minner—The pensionable age for a civilian female is 63.5. The age for a veteran female is—

CHAIR—A woman veteran.

Mrs Minner—Yes. It is 58.5. The department generally seems to default to 58—

Senator BILYK—Maybe I can ask the department.

Mrs Minner—The time that is accepted is generally 58.5. It was 50. But in the last budget when they increased that age from 50 to 58.5, that was the meaning. It is 63½ for one particular scenario; it is 58.5 for another. It was 50. It would be nice if they picked one age rather than always increasing it or decreasing it, whichever is going to be the lowest denominator and will have an impact on the partner. They were the only two cuts in the budget, and both of them impacted immediately on the partner of the veteran. Fortunately, we did get the 58.5 war widows up, so all war widows are equal. Before that, they could not get the income support supplement. That was virtually a comment: don't keep chopping and changing. When it suits, you have 50, when it does not suit you have 58 and if it really does not suit you and fewer are going to get it go for 63½. That was the point.

Senator BILYK—That clarifies it a bit. I am happy to talk to the department about it later too.

Mrs Minner—Sorry.

Senator BILYK—No, that is fine.

Mrs Minner—Everything with Veterans' Affairs appears to be very convoluted, because they continually keep pulling and changing and sorting things out, for obvious reasons.

CHAIR—There being no further questions, thank you very much.

[4.16 pm]

FARRELLY, Mr Sean, National Manager, Compensation and Income Support Policy, Department of Veterans' Affairs

TELFORD, Mr Barry, General Manager, Compensation and Income Support Policy, Department of Veterans' Affairs

CHAIR—Welcome. Information on parliamentary privilege and the protection of witnesses has been provided and, as departmental officers, you know that even if you are asked to give opinions on matters of policy you do not have to answer. I now invite you to make a short opening statement, if either or both of you would like to do so. We have your submission today—thank you very much. Then we will go to questions.

Mr Telford—We have no opening statement.

CHAIR—Mr Farrelly as well?

Mr Farrelly—No.

CHAIR—Senator Bilyk, I do not want to direct you, but I thought you could go straight in with the question you just asked. While it is still fresh in our minds, it would be useful to have that explained.

Mr Telford—We are happy to do that.

Senator BILYK—Thank you. You were in the room and you just heard our last witnesses. Their concern, as I read it, is that there seem to be varying selection processes, I suppose—one being age—where the department can make different calls. Also, they said that a lot of the procedures seem to be quite convoluted. I was wondering if you could tell me what processes there are for determining which pension people or spouses would be entitled to. Is it based on age? Is it based on cost saving? Is it based on other things and, if so, can you tell me what they are?

Mr Farrelly—Perhaps if I just clarify how the age criteria work—

CHAIR—It would be very useful to have it on record.

Mr Farrelly—because they are a little bit confusing. The age pension age—and I will deal with males first—is 65. The veteran pension age for males is 60. That is on the basis that those with qualifying service, who have access to the service pension—qualifying service is basically service in a theatre of war—will have access to income support if they need it five years earlier than the general community. That is based on the effects of combat.

For females, the age pension age is 63½, and that is in the process of being equalised towards the male age of 65. I think it is six months every 18 and it gradually works through so that they will be equivalent at 65.

Senator HUMPHRIES—At 60?

Mr Farrelly—The age pension age for females will eventually be 65.

CHAIR—It is being equalised to 65.

Senator HUMPHRIES—Right.

Senator ADAMS—But if they are a female veteran? When would they start then?

CHAIR—We have not got there yet, Senator.

Mr Farrelly—The veteran component of that is 58.5, 5 years earlier. Age pension age for males is 65. For veterans it is 60. Age pension age for females is 63.5 currently. For female veterans it is 58½.

Senator BILYK—Is that 58½ increasing?

Mr Farrelly—Yes. So it will eventually match—

Senator BILYK—At the same rate?

Mr Farrelly—At the same rate. It will eventually be 60. So females in the general committee and female veterans will both match their male counterparts over time. That is a process that started some time ago.

Senator BILYK—Can you tell me when it started?

Mr Telford—1995.

Senator BILYK—It has been a long day, so it takes me a while to do the sums. What year do we expect it will equalise?

Mr Farrelly—It is 1 January 2014.

Senator BILYK—There seems to be some confusion out there with people accessing pensions in regard to this, as we have heard. Is there any information for people to make it easier to understand what entitlement they fit in under?

Mr Farrelly—We publish a fact sheet that sets out the age criteria. It is somewhat complex even then. I do not have a reference in mind, but we have a fact sheet up on our website that sets out the various criteria and how they work.

