



COMMONWEALTH OF AUSTRALIA

# Official Committee Hansard

## **SENATE**

COMMUNITY AFFAIRS LEGISLATION COMMITTEE

**Estimates**

WEDNESDAY, 1 JUNE 2011

CANBERRA

BY AUTHORITY OF THE SENATE

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**SENATE**  
**COMMUNITY AFFAIRS LEGISLATION COMMITTEE**  
**Wednesday, 1 June 2011**

**Senators in attendance:** Senators Abetz, Adams, Bilyk, Boyce, Cash, Fierravanti-Wells, Fifield, Furner, McEwen, Moore, Ludlam, Moore, Payne and Siewert



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

**In Attendance**

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

Senator McLucas, Parliamentary Secretary for Disabilities and Carers

**Department of Families, Housing, Community Services and Indigenous Affairs**

Mr Finn Pratt, Secretary

Ms Liza Carroll, Deputy Secretary

Ms Cath Halbert, Acting Deputy Secretary

Mr Bruce Hunter, Deputy Secretary and Chief Operating Officer

Mr Andrew Tongue, Deputy Secretary

Ms Serena Wilson, Deputy Secretary

**Cross Outcomes**

Ms Julia Burns, Group Manager, Corporate Support

Mr Anthony Field, Group Manager, Legal and Compliance

Mr Scott Glare, Acting Chief Information Officer and Acting Group Manager, Information Management and Technology

Mr Steve Jennaway, Chief Finance Officer and Group Manager, Business and Financial Services

Mr Evan Lewis, Group Manager, Community Engagement and Development

Ms Donna Moody, Group Manager, Business Strategy and Change

Ms Peta Winzar, Group Manager, Social Policy

Mr Dave Agnew, Branch Manager, Property, Environment and Protective Security

Ms Roslyn Baxter, Branch Manager, Indigenous Communication Project

Ms Tracey Bell, Branch Manager, Communications and Media

Mr Simon Crowther, Branch Manager, Compliance

Mr Scott Dilley, Branch Manager, Business Planning and Financial Governance

Mr Ty Emerson, Branch Manager, Social Security Policy

Mr David Fintan, Branch Manager, Public Law

Ms Alanna Foster, Branch Manager, Seniors and Means Test

Mr Allan Groth, Branch Manager, Strategic Policy

Ms Yvonne Korn, Branch Manager, Program Frameworks

Mr Andrew Lander, Branch Manager, Audit

Ms Lynette MacLean, Branch Manager, People

Ms Helen Martin, Acting Branch Manager, Financial Accounting and Procurement

Ms Marian Moss, Branch Manager, Commercial and Indigenous Law

Mr Kurt Munro, Branch Manager, Ministerial, Parliamentary and Executive Support  
Dr Judy Schneider, Acting Branch Manager, Research and Analysis  
Mr Bruce Smith, Branch Manager, Performance Management and Modelling  
Ms Michalina Stawyskyj, Branch Manager, International  
Ms Kim Vella, Branch Manager, Budget Development

**Outcome 1—Families and children**

Mr Michael Lye, Group Manager, Families  
Mr Anthony Field, Group Manager, Legal and Compliance  
Ms Cate McKenzie, Group Manager, Women and Children's Policy  
Ms Lee Emerson, Branch Manager, Family Support Program Strategic Reform  
Ms Heather Evert, Acting Branch Manager, Paid Parental Leave  
Mr David Fintan, Branch Manager, Public Law  
Ms Diana Lindenmayer, Deputy Branch Manager, Family Payments  
Ms Meagan Petteit, Section Manager, Paid Parental Leave Branch  
Ms Liz Stehr, Branch Manager, Family Support Program  
Ms Janet Stodulka, Branch Manager, Family and Child Support Policy  
Mr Andrew Whitecross, Branch Manager, Family Payments  
Ms Karen Wilson, Branch Manager, Children's Policy

**Outcome 2—Housing**

Mr Sean Innis, Group Manager, Housing and Homelessness  
Ms Leesa Croke, Branch Manager, Social Housing  
Mr Leon Donovan, Branch Manager, Homelessness  
Ms Kathryn Mandla, Branch Manager, Evidence and Planning

**Outcome 3—Community capability and the vulnerable**

Ms Amanda Cattermole, Group Manager, Problem Gambling Taskforce  
Ms Caroline Edwards, Acting Group Manager, Problem Gambling Taskforce  
Mr Evan Lewis, Group Manager, Community Engagement and Development  
Mr Michael Lye, Group Manager, Families  
Ms Peta Winzar, Group Manager, Social Policy  
Ms Jill Farrelly, Branch Manager, Community Investment  
Ms Robyn Oswald, Branch Manager, Money Management  
Mr John Riley, Acting Branch Manager, Money Management  
Ms Sharon Rose, Disability and Carers Payments  
Mr Bruce Smith, Branch Manager, Performance Management and Modelling  
Ms Liz Hefren-Webb, Branch Manager, Welfare Payments Reform

**Outcome 4—Seniors**

Mr Evan Lewis, Group Manager, Community Engagement and Development

Ms Peta Winzar, Group Manager, Social Policy

Ms Jill Farrelly, Branch Manager, Community Investment

Ms Alanna Foster, Branch Manager, Seniors and Means Test

Ms Michalina Stawyskyj, Branch Manager, International

**Outcome 5—Disability and Carers**

Dr Nick Hartland, Group Manager, Disability and Carers

Mr Evan Lewis, Group Manager, Community Engagement and Development

Ms Peta Winzar, Group Manager, Social Policy

Ms Laura Angus, Branch Manager, Disability and Carers Programs

Ms Helen Bedford, Branch Manager, Disability and Carers Policy

Ms Jillian Moses, Acting Branch Manager, Disability Long-Term Care and Support Taskforce

Ms Sharon Rose, Branch Manager, Disability and Carers Payments

Ms Michalina Stawyskyj, Branch Manager, International

Ms Deborah Winkler, Branch Manager, Mental Health and Autism

**Outcome 6—Women**

Ms Cate McKenzie, Group Manager, Women and Children's Policy

Ms Mairi Steele, Branch Manager, Office for Women

Ms Fiona Smart, Branch Manager, Safety Taskforce

**Equal Opportunity for Women in the Workplace**

Ms Helen Conway, Director

Ms Vanessa Paterson, Program and Reporting Manager

**Committee met at 09:00**

**CHAIR (Senator Moore):** I declare open this hearing of the Community Affairs Legislation Committee. The committee must report to the Senate on 21 June 2011 and has set Friday 22 July as the date for the return of answers to questions taken on notice. Senators are reminded that any written questions on notice should be provided to the committee secretariat by the close of business Friday 10 June, which is next week. Officers and senators are familiar with the rules of the Senate governing estimates hearings and if you need any assistance we have the secretariat here with all the rules. I particularly draw attention to the Senate order of 13 May 2009 specifying the process by which a claim of public interest immunity should be raised and which I now incorporate in *Hansard*.

**Department of Families, Housing, Community Services and Indigenous Affairs**

[09:02]

**CHAIR:** We will begin today's proceeding with the cross outcomes. I welcome the minister, Senator Mark Arbib. Welcome to Mr Finn Pratt for your first formal estimates with

us as the secretary of the department and to all the officers. Senator Arbib, do you have any opening statement you wish to make?

**Senator Arbib:** No.

**CHAIR:** Mr Pratt do you have any opening statement?

**Mr Pratt:** I do not have an opening statement.

**Senator FIFIELD:** At last estimates we canvassed the good health payment to FaHCSIA staff which I recall did not have to be acquitted as they were part of an agreement with the unions. I think as part of negotiations in years gone by they became a feature of the employment agreement with staff. We discovered at the last estimates, when I just picked a random example from the air, that I think it would be possible for officers to spend that good health payment on deep-fried Mars bars, for instance. I think it surprised some people that there was indeed such a delicacy—it originated in Scotland. It emerged that there was nothing to actually stop officers doing that rather than buying fruit or paying for gym memberships.

In the answer that came back to a question on notice as to whether SES officers were entitled to receive the good health payment, the answer was yes, that SES employees are eligible to receive the promoting good health payment under the terms of the individual workplace arrangements. How many SES officers have actually received that or is it actually just factored in and automatically paid to all SES officers?

**Ms Burns:** The payment, as with our non-SES staff, is paid at the same time each year which is in April and it is paid automatically to all senior executives and the staff.

**Senator FIFIELD:** How many SES staff are there in total?

**Ms MacLean:** As at 30 April there were 124 people in the SES.

**Senator FIFIELD:** How much is the good health payment?

**Ms MacLean:** It is \$300, Senator.

**Senator FIFIELD:** It would be \$300 times 124, so what is the total payment that there has been to SES staff of the good health payment?

**Ms MacLean:** As at 14 April, \$33,900 has paid been paid to SES officers for the good health payment.

**Senator FIFIELD:** \$33,900 for the good health payment, which as we established at last estimates can be spent on anything at all; that is correct, is it not?

**Ms MacLean:** Yes, but we do actually go through a very significant promotion campaign just leading up to the payment being paid to all staff of the department encouraging them to think about fitness programs, gym memberships, weight loss programs and things like that.

**Senator FIFIELD:** How do you promote that: by a letter; by a flyer; by something that in with their payslip?

**Ms MacLean:** Payslips are electronic now. But we do actually do the—

**Senator FIFIELD:** We still get paper copies in the Senate.

**Ms MacLean:** We do promote it through our intranet site, so quite a lead headline article is sent out to all staff leading up to the weeks before the payment is made. So as you log on every morning into the department, those headline articles come up as an automatic thing and you see that when you first log on.



**Senator FIFIELD:** Would you be able to take on notice and provide that for the committee, the pages from the intranet site that—

**Ms Burns:** We will take that on notice. I assume that our system keeps records of old intranet articles, but obviously it was back in April; it is not still up there.

**Senator FIFIELD:** Does it say, 'do not be tempted to spend this on the wrong things, do the right thing'?

**Ms Burns:** No, I do not believe it does.

**Senator FIFIELD:** No, we trust in the good judgment of staff. Also in answer to a question on notice as to whether the department was thinking of changing the name of the payment from the good health payment, the department said 'The current promoting good health payment including the name cannot be changed until the current collective agreement is replaced. The current agreement nominally expires in November 2011.' Has any thought been given to changing the name of the good health payment?

**Ms Burns:** There has been no specific thought to changing the name of the payment. The department has not yet settled its bargaining position for the collective agreement as a whole and it would be done in that context.

**Senator FIFIELD:** I appreciate that but it might be worth taking on board whether to change the name of the good health payment to something more general since we cannot guarantee that it is not going to deep-fried Mars bars or other temptations. So \$33,900 for the 124 SES staff. What is the amount of the payment to non-SES staff?

**Ms MacLean:** I actually do not have the figure with me at the moment.

**Ms Burns:** We have over 3,000 staff and every ongoing staff member is entitled to the payment.

**Senator BOYCE:** It would be the vast majority of them, would it not?

**Senator FIFIELD:** It is paid automatically is it not, as you said?

**Ms Burns:** That is right.

**Senator FIFIELD:** It would not be unfair to multiply 3,000 by \$300?

**Ms Burns:** That is right.

**Mr Hunter:** Reflecting on our last conversation, the good health payment was not something new in this last collective agreement.

**Senator FIFIELD:** I appreciate that.

**Mr Hunter:** It is something that we have had for at least five years. The way that we administer it is to make sure it is the most efficient and effective way of managing our finances, so we actually streamlined the process in this collective agreement. As Ms Burns has outlined, we will look at this as part of our bargaining framework.

**Senator FIFIELD:** Thank you for that. Could you just refer to a tender contract notice CN372541?

**Mr Hunter:** Have you got the description there?

**Senator FIFIELD:** Its description is 'media manager to service expert panel'. You have that one there?

**Ms Burns:** I do not have it with me but I can possibly help you with it.

**Senator FIFIELD:** Thank you.

**Ms Burns:** If you have detailed questions, they would need to be addressed on the Indigenous hearing day on Friday because the expert panel would relate to constitutional recognition.

**Senator FIFIELD:** Yes, but it is common for questions about contracts to be asked in cross-portfolio as a corporate—

**Mr Pratt:** We are willing to help as much as we can. It is just that the officers who have deep knowledge of that contract will coming up for the Indigenous session on Friday.

**Senator FIFIELD:** As you indicated, it does relate to the Indigenous constitutional recognition proposal. Are you able to indicate what the role of the media manager will be?

**Ms Burns:** No. The officer who knows the detail of that will be here on Friday, I am sorry.

**Senator FIFIELD:** It is an amount of \$165,000 for a 10-month contract. Again, are you able to advise whether this will be someone who is working full-time in this capacity or if it is a consultancy service?

**Ms Burns:** Can I take it on notice and get it back to you later today or it is probably more appropriately dealt with on Friday.

**Mr Pratt:** Do you have a preference whether we try and—

**Senator FIFIELD:** If you can come back with some information today then that would be helpful. The contract note has a confidentiality reference, 'confidentiality reasons contract' and it cites the Privacy Act 1988 public interest. I would just be interested as to what that means.

**Ms Burns:** We will take that on notice also, and get it as soon as we can.

**Senator FIFIELD:** I refer to a request for tender RFTS10/0631

**Mr Hunter:** Do you have a description again?

**Senator FIFIELD:** Of course I am not expecting you to know this off the top of your head. The description is 'Front Office Marketing Design Services to supply the Department of Human Services Agencies—Centrelink, Medicare, Child Support Agency, known collectively throughout this document as the HS Portfolio.' So it is front office marketing design services. 'The prime supplier will have to provide: retail marketing design, planning, interior design, graphics'—

**Mr Pratt:** It sounds like something from my old portfolio as opposed to the FaHCSIA portfolio. I cannot imagine why we would have a contract to supply design services for their offices coming out of this department.

**Senator FIFIELD:** I will check that, you may be right, thank you. I was probably just thinking Finn Pratt and thinking Centrelink and human services. Last estimates we spoke a little about iPads. There were three contracts for iPads to the value of \$61,000 and that related to a trial of iPads. How is the trial going?

**Mr Glare:** We have completed the trial, it went quite well. We did find that iPads were a reasonable business tool for people that did travel. It is lighter than a laptop and significantly cheaper.

**Senator FIFIELD:** Lighter and cheaper.

**Mr Pratt:** I should point out there that of course the officers who potentially can have an iPad have to make a choice as to whether or not they want a laptop or an iPad.

**Senator FIFIELD:** Do you think that iPads could replace the traditional laptop for a large number of staff?

**Mr Glare:** I think, as the secretary said, iPads will not replace all laptops in all cases. Laptops are still much better at writing a significant amount of content on a device; iPads are not very well suited to that. For consuming content, iPads are quite appropriate.

**Senator FIFIELD:** Has any decision been taken to purchase additional iPads at this stage?

**Mr Glare:** Not at this stage. We are looking at potentially a broader rollout for staff that do travel, senior staff, and again that would be on a fairly robust business case basis.

**Senator FIFIELD:** Have there been any incidents with the iPads in terms of devices being lost or data compromised?

**Mr Glare:** No. We have a secure method of connecting the FaHCSIA network and that is the only way they can connect to the network. So no, we have not had any incidents.

**Senator FIFIELD:** In the answer to a question on notice in relation to the apps which were provided on the iPads for staff, it was noted that they included Safari, photos, contacts, iTunes, app store, ibooks, videos, mail, maps notes and a few others. Have there been any additional applications which have been made available since then?

**Mr Glare:** No. That list of apps is the list that comes with the iPad as standard with the exception of two, the Citrix receiver and an app called Good for Enterprise, which provides the secure access to the network.

**Senator FIFIELD:** I asked the department when they appeared before the Senate Finance and Public Administration Committee whether they were looking at developing an app for *Odgers*, the bible of Senate practice. They said they were not but they might look at that. Are there any FaHCSIA specific apps that you are looking at developing for the benefit of staff?

**Mr Glare:** Not specifically.

**Senator FIFIELD:** But that could be something over time, I imagine, if the use spreads?

**Mr Glare:** It could be.

**Senator FIFIELD:** All of the iPads which were purchased with that \$61,000 over those three contracts—they are all still in use in the department?

