

Senate Finance and Public Administration References Committee

Inquiry into the Operation of the Administrative Arrangements Order

Public Hearing – Tuesday, 14 March 2017

ANSWERS TO QUESTIONS ON NOTICE

Department: Department of the Treasury
Question No: 1
Topic: List of ministerial responsibilities
Reference: Hansard page 10-11 (14 March 2017)
Senator: McAllister, Jenny

Question:

Mr P Robinson: Thank you, Senator. So the allocation of responsibilities across the portfolio are determined by the Prime Minister and Treasurer. There are four ministers in the portfolio. Obviously, there is the Treasurer. There is the Minister for Revenue and Financial Services, who has responsibility for tax administration, tax legislation and policy in the financial sector, corporate law and regulatory reform. There is the small business minister, who obviously has small business policy and programs and consumer policy, and then, as you mentioned, the Assistant Minister to the Treasurer, Mr Sukkar, who was appointed on 18 January.

So a number of areas would assist the assistant minister at present. Some areas of responsibility include housing, and so he deals with parts of the department—particularly our social policy and tax divisions—on housing issues. He deals with aspects of the Council on Federal Financial Relations—Commonwealth-state issues—which again would involve a range of divisions, including our Commonwealth-State Relations Division. He deals with Social Policy Division, our new structural reform group; competition and consumer policy—again, our new Structural Reform Group; and Markets Group, being our small business and consumer division. There are also works in the area of the Charities and Not-for-profits Commission, the ACNC. They are just some examples of areas where the minister has responsibility. In general, he would deal with a wide range of divisions, and a number of divisions would be supporting him.

CHAIR: So is that a complete list of the areas where Mr Sukkar is engaging with the department?

Mr P Robinson: I could take that on notice to get you a wider list, but they are the main areas of responsibility, particularly given that the minister has only been in the portfolio for just under two months.

...

Mr P Robinson: They are the primary areas of responsibility, yes, but I will take that on notice to provide, if I can, a more fulsome list.

Answer:

The Assistant Minister to the Treasurer has ministerial responsibility for the Australian Charities and Not-for-profits Commission and is assisting the Treasurer in matters relating to:

- routine foreign investment applications;
- the Global Infrastructure Hub; and
- housing policy.

The Assistant Minister also has partial but minor responsibilities in the portfolio relating to:

- competition policy;
- the Council on Federal Financial Relations;
- social impact investment; and
- the not-for-profit sector and mutuals.

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ANSWERS TO QUESTIONS ON NOTICE

Department: Department of the Treasury
Question No: 2
Topic: Ministerial responsibilities prior to 24 January 2017
Reference: Hansard page 12 (14 March 2017)
Senator: McAllister, Jenny

Question:

CHAIR: Terrific. In relation to those four areas, you noted that Mr Sukkar was only appointed on 24 January. Who was responsible for those areas prior to his appointment?

...

CHAIR: Charities and not-for-profits?

Mr P Robinson: I might take that on notice and get back to you, if I can.

Answer:

Prior to 24 January 2017, the Minister for Small Business, the Hon Michael McCormack MP, had operational oversight of the Australian Charities and Not-for-profits Commission.

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ANSWERS TO QUESTIONS ON NOTICE

Department: Department of the Treasury
Question No: 3
Topic: Lead agency for housing
Reference: Hansard page 13 (14 March 2017)
Senator: McAllister, Jenny

Question:

CHAIR: I do not need to be convinced that it is a complex policy problem that requires inputs from a range of people. What I am interested in, though, is understanding who is in the lead. Very specifically, I asked Mr Fraser back in 2015: 'Are you the lead agency for housing in the government?' Mr Fraser said: 'No, we are not the lead agency.' I said: 'Who is the lead agency?' and Mr Fraser said: 'Social Services.' I have asked each of you who is the lead agency and you have all said there is no lead agency. That is a change from 2015, where the position was that there was a lead agency and it was Social Services. Can you tell me when that change took place?

Mr M Robinson: I would need to take that on notice. I do not know that there has been a formal communication of a change in lead agency or leading responsibility.

CHAIR: Mr Robinson, can you tell me?

Mr P Robinson: If I could refer back to estimates on 1 March, the secretary was asked a similar question, to which he said:

It is chaired by a number of departments. There are a number of departments working on it. He said that Treasury was 'leading the affordable housing committee of the heads of Treasury'. He said:

But for the Commonwealth government as a whole it is chaired by a number of departments. He said it was 'shared between PM&C and Social Security'. Again, he noted that the issue is a wide-ranging one with a number of departments having relevant input.

CHAIR: Perhaps I will ask you to take on notice when this change took place, because the advice previously was that Social Services was leading on it. I am trying to understand when that changed, because now no department is leading on it, although the Treasurer, it seems, is leading on it from within cabinet but Prime Minister and Cabinet are convening an interdepartmental working group. What is the scope of that interdepartmental working group? What are its terms of reference or goals?

Answer:

There has been no change to the allocation of housing responsibilities noted in the Administrative Arrangements Order (AAO) signed on 1 September 2016. According to the AAO, responsibility for matters relating to housing are shared between the following agencies:

- Department of Social Services: Social housing, rent assistance and homelessness, Housing affordability; and
- Department of the Treasury: Housing supply policy.

The Commonwealth Government is also progressing work on housing affordability through the Council of Federal Financial Relations (CFFR). Following a request from Treasurers at the CFFR meeting in October 2015, the Commonwealth Government established an Affordable Housing Working Group (AHWG) to investigate ways to boost the supply of

affordable rental housing through innovative financing models. The AHWG comprised members of the Commonwealth Treasury and the Department of Social Services as well as members from the New South Wales, Victorian and Western Australian Governments.