Mr Telford—That said, I would suggest that there is a very good understanding that the pension age for veterans is five years younger than the general community. I think that is pretty well understood in the veteran community. The fact that the female is equalising may mean that it will change sometime. When changes take place we publicise them widely.

Mr Farrelly—And there is no proposal to change that five-year differential.

Senator ADAMS—Let's go back to separated partners. I am looking at the department's submission that we received today. We have 580 separated partners who will be potentially affected by the passage of the legislation on 1 January. Of those, 240 wives are aged between 50 years and 58.5 years, which brings me once again to the question of age. Are they entitled to any type of pension? If they are separated, is there any provision for them other than to go and find a job?

Mr Farrelly—They would be entitled to go to Centrelink and establish if there are any benefits available there. That could include things like disability support pension, carers pension, parenting payments—but we would not expect too many people to be affected that have access to parenting payments—and Newstart. They would be the major ones.

Senator ADAMS—So, if they have separated, until they are 58½ they cannot receive anything unless they go back to Centrelink and apply for those sorts of things.

Mr Farrelly—Potentially that is right.

Senator ADAMS—You say here that, out of those 580 separated partners, 135 have contacted the department. Of those, 15 have been reconciled or intend to reconcile with their veteran service pensioner, and the remaining 120 are being assisted through your special team and 60 are seeking reassessment as an illness-separated couple. You probably heard me ask the question about the illness. At the moment it is somebody who has to move into either a mental health facility or aged care. Is that correct?

Mr Farrelly—That is not a requirement. People can live apart and not in an aged-care facility or any sort of institution and apply for illness separated. What we will be looking for is evidence that a marriage-like relationship continues to exist. A couple could very well separate, for a variety of reasons, and, if they can establish that a marriage-like relationship continues to exist, then they would be assessed as illness separated.

Senator ADAMS—How are they going to establish that for the department to actually agree that they have those credentials?

Mr Farrelly—The Veterans' Entitlements Act sets out a number of factors in section 11A. They are in four broad areas. We would look to the financial aspects of the relationship; for example, if there were joint bank accounts—joint liabilities and so on—the very nature of how the household works, the social aspects of the relationship and the nature of the two people's commitment to each other. It is not a single factor but the total pattern of the relationship that we would look at. There is a questionnaire that will be provided to people if they want to be tested for separated due to illness, and that provides a framework for them to tell their story. It is not necessarily an easy judgement to come to. It is about forming an opinion—we hope compassionately—on a wide range of factors.

Senator ADAMS—You state here that you have got one person who will actually do the assessment—an experienced senior DVA officer. Can I ask how many people so far have been assessed by that person and how many of the 60 have been granted that illness separated couple benefit.

Mr Farrelly—No determinations have been made so far, because the legislation is yet to pass. Therefore, it would be presumptuous of us to be making decisions now. No decisions have been made. We decided to have decisions made by a single person in order to make sure that there is consistency. We have also got an

arrangement in place whereby if the delegate's decision was to be a no, then that would be reviewed and he would consult others in Canberra so that we could make sure that we are assessing these things compassionately.

Senator ADAMS—So there would be an appeals process?

Mr Farrelly—Indeed.

Senator ADAMS—Out of the people who will possibly have to go to Centrelink, has the department analysed the proportion of spouses who have never worked, and therefore have no real qualifications, due to the constant needs of their spouse during and after their service?

Mr Farrelly—No, we have not simply because we do not have those sorts of details to hand. We do not have details of individuals' work history, to my knowledge.

Senator ADAMS—Have you looked at any information as to the amount of superannuation these spouses may have accrued and the ability to use this to support themselves if their payments cease? Has any work been done in that respect?

Mr Farrelly—I think I had better take that on notice. Some would have superannuation. I can check my notes and see if we have any information on that to hand, but it is something I would need to check, I think, and take on notice.

Senator ADAMS—Thinking about when compulsory superannuation came in, most of this age group would have been well and truly out of the workforce and raising their children. That age group were predominantly the stay-at-home mums looking after the family, getting the kids through school and them through uni or wherever, or supporting them if they were working. I would be interested to see just how many of those people on your list have access to superannuation.

Mr Telford—We certainly can have a look at that and take it on notice. I think we need to preface that and say it would be very patchy.

Senator ADAMS—I would think so.

Mr Telford—The decision about these issues, whether it be illness or separation or other issues, are taken on a case-by-case basis. Even if we had information on our system for some of these purposes, we would need to obviously update those and understand those circumstances at the time, as would Centrelink in terms of determining what income support they may or may not have access to.