**Mr Glare:** Right now, 52 of the 60 that were purchased are in use.

**Senator FIFIELD:** What about the other eight?

**Mr Glare:** They are in store pending the outcome of the review. We purchased a number to give us sufficient buffer to allocate as required.

**Mr Hunter:** If I can just chime in there, as part of the trial we took a decision to provide it to our executives, so group and state managers and above, and some of our IT specialists to really test the capacity of the iPads. As Mr Glare has outlined, it has proved there are significant business benefits to us like a productivity measure if people are travelling but

clearly people cannot have both. You cannot have a laptop and an iPad so it comes down to the business need.

**Mr Pratt:** I am a big consumer of the iPad services and I have to say in environmental terms and in occupational health and safety terms, it is actually a wonderful device. For example, I am hoping in the near future, rather than having to cart huge folders like this into a meeting of this sort, that in fact all of that material will actually be available on the iPad. Likewise that then means that you have savings in the amount of paper that is used in the organisation. For publications and things like that, people do not need to transport them around; they can just have them loaded on electronically. It is very convenient.

**Senator FIFIELD:** Minister, have you adopted an iPad as part of your work practice?

**Senator Arbib:** Yes.

**Senator FIFIELD:** Is it provided by your home department?

**Senator Arbib:** I am not sure; I will get back to you. I do not have any apps, no.

**Senator FIFIELD:** You have not decided to take it and use it in question time? I know Senator Conroy is very fond of reading from his laptop in question time.

**Senator Arbib:** You have raised that a number of times. No, I am still on paper.

**Senator FIFIELD:** You are still a paper and memory man?

**Senator Arbib:** Yes.

**Senator FIFIELD:** That is good to know.

**Senator Arbib:** I will let you know if I change.

**Senator FIFIELD:** Thank you. I am just trying to rack my memory. Is the technology provided to ministerial staff in ministerial offices provided by what you would call the host or the home department?

**Mr Hunter:** That is correct.

**Senator FIFIELD:** Typically that is the case. Have iPads been provided for ministerial staff in any of your portfolio ministers' offices?

**Mr Hunter:** As part of the trial we have provided it to the chief of staff of our Minister Macklin. Part of the trial as well is to factor in its use in the way we support our ministers' offices.

**Senator FIFIELD:** Has Minister Macklin been provided with an iPad as part of the trial?

**Mr Hunter:** Yes.

**Senator FIFIELD:** Is information loaded onto the iPad by the department for the minister for convenience so she can take large documents and read them?

**Mr Pratt:** Yes, that is right. For example, recently the minister attended a ministerial get-together at the OECD and the OECD produces a large volume of material and they are very substantial documents. That material was provided on the iPad.

**Senator FIFIELD:** Is any confidential information, depending on how you define it, not publicly available information, provided or loaded onto the minister's iPad for her use?

**Mr Pratt:** No, information that is cabinet-in-confidence, for example, is not provided on the iPad.

**Senator FIFIELD:** What about documents which are just confidential within the department that are not cabinet documents, I guess they could be executive minutes, they could be any sort of internal working documents, briefing notes from the department to the minister?

**Mr Pratt:** Anything related to the cabinet process or anything which is subject to high level security would not be available.

**Senator FIFIELD:** What sort of things would be? Because there are many documents which are not of a public nature, which you would not call high level security in that they would not have a security classification or be cabinet documents, but would typically be, I do not know, briefing notes and things of that nature for the minister. Are things of that sort loaded onto the minister's iPad?

**Mr Pratt:** Subject to a security classification.

**Senator FIFIELD:** I guess if we can do this by way of exclusion. Taking it as read that cabinet-in-confidence documents and any documents that had a security classification of secret or top secret would not be in there, are there any other sorts of internal government documents that would not be loaded onto the iPad?

**Mr Hunter:** I think the main use has been for publicly available documents so that, when travelling, the minister can use the iPad and search through. As you know, typically when you are flying you cannot have it on so that it is downloading information. To be able to put information that is publicly available on our intranet into one site for the minister has proven very useful.

**Senator FIFIELD:** I appreciate that would be the case. If the department sent the minister a briefing note requiring a decision—and the briefing note itself might have been quite short but you may have had dozens and dozens and dozens of pages of attachments—would documents of that nature be loaded on?

**Mr Pratt:** Possibly. To extend the example that Mr Hunter gave in relation to, say, the OECD reports, the department would do a summary and an analysis of the issues contained in the report. It might provide information about Australia's position on some of the issues raised—that sort of thing. Yes, that material would be available on the iPad.

**Senator FIFIELD:** What sort of security features are there on the iPad? They are slim, they are light, they are easier to forget, I guess, than a big laptop. If an iPad that a minister of senior member of your staff has is lost, what sort of security features—

**Mr Pratt:** There are multiple levels of security. First you have to put in a code to actually get into the device itself. Then, if you want to access any of the material which is hosted through the 'Good for enterprise' application, there is a quite complex code that you have to enter. It is identical in that sense to the IT for the department as a whole.

**Senator FIFIELD:** But you cannot remotely sort of fry it as you can with a Blackberry, for instance?

**Mr Glare:** We do have the capability to remotely wipe a device if we need to.

**Senator FIFIELD:** Are the iPads subject to accord with Defence Signals Directorate requirements? I know that in the parliament, whether it be our laptops or our Blackberrys,

they are subject to the requirements of the Defence Signals Directorate. Is it the same for your portfolio?

**Mr Pratt:** Yes.

**Senator FIFIELD:** And that is the case with the iPads as well?

**Mr Pratt:** That is right.

**Senator FIFIELD:** You are doing what DSD has suggested you should do?

**Mr Pratt:** In particular we are not doing what they tell us not to do.

**Senator FIFIELD:** More importantly, indeed. Finally, there are no other iPads which have been issued to ministerial staff in the portfolio or other ministers in the portfolio?

**Mr Hunter:** There has been one other issue to Senator McLucas, as part of the same trial and how it is being used is in accordance with all the guidelines.

**Senator FIFIELD:** Have any iPads been lost or damaged?

**Mr Hunter:** No.

**Senator FIFIELD:** I just want to refer to another contract notice, being CN383740, which is for \$44,000 for the category 'Temporary personnel services'. Its description is 'Non-ongoing contractor required to assist with an influx of requests expected from the Minister's Office following Budget night.'

**Ms Burns:** That entry should not have been an AusTender entry. It was part of a normal practice of taking on additional short-term resources. The wording of it really was slightly overstated; it was our simple normal practice of bringing somebody in to deal with peak workloads.

**Senator FIFIELD:** This is a particularly specific description, 'required to assist with an influx of requests expected from the minister's office following budget night'.

**Mr Pratt:** That is shorthand. It means after budget night, when we have a very large budget package, the minister's office will get an awful lot of requests for further information from the public and interested stakeholders. That, of course, then flows through the department to handle. So that is what that covers.

**Senator FIFIELD:** Was the department expecting great unhappiness following the budget and the high level of demand of calls as a result of unhappy members of the public?

**Mr Pratt:** No, we were expecting great interest.

**Senator FIFIELD:** So, this is a regular thing. What did this actually purchase? Just looking at the time periods, it looks like about 39 business days that this covers. Was this for an individual to cover that period?

**Ms Burns:** Yes, that is my understanding.

**Senator FIFIELD:** Was it just one additional individual who was engaged?

**Ms Burns:** That is my understanding.

**Senator FIFIELD:** How many staff does FaHCSIA have in total? It was 3,000, I think.

**Mr Pratt:** It is around 3,200 roughly.

**Ms Burns:** Do you want the actual number?

**Mr Pratt:** I have just been corrected; it is 3,446. That is the number of people as opposed to the average staffing level.

**Senator FIFIELD:** With 3,000 plus staff, it just strikes me as curious that for the 39 or 40 days you did not pull someone from a different part of FaHCSIA to help, rather than engage through contract for \$44,000—

**Mr Pratt:** As Ms Burns indicated, this should not have gone on AusTender. This is just part of the normal practice where we take on additional staffing when we have peak workload periods. We take on an ongoing staff member for a period of a month or two to help with a large amount of workload. We do this throughout the year.

**Senator FIFIELD:** Is the \$44,000 for 39 days work for one person?

**Mr Pratt:** We would have to check the details there, whether or not it was one person for a number of months or whether it was a number of people for a short period.

**Senator FIFIELD:** The contract period says 9 May 2011 to 30 June 2011. Were there several people fulfilling that role, job sharing, or one person? \$44,000 is still a lot.

**Ms Burns:** When things are entered under AusTender, of course, it is the contract price and then what is actually paid is agreed within the terms of that contract. We would have to take on notice the detail of what that covered in terms of paying the agency, one or two individuals, exactly how many days they worked.

**Senator FIFIELD:** That could have been, what, multiple individuals full time for that period?

**Ms Burns:** It could have, but I do not know.

**Senator FIFIELD:** You said that it should not have gone on AusTender. Why should it have not done so?

**Ms Burns:** It is because, as a number of us have been saying, it is normal practice for us to need to go to labour hire firms to bring in short-term resources. It does not normally go on AusTender. It is normally part of our recruitment processes.

**Senator FIFIELD:** Why did it go on AusTender?

**Ms Burns:** I think it was an administrative error.

**Senator FIFIELD:** I guess it is handy that it did because we know about it and we have the opportunity to ask questions. It might be fortuitous. It would be good if it is possible to come back later in the day with the answer to that.

**Mr Hunter:** I think it is fair to say that this would be to help workflow management. It would only have been for a short period of time. As Ms Burns has outlined, the contract value there is for the maximum period of time that that contract may have run its course. But, again, it would have been for workflow management for the peak period to feed back through into the department. I am happy to find that extra detail and come back to you.

**Senator FIFIELD:** Thank you. If you could do that, because if it was just one person, one contractor, who was engaged, then you are looking at that person in effect costing \$1,128 per day. If you assume an eight-hour day, that is \$141 an hour. I would really like to know whether this is for one person or if this is for 20 people.

**Ms Burns:** We will have a look at it and get back to you as soon as we can.

**Senator FIFIELD:** It was mentioned that these short-term engagements to manage workflow are a periodic thing. How common is it?

**Ms Burns:** That would be very hard to answer as to how common it is. As Mr Hunter has explained, we use it to manage peaks in workload and to make sure that we do not need to take on ongoing staff members for a short-term work surge. It is a normal practice in I would say most government departments to bring short-term contractors in to meet peak workload, and not have them then on the ongoing payroll.

**Senator FIFIELD:** Can you advise how much is spent on engaging people on a short-term basis for peak workflows in the department?

**Mr Pratt:** Yes, we will take that on notice.

**Senator FIFIELD:** If you could, for the current financial year to date. Thank you for that. I am just trying to get a handle on whether this is an occasional thing or whether it is something that happens a great deal. I am just interested against the backdrop of a department with 3,000 plus staff.

**Mr Pratt:** It is a reasonably common practice across the Public Service, certainly in the agencies I have worked in. In my last portfolio it was a significant thing to manage workloads to take on people in this way to staff up the call centres, for example, when there are big campaigns. I do not know the details of this in FaHCSIA, but I know that we have at different times peak workload associated around considering grant proposals. I imagine that might be an area where we would take on extra staff to help handle that spike in workload which might happen once every year or once every six months. I think it is part of general practice. The extent to which FaHCSIA does it compared to other agencies I do not know.

**Senator FIFIELD:** I would assume that this expenditure, which it says was to assist with the influx of requests expected from the minister's office following budget night, was a decision of the department and was not a request to the minister's office that it might need to get some extra help this budget night?

**Mr Pratt:** I would be positive this would be a decision of the department to do this.

**Senator FIFIELD:** What part of the department was this person or were these persons engaged in?

**Mr Hunter:** I think we will need to take that away and come back to you on that.

**Senator FIFIELD:** It was not the secretary's office?

**Ms Burns:** No.

**Mr Hunter:** No.

**Senator FIFIELD:** Please also report on the nature of the activities that they were undertaking. Given the nature of some of FaHCSIA's activities, staff would have access to a range of sensitive information. What sort of processes do you have in place to monitor the access of staff in relation to sensitive information? I know it is something that is probably more relevant for Human Services and Centrelink and Medicare, those sort of staff, because they have access to the details of individuals. To what extent does FaHCSIA have some of those sorts of issues in relation to information that is held about individuals?

**Mr Hunter:** You are talking electronic records?



**Senator FIFIELD:** Yes. As I say, I appreciate it is something that is more of an issue for those—

**Mr Pratt:** As a general response, we are subject to the same legislative requirements as other agencies in terms of privacy of individuals' information, to the extent that we have it. You are correct that we would probably have less access to that sort of material than Centrelink, for example. We comply with all of the requirements of individuals to have certain level clearances to access things like cabinet documents and sensitive material of that sort. Inevitably, that is something which would be vetted regularly throughout the department. Essentially, we are complicit with all of these requirements.

**Mr Glare:** As the secretary said, it would vary from system to system, from normal police checking for standard logons to the network. Depending on the nature of the system there would be other checks in place and different security clearances required. Each system has its own audit function and regular reporting about who has access so that decisions can be made about appropriate access on an ongoing basis.

**Senator FIFIELD:** Have there been any security breaches by staff or accessing information that they should not have over the current financial year?

**Mr Glare:** No, not by staff, but in the course of the ongoing validation of privileges to systems some staff are added and removed as required. No, there have not been any intentional security breaches.

**Mr Hunter:** If I can add, the way that we manage this is regularly audited by the ANAO to ensure that everything is being managed properly.

**Senator FIFIELD:** Were you subject to the ANAO's recent audit of IT security and the ease with which computers were accessed without a valid pass code?

**Mr Glare:** Every year we do go through a fairly standard ANAO audit around system access and control. That is an annual audit process.

**Senator FIFIELD:** You would be aware of the recent ANAO report which particularly featured the Department of the Prime Minister and Cabinet, in the public coverage anyway?

**Mr Hunter:** I do not think we were part of that audit but, if that is different, we will check and come back to you. I do not think we were part of a specific audit. What Mr Glare is describing is part of our annual financial statement audits, as they do each year.

**Senator FIFIELD:** I was interested specifically in relation to IT security and the audit the ANAO did. I was not aware that you were part of it, but I just thought I would ask the question.

**Mr Hunter:** I do not think we were part of the same one.

**Senator FIFIELD:** Regarding our discussion about iPads before, it is a manifestation of changing technology. Staff, I know, use technology to access different social media these days. What guidelines does the department have in place to govern staff use of social media using department resources?

**Mr Hunter:** I will start as officers are coming to the table. If you recall from our last discussion at estimates, we outlined that we had blocked most social media sites. That was part of a range of reasons, but the major reason was around cost reduction and making sure that it is being appropriately used against our business use and our financial management of

the organisation. Subsequent to the decision to block all sites, staff members could request access to those sites if there was a clear business need, such as by our communications and media staff. We have in-sourced our gateway provider, which has substantially reduced the cost of internet services for the department, which is fantastic. But at the same time, it now means that we are making business decisions on the use of the social media rather than just being driven by cost. I will hand over to other officers.

**Senator FIFIELD:** What are some examples of the use of social media by the department?

**Ms Burns:** One obvious example is the line campaign which has a social media component because that is the most appropriate way to reach the target audience.

**Senator FIFIELD:** What is the line campaign?

**Ms Burns:** The line campaign is promotes respectful relationships. It is a campaign that encourages young people to participate in relationships in a respectful way. It is part of the national plan to reduce violence against women.

**Senator FIFIELD:** Why is it called the line campaign?

**Ms Burns:** To be honest, it would be easier if you looked at it on the internet because it is to do with the graphics, and the language around the line campaign is about people crossing the line. It has been very popular with the target age group. Staff in the department needed to have access, for example, to Facebook because the campaign has been very popular on Facebook.

**Senator FIFIELD:** Are there written guidelines that are issued to the staff on the use of social media?

**Ms Burns:** Yes there are. Mr Hunter explained to you that we had blocked access to sites. When we made access to sites now available to staff, guidelines were issued in April. They are available on our intranet for all staff.

**Senator FIFIELD:** Have any staff been disciplined during this current financial year as a result of inappropriate use of social media?