Commonwealth Departments are working collaboratively on issues around housing affordability, including through an interdepartmental committee (IDC) chaired by the Department of the Prime Minister and Cabinet with the Department of the Treasury, Department of Social Services and the Department of Infrastructure and Regional Development. The terms of reference of the IDC are Cabinet-in-confidence.

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ANSWERS TO QUESTIONS ON NOTICE

Department: Department of the Treasury
Question No: 4
Topic: Interdepartmental working group on housing
Reference: Hansard page 13 (14 March 2017)
Senator: McAllister, Jenny

Question:

CHAIR: Perhaps I will ask you to take on notice when this change took place, because the advice previously was that Social Services was leading on it. I am trying to understand when that changed, because now no department is leading on it, although the Treasurer, it seems, is leading on it from within cabinet but Prime Minister and Cabinet are convening an interdepartmental working group. What is the scope of that interdepartmental working group? What are its terms of reference or goals?

Mr M Robinson: It is just looking at broader housing issues ranging from housing supply and affordability through to housing assistance programs and the like.

CHAIR: Does it have formal terms of reference? Are they written down?

Mr M Robinson: I would need to take that on notice.

CHAIR: Do you participate in it?

Mr M Robinson: Yes, I have been involved.

CHAIR: Do you remember seeing formal terms of reference?

Mr M Robinson: I cannot recall seeing any, which is why I would need to take that on notice.

CHAIR: When did it begin meeting?

Mr M Robinson: I would need to take that on notice to provide the exact date, but it would have been late 2016.

...

CHAIR: Okay. So if you could provide on notice any documentation that you do have about the scope of that group and when that documentation was issued to you, I would appreciate that.

Mr M Robinson: Yes.

Answer:

Commonwealth Departments are working collaboratively on issues around housing affordability, including through an interdepartmental committee (IDC) chaired by the Department of the Prime Minister and Cabinet with the Department of the Treasury, Department of Social Services and the Department of Infrastructure and Regional Development. The terms of reference of the IDC are Cabinet-in-confidence.

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ANSWERS TO QUESTIONS ON NOTICE

Department: Department of the Treasury
Question No: 5
Topic: Support to the Minister for Revenue and Financial Services
Reference: Hansard page 14 (14 March 2017)
Senator: McAllister, Jenny

Question:

CHAIR: Are you providing any support to Ms O'Dwyer, or is anyone in the housing area within the department providing support to Ms O'Dwyer, for specific policy questions that might go to her portfolio responsibilities?

Mr M Robinson: I imagine that may be the case. As Mr Robinson indicated, housing spans quite a few areas within our department. As you mentioned, there are our Revenue Group colleagues, who look after taxation arrangements, and there is our foreign investment involvement through our Foreign Investment Division financial services area. So there is a range of areas, and those areas would brief her as necessary, as issues arose.

CHAIR: Right. Have you briefed Ms O'Dwyer about the work of the interdepartmental committee?

Mr M Robinson: I have not directly. I would have to take on notice whether the department has.

CHAIR: I would appreciate it if you would take that on notice. With the work you are doing within Treasury, which parts of the housing affordability puzzle—it is a complex policy area—are you looking at? The Revenue Group is looking at tax treatments—I think you mentioned that?

Answer:

Ms O'Dwyer has not been briefed on the work of the interdepartmental committee. She has received an oral briefing by Treasury on the list of taxation and superannuation options being considered by the committee.

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ANSWERS TO QUESTIONS ON NOTICE

Department: Department of the Treasury
Question No: 6
Topic: Energy
Reference: Hansard page 15 (14 March 2017)
Senator: McAllister, Jenny

Question:

CHAIR: I am conscious that we need to move on to our next bundle of issues, but I just want to ask a couple of quick questions about energy. At estimates we were informed that Treasury previously had a watching brief on energy and now has more focus on energy, I think in recognition that the issue has crept up on people. Have any personnel been moved into Treasury to support this new focus, either formally or on a secondment basis?

Mr P Robinson: Not that I am aware of, but I will take that on notice and will get back to you.

CHAIR: You may not have these answers, but we were told the work of the Treasury energy working group will be subsumed within structural reform group, and I think the implication was that its personnel will be subsumed into this group—

Mr P Robinson: Yes.

CHAIR: When was that Treasury energy working group first set up?

Mr P Robinson: I would have to take that on notice in terms of specific dates.

CHAIR: Which divisions or groups were represented on that energy working group?

Mr P Robinson: It would have been our Industry, Infrastructure and Environment Division. That division has been part of the new arrangement of setting up the Structural Reform Group. When the secretary said there will be increased focus by bringing together the relevant parts of the department that have a focus on structural reform, it will include the relevant division that was responsible for energy as well.

CHAIR: We discussed earlier this morning with the Department of the Prime Minister and Cabinet the clarifications that have been made in the administrative orders to distinguish the role for resources and the role for energy in terms of liquid fuels. How do Treasury, environment, energy and resources interact around those energy questions?

Is there an interdepartmental working group for that?

Mr P Robinson: Again, I think that is one I would have to take on notice to ask the relevant division.

Answer:

The energy working group was set up in November 2016. The working group is staffed through existing resources and does not include secondments at this stage. Treasury interacts with other departments on energy issues through a number of interdepartmental committee meetings and working level interactions.