Senator ADAMS—Is there any counselling available for these partners who choose to carry on with their relationship? You have said that 135 separated partners have contacted the department of which 15 have reconciled or intend to reconcile and the other 120 are looking at how they can go about it. With these interviews, do you have anyone who can help them if they decide to go back to their partner? They have already separated and because the legislation will possibly change they have decided the only way they can make do and keep going is to have another go. I would think that they have made a decision for a reason, therefore do you have any support to help them go back?

Mr Telford—The Veterans and Veterans Family Counselling Service, which is part of the Department of Veterans' Affairs, has a range of programs and services which are available to these partners if they need that sort of support. Also, of course, Centrelink has the capacity for social work and other forms of counselling that they can provide to people who come forward as well. So there are two avenues for them.

Senator ADAMS—These elderly people would probably have never had any contact with Centrelink or needed to then all of a sudden this is thrust upon them. I would think it is possibly a very daunting thing to have to do. As well as, they would have a certain amount of pride about being able to survive and make do, and now they may have to go to Centrelink.

Mr Farrelly—I should add that, in that event, which I can understand, partners of the service pensioners do have access to the VVCS for up to five years after they are separated. In special circumstances, compassionate circumstances, I suggest these people continue to have access to up to five additional sessions after that five years through the VVCS. That counselling would also include access to relevant programs, including, say, women's groups and so on. There are avenues for people to continue to deal through the VVCS. On the other hand, there are people who have contacted us who have taken up services from Centrelink social workers.

Mr Telford—It should also be said that separated partners over pension age—over 63.5—will not be affected by this measure.

Senator ADAMS—I am fully aware of that.

Mr Telford—Sorry, I was just clarifying that the person being old—

Senator ADAMS—No, I am looking at the group under 58.5. A lot of those people would probably have not worked since they were in their early 20s perhaps and having to approach Centrelink is something that is absolutely foreign to them. As far as support goes for women living in rural and regional areas—certainly having come from that particular area, I am very aware—some people I know would be horrified to think that everything was fine and then all of a sudden they had to go to Centrelink. With no public transport, how would they get there? And there are all of the other issues that go with that. It is certainly not easy.

Mr Telford—One of the reasons that we have set up the special arrangements which we have outlined in our submission—having a point of contact within the department and likewise a single point of contact within Centrelink and us assisting and working closely between those two teams—is to address just the sorts of issues you have raised. We want to make sure that each case is dealt with in an understanding and compassionate way. Having a group where the linkages are between the two departments we believe will facilitate that. We are confident that we can treat each person as an individual and as somebody who needs the support to move them, if that is going to be the situation, from one system to the other.

Senator HUMPHRIES—What amount is being saved by this measure?

Mr Farrelly—Around $39 or $40 million over four years.

CHAIR—Thank you for your submission. I want to clarify one point. Under the heading 'Schedule 2 Part 2' it says:

To give effect to this two additional criteria for loss of eligibility for partner service pension if the person is under age pension age are proposed:

(i) if the partner and veteran separate, eligibility for partner service pension will cease 12 months after the date of separation—

that is the one that most questions have been asked about, or—

(ii) if the veteran enters into a marriage-like relationship, eligibility for partner service pension will cease from that date.

Is that a new proposal?

Mr Telford—Yes, that is the proposal. This is for the people who are currently married.

CHAIR—Yes. So if a veteran and their partner are currently married and separate at any time—there is no divorce, but they are living separate—the eligibility for the partner pension ceases for the partner, subject to all the discussions we have had—contacting, seeing their whole process—12 months from that date?

Mr Telford—That is right.

CHAIR—The second thing is: if the veteran forms a new partnership, that ceases the partner pension for the first partner?

Mr Telford—Correct.

CHAIR—And that is new?

Mr Telford—Yes. But if they are in a de facto relationship, it ceases immediately. That is not new.

CHAIR—No. I am just trying to get it all on the record because it has not been on the record. If the original partners were not married and the veteran actually forms a new relationship, the partner pension for the original partner ceases and that has been forever—I should not say that, because it probably has not been forever, but as long as I can remember. But the new change just to ensure there is a single entitlement I would understand—

Mr Telford—So we are not paying two people partner service pensions, which happens now.

CHAIR—If the veteran forms a new partnership, not marriage, the eligibility for their first partner ceases.

Mr Telford—After 12 months.

CHAIR—It is just that we have been asking questions about the other one. I just want to make sure that the two changes to this element are on the record. I have got it right, haven't I?

Mr Telford—Someone is saying no behind me. I thought I had understood the question correctly.

Mr Farrelly—Perhaps we had better clarify, just in case. The current arrangements are that, if a couple divorce, then the partner would cease to be eligible for the partner service pension.

CHAIR—And that would always be the case—that is the termination of the relationship.

Mr Farrelly—That is right.