**Ms Burns:** None to my knowledge.

**Senator FIFIELD:** Do staff receive any training in the appropriate or inappropriate use of social media, or are the guidelines really the explanation for them?

**Ms Burns:** The guideline is an outline how people should use social media and how it should not be used. For example, we have quite strong rules around engaging as a spokesperson on behalf of the department. That is limited to only senior people and the communications people. There is going to be training for all staff to understand how they can use social media particularly for their work.

**Senator FIFIELD:** Taking a slightly different tack, have any staff been disciplined for inappropriate use of the internet, accessing inappropriate sites, in the last financial year?

**Ms Burns:** Not to my knowledge. I will just have a quick check. No, nobody has.

**Mr Hunter:** We do monitor the usage on all of these sites as well. It is something that we regularly monitor for our staff usage.

**Senator FIFIELD:** And nothing untoward has been discovered?

**Ms Burns:** No.

**Senator FIFIELD:** Is the use of internet sites also monitored from a productivity point of view?

**Ms Burns:** Yes. We have a monthly report issued by our IT area that tells us the top users of the internet and what sorts of sites they are using. If that appears to be questionable about whether it is work related, the staff member is asked to explain what they are using the site for. Sometimes it turns out to be work related. Sometimes it is just a caution that they are using it a lot.

**Senator FIFIELD:** Given ministerial staff are on the same computer system, I assume you do not also monitor the ministerial office and their use of the internet?

**Ms Burns:** I do not think we do, no.

**Mr Hunter:** I would say that they adhere to the same guidelines as we expect our staff to as well to make sure it is not inappropriate use.

**Senator FIFIELD:** I would be surprised if the department did monitor the ministerial office.

**Mr Pratt:** I would be surprised as well.

**Senator FIFIELD:** There is a protocol in place to make sure that does not happen?

**Ms Burns:** It might be better if we refer that question to our IT area again.

**Mr Glare:** As ministerial officers go through the FaHCSIA IT network, we do track all internet traffic as a matter of course, because they are on our systems. However, we do not routinely report on the usage from the ministerial offices.

**Senator FIFIELD:** Have there been any instances where flags which would be raised as a result of inappropriate use of the internet by FaHCSIA staff have been raised through the regular surveillance, which you do across the entire network, for staff in the minister's offices?

**Mr Glare:** No.

**Mr Pratt:** Just for the record I want to make very clear that while usage of the internet at a general level is monitored, we specifically do not track the usage of the internet by our colleagues in the minister's office.

**Senator FIFIELD:** As I say, I would be surprised if you did. I just wondered if in that general network coverage there would be instances I guess where as a result of your general—I do not want to use the word surveillance, that is too strong a word—processes, a flag went ping in relation to any inappropriate access or usage.

**Mr Glare:** As a matter of course we do block obviously inappropriate sites but beyond that, no.

**Mr Pratt:** I think we need to enter the realm of hypotheticals here.

**Senator FIFIELD:** I was just asking specifically about whether something had happened over time. You have answered that it has not. Again, I am not suggesting anything necessarily wrong with what I am about to ask, but are there FaHCSIA staff who monitor the websites of political parties, shadow ministers or minor party or independent members as a matter of course?

**Mr Hunter:** I do not believe so.

**CHAIR:** Just out of interest?

**Mr Pratt:** When a shadow minister, for example, might make a particular comment about a policy issue, we might go and seek information on that. Certainly I have done that myself in the past where there has been a statement about an alternative policy to the government's, and of course one wants to understand what is behind that. You will go to a shadow minister's website and get the official statement. However, as to routine monitoring, in other words an organised program of that, unless someone corrects me, I do not believe that we do that.

**Senator FIFIELD:** Particularly during the caretaker period it would be a matter of course and good practice to look to see what the various parties were saying, because you may well have to cost that, and may well, depending on the result, implement that.

**Mr Pratt:** Absolutely.

**Senator FIFIELD:** Is FaHCSIA currently undertaking any costings as a function of the government's agreement with the Greens? I know as part of the formal agreement between the government and the Greens that the Greens have the option of asking for particular policies which they put forward to be costed. I think that process is they are to be submitted through the Prime Minister's office and then the costings are sought. Are there any costings currently being undertaken under that process?

**Mr Pratt:** Not to my knowledge. If someone alerts me that is the case we will come back and let you know.

**Senator FIFIELD:** Have there been any costings which FaHCSIA has done as a result of that agreement? I appreciate there are not any at the moment, but have there been any?

**Mr Pratt:** This will precede my knowledge. I will just check.

**Senator FIFIELD:** If someone could advise you and they could let us know.

**Mr Pratt:** Not to the extent that people in the room know, but we will come back to you if we identify such a thing.

**Senator FIFIELD:** Thank you. Is FaHCSIA currently undertaking any costings of any policies alternative to those of the government? We know there are not any currently that the Greens have presented, but is FaHCSIA costing any opposition policies, for instance?

**Mr Pratt:** Again, not to my knowledge. If someone tells me differently I will let you know.

**Senator FIFIELD:** You would probably know if there were.

**Mr Pratt:** Most likely, but it is not impossible that there could have been something underway for some time that I am not across.

**Mr Hunter:** No.

**Senator FIFIELD:** Any policy costings underway for any of the Independent members or senators or in relation to their policies?

**Mr Pratt:** Again, not to my knowledge. I included the Independents in your earlier question and answer.

**Senator FIFIELD:** Nothing to add?

**Mr Hunter:** No.

**Senator FIFIELD:** Just take me through what the process would be if government wanted FaHCSIA to cost a policy? We will leave the Greens aside because they have a particular arrangement, but if the government wanted an opposition policy or the policy of an Independent to be costed, what would be the protocol? I assume there would be a protocol in place for the government to ask. This is outside the caretaker period.

**Mr Jennaway:** When it comes to costings of policy measures, typically we would do that sort of work in relation to ideas to go forward to government. However, when you are talking about costing proposals specifically from the opposition, we would not typically be doing that work. You have said the outside caretaker period. As you know, under caretaker provisions and the charter of budget honesty, those are specifically costed, but outside of that, it is not work that we would undertake.

**Senator FIFIELD:** Would that go to Finance and Finance would then draw upon whatever resources from other departments and agencies they needed?

**Mr Jennaway:** I am not fully aware of how that would be handled outside of the caretaker period. Typically it is something that, as I say, we do not do. If we were to have a formal request to cost opposition policies as such, or if the opposition were to request their policies be costed, I am not in a position to talk about the protocols under which that would be handled.

**Senator FIFIELD:** So there is not a protocol in place for the costing of opposition policies outside the caretaker period—that is the upshot?

**Mr Jennaway:** Not to my knowledge.

**Mr Pratt:** Not in the FaHCSIA context. Perhaps these questions might be directed to the finance department.

**Senator FIFIELD:** If a FaHCSIA minister asked the department to cost an alternative policy, what would be the process? It would just be the minister asking the department and the department would do that?

**Mr Jennaway:** As I said before, our ministers do not ask us to cost opposition proposals, in terms of a specific proposal.

**Senator FIFIELD:** That is an advance on where we were before, because before we were not aware whether any opposition policies were being costed or had been asked to be costed. You are saying it is something that never happens?

**Mr Jennaway:** To my knowledge, yes, and that is over a number of years.

**Senator FIFIELD:** If it does happen, let us know. We will ask each time, just in case it does happen.

**Senator Arbib:** You will let us know if you get some policies.

**Senator FIFIELD:** We have plenty. I am sure this is a question which will not take you by surprise. You would be aware of article by Samantha Maiden from the Sunday papers on 29 May, headed 'Gillard kept tax squeeze under wraps'. You are familiar with that article, Mr Pratt?

**Mr Pratt:** I am aware of that article, yes.

**CHAIR:** Mr Pratt, do you have a copy of the article? Senator Fifield is going to be asking questions from it.

**Mr Pratt:** I will just check. Yes.

**Senator FIFIELD:** For those colleagues who might not have seen it, the article commences:

Secret proposals to freeze family tax payments to millions of parents were developed by the Gillard government before the last election.

But voters were kept in the dark about the changes until May's budget, confidential federal government emails reveal.

And more nasties to slash middle-class welfare could be looming, with government lawyers blocking the release of further "options under possible consideration" on the grounds it was not in the "public interest".

I will just continue for a little bit longer and then I will ask my question against the backdrop of this article. It continues:

One of the budget's most controversial plans is to freeze the indexation for the annual supplement that will hit 2.1 million families eligible for Family Tax benefits A & B.

The freeze will strip families with two children of up to \$147 in benefits, saving the government \$800 million.

The confidential emails, obtained by the *Sunday Telegraph*, show the government was racing the clock to seek information on its plan to freeze family payments before caretaker provisions kicked in after Julia Gillard called the election in July.

This next quote from the article will form the basis of my question:

At 4:59pm on July 19, just one minute before caretaker provisions that would have banned such correspondence, Families Minister Jenny Macklin's adviser Ryan Batchelor was sent an email outlining "Supplement Pause" marked "security in confidence BUDGET".

The email was from the Family Payments' bureaucrat Andrew Whitecross and noted "we have created a new version of the spreadsheet with updated numbers for the pause supplements option".

The email was also sent to another public servant in the department...

And on it goes. Mr Pratt, governments do ask their departments to look at a range of policy options from time to time.

**Mr Pratt:** Correct, and also the department looks at policy options from time to time.

**Senator FIFIELD:** Without having that initiative? Let me put the question in response to your comment there. Was this particular work undertaken at the behest of the government?

**Mr Pratt:** This predates my time in the parliament so I do not know, however irrespective of whether it was something generated by the department or something requested by the minister, it is an area which I am not sure that we are going to be particularly helpful on. This goes very much to the matter of policy advice to the government.

**Senator FIFIELD:** If I was asking specifically about the content of it, it may but I am asking about timing issues of advice, which is in the public domain. This area of questioning, I am sure, would not have come as a surprise, and the department, I know, would be fully prepared to answer questions. Even if it predates your period of knowledge I know you would have officers who would be aware.

**Mr Pratt:** Yes, however if you are going to ask me was the work around this generated by the minister or her office or was it something generated by the department, I am not sure that is something that I would be able to answer. Certainly we would try and help you as much as we can with your queries.

**Senator FIFIELD:** It is not something that you would be able to answer because?

**Mr Pratt:** That goes to the nature of policy advice.

**Senator FIFIELD:** I do not think it does; it goes to timing and sequence of events.

**Senator BOYCE:** Process.

**Senator FIFIELD:** As Senator Boyce says, it goes to process, and process issues have never been deemed to be beyond the scope of questioning of a Senate committee. If I asked you about the specific contents, the range of options covered, for the numbers, and that sort of thing, then officers at the table have previously said no, that goes to advice to government. The process does not. I will just give an example to assist. If I was to ask at PM&C what was on the cabinet agenda, then quite rightly people would say that goes to cabinet process and advice to government, but if I ask what date the cabinet meeting happened on, then it would not go to advice to government, or cabinet-in-confidence. I will ask again against that backdrop.

**Mr Pratt:** To extend your analogy, if your question was: Was the policy idea one of the Prime Minister's or was it one of the Department of Prime Minister and Cabinet, that does really get into the issue of the extent to which there is a close and professional relationship between the government of the day and the bureaucracy. I am not sure that is a process issue. I am prepared to take that question on notice and seek the minister's counsel on that. We are prepared to help you as much as we can, obviously, on this issue around timing and the like, but in relation to what was the genesis of the particular policy, I think that really gets to the issue of policy advice and public interest.

**CHAIR:** Senator, there seems to be a lot of looking at hypothetical situations. It would seem that the issue—

**Senator FIFIELD:** I will refocus my question.

**CHAIR:** Okay, you refocus it. I think, Mr Pratt, in terms of your suggestion of taking it on notice and the specific question that Senator Fifield has, I would suggest that would be the best way of going. Senator Fifield, you might be able to get there by just taking it in a different direction.

**Senator FIFIELD:** Thank you, Chair. Mr Pratt, you said that you would not be able to assist in relation to the genesis of the policy which the government has adopted. I was not asking about the genesis of the policy because I do not know what particularly was in this document. I am not seeking that. Perhaps if I can approach this another way. Mr Whitecross is quoted in the article as saying: 'We have created a new version of the spreadsheet with updated numbers for the pause supplements option.' Let me ask a direct question: was there such a spreadsheet provided to the minister's office?

**Mr Pratt:** I do not know. I assume there was.

**Senator FIFIELD:** Can we take that as a yes, because I am sure you would have asked the question?

**Senator Arbib:** No, that is not what he said.

**Ms Carroll:** One of the things I was going to suggest is the officers in question are due to appear tomorrow morning for the families outcome. This is the cross outcome, and as I understood you were trying to get to the FOI and any particular details around the release of the FOI in this cross outcome component. I am just saying that we do not actually have particular officers on the family side here this morning because they are actually scheduled for tomorrow.

**Senator FIFIELD:** I appreciate that, but I would be truly surprised if the officers at the table, including Mr Pratt, were not fully briefed on an item of this nature to be in a position to answer at this time in cross portfolio.

**Mr Pratt:** We would be able to assist you far better with the relevant officers. If you wish to handle this now we could summon those officers to come along.

**Senator FIFIELD:** Are they just next door?

**Mr Pratt:** I imagine they probably are.

**Ms Carroll:** No.

**Senator FIFIELD:** We will proceed as far as we can here in cross portfolio and revisit it when those particular officers are here. Will Mr Whitecross be here tomorrow?

**Ms Carroll:** Yes.

**Senator FIFIELD:** You cannot say with certainty, Mr Pratt, that a spreadsheet was provided at 4.59pm?

**Mr Pratt:** No, I cannot, but I can confirm that as a matter of course when advice has been provided that it often would include spreadsheets.

**Senator FIFIELD:** This is something that we will be able to confirm tomorrow with Mr Whitecross. We will be able to confirm it one way or the other.

**Mr Pratt:** Correct.

**Senator FIFIELD:** Minister, I am sure you appreciate that the reason that I am asking these questions is because the particular budget changes to which I referred earlier were not ones which were flagged before the election. They are ones which would have taken many of the beneficiaries of these payments by surprise. It goes to the issue of whether the government was upfront about its intentions before the elections, and the timing of the government's decisions in relation to this. That is why I am asking this, because at face value it would appear that the government had an intention to do something and hid that from the voting public before the election.

**Senator Arbib:** I would contend that that is not the case. From a reading of the emails, I do not believe you can come up with that conclusion.

**Senator FIFIELD:** Mr Pratt was not able to confirm the emails, but you said you have read them. I assume that you can confirm them.

**Senator Arbib:** I did not say I had read the emails, I said I had read the article.

**Senator FIFIELD:** You said from reading the emails.

**Senator Arbib:** That was paraphrasing from the article. The only time I have seen the email is in the article. The emails are only paraphrased. They are not full emails.



**Senator FIFIELD:** I guess we will not know if the emails were paraphrased or not unless we actually see them. That is something we can pursue later. Minister, I put to you the context in which these questions are being asked, and you said you do not agree with construction.

**Senator Arbib:** I do not agree with your contention or your conclusion.

**Senator FIFIELD:** You do not agree with my contention. Could you please respond with what you think the appropriate construction is to put on these events?

**Senator Arbib:** From reading the article that you are quoting from, I do not believe your conclusion is correct.

**Senator FIFIELD:** My conclusion being that the government had an intention which it hid from the voting public?

**Senator Arbib:** I have only read the article. From that article I do not think you can come up with that conclusion. You have other officials coming tomorrow morning. I am sure you will have more questions then.

**Senator FIFIELD:** What conclusion would you reach?

**Senator Arbib:** I would not reach your conclusion.

**Senator FIFIELD:** What conclusion would you reach?

**Senator Arbib:** I think I have answered the question.

**Senator FIFIELD:** I do not think so. Do you think you will be here tomorrow, Minister?

**Senator Arbib:** I will be here.

**Senator FIFIELD:** I might put that question to you again.

**Senator Arbib:** We can go through it again tomorrow.

**Senator FIFIELD:** I referred to a section in the article earlier which said that: 'And more plans to cut middle-class welfare could be looming, with government lawyers blocking the release of further "options under possible consideration" on the grounds it is not in the public interest.' Does that quote relate to FOI requests?

