



Australian Government
Department of Social Services

Senator Slade Brockman
Chair
Senate Community Affairs Legislation Committee
Parliament House
CANBERRA ACT 2600

Dear Senator

**Letter of clarification of an answer provided to the Senate Community Affairs
Legislation Committee on 31 May 2018.**

I am writing to clarify evidence provided to the Committee during its examination of the Department of Social Services in relation to Outcome 1. The relevant part of the Hansard is as follows:

Senator PRATT: I just need to clarify something from what I asked before. In terms of those who won't receive the Energy Supplement—in terms of new people who come onto payments but because of the change in policy that hasn't actually changed yet will come onto the Energy Supplement out to 30 June 2022, you gave me a figure for 2021. I'm also interested in a figure out to 2022. I'm assuming that you must have an estimate because it will have had to be rolled forward in the forward estimates.

Ms Wilson: I think that, as the evidence we've given indicates, we don't update until we have a new implementation date.

Senator PRATT: So what assumption is in the forward estimates?

Ms Wilson: The assumption—

Senator PRATT: The old implementation date?

Ms Wilson: Yes, that's correct. What's in the forward estimates reflects what was announced some time ago in respect of the closure of the Energy Supplement. Until there's a new implementation date there isn't a re-costing done which then would get reflected in a new amount rolled into the payment estimates in the forward estimates.

In reviewing the transcript, there may be an element of doubt in relation to the response provided about the circumstances in which a re-costing is undertaken. The department therefore wishes to clarify the response to remove any potential misunderstanding.

In her initial response to the Committee, Ms Wilson was referring to a change in policy that would need to be costed and ultimately reflected as a new measure in Budget papers. As there has been no change in the Government's Energy Supplement policy, there is no need to re-cost.

When the implementation date for a measure has passed without the necessary passage of legislation, the department works with the Department of Finance to determine what, if any, variations to estimates are required. Where the legislation specifies a next available commencement date this is typically used as part of estimates variations. If no such date is included in legislation an alternative date may be selected based on the best information available.

Ms Wilson subsequently provided evidence consistent with this approach by stating that measures are not re-costed as a result of delayed implementation, but that a range of factors are considered when adjusting budget estimates (page 41; Hansard 31 May 2018).

I trust this information provides a greater level of clarity for the Committee.

Yours sincerely

Nathan Williamson
Deputy Secretary
Social Security
2 July 2018

Cc: Secretary of the Senate Community Affairs Legislation Committee