CHAIR—And that goes through the whole property settlement and all that kind of thing.

Mr Farrelly—Currently, if a couple in a de facto relationship separate, the partner service pensions ceases immediately. If a married couple separate and the partner enters a new relationship, the pension ceases. The changes are that people who are in those situations and separate have 12 months or, if the veteran enters a new relationship, then the partner service pension would also cease.

CHAIR—That is what I thought, in terms of the process. We have not asked directly the question put by the RSL when they were giving evidence about the proposition that, should the separation be able to be proven to be as a direct result of the veterans'—I am being watched by the gentleman from the RSL to make sure I do not get the wording wrong. The point actually is that, if they had an agreed and assessed condition that could be proven to be the stimulant for the separation, that would be an element that could see that the partner payment continued. Has that been considered by the department?

Mr Telford—We understand the point.

Mr Farrelly—The department broadly agrees with the thrust of the RSL's submission. We, though, say we will interpret Veterans' Entitlements Act section 5R(5), which the RSL referred to, and use that to look for illness-separated couples. We would say, though, that, we are bound to look for a continuing marriage-like relationship. Also, we would suggest that perhaps just looking at war-caused illness as the cause of separation could well be a limiting factor, because there are veterans and service pensioners who might have got a service pension for an illness, disability or disease that is not war caused who should have access to the same sorts of provisions. So we would suggest that the cause of the illness is not so important; it is the fact that there is an illness and the couple are living separately or are separated and that there continues to be a marriage-like relationship.

CHAIR—So that is your paragraph headed up 'Separation due to illness'. Does that currently exist?

Mr Farrelly—That exists.

CHAIR—It exists—I know very well—for people who are in hospitals or whatever. Does it currently exist for people who are not in hospital?

Mr Farrelly—Yes.

CHAIR—So it is a current provision and it would be assessing the separated partners under that provision to see whether they meet that stimulant.

Mr Farrelly—Yes.

CHAIR—That is something that is current under this bill?

Mr Telford—Yes. The point, though, that Mr Farrelly made in relation to what the RSL is suggesting turns around the issue of accepted disability. I think it is important to note that not every person on our books will have an accepted disability for a range of reasons. So, in terms of strictures, apart from the difficulty of maybe having to prove something else was war caused, relating it back to an accepted disability limits it far greater than actually taking the story of the individual and relating it back to the reason for their illness separation.

CHAIR—And the bill before us would allow that to happen?

Mr Telford—Yes, none of that will change.

CHAIR—So in the bill before us, which is looking at a particular group, and the provision in your statement under 'Separation due to illness', each of those couples would be able to be assessed under that to see whether they meet those requirements?

Mr Farrelly—Correct. We believe that the bill as it is currently formulated in the context of the act—the VEA as it currently exist—provides the department with the capacity to make those assessments.

Mr Telford—To make it as clear as we possibly can, another example of this—and I am using an institutional example here—is that if you have a couple, a veteran and his wife, who were separated and the wife goes into institutional care and their costs increase, they still are classed as illness-separated. If you tried to relate that back to an accepted disability that would not be the case.

CHAIR—It would not work at all, right. The clear aspect, though, in that short paragraph in your submission is that the separation is caused from illness. The illness has to be defined, so there is clearly an

illness stimulant to the reason for the separation. And the second part, which I know is complex, is their marriage-like relationship proof—that after the separation had occurred there had still been some form of relationship, and how that is defined.

Mr Farrelly—Yes.

CHAIR—And that is under the current act?

Mr Farrelly—Yes.

CHAIR—And that is on one of your fact sheets?

Mr Farrelly—Yes.

Senator ADAMS—Has any research being done by the department on the reasons for partners separating from veterans? Have you done any background work as to the main reason?

Mr Telford—Not exactly addressing the question you put, Senator. However, there is a very significant study currently underway, the family studies program, and $13½ million is being put towards this piece of research, which will address a whole stack of issues around illness relating to sons and daughters of veterans and around relationships and family issues. We believe that piece of work will give us the most information in a structured and scientifically based way. I am not aware of any particular study, but I know there are some underway. I think the PVA have been doing some work in this area.

Senator ADAMS—When will that particular study you talked about be finished?

Mr Telford—Not for many years, but there are certain bits that will be coming out throughout the next five years. It is a very complex piece of work.

Senator ADAMS—I am sure it is. Thank you.

CHAIR—As there are no further questions, thank you very much, gentlemen. If you think of anything further that we should know, please be in contact with the committee.

Mr Telford—We certainly will.

CHAIR—You were the last witnesses for today so the committee will terminate our hearing on this legislation. We will reconvene on Thursday looking at rental affordability.

Committee adjourned at 4.48 pm