**Ms Carroll:** As I understand, it is part of the same FOI request that was drawn on for the article.

**Senator FIFIELD:** FOI request from News Limited?

**Mr Fintan:** Would you mind just repeating the question? I missed it on my way up.

**Senator FIFIELD:** I am just citing part of the article here which says: 'And more plans to cut middle-class welfare could be looming, with government lawyers blocking the release of further "options under possible consideration" on the grounds it is not in the public interest.' That is relating to a News Limited FOI request, is that correct?

**Mr Fintan:** That is correct. The decision was to release part of the documents that were relevant, but other parts of the document were exempt.

**Senator FIFIELD:** Citing public interest?

**Mr Fintan:** The particular exemption was under section 47C of the FOI Act, and behind each of the exemptions sits the public interest test. That applies to all exemptions.

**Senator FIFIELD:** Is there a rationale given other than citing public interest? Is that expanded upon?

**Mr Fintan:** It is expanded upon in reasons for the decision that were given to the applicant who requested the documents. The FOI Act sets out in some detail the considerations that are relevant to weighing the public interest in disclosure or in the exemption.

**Senator FIFIELD:** Do you have that explanation with you?

**Mr Fintan:** I am not sure if I do. No, I do not believe so.

**Senator FIFIELD:** Are you back with us tomorrow?

**Mr Fintan:** I could be.

**Senator FIFIELD:** That might be helpful, because tomorrow I would hate to be told when I am asking in families that it really needed to be asked in corporate or in cross portfolio. So if it is possible to be here with that tomorrow, Mr Pratt, just in case we have any other follow up questions that relate to this area.

**Mr Pratt:** Certainly. Mr Fintan or one of his colleagues will be available during the session.

**Senator FIFIELD:** That would be very helpful. You are not able to add anything in relation to the public interest reason?

**Mr Pratt:** No. I can add a view, and that is that we are not commenting on the assessment made by Ms Maiden that more nasties to slash middle class welfare could be looming. Essentially we would not release details of any options that we might be considering in relation to future policy that the government might be thinking about as a matter of course. That is just speculation on her part.

**Senator FIFIELD:** So it is not just nasties that you would withhold, you would withhold all policy options, nasty and otherwise?

**Mr Pratt:** I would not want to characterise the policy options as nasty or otherwise.

**Senator FIFIELD:** It is just you used the word. I know you were quoting from the article.

**Mr Pratt:** I quoted from the article.

**Senator FIFIELD:** I think I have probably pursued this as far as I can in cross portfolio. We will re-visit it in families tomorrow. Mr Pratt, I would appreciate it if all the relevant officers could be here; if Mr Whitecross could be here and your relevant FOI officers could be here, particularly as you quite rightly point out that it pre-dates your assumption of the secretary's office.

**Mr Pratt:** We will aim to have all the relevant officers here to assist you.

**Senator FIFIELD:** Will Mr Lye also be here tomorrow?

**Ms Carroll:** Yes, Senator.

**Senator FIFIELD:** I will re-visit this at that time and Mr Arbib, again we will be pursuing, just to put this line of questioning in context, what at face value does appear to be the government keeping secret from the Australian public its intention to cut back benefits to families. The work had been done it would appear before the election.

**CHAIR:** That is an assertion, as you know.

**Senator FIFIELD:** Chair, I am just giving the context for this line of questioning as to what appears to be the case. We will discover tomorrow if indeed this prima facie case of lying to the Australian public—

**Senator Arbib:** It is not the case, Senator, you know that.

**Senator FIFIELD:** It is the case but we will resume it tomorrow.

**CHAIR:** Thank you and I would suggest that you would refrain from the use of the word lie.

**Senator FIFIELD:** I shall.

**Senator ABETZ:** I have a brief and discreet set of questions relating to Fair Work Australia's decision in relation to what they termed as the partially gender based low pay claim for social and community workers. Fair Work Australia, if I might be as bold as to say, I think got it right in relation to the principle but they are now reconvening in August to determine how to implement that principle.

Has the department made any assessment in relation to the impact that might have on its potential wages bill, and especially the not-for-profit sector that relies heavily on Commonwealth support to be able to deliver and provide its services to the community in a whole range of areas, be it aged care, child care centres, et cetera? It is a very general, broad question.

**Ms Carroll:** The department has been involved in a whole of government exercise which was led by the Department of Education, Employment and Workplace Relations in terms of looking at what it might mean for the community sector and particular for the organisations we fund. I am also actually the Commonwealth representative on the community sector's wages group which the relevant parliamentary secretary, Jacinta Collins, is convening. The first meeting of that is next week also to get feedback from state government and from the community sector themselves. There is a process going on in government to consider these issues, to think about what the impacts are and to obviously provide advice back in the appropriate way.

**Senator ABETZ:** Have any indicative figures been developed, for example, for if Fair Work Australia were to say—and chances are this is a minimal figure—that the wage increase were to be five per cent or 10 per cent or 15 per cent? What would be the type of hit it would mean to the federal budget to be able to fund that?

**Ms Carroll:** Fair Work Australia is still working through what the amount could be. We are having a look at the way different organisations are funded, the way they operate, et cetera. We are in the process of gathering evidence and information and we have not finalised any of that process to date.

**Senator ABETZ:** I think you would agree with me but undoubtedly correct my statistics, but as I understand it, of the total cost of aged care facilities and child care facilities, about 75 or 80 per cent would be wages?

**Ms Carroll:** Depending on the particular community sector organisation and what they are funded for, some of them will have very high wages costs.

**Senator ABETZ:** Their wage ratio in relation to their total costs and expenses, I think we can agree, is very high or substantially higher than other sectors?

**Ms Carroll:** I could not comment on how it compares to other sectors. In fact I would suggest that that would be more a question for DEEWR; they may have more of that with their industrial relations component in that department. Obviously we do not fund child care or aged care from this department either but in terms of the sectors that we fund, we do know that across those sectors it is quite variable. For some of them there are very significant, as you said, 80 per cent of costs are wages; for others there are different ratios. Hence one of the important things is actually understanding from the sector themselves what some of those implications are.

**Senator ABETZ:** Can you confirm to me that in this working—did you describe it as a working group that you are involved in?

**Ms Carroll:** There are two things. We are obviously involved in an across the Commonwealth department interdepartmental committee that we are engaging with, which is led by DEEWR and we are giving input into that. Also there is a separate external community sector's wages group which has state government, a Commonwealth representative and the community sector and they are due to meet next week.

**Senator ABETZ:** Because you are part of those groups, you can confirm to me, save me asking at other committees, that Health and Ageing are part of that committee and all the other relevant Commonwealth departments are having input?

**Mr Lewis:** Health and Ageing are certainly involved in the different bits of work that are happening and are attending relevant meetings.

**Senator ABETZ:** Has there been liaison with the Queensland government in relation to this matter, to your knowledge?

**Mr Lewis:** DEEWR would be doing that liaison.

**Senator ABETZ:** I understand that Queensland in its state jurisdiction had a similar claim where the wages were increased by, if I recall, 37 per cent. It was a quite substantial amount which then cost the Queensland government on an annual basis an extra \$400 million a year. So a decision like that, whilst we will all welcome it in principle, is going to have fairly substantial ramifications for the bottom line for the federal budget. It looks as though you are heavily involved and working on it but you do not have any indicative figures that you can provide to the committee as to what a five per cent increase or a 10 per cent increase might mean?

**Ms Carroll:** Not at this stage.

**Senator ABETZ:** That does not surprise me but I am in the big city so I thought I would try my luck. Thank you very much.

**Senator FURNER:** No doubt the department would have suffered some effects as a result of the recent natural disasters in Queensland. I am just wondering if you can describe firstly what effects occurred in respect to staff and also centres throughout the state?

**Mr Hunter:** We are not aware of any staff directly impacted by the disasters. It is something that we carefully monitored so we are very pleased to say that we do not believe anyone was directly impacted. None of our departmental assets were damaged through the disasters and all of our business continuity plans were well and truly tested but fared very well. I think our staff did exceptionally well in very difficult circumstances.

**Senator FURNER:** Even up in the far north as a result of the cyclone, there were no issues associated with that?

**Mr Hunter:** No, Senator.

**Senator BOYCE:** There are just a few things that I wanted to ask where they might in fact fit. Gambling and developing a pre-commitment system as the budget statements says you are, where should I ask questions about that, Mr Pratt?

**Mr Pratt:** Outcome 3 would be probably the best place to ask that.

**CHAIR:** Which program, Mr Pratt?

**Mr Pratt:** Ms Carroll will be helping us with that under outcome 3.

**CHAIR:** I can help you with outcome 3, what I am not sure about is which of the particular outcomes. So I am trying very hard in this session to go outcome by outcome so we do not have people coming backwards and forwards. If we could find before this afternoon exactly which outcome that comes to, that would be really good to help.

**Mr Pratt:** Madam Chair, we will be available to handle questions on that from mid-afternoon that if that would assist the committee.

**Senator BOYCE:** These are questions which are being asked of each department. What advice has the department given the climate change committee?

**Ms S Wilson:** We are not able to answer what advice we have given.

**Senator BOYCE:** Have you given the climate change committee advice?

**Ms S Wilson:** What I can say is that FaHCSIA is involved in a range of work relating to assisting households in the context of a carbon pricing scheme. We participate in several interdepartmental committees that are looking at these issues.

**Senator BOYCE:** Could you list those for me, please?

**Ms S Wilson:** The multiparty committee on climate change secretaries group, an IDC supporting that secretaries group, and there is an interdepartmental committee developing a communications and engagements strategy.

**Senator BOYCE:** For a carbon tax, is that what you mean?

**Ms S Wilson:** For a carbon price, yes.

**Senator BOYCE:** What I was specifically interested in was the government's climate cross-party—although that does not include ours—climate change committee. Has advice been provided to that committee?

**Ms S Wilson:** FaHCSIA has provided support for providing advice to that committee, I guess that is the way that I could put it.

**Senator BOYCE:** Could you explain what that means?

**Ms S Wilson:** We have contributed data about household expenditure for a paper on household assistance which Patricia Faulkner, who is an independent member of that committee, presented to the committee in April this year. I have briefed members of that committee on the concept of household assistance and how it worked under the old proposed carbon pollution reduction scheme.

**Senator BOYCE:** Could you tell me when advice has been provided to the committee?

**Mr Emerson:** We provided information to the committee in April this year.

**Senator BOYCE:** Can you give me a day?

**Mr Emerson:** I would have to take the precise date on notice but it was during April.

**Senator BOYCE:** This was on the one occasion apart from the briefing that Ms Wilson is talking about?

**Mr Emerson:** Apart from that briefing, correct.

**Senator BOYCE:** Could you explain to me why the information you provided cannot be made public, Ms Wilson?

**Ms S Wilson:** Advice that is provided via government to a process of policy development, we do not normally have that advice in the public arena.

**Senator BOYCE:** It was not provided to a minister, was it?

**Ms S Wilson:** It is via a government process.

**Senator BOYCE:** Everything that happens in this building is a government process.

**Ms S Wilson:** I understand that that committee is meeting in confidence and the papers that they consider are confidential to that committee.

**Senator BOYCE:** You were asked to keep this information confidential by the committee?

**Mr Pratt:** This is just how we operate. Any advice we are providing to the committee or through the underpinning bureaucratic committees fits into the category of advice to government. Our advice is to the government, what the government then chooses to do with it is its business, and the same applies in this context. Really, you are asking us to divulge material which we would be providing to the government as policy advice, and that goes back to the discussion we were having before with Senator Fifield.

**Senator BOYCE:** The concern here of course is that it seems to be getting broader and broader and broader in terms of what constitutes advice to government, when we are talking about a committee that is not the government, it is composed of other people.

**Mr Pratt:** Yes, but our advice is still to government.

**Senator BOYCE:** I am trying to not get people to move around too much, but that may be the outcome of what I want to know.

**CHAIR:** There may be more of that than other parts, so just see what you have got.

**Senator BOYCE:** This question is around the topic of unmet need.

**Ms S Wilson:** If it is in respect of disability, then that would be outcome 5.

**Senator BOYCE:** The Australian Institute of Health and Welfare is undertaking some work—this year they tell me—to try to define the term unmet need because we use it in relation to homelessness and disability and a dozen different things. It means whatever people want it to mean at the time but it is a measure that we use for developing policies and expenditure. Certainly to my mind, it needs a lot more rigour around what constitutes unmet need. What involvement is FaHCSIA having or expected to have or aware of with this work of the institute's?

**Ms S Wilson:** I am not sure that we have a particular visibility of that project at present but I would anticipate that we would be involved with that work, commenting on papers, perhaps sending officials to discussions about the work but I do not have any information about that particular project at present. We have not been engaged yet by the institute in respect of that project.

**Senator BOYCE:** It has not come from this department? It must be work they are going to look for a purchaser for.

**Ms S Wilson:** They have two mechanisms for funding.

**Senator BOYCE:** Yes, I realise that.

**Ms S Wilson:** I think it is a broad concept that would apply across a range of departmental interests, both ours and Health and Ageing's but I am not aware that FaHCSIA has been engaged yet about that specific project so I have no information to provide you in respect of it, I am sorry.

**Senator BOYCE:** I was getting quite excited, Mr Groth, when you and your folder came to the table. I thought I was going to get some more.

**Mr Groth:** I was just anticipating any further questions.

**Senator BOYCE:** I do not perceive any point in asking them at this stage. The other question related to some questions that Senator Fifield and I were asking of the Public Service Commission. Mr Graeme Innes, Disability Discrimination Commissioner, said that the Public Service had what he described as a shameful record in employment of people with disability. Given that this is the premier department for servicing people with disability, could you tell me about your disability employment record since we last asked, which I think is 12 months?

**Mr Groth:** Yes we can.

**Ms MacLean:** Can I just clarify, whether you are interested in the traineeships for people with intellectual disability? Is that where you are going?

**Senator BOYCE:** I would like to know about that as well but how many people who identify as having a disability currently work for FaHCSIA?

**Ms MacLean:** The department has approximately five per cent of its staff being people with disability, which is 172 people currently. That was at 30 April. In relation to the traineeships—

**Senator BOYCE:** What is your target for numbers of people?

**Ms MacLean:** We do not have a target within the department.

**Mr Hunter:** We do not have a target but what we would say is that the APS average is around 3.4 per cent and so we are certainly well above that.

**Senator BOYCE:** The Public Service Commissioner has expressed almost dismay I would think at the lack of progress in this field. Mr Innes has said he can see targets as the only way to go, and I understand there have been discussions with the department about having targets. Are you not required under the National Disability Strategy to be able to demonstrate—

**Ms MacLean:** The department actually shows leadership in relation to the appointment of people with disability in the Public Service through a range of mechanism. With the

intellectual traineeship that we have in the department we have been encouraging other departments to establish a traineeship—

**Senator BOYCE:** Have any of them done so?

**Ms MacLean:** They may be in the process of doing it but I am not aware that they actually have. You would be better off speaking to the Public Service Commission about that but we are showing leadership in that—

**Senator BOYCE:** I think the answer is no. I am referring back to comments made by the Public Service Commissioner when I make that comment, Minister, not to the comment made by Ms MacLean.

**Mr Pratt:** I do not know the Public Service Commissioner's specific view about FaHCSIA but I would be very surprised if he had us in mind if he had concerns about the level of—

**Senator BOYCE:** He was talking about the Public Service in general.

**Mr Pratt:** Our rate of employment of people with disabilities is virtually 50 per cent higher than the APS average. As Ms MacLean mentions, we take quite a bit of pride in this fact. That five per cent figure is of course the minimum proportion of people with disabilities employed by the department because it is based around self-identification and there would be others who have not identified. So, we have quite a good track record in this area.

**Senator BOYCE:** Nevertheless if we are going to try and improve the numbers of people with disability who are employed we need to way to measure it, do we not, and using the five per cent is the best you can do, is it not, Mr Pratt?

**Mr Pratt:** It is the clearest measure, yes.

**Senator BOYCE:** Ms MacLean, you were going to tell us about your pilot program for people with intellectual disability?

**Ms MacLean:** It was a pilot program, yes. In February this year four of the five trainees graduated. They received their certificate II in business administration and were placed into ongoing roles within the department. The fifth trainee is due to—

**Senator BOYCE:** Are they all in Canberra? Perhaps you could take that on notice?

**Ms MacLean:** No, three out of those four were in Canberra, one was in WA. The fifth person is in Canberra and they are due to finish their qualification in August, and following successful completion of that qualification, they will also be placed in an ongoing role.

The department is very committed to sustainable employment outcomes for people with disabilities. Once that person finishes that traineeship then we will gear up to start recruiting for another intake next year. We will be bringing on four trainees because we did have one trainee resign in March unfortunately, that was the person in WA. We did everything we possibly could to encourage them to stay with the department, offering them all sorts of flexible options, if you like, to stay connected but they were very keen on looking at something else that they wanted to do. They are still quite young so despite us trying to get them to stay on they did not. We will be recruiting another four people in February next year.

**Senator BOYCE:** February next year?



**Ms MacLean:** Yes, after we finish this intake being placed permanently and then giving them training to make sure that they are well embedded in the organisation.

**Senator BOYCE:** The rest of the year will be spent supporting the graduates?

**Ms MacLean:** That is right, yes. That is the intellectual traineeship and the department does a range of other things to support people with disability. We have a senior disability champion at the deputy secretary level within the department.

**Senator BOYCE:** Who is that? Is it a person?

**Ms MacLean:** Ms Wilson, yes. We actually have a disability access coordinator that provides support for staff with disability. We have centralised funds to cover reasonable adjustment in the department. We provide disability awareness training for staff and managers. We have a mentoring program of which now 50 staff in the department are trained to mentor people with disabilities. We have a Paralympic placement under the Paralympic Diversity Workplace Program. Someone is up in Brisbane working for us in that regard. We have a leadership group in the department that is for people with or without disability who are keen to further FaHCSIA as an employer of choice for people with disability. We have a network of staff who are hearing impaired. We have hearing loops installed in our meeting rooms. We provide captioning services for staff with hearing impairments. We make sure our recruitment information is accessible for people with disability and we provide disability awareness training for selection panels.

**Senator BOYCE:** That sounds like a good stuff.

**Ms MacLean:** We also participate in the stepping into internship program for people from universities who can come into the department and work.

**Senator BOYCE:** Is the five per cent figure an increase over last year?

**Ms MacLean:** That is a steady figure.

**Senator BOYCE:** For how many years has that been steady?

**Ms MacLean:** It has been steady for the last two years around the five per cent mark.

**Senator BOYCE:** I have forgotten my other question in that area so I will leave that.

**Mr Hunter:** Clearly you can see we are doing a lot in this area for our staff but we are also trying to influence broader areas as well. We are having discussions with the New South Wales government, ACT government, Northern Territory, so we are trying to influence. We are very proud of what we are doing in this area and we are always trying to do more.

**Senator BOYCE:** The Public Service Commissioner mentioned that he had organised a meeting or a dinner with himself and Mr Innes and members of departments. Did FaHCSIA attend that dinner?

**Mr Pratt:** I recall that the then secretary of the department of FaHCSIA was at the dinner and I was at the dinner as well as secretary of human services. As you might imagine, both portfolios are very interested in the issue.

**Senator BOYCE:** I am not sure how to quite ask this question but I am beginning to share Mr Innes' view that it will only be by setting targets, actual figures, that a general improvement will happen across the Public Service. Where are you hoping to head with this? If you are still telling me five per cent in three years' time will you be happy with that?

**Mr Pratt:** No, in fact we would seek to increase that proportion, whether or not we were to do that by setting a target though is another issue. That is a reasonably contentious policy proposition. There are strong views in favour and other people have views against setting quotas or targets. As yet we do not have a policy of setting a target within FaHCSIA.

**Senator BOYCE:** Would that be a decision that FaHCSIA itself would make or would you expect that to be a whole of Public Service decision?

**Mr Pratt:** It would certainly be open to us to determine that as an internal departmental policy but it is also conceivably something which, if the Public Service Commission decided to make a policy of the APS, we would respond to.

**Senator BOYCE:** Thank you.

**Senator FIFIELD:** In relation to the traineeship again I have forgotten, so please prompt my memory, is that undertaken with current departmental resources or do you have a particular program to support that?

**Ms MacLean:** It is a combination of things. We have departmental staff that support the program but we also use disability employment providers and we have had the assistance of the Australian Network on Disability as well.

**Senator FIFIELD:** You do all of that from within existing department resources?

**Ms MacLean:** Absolutely, yes.

**Senator FIFIELD:** So, there is no reason why other government departments and agencies could not have traineeships on a similar scale undertaken from their current budgets, in your experience?

**Ms Burns:** It would be very brave to comment on the budgets of other departments but it has been affordable within ours and will continue to be.

**Senator FIFIELD:** I am just thinking of other big departments. Because we are in corporate here, could I ask about the department's own use of the Australian Disability Enterprises? These will separate to the questions we will ask in the relevant outcome about ADEs in particular. Corporately, tell us about the department's use of ADEs for the provision of goods and services?

**Ms MacLean:** I do have something here but I do not have a complete list of the services. I would need to rely on my colleagues from the disability area or perhaps Mr Jennaway. Did you want the providers or the amount?

**Senator FIFIELD:** The amount to start with.

**Ms MacLean:** From July 2010 to 30 April this year the department spent \$234,827 on disability enterprises.

**Senator FIFIELD:** What were the range of goods and services purchased?

**Ms MacLean:** Some examples that I have here are printing and catering services but Mr Jennaway might have more information.

**Mr Jennaway:** I thank my colleague for the opportunity; however, I have got the same brief.

**Senator FIFIELD:** Do you have the ADE contracts which you have used separately identified by those which have been engaged by taking advantage of the department of

finance's exemption from usual procurement practices for the use of ADEs if you use an ADE?

**Mr Hunter:** There are two aspects to that. Firstly, the total dollar spend this year is greater than last year. I think last year was around the \$150,000, so a very positive increase. Secondly, the transactions that we have engaged ADEs to do are under the \$80,000 Commonwealth procurement guideline threshold anyway so it is not captured.

**Senator FIFIELD:** How does the department internally promote the use of ADEs?

**Mr Jennaway:** It might be best left to discuss under outcome 5.4. We have the material on our intranet about how to do it.

**Senator FIFIELD:** The reason I am asking here is because this is the corporate area as opposed to the operation and support of ADEs specifically.

**Mr Hunter:** I think we have got an ADE website listing the services that can be provided. We have got a government buyer's kit that steps people through how you use them, and certainly basically just trying to continue to promote it within the department. Seeing that the actual spend is increasing is really pleasing.

**Senator FIFIELD:** I commend the department on their use of ADEs but also again on the traineeship program. I think it really is a model for other departments and agencies. FaHCSIA is fulfilling its role as the leader in this area, as is appropriate. Senator Boyce referred before to the dinner between department secretaries, Mr Innes the Disability Discrimination Commissioner and the Public Service Commissioner. It would seem to me that the three or four most significant people in the public sector for promoting the interests of people with disability in the public sector are obviously yourself, Mr Pratt, the secretary of human services, the Public Service Commissioner and the Disability Discrimination Commissioner. Are there any plans for those four to meet on a more regular or more formal basis to pursue issues Public Service wide of disability employment?

**Mr Pratt:** Not to my recollection, however the Public Service Commissioner is quite active in raising issues of this sort in the various secretaries committees and the high level committees across the departments and agencies. It is something which is certainly on the table.

**Senator FIFIELD:** That would be good. It might be something worth pursuing. Thank you, Chair.

**Senator FURNER:** I understand there was mention of a Paralympic position in Brisbane earlier?

**Ms MacLean:** Yes, we have a Paralympian working up in our Brisbane office. As part of that role, they are a diversity ambassador and work very closely with the people branch to raise awareness about disability and diversity issues within the department.

**Senator FURNER:** Who is that person?

**Ms MacLean:** I do not have those personal details with me.

**Senator FURNER:** How long have they been in the position?

**Ms MacLean:** It is a year placement. We might be half-way through the placement, but, again, I would have to go back and check that.

**Senator BOYCE:** I would be interested in that information as well and maybe they need a Special Olympian as well, Senator Furner.

**CHAIR:** If we could get a brief on that on notice for the committee, that would be of use. Any other questions in or issues in cross portfolio? There could well be questions on notice but on that point we will actually break now for 15 minutes and come back at 11.15 am with Outcome 4, Seniors.

**Proceedings suspended from 10:58 to 11:18**

**CHAIR:** We are now in outcome 4, Seniors, on output 4.1, Income support for seniors.

**Senator ADAMS:** With respect to the website seniors.gov.au, has the consortium of the Australian government agencies responsible for the seniors.gov.au portal undertaken any evaluation of the site?

**Ms Foster:** I am not terribly familiar with that website, I am sorry.

**Senator ADAMS:** It is the government seniors portal.

**Ms Foster:** I believe it might be sponsored by the Department of Health and Ageing.

**Senator ADAMS:** So it is not FaHCSIA's under seniors?

**Ms Foster:** No. I am sorry; it is a Department of Human Services website.

**Senator ADAMS:** I will keep the questions for them. I am concerned about a media release that came from National Seniors Australia on 16 May 2011 about the new figures released by the ABS confirming what struggling pensioners already know, that basic necessities are getting more expensive, and the cost of the PBLCI, or Pensioner and Beneficiary Living Cost Index, rose faster than the CPI in the March quarter, which confirmed that cost-of-living pressures are falling more heavily upon older consumers, particularly pensioners, when compared to the general community. What is happening about this? Will there be any change or any help for these people, or will they just have to sit back and cop the cost rise?

**Ms Foster:** The most recent increase in pension rates occurred on 20 March 2011. It was an increase of \$13.20 a fortnight for singles—

**Senator ADAMS:** Yes, I am aware of that.

**Ms Foster:** and \$19.80 for couples.

**Senator ADAMS:** These statistics came out on 16 May and, as we know, the cost of living certainly has risen in the last three months. Will there be any adjustment, or what will happen?

**Ms S Wilson:** The general indexation arrangements will provide for responsiveness to the costs of living. You may recall that we have given evidence in the past about the new Pensioner and Beneficiary Living Cost Index which applies to pensions, which recognises particularly the impact of the particular components of the baskets of goods on which pensioners spend more of their income. So basic pension rates are now indexed to the higher of the increase in either the CPI or the new Pensioner and Beneficiary Living Cost Index and are then compared to the wages benchmark. There is a mechanism within the settings for pensions that that responds to changes in the cost of living. In particular, where the particular basket of goods that the PBLCI reflects, which are more sensitive to the needs of older

Australians and those on pensions, and that index are running ahead of the CPI, then that index gets triggered.

**Ms Foster:** The increase that has been measured by the recent release in May will flow through to the 20 September pension increase. We are waiting for the results of the next quarter's increase to feed that six-month result into the pension increase in September this year.

**Senator ADAMS:** With respect to the process of the basket of goods, is that taken from the city, or is it taken from regional towns or rural and remote? How is the percentage arrived at?

**Ms Foster:** The percentage looks at aggregate spending patterns of pensioners.

**Senator ADAMS:** Yes, I realise that, but where is that aggregate formed? Is it overall, or does it go to remote communities, to regional communities or to the outer city or the city?

**Ms Foster:** I believe it is based on capital cities. Given that both the CPI and the PBLCI look at percentage changes, movements in prices, the technicalities of it are that people expect those prices to move the same in both cities and regional areas. While prices may differ, the expectation is that the prices would increase at the same pace.

**Senator ADAMS:** What happens when fuel goes up, say, 12c as far as regional and remote areas are concerned? Coming from Western Australia, I am very, very aware of the cost of fuel. Of course the supermarket prices will follow the fuel price. Often the cost of goods goes up 10c at the same time as the fuel price goes up.

**Ms Foster:** In the recent increase, I understand that transportation was a major influence on that March quarter figure. Transportation costs are reflected in both the CPI and the PBLCI indices. Those prices would be captured in both indices. Of course, if prices are moving, there may be some things that are cheaper in rural areas than they are in city areas.

**Senator ADAMS:** They are certainly not cheaper, I can assure you of that.

**Ms S Wilson:** The indices are calculated by the Australian Bureau of Statistics according to a methodology that is transparent and has applied for quite some time in respect of the CPI. The twice-yearly indexation is a mechanism that has been used in the pension system for a very long time, some decades. The introduction of the particular Pensioner and Beneficiary Living Cost Index was one of the mechanisms under pension reform introduced in the government's last term to recognise that people in pension households and income support households have a different basket of goods and particular exposures to some price movements which can be, at times, different from the broader CPI. There is a longstanding mechanism for indexing pensions in March and September that has existed for many, many years, based on ABS indices, and the introduction of the PBLCI recognises the particular costs faced by pensioners and beneficiaries.

**Senator Arbib:** I think it is important to note that, because of those reforms, the maximum rate for pensioners increased by \$128 per fortnight for singles and \$116 per fortnight for couples combined. So it was a pretty big increase. In the budget this year, there was also introduced the new work bonus, which is worth up to \$6,500 per year. A great deal of work has been undertaken by Minister Macklin, with some historic changes in the last term.

**Senator ADAMS:** Older people are being encouraged to stay in the workforce a lot longer. As far as discrimination for older people is concerned, a number of people have said that they are out there looking for a job and they are very capable of doing something, but they are told they are too old, they cannot have it, or that they are a geriatric and this sort of thing. These are highly skilled people with terrific life experience that I would think in any position would be a very valuable asset to any workplace. There seems to be a little bit of that going on and probably a bit more happening as more people are applying. Are you monitoring any of this activity? I guess they go through some complaints process if it gets to that, but most of them are copping this to try to cope with the job, because they want the job and they really want to be there. I have heard of others who have applied for job after job after job, and as I said, they are really highly skilled and would be a great asset to the workplace. However, they are not employed.

**Ms Foster:** One of the budget measures was to provide funding for an Age Discrimination Commissioner. That commissioner would be the responsibility of the Attorney-General's Department. The government also announced an Advisory Panel on the Economic Potential of Senior Australians. That is headed up by Everaldo Compton. The other members of the panel are Brian Howe and Professor Gill Lewin, a gerontologist from WA. They will be advising government on a range of issues, including workforce participation of senior Australians and their contribution to community more widely. Also announced in the budget is assistance in the Building Australia's Future Workforce package for mature aged workers to refresh their skills and obtain more training if needs be. One of the other measures two years ago, I believe, was the discrimination legislation was amended. Previously, with respect to discrimination on the basis of age, it had to be the primary reason that a person was not being employed. That has been changed now to being one of the reasons. The person does not have to establish that age was a primary reason but they can have a range of factors considered, and those changes make that more accessible.

**Ms S Wilson:** People may take complaints under the Human Rights Act in respect of age discrimination and the test, if you like, of whether or not discrimination occurred is now somewhat more liberal than used to be the case. However, as Ms Foster has said, the introduction within the attorney-general's portfolio of a dedicated age discrimination commissioner is likely to heighten awareness of the disadvantages of age discrimination, as is the panel that is advising the government on the economic contribution of senior Australians. Taken together, those two measures will hopefully make a significant contribution in respect of dealing with public awareness about the potential of older Australians to contribute to the workforce and, more broadly, economically.

**Ms Foster:** In addition, as part of last year's budget, a consultative forum on mature age participation was announced. The chair of that is Everaldo Compton, so there is the cross-over between the two panels. That particular panel is under the auspices of Education, Employment and Workplace Relations. They are specifically tasked with addressing negative attitudes towards mature age job seekers and workers. Our department is represented on an IDC that is associated with that forum.

**Senator McEWEN:** The minister mentioned that since the government's pension reform took effect, the maximum rate for single pensioners has gone up by \$128 per fortnight and the maximum rate for couples by \$116 per fortnight. Is there anywhere that we can easily see

how much pensions have increased both in dollar terms and in percentage terms for the last 10 years?

**Ms Foster:** I believe that data is in the annual report. It is certainly in previous editions of the annual report. It shows the growth of pension according to CPI and MTAW.

**Senator McEWEN:** I guess I wanted to see the rates of increases in the pension since the government's pension reform in 2009, and that the pension rate had increased at a greater percentage amount than it did in the previous years.

**Ms Foster:** We will take that on notice.

**Senator McEWEN:** That would be really useful.

**Ms Foster:** It has been drawn to my attention that the pension rates are also provided in the guide to social security law that is available on the internet.

**Senator McEWEN:** Thank you.

**CHAIR:** It is a very complex document, Ms Foster.

**Ms Foster:** Yes.

**Senator FURNER:** I have some questions on the new seniors work bonus. Before I get to that, Ms Foster, last week I was privy to be involved in the legal constitution estimates inquiries downstairs, and certainly heard some positive results from the Human Rights Commission on their involvement in seniors and what the new age commission will be doing, so I think we are heading in the right direction in that respect. First, when will the new seniors work bonus come into effect?

**Ms Foster:** The new work bonus will come into effect on 1 July. That is subject to passage of legislation that is currently before parliament.

**Senator FURNER:** Where are we at with that passage of the legislation?

**Ms Foster:** That is in the Senate at the moment. It has passed through the House of Representatives.

**Senator FURNER:** What will be the benefit to pensioners? Will this be a new expanded work bonus arrangement or something different?

**Ms Foster:** It is a new expanded work bonus. The new work bonus will allow the first \$250 of employment income each fortnight to be disregarded when assessing the amount of age pension that is payable to a person. At present, under the existing work bonus, 50 cents in each dollar, up to \$500 a fortnight, is disregarded. So, if a person is earning \$400 a fortnight, under the current rules, half of that person's income is disregarded, so \$200 is disregarded. Under the new work bonus, a full \$250 will be disregarded and only \$150 would be assessed. The direct impact of that would be that person's pension would go up by \$20 a fortnight. In addition, there will be a new employment income bank. As I mentioned, there is the \$250 a fortnight concession that applies to the work bonus. If a person is not using that \$250 a fortnight, it can accumulate over time to a maximum of \$6,500.

**Senator FURNER:** Per annum?

**Ms Foster:** It is a rolling amount, so it is not fixed to a particular year. It can pass from one financial year or calendar year to the next, but it cannot exceed that amount of \$6,500. That is in addition to the current free areas of \$146 a fortnight for single pensioners and \$256

a fortnight for couples. One important thing to note, too, is that the new work bonus attaches to individuals. That would mean if both members of a married couple are working, the concession is two lots of \$6,500, so \$13,000 could be disregarded in employment income.

**Senator FURNER:** So effectively in a combined pension household, the savings would be \$40 between the two, is that correct?

**Ms S Wilson:** Yes. It is estimated that around 30,000 aged pensioners will benefit from those changes in the period 2011-12 to 2013-14, so it is a considerable number.

**Senator FURNER:** How did you reach that modelling on that amount?

**Ms Foster:** The 30,000 people is estimated by looking at the number of people who would currently be receiving less than \$500 a fortnight employment income. They now get that extra concession. If they are earning \$500 a fortnight at the moment, they are receiving the maximum concession. If they are earning less than \$500 a fortnight, only 50 cents in each dollar of employment income is disregarded. But now they will get the full \$250 a fortnight.

**Ms S Wilson:** We use our administrative data looking at the patterns of earnings of current recipients to estimate the number who will benefit.

**Ms Foster:** In a way, that 30,000 could be a bit of an underestimate because anyone who is below the free area at present would be, under the new rules, accumulating \$6,500 towards their employment income bank. That means that at some point, if they do take occasional work, they will be able to benefit from that income bank, and the \$250, \$1,000, whatever it may be, of employment income will be able to be disregarded.

**Senator FURNER:** The government introduced reforms in 2009 for the benefit of pensioners in work related bonuses. How has that been tracking, and what has been the outcome in that area?

**Ms Foster:** It has been operating for about 20 months. The work bonus is a long run policy reform, and it is a little bit early to make judgments about its impact. Certainly the early signs have been promising. We have done some work to look at new entrants to the pension.

We compared new entrants to the pension prior to the September 2009 reforms and new entrants to the pension after the 2009 reforms. In looking at that, we have seen that the proportion of new entrants to the age pension who had employment income was 8.1 per cent for the five quarters before pension reform, and after pension reform, about 10 per cent of new commencements to the age pension have employment income.

**Senator FURNER:** Is that 10 per cent of the overall age pension?

**Ms Foster:** No, that is 10 per cent of people who have entered the age pension system in the last 12 months. We are looking at that as a more sensitive measure in part because the stock of age pensioners is so large, with 2.2 million people, that the effect of any measure can get somewhat dispersed amongst that large group of people. We are more likely to discern any impacting in the new entrants to the age pension. Further, we have also seen an increase in the average gross employment income, both before and after the introduction of the work bonus. The average gross employment income before pension reform was \$17,600; now it is running at about \$22,500. That is the average over the six quarters since pension reform.



From what we can discern from that data as well, it would appear that not only are more people working but the people who are working are also working more hours.

**Senator FURNER:** Any data on the amount of hours they are working?

**Ms Foster:** No. We are drawing that conclusion by comparing that growth in wages that I referred to before to the growth in average weekly earnings for a similar period for the general population. The growth in wages for that group of age pensioners is about 35 per cent, and for the general population it is about 15 per cent. From that, we are deducing it is probably driven by increased hours of employment.

**Senator FURNER:** Thanks very much.

**CHAIR:** Any other questions in this aspect? I am sure the officers will have significant questions on notice. I have one question. Looking at the gender break up of people on age pension in Australia at the moment, I know that it comes out in the annual report, but what is the current figure?

**Ms Foster:** I do not have the numbers of the current splits, but I do have the proportions. There is a total of 2.2 million age pensioners; 43.5 per cent are male, 56.5 per cent are female.

**CHAIR:** On notice, can you provide a more defined look at those numbers in terms of the age groups, and in gender, Aboriginal and Torres Strait Islander and people from non-English speaking backgrounds?

**Ms Foster:** We can provide those age splits and by Indigenous marker. The Indigenous marker will be limited in the sense that it is people who self-identify as Indigenous.

**CHAIR:** Absolutely. Thank you very much to the officers from Outcome 4.

**Ms Winzar:** Before you conclude, you were asking earlier about the seniors portal. We have confirmed that that belongs to the Department of Health and Ageing.

[11:52]

**CHAIR:** Thank you very much. We will now move to Outcome 6, the Office of Women. Welcome, Senator McLucas.

**Senator CASH:** In relation to answers to question on notice, my understanding is that answers were due to be provided by 8 April 2011. The majority of the answers were actually received on Friday 27 May 2011. I think that is almost 50 days overdue. Is there a reason that the answers were provided so late?

**Mr Pratt:** Yes, there is a reason. I am not sure that there is an excuse. We had a large number of questions on notice to answer. It was during a very busy period, around the budget, and I apologise on behalf of the department that we were late in getting so many of those answers in. We will attempt to do much better next time.

**Senator CASH:** I do appreciate your honesty in that regard. I will wait and see in terms of the next estimates to see whether or not we are able to make the due date for the answers being provided.

**CHAIR:** That is an ongoing issue, and we have these discussions at most estimates. One of the things we have suggested in the past is if there is a delay, and people in the department see that there will be one because of workload and other issues, if you could let the committee know rather than just going through until the end. It is something to think about. We have

raised it on a number of occasions with a number of departments. I just think that possibly could be one thing to consider within the department.

**Mr Pratt:** Certainly, Madam Chair. We will look at that very seriously. A little bit of light at the end of the tunnel, having looked at our rate over time, we are actually improving quite a bit. The trend is upwards.

**Senator CASH:** I appreciate those comments. A lot of my questions will actually relate to the Women's Budget Statement, just so that you have a reference document. I turn to page 36 of the budget statement, and in particular in relation to the Australian Government Panel of Gender Experts, which I understand was launched in March this year, and to which I have asked questions at the previous estimates and to which I received an answer. What funds have actually been allocated to the panel?

**Ms McKenzie:** The gender panel is not a panel where we have a fund to pay for it. Rather it is a source of expertise for departments to use when they want to consider gender impact. They choose somebody off that panel, and that provides them easy access to a source of advice. We do not keep a record of when departments choose to use somebody from that panel. Rather, it is just a service that we provide by putting that panel in front of them.

**Senator CASH:** Is there a reason that you are not proposing to or do not keep a record of when departments access the gender panel?

**Ms McKenzie:** I think it is more of a workload issue. To a large extent we have a large body of work to do in the Office for Women, and departments are seen to be taking responsibility for ensuring that they have taken the gender issues into account in their policy and programs.

**Senator CASH:** How will you know if departments are doing that if you are actually not keeping a log of which departments are accessing the expertise?

**Ms McKenzie:** We do not require departments to use the panel members. They can do gender analysis through any way that they choose. They may well have internal experts who can do that work for them. They may well choose to do it with other experts who are not on the panel, or they may choose to use the panel. It would be an incomplete measure in any case if all we did was record when departments use that particular set of experts.

**Senator CASH:** It may well be an incomplete measure, but at this point in time, as I understand what you are saying, we have no measure. Why even have the panel if you are not going to be putting in place a monitoring arrangement? What does it actually achieve if we come back in October of this year and my question to you is: what has the Australian Government Panel of Gender Experts actually achieved? Which departments have accessed their expertise? And your answer to me is: I do not know. Why do we even have this panel of expertise?

**Ms Carroll:** I think we have talked before about the interdepartmental committee which I chair, and we actually receive a lot of information and advice through that interdepartmental committee. One of the things that we seek to ascertain from agencies through that process and through other informal processes that the department goes through is what are the most useful things that we are doing, and how they draw on things like the gender panel and other things. As Ms McKenzie said, to just measure whether people went in and had a look at the panel or how they used it is not a complete measure. What we try to do is gather some of that

information, but we are not trying to gather that in a way that we can give a quantitative response.

**Senator CASH:** In terms of the gender panel members, deeds were completed at 11 March 2011, you said that no funding has actually been allocated to the panel. Are the providers on the panel of gender experts able to lodge a bill or charge for their services?

**Ms McKenzie:** Sorry, I have probably explained that incorrectly. There is no fund in the Office for Women that we then use to put people on the panel. If the Office for Women has a project that we want to use the panel for, then we would use our own funds to get somebody onto the panel. Similarly, departments have to make their own choices about the expertise that they might get in, so they use their program funds to be able to do that.

**Senator CASH:** If I wanted to access ANU Enterprise Pty Limited for some advice in relation to promoting the integration of gender equality into policy, what is the fee structure for the department? What will I be billed for from ANU Enterprise Pty Limited? Are they able to bill for their services?

**Ms McKenzie:** Yes.

**Senator CASH:** How do they do that?

**Ms McKenzie:** Through normal contractual arrangements. It was considered that departments were finding it difficult sometimes to be able to have easy access to gender experts. It meant that they had to go out each time and find the best kind of experts to go to. What we have done is just the first part of that process by giving them a panel that they can go to. How they choose people off that panel, and the normal kinds of procurement issues, would then follow.

**Senator CASH:** Basically your role was literally just to put together the panel. There is no ongoing role. There is no monitoring. There is no actually wondering whether or not it actually works. Your role stopped at actually putting together the panel of gender experts?

**Ms McKenzie:** We put together the panel of gender experts. Departments can ring into the Office for Women and say they are interested in using the panel and get a bit of background briefing about it. The panel goes until I think 2013, and at that stage we will look at whether it is worth continuing the panel, whether it has been a useful idea, or whether departments are not using the panel and do not consider it to be useful.

**Senator CASH:** What will define whether or not it has been worth using it, if you are not actually monitoring it? What are those benchmarks that are in place for the Office of Women to actually assess the effectiveness of the panel of gender experts? Do you have a written set of benchmarks?

**Ms McKenzie:** No. This was a source of advice, and our advice would then be, from the department, as to whether they considered this to be a useful source of advice.

**Senator CASH:** You will go back to the departments and ask them for their input?

**Ms McKenzie:** That is right, yes. Part of the role that we take very seriously in the Office for Women is trying to enable other departments to improve the quality of their gender advice. It is up to each department to try to take that into their own operations and take those issues as part of the priorities of the department. In this place, we were just using the gender

panel as one way of providing that extra expertise hopefully in a more accessible way to departments.

**Senator CASH:** What has the panel achieved since its launch in March this year?

**Ms McKenzie:** The first thing it has achieved, as we have discussed in the Women's IDC, has been providing a source of easier advice for departments. Departments are well aware that they can now get that advice. They are well aware that the Office for Women has done that, and they are able then to secure expertise from that panel.

**Senator CASH:** That is it?

**Ms McKenzie:** Yes.

**CHAIR:** What is the standard review time for any new initiatives such as the introduction of a panel? Senator Cash has pointed out that it was introduced in March. The department has an internal kind of review mechanism. What is the standard time for review?

**Ms McKenzie:** The panel stands until 2013, I think, but I do not have that figure.

**Ms Carroll:** In relation to that, it has been established like a lot of procurement panels are established. Departments establish panels of providers across a range of especially corporate activities and other sorts of activities, and they would normally have a specific life. The idea behind panels is that there has been an assessment process to say these people have the appropriate expertise, that the panel is in place, and that people can come and get some advice about choosing people off the panel. I do know, for example, that there have been at least two agencies that have come back to the department to say that they have used the panel and they found it very helpful since its establishment. We would continue to gather that kind of information and collect those statistics as we go along, either as people come to us and ask us for advice and we see how they use the panel, or through the IDC as I said. When it comes to evaluating the effectiveness of the panel, we will do some surveying, whatever, across the Commonwealth of how people have used it to see if it is a useful thing to continue.

**Senator CASH:** My point is, though, at this particular point in time, in setting up the gender panel—and this is something that was talked about last year; this is certainly not something we have not talked about before—you are unable to measure the achievements of the panel, and there does not appear to be in place any arrangements as to how you are going to measure the achievements of the panel, other than when it gets towards December 2013, you will do a little bit of surveying, you will have a bit of a chat with some other departments, and you will see whether or not it is worth continuing. Would that be a fair assessment?

**Ms McKenzie:** In setting up a gender panel or any procurement panel, we have to seek people to go on it, and then we have to do an assessment process. That obviously has some overheads for the Office for Women in setting it up. We would be interested, of course, in whether departments have found it useful. Departments may or may not be using it at this point in time but it may well be that they do find it useful over the period of time. We would be interested, at the time the panel is due to cease, in whether departments at that stage find this a very useful experience, are they seeking the expertise, and would they like it to continue? Then we will consider it in relation to the other priorities of the Office for Women at that time. At that stage it would be a proper evaluation survey assessment process.

**Senator CASH:** You mentioned that there were costs associated with setting up the gender panel. What were those costs?

**Ms McKenzie:** We would have to take that on notice.

**Senator CASH:** If you would take it on notice and provide a complete list of the costs associated to your particular department in setting up the gender panel? Are we also able to have provided to us a copy of the funding arrangements between those on the panel, in terms of how they invoice the department?

**Ms Carroll:** I think there is perhaps a lack of clarity about how the panel works. It works as any other procurement panel, so we have a legal services panel across government. There are other kinds of procurement panels. The idea of it is that the panel exists and has been through a robust process for people to be appointed to the panel. As Ms McKenzie has said, the normal procurement processes of any government department, including ourselves when we wish to use it, apply as we go in. So, the contracting arrangements and the fee arrangements exist between the purchaser and the organisation on the panel at that particular point. It depends what someone is purchasing.

**Senator CASH:** Because specific funding is coming from a specific department?

**Ms Carroll:** That is right.

**Senator CASH:** So if you were to use it, you would be billed for it?

**Ms Carroll:** Exactly.

**Senator CASH:** However, if another department uses it they would be billed. Okay, so there is not a general funding agreement.

**Ms Carroll:** If the agriculture department used it, and they might use it for a different purpose from the way we would use it, their costs structure might be quite different.

**Ms Steele:** Perhaps I can answer your question about the costs involved to the office? There was an amount of \$32,501 for costs associated with advertising for the request for tender.

**Senator CASH:** Were they the only costs associated, or were there other costs?

**Ms Steele:** As far as I am aware, those were the only costs.

**Senator CASH:** Could you please confirm that on notice? That would be greatly appreciated. I turn now to a separate issue, in relation to page 33 of the *Women's budget statement 2011-12*, and in particular in relation to an article in the *Sunday Telegraph* dated 22 May 2011, which was headlined, 'Boards still full of men.' It started by saying:

More than 80 of the Federal Government's 500 boards have no female representation, whereas just nine have no male members. In relation to page 33, under 'Government boards—40 per cent gender target', it states:

The Australian Government has set a target of at least 40 per cent women and men on Australian Government boards by 2015. Efforts towards meeting this election commitment are accelerating.

Could you please take the committee through how efforts towards meeting these targets are accelerating, and what has been achieved to date?

**Ms Steele:** You did ask questions at the last Senate estimates on this, and Ms McKenzie I think illustrated the three areas where we are concentrating our efforts. The first is to develop the evidence base, which is crucial in getting the right sort of statistics and so on.

**Senator CASH:** When you say an evidence base, what type of evidence base are you actually looking at?

**Ms Steele:** We are looking at this on a number of levels. We are looking at the actual statistics—

**Senator CASH:** That is easy to get.

**Ms Steele:** It is not as easy as it appears, because of definitional issues and consistency of definitions across departments.

**Senator CASH:** Are we talking here about the representation on boards of either a man or a woman?

**Ms Steele:** Yes, but it is the definition of which boards you count.

**Senator CASH:** That is very interesting. Which boards are we counting for the purpose of this 40 per cent gender target?

**Ms Steele:** The report that the Office for Women produces, which is the *Women on Australian government boards report*—I do not know if you have that in front of you?

**Senator CASH:** I do not, but please refer to it.

**Ms Steele:** A number of parameters are explained within the report. The first is that the report looks at a point in time estimate. That is a sort of snapshot as at 30 June 2010. It also looks at the number of women and men being appointed over a period of time, which is more like, I guess, a video rather than a snapshot. In terms of which boards are counted—

**Senator CASH:** Can I just confirm that, at page 33 of the budget statement, it states, 'Australian Government boards'. So what is the government's definition of an Australian government board as it applies to page 33 of the budget statement?

**Ms Steele:** I am just trying to capture the proper definition in the report. The sorts of issues that we deal with across departments on this are whether we look at committees and statutory office holders, and whether we actually drill down within rules within boards. The Office for Women's report is more inclusive than not inclusive, but nevertheless, we find that departments have their own views on what constitutes a government board. Part of the research that we are conducting at the moment internally is to clarify those definitions, and make sure that everyone is reporting on the same thing.

**Senator CASH:** How does the government intend to meet a 40 per cent gender target by 2015, a target that was announced last year, if in June 2011 this office cannot even tell me what the definition of an Australian Government board is?

**Ms Carroll:** I think what Ms Steele is trying to describe is one of the particular pieces of work that we are doing around women on government boards is to make sure that in fact everyone is considering boards in the same way. So we are trying to do some work on the definition to make sure that we cannot be kind of accused of leaving some in and out. The report of women on government boards actually captures the boards that the government believes are in scope, and the office reports that. That report indicates that, overall, the representation is at 33.9 per cent. There is definitely recognition that there are some portfolios that are doing very well in the representation of women on government boards, and there are some portfolios that are struggling in that.

**Senator CASH:** Could we have a list?

**Ms Carroll:** The document is public, but I can give you an indication. For example, our own department, Immigration and Citizenship, Prime Minister and Cabinet, Health and Ageing, and Climate Change and Energy Efficiency all have 40 per cent or greater of women on government boards.

**Senator CASH:** What about Education, Employment and Workplace Relations?

**Ms Carroll:** They are in the 30 to 39 per cent.

**Senator CASH:** How is Defence going?

**Ms Carroll:** Defence is in 20 to 29 per cent. There is a number of agencies that we are trying to work very closely with that are at the lower end of the spectrum, and we are looking at how they can kind of bring up the number of women on their boards. For example, Agriculture, Fisheries and Forestry has made some significant progress in that area, and I certainly know that the ministers have been quite forthright in that way. This is an area that we are progressing, that we are really considering the big issues. Clearly one of the issues is actually making sure that there are women to go on to the different kinds of boards.

In the social services, social policy areas, it is clear that there are more professional women who may be available to go on to those boards. In some of the other areas, for example, finance and some of the resources sector, there are not as many women, and just like the private sector boards, the public sector boards have the same kind of difficulty. We have certainly got some things in place that we are doing around progressing that target.

**Senator CASH:** How does the government make an announcement—and I think you would agree, it was an announcement on which it put quite a bit of weight—that it is going to increase or set a target of at least 40 per cent women and men on Australian government boards by 2015, but you still cannot tell me the actual definition of an Australian government board?

**CHAIR:** I think a question about a government announcement is better directed to Senator McLucas.

**Senator CASH:** Minister, how does the government make an announcement, if the Office for Women is unable to actually define what an Australian government board is?

**Senator McLucas:** I think you have identified that, and so has the department. We need to be very clear about what is included in this analysis. The last thing you would want is to miss a particular board or organisation or entity, and I think that is what Ms Carroll is trying to explain to you. Given that we are starting from a pretty low base in some of these departments, and I might observe that there was not a focus on ensuring that we had gender equity on boards in the previous government, that we have a piece of work to do. That piece of work is being done. That will ensure that there is total transparency around what we are aiming at, and then we can have that proper conversation with each of the departments that are underperforming. I think we have seen in the last 12 months significant improvement. We have some departments—

**Senator CASH:** Where has that improvement been, seeing that we have seen significant improvement? Where has that improvement been?

**Senator McLucas:** I think the officers can draw your attention to that. There has been improvement. As you know, boards run for a period of time, so they are not replaced

annually, so we will not be able to see change happening on an annual basis. Some departments are less successful than others, but when those replacements occur, we are doing quite well to make sure that we will achieve that target of 40 per cent of men and women on boards by 2015.

**Senator CASH:** Do you think it would have been more prudent, however, for the government to have actually determined what an Australian government board is prior to actually making its announcement?

**Senator McLucas:** You can do things one of two ways. You can delay setting a target or a desire of any government until you have done that work, or you can do them both at the same time. It is our view that we can do this at the same time. We are not going to delay ensuring that we have gender equity on Australian government boards any further. It is a clear view of our government that we, as the government, should set the benchmark to the private sector about how achievable 40 per cent is.

**Senator CASH:** Could you possibly take on notice—and this is obviously for the Office for Women—to provide the committee with information as at 30 May 2011 as to what was the percentage of females sitting on Australian government boards? In particular, how many government boards are there, and how many women are on each board? Could you also provide an analysis of how many women were on those boards the day before the announcement?

**Ms McKenzie:** We only do the collection at the end of each financial year to provide the report. We do not actually have the figures for May. We get the figures at the end of June, so that will be available shortly.

**Senator CASH:** I will put a question on notice. My understanding is that the filing of a question on notice may actually be after 30 June when the committee reports?

**CHAIR:** Questions on notice is at the end of next week. The reply does not have to be in until after that date.

**Senator CASH:** That is fine. I will put a question on notice through the other process to actually ascertain that information post 30 June.

**Ms McKenzie:** If I could just say a couple of other things? There is a definition for the boards. Unfortunately I do not have it here. I think the point that Ms Steele was making was that we need to ensure that there are no different interpretations of that definition that is causing any level of confusion. We are really out to ensure that that is not happening. I would be quite happy to provide on notice the definition of a board as it relates to this, if that would be useful.

**Mr Pratt:** I think there is a little bit of a risk here that this issue might get seen out of proportion. There are 509 boards as currently defined. Any disagreement about what might be a board and what may not be a board will be very much at the margins. We know that there are over 500 boards, and we have quite substantive statistics on representation on those boards. It is an issue at the margins.

**Senator McLucas:** The minister has been very proactive in this space. She has written to her colleagues to raise the profile of the commitment and also to ensure that other ministers are very aware of the need to keep the target in mind when making appointments.



**Senator CASH:** We raised that last time. Is the committee able to have a copy of the letters that the minister has sent to her colleagues?

**Senator McLucas:** I will ask the minister.

**Senator CASH:** Thank you very much.

**Ms McKenzie:** You asked in a previous question whether any progress has been achieved. I wanted to say three things in terms of progress. Women represented 33.9 per cent of the positions on boards in 2009-10, which was an increase from 33.4 per cent in the previous year. Five portfolios met the 40 per cent target for women, an increase from two in the previous year, and seven portfolios are now above 30 per cent representation, up from five in the previous year. There is certainly an upward movement.

**Senator CASH:** Thank you. I turn now to the AppointWomen website, which again we have canvassed in previous estimates. How many women have been appointed to government boards as a result of application through the AppointWomen website to date in 2011?

**Ms Steele:** We do not actually collect this information. We provide the AppointWomen website as a resource for individual women to lodge their CVs on and to put themselves forward for board positions. The office does not track what happens to individuals' CVs or their progress. I just do not think we could possibly do that.

**Senator CASH:** The Office for Women maintains AppointWomen and matches qualified and experienced candidates to vacancies in Australian government decision making bodies.

**Ms McKenzie:** If I could explain it a little further? The departments and portfolios that have vacancies on their boards will approach the Office for Women and ask us to go through the AppointWomen database and provide them with suitable candidates. We do that. We do not track then as to whether those candidates are the successful candidates. That is something for portfolios to do. This is another service that we provide to departments.

**Senator CASH:** How do you match qualified and experienced candidates to vacancies on the Australian government decision making bodies?

**Ms McKenzie:** Departments will ring up and provide us some advice on the type of board member that they are looking for. Staff in our office will go through the AppointWomen database and, based on their analysis, they then identify potential candidates to that department.

**Senator CASH:** In terms of the Office for Women actually tracking what actually happens, it is just not something that you do. How would you actually then rate the success of the AppointWomen website?

**Ms McKenzie:** As we mentioned at the last estimates, we are actually looking at the AppointWomen website at the moment to ensure that it can be the most effective. It needs to be. We have become aware, obviously, that a number of departments have quite good registers of their own. The balanced database in the department of agriculture is one of those, but there is a range of departments that are developing their own database. We need to ensure that the work we are doing in the Office for Women on the AppointWomen website is actually a useful addition to that, and that we are looking at the whole thing as a whole of government issue.

**Senator CASH:** When you say you are actually looking at the Appoint Women website, and obviously that has been done since the previous estimates, what have you done, and who has done it?

**Ms McKenzie:** In the February estimates I think we spoke about departments providing information on what they were currently doing and the strategies they are currently using, and the mechanisms they are currently using. From that, we ascertained that a number of departments had their own ways of registering interested clients or interested people to be on the boards. At the recent Women's IDC, which Ms Carroll explained is one of the ways that we talk with departments, we talked particularly about the recruitment aspects and about the different processes that departments had in train. We are going through a process at the moment of cataloguing those, and also looking at the gaps, and where there may be a need for extra work to be done.

**Senator CASH:** When it says the Office for Women maintains AppointWomen, meaning the website, what does 'maintains' actually entail?

**Ms McKenzie:** As I understand it, people ask to be placed on that website. We place those people on that website, and then we are accessible to departments to provide the names of people from that website.

**Senator CASH:** But that is it. You could not tell me how many women are currently registered with AppointWomen?

**Ms McKenzie:** I certainly could not, but I am happy to take that on notice.

**Senator CASH:** Would you, please? Could you also take on notice the following. How many hits the website has had in 2011, and each year since its inception? How many women have completed the Appoint Women candidate details form in 2011, and each year since its inception? How is the site advertised and promoted to women?

I turn now to the white ribbon workplace campaign, an initiative for workplaces which again we discussed at the last estimates. One of the issues I raised at the last estimates was in relation to the minister's press release dated 25 November 2010, and the final paragraph which stated, 'For further information about the White Ribbon Foundation and the White Ribbon Workplaces Program, please visit <http://www.whiteribbonday.org.au>'. When you actually went to the website link, as I stated, whilst it took you to the white ribbon website, there was actually nothing on the white ribbon workplaces program. I now note that I clicked on it yesterday, and you are taken to the website where you negotiate yourself through the website, and you eventually get to current and future projects, white ribbon workplaces program. It is basically a regurgitation of the minister's press release in a more compressed form. Can you please tell me when that was actually uploaded onto the white ribbon website?

**Ms Smart:** I understand that that information was uploaded post our discussions at the last estimates.

**Senator CASH:** Could you confirm the date for me?

**Ms Smart:** I can do that.

**Senator CASH:** I appreciate that. Thank you very much. How much funding has actually been expended to date on the program?

**Ms Smart:** To date we have paid to the White Ribbon Foundation \$150,000.

**Senator CASH:** What has been achieved to date in relation to that spend?

**Ms Smart:** We have only recently finalised our negotiations of the funding agreement. Since that time the White Ribbon Foundation board has determined the process for the appointment of a reference group to oversee the project. Those invitations, I am told, will be going out in June-July for the reference group to be established mid-year. The White Ribbon Foundation has appointed a project officer, and they have commenced work on their detailed work plan which the department is due to receive during June.

**Senator CASH:** The press release and the announcement was made on 25 November 2010. Today is 1 June 2011. What have we actually achieved to date in relation to the program, if I was an employer and I wanted to find out more about what I could do in my workplace?

**Ms Smart:** This particular project is timed to run over a number of years. In the first year, the work is to set up the project and develop the resources that will be made available to workplaces, including through consultation with a range of different organisations. In the first year, the work is focused on setting up the project. [12.30]

There are different elements to the project around the ambassadors, the awards system and the resources. So, the first year of the project is to establish that and to then allow implementation. In early 2012, they will be in a position to launch their awards scheme and also to complete and launch the workplace training resources next year.

**Senator CASH:** When you say the first year, what is the definition of a year? Is it 25 November 2010 to 25 November 2011, being that that was the date this was announced?

**Ms Smart:** We are working with the White Ribbon Foundation along milestones 2011, 2012, 2013 and 2014.

**Senator CASH:** What are those milestones?

**Ms Smart:** These are all set out in their funding agreement.

**Senator CASH:** Am you able to obtain a copy of the funding agreement for the committee? Could you take it on notice to see whether or not you can actually provide a copy of the funding agreement?

**Ms Smart:** Yes.

**Senator CASH:** What are those milestones?

**Ms Smart:** In 2011, the first milestone is the establishment of their reference board; the development of the detailed work plan; workplace engagements, so engagement over a number of months in the latter part of this year with various workplaces; workplace program design and the development of the modules; the awards and recognition strategy; and evaluation strategy to be developed over 2011.

**Senator CASH:** So that is the setting up of the program?

**Ms Smart:** That is correct.

**Senator CASH:** Question number 138 from the February estimates states:

It is government funding that is supporting the development of policies and resources that under the white ribbon workplaces program can be used by workplaces of all shapes and sizes to encourage awareness.

Then I asked a series of questions:

What is the status of these policies? Who is developing them? What will the content of the policies entail? Will they be one size fits all policies or will they differentiate between shape and size of organisation?

The answer I was provided was:

Under the funding agreement, this work is being done by the White Ribbon Foundation, in consultation with the expert reference group which will be established to provide guidance and additional expertise to the project.

I asked that question in February. Can you update me on the answer? Has any further progression been made? Who is the expert reference group?

**Ms Smart:** With respect to the expert reference group, the invitations will be going out from the White Ribbon Foundation, I am advised, in mid-June. The expert group will be drawn from the partnership and ambassadors program of white ribbon and their national leadership group. Invitations to participate will be sent to White Ribbon Foundation partners, and examples of those include Sussan Grae, AHG, Bunnings, the Sports Commission, Maritime Union of Australia, the ACTU, Department of Defence Force members, other government agencies, selected people or organisations in the construction industry, including the Australian Domestic and Family Violence Clearinghouse as well.

**Senator CASH:** I had a note that the project was meant to have commenced in May 2011; is that true?

**Ms Smart:** We finalised the funding agreement with them in May 2011.

**Senator CASH:** Okay, so the definition of commencement was not actually that the project itself would commence in terms of employees being able to access information; the definition of commencement was that the office has entered into a funding agreement with the white ribbon organisation?

**Ms Smart:** That is correct, and at that point having also engaged their project officer to commence the development of the materials, et cetera, they can then engage further with workplaces. Part of the funding is about the development of those materials.

**Senator FURNER:** I will put on my white ribbon ambassador's hat and ask you some questions. In response to Senator Cash, you referred to some reference groups or a reference group that is in the formation. What is the composition of that group?

**Ms Smart:** The white ribbon board has recently established its process for forming that group, and those organisations that I identified are some of the organisations who may be invited to participate on that reference group. It has not yet been finalised.

**Senator FURNER:** Are they the only groups that have been invited or is it open to others?

**Ms Smart:** The information that I have from the White Ribbon Foundation is that they will be drawing from their white ribbon ambassadors and their leadership group and their partners to form the reference group for this project.

**Senator FURNER:** You also mentioned the 2012 awards scheme. What is involved in that?

**Ms Smart:** That is part of the work that they will be doing this year. It will be to establish an awards scheme to recognise organisations, employers, who have in place policies or practices that promote the reduction or the saying no to violence against women.

**Senator FURNER:** Or awareness?

**Ms Smart:** Or awareness.

**Senator FURNER:** When is that due to commence?

**Ms Smart:** The milestone is that the White Ribbon Foundation is looking to launch that in the first half of 2012, around March next year. With respect to the development work of that, in part they will need to consult with a range of other organisations such as EOA who also run awards schemes or recognition schemes for employers. This is so that in developing this awards scheme, they want to make sure that there is cohesion on different events that occur, and that they are not overstepping into other organisations' areas, and that we are not more or less flooding the market.

**Senator FURNER:** Are you able to identify any initiatives that are scheduled for this year?

**Ms Smart:** The work for 2011 is the development activity primarily.

**Senator BOYCE:** My question is related to National Day to Remember on 4 April. Would someone look as though they know what I am talking about? What was the budget for this? What did the office do? I know there was a candlelight vigil.

**Ms Smart:** The department does not have a budget for this. These are community based activities that various women's groups hold. I understand it is primarily those in the domestic violence field that hold these events. It is not an event that is supported financially by the department. I understand that the Queensland government supports a domestic violence and family violence month of activities, and it grew out of some activities there a couple of years ago. It has been picked up in different states and territories.

**Senator BOYCE:** What was the involvement of the office?

**Ms Smart:** The department does not have an involvement or a role in this.

**Senator BOYCE:** It was simply that the minister went along to someone else's function?

**Ms Smart:** That is correct.

**Senator BOYCE:** Whilst I obviously think the objectives of National Day to Remember are great, you do run the risk of having so many days that you devalue the currency.

**Ms Smart:** This is one that has grown out of the community sector. I know there was a candlelight vigil here in Canberra run or supported through the domestic violence service in the ACT. I understand there was also one in Adelaide, but it is not something that the department actively promotes or engages with.

**Senator BOYCE:** Thank you.

**Senator CASH:** I refer to pages 28 and 29 of the *Women's Budget Statement 2011-12*. In relation to the '\$14.5 million over four years to conduct the Personal Safety Survey and a National Community Attitudes Survey', how will the money be spent over the four years? What is it actually? Have you developed the survey? How are you developing the survey?

**Ms Smart:** The personal safety survey is a survey that is run by the Australian Bureau of Statistics. The last survey was run in 2005. The preceding one, I believe, was 1996, but I will have to check that I am right on that. This announcement was that the survey would be run every four years from now on. In relation to the personal safety survey, our department funds the ABS to run that survey. They have carriage of that. The survey is built on the previous survey. They have gone through a process of reviewing the questions, as they do. They have a survey reference group which draws on experts, both from academia and the domestic violence-sexual assault field, as well as state and territory government representatives, and our department. They have reviewed the questions, and taken feedback and input. I understand that they have gone through a process of cognitive testing on proposed questions. They also conducted what they call a dress rehearsal. With respect to the cognitive testing, they do what they call a skirmish, and then they do a dress rehearsal, which is effectively testing the survey. They then analyse the data that is collected to ensure that the questions are valid questions from a statistical perspective. They also go through processes of recruiting surveyors, people to deliver the survey.

**Senator CASH:** That is run by the ABS?

**Ms Smart:** Yes, all of this work is done by the ABS.

**Senator CASH:** In terms of a timeline, the spend of \$14.5 million is over the four years?

**Ms Smart:** This financial year we are providing \$5 million to the ABS, and next financial year it will be \$3.68 million.

**Senator CASH:** The following two financial years?

**Ms Smart:** I do not have the following two financial years. It is a total of \$10.3 million to conduct the survey.

**Senator CASH:** Where does the extra \$4 million come from? If there is \$14.5 million over four years to conduct the personal safety survey.

**Ms Smart:** And the national community attitudes survey.

**Senator CASH:** Who is doing the national community attitudes survey?

**Ms Smart:** The last national community attitudes survey was conducted by VicHealth, which is an organisation in Victoria. They conducted the community attitudes survey I believe in 2008-09.

**Senator CASH:** Is it an Australia wide survey even though it is done by VicHealth?

**Ms Smart:** Yes, it is.

**Senator CASH:** It is still an Australia wide survey?

**Ms Smart:** That is correct. The results of that were published in 2009-10. This funding is to enable that to be replicated.

**Senator CASH:** Why did you choose VicHealth? I can understand the ABS, but why VicHealth?

**Ms Smart:** VicHealth had previously conducted the national community attitudes survey. My understanding, and I will correct this if I am wrong, is that VicHealth had conducted a community attitudes survey in Victoria firstly, and had then sought government support to extend that to a national survey which was then undertaken. The aim is to be able to track

trends, so we will be commencing negotiations with VicHealth. We are looking at repeating that survey in around 2014.

**Senator CASH:** So this is part of their statistical—

**Ms Smart:** It is a rolling, every four years.

**Senator CASH:** So we are gathering statistics in relation to the actual reduction of violence against women and children?

**Ms Smart:** Yes, so that on a rolling four-year basis, we will have personal safety surveys and also offset on that we will have a national community attitudes survey. We will be getting data every couple of years.

**Senator CASH:** Continually?

**Ms Smart:** Yes.

**CHAIR:** We will adjourn for lunch now and come back at 1.45 pm. We will have ongoing questions for the Office for Women and then dedicated time to EOA.

**Proceedings suspended from 12:44 to 13:44**

**CHAIR:** We will reconvene and we are in questions for the Office for Women.

**Ms McKenzie:** In the interests of time I have some responses to a couple of questions that were asked.

**CHAIR:** Thank you very much. That is fantastic.

**Ms McKenzie:** In terms of the definition of Australian government boards, the Women on Australian Government Boards report is compiled by the Office for Women in collaboration with all Australian government departments and reports on boards as defined under the Department of Finance and Deregulation's list of Australian government bodies and governance relationships. It includes bodies covered by the Commonwealth Authorities and Companies Act 1997, ministerial advisory committees, review committees where appointments are made by cabinet and statutory authorities not covered by the Public Service Act, which includes most tribunals.

**Senator CASH:** Are we able to get a complete list of the boards that that definition of Australian government boards would actually fall into? Can you take that one on notice?

**Ms McKenzie:** Absolutely, we will find out.

**Ms Smart:** Can I also add that in relation to the White Ribbon Foundation there is further information on their website. I am told that on their website under the resources menu there is a more detailed description of the project that has been prepared by White Ribbon Foundation.

**Senator CASH:** I will have a quick look at that to make sure we are on the same page. Do you go to the resources section?

**Ms Smart:** I am told the resources menu.

**Senator CASH:** I think that is basically what was actually there in February as well and it is basically a summary of all of the white ribbon projects: at white ribbon workplaces the national program to reduce violence against women, white ribbon campaign in Australia, white ribbon achievements, the White Ribbon Foundation, the white ribbon implementation of the national plan to reduce violence against women and children and then there is a small

section on the workplaces. Thank you for that. Unfortunately it does not elaborate. It is basically very similar to what the previous page said, which is that a program will be developed and what it comprises but it does not go any further, unfortunately. But I understand why because nothing has actually been done. You are still in the discussion stage in terms of the funding agreement. Can you just confirm for me how many staff does the Office for Women employ?

**Ms McKenzie:** At the moment we have about 55 full-time equivalents.

**Senator CASH:** What is the break-up between male and female?

**Ms McKenzie:** I am sorry, I will have to take that on notice.

**Senator CASH:** Approximately?

**Ms McKenzie:** I think you could say that the majority of staff are women?

**Senator CASH:** But will you take that on notice for me?

**Ms McKenzie:** Yes, we can.

**Senator CASH:** In terms of Minister's Ellis's speech to the National Press Club on 9 March where the minister announced a suite of significant reforms to the act and to the agency—and the agency in that case is obviously EOWA—that will give EOWA the powers it needs to really drive gender equality in Australian workplaces, what is the Office for Women's role in relation to the changes to the EOWA Act and the agency?

**Ms McKenzie:** The Office for Women is responsible for taking forward the policy reforms. We will be the ones who are responsible for the further consultation with industry and others in terms of the detailed implementation of those reforms and then the passage of legislation and any regulation or anything that may be required. At the point that it becomes implementing those reforms, that is where we hand over to EOWA.

**Senator CASH:** In terms of, for example, the nature of the amendments to the EOWA Act, what is your role in the amendments? Is it drafting the amendments?

**Ms McKenzie:** Along with the office of legislative drafting.

**Senator CASH:** Yes, but that is your actual role, is it?

**Ms McKenzie:** Our role is to obtain the policy approvals for that, yes.

**Senator CASH:** In terms of the speech and the suite of significant reforms to the act, what is the nature of the reforms? What are we looking at?

**Ms McKenzie:** At the time that the minister gave that speech there was also a fact sheet that was provided which gave a clear indication of the areas, which I now have misplaced, I am sorry. I think some of the key reforms are an additional \$11.2 million over the next four years provided to EOWA to implement the reforms and to fund EOWA's enhanced advisory and educative role.

**Senator CASH:** Is this all for EOWA? That is not for the Office for Women?

**Ms McKenzie:** No, not for the Office for Women. A new name and focus—

**Senator CASH:** I have got all of that, I appreciate that and I will be raising all of that with EOWA. But in terms of the nature of the amendments to the act and the fact that you have said that the Office for Women will be drafting them in conjunction with obviously the drafting office, what is the nature of the amendments you are going to be drafting to the act?



**Ms McKenzie:** The nature of the amendments is the new name and focus on things like gender equality, the improved coverage—

**Senator CASH:** I would not have thought it would take long to draft a—

**Ms McKenzie:** streamlined reporting, the strengthened compliance and the industry assistance. Following the announcement of the reforms by the minister we have then worked with industry and others to establish an implementation advisory group which is considering the detail of the reforms and how they might best be implemented. We have done a project with KPMG that you may remember we discussed at the last estimates which was really around the new streamlined reporting requirements. What we are looking at there are the indicators that we might be able to use in terms of streamlining—

**Senator CASH:** Where are you at? Have you started drafting the amendments?

**Ms McKenzie:** Certainly we are starting some of the preliminary drafting, but at the same time we are still working with the implementation advisory group. I think the implementation advisory group has 11 members, including ACCI, AIG and the business council but also a range of unions and others.

**Senator CASH:** Could you provide a complete list of the members?

**Ms McKenzie:** I could give that now if I can find it.

**Senator CASH:** Thank you very much, yes.

**Ms Steele:** On the implementation advisory group we have Mr Peter Anderson, Chief Executive of ACCI; Professor Marian Baird from the University of Sydney; and Ms Therese Bryant from the Shop Distributive and Allied Employees Association. We have representation obviously from EOWA, Helen Conway, director. We have Ms Kate Gunn, who is the chair of one of the women's alliances, Economic Security for Women; Professor Alan Hayes who is the Director of Australian Institute of Family Studies; Ged Kearney, President of the ACTU; Amanda Mostyn, who is from ASX Ltd; Professor Barbara Pocock from the Centre of Work and Life, University of South Australia; Heather Ridout and Mr Smith from the Australian Industry Group, and Mr Graham Russell; Louise Tarrant from United Voice, formerly the LHMU; Maria Tarrant from the BCA; and Kate Wilson, who is from the Equal Opportunity Practitioners in Higher Education Australia; and Mr Nick Wilson from the Fair Work Ombudsman.

**Senator CASH:** How were those 11 chosen?

**Ms McKenzie:** There were a number of things we took into account. Firstly, there was a consultative group that was established when the reforms were initially being considered and we looked at the membership of that group. We then spoke to some of those members and asked them about the kinds of membership it might be useful to have and took some guidance in those kinds of things. Really we also talked to them about appropriate terms of reference and took on board the key issues that they were saying that they would be most interested in discussing.

**Senator CASH:** When do you anticipate the amendments will be introduced into parliament?

**Ms McKenzie:** Our anticipation is before the end of the year.

**Senator CASH:** The last sitting week, the second last sitting week?

**Senator McLucas:** We obviously cannot answer that question.

**Senator CASH:** But that is the time line you are working to, is it, before the end of the year—

**Ms McKenzie:** Before the end of the year.

**Senator CASH:** that we would like to see this occurring. What are the estimated transition costs associated with the changes to the department? Have you done that cost analysis of the transition costs?

**Ms McKenzie:** For the department?

**Senator CASH:** In terms of the changes to the act.

**Ms McKenzie:** No, we have not done a costing. The work that we are doing around this has been absorbed within the Office for Women.

**Senator CASH:** What about when it is changed, though, if the changes do go through the parliament? Have you undertaken an analysis of the transition costs associated with the changes?

**Ms McKenzie:** To the department?

**Senator CASH:** To the Office for Women?

**Ms McKenzie:** Yes, we have not anticipated any costs over and above what we can absorb.

**Senator CASH:** Have you undertaken that analysis?

**Ms McKenzie:** We have not done the analysis as in an explicit piece of analysis, but our work in the Office for Women is around the policy role. What this has done is that it has occupied the primary place in terms of the policy work that we are doing at the moment.

**Ms Carroll:** One of the things that obviously departments do is that through the Office for Women we put our resources to whatever the priorities are for the government at a particular point in time. Clearly the policy work that sits within the department, within the Office for Women, is the significant priority. So, as Ms McKenzie said, we basically move the resources into that particular piece of work and then we adjust as time goes through as to how many resources are required. Obviously when you get to speak for the agency itself, it is different but for the department we shift resources around to the priorities of government.

**Ms McKenzie:** The other costs relate to the work that we have had KPMG doing to support the reporting—

**Senator CASH:** I asked for the KPMG costs last time; didn't I?

**Ms McKenzie:** The KPMG work runs from 12 January to 7 June and is valued at \$169,730.

**Senator CASH:** Is that likely to be extended and further costs incurred?

**Ms McKenzie:** It is possible. At the first meeting with the implementation advisory group at the beginning of May there were some issues that were raised. We are having the next meeting next week. That may well raise additional issues that need some further work and certainly we would look at that at that time.

**Senator CASH:** What issues were actually raised that might require further work?

**Ms McKenzie:** There is quite a substantial change that is happening in terms of what businesses are reporting. Up until now they have reported on their plans and we are looking at reporting in terms of the outcomes, what those outcomes are and how they are reported is obviously a difference. The work that KPMG has been doing up until now has been to look internationally at the indicators that they have. But it has also been to look at the information that businesses currently collect and therefore will find it, I suppose, relatively easy to provide and how well that would meet some of the indicators.

**Senator CASH:** What are the anticipated transition costs of the changes to industry and business? I am assuming you have worked through this.

**Ms Steele:** We anticipate that the cost of reporting will be less than it is now because it is anticipated that it will be an online reporting process. Currently reports have to be done pretty much manually across seven employment matters and it is really up to businesses how they report, which makes the reports less than particularly useful for data purposes.

**Senator CASH:** That is very interesting. So the department is actually saying the Office for Women have actually calculated that the transition costs and the overall costs will actually be less than what they currently are. There are no transition costs associated with the implementation of this change? Especially if it is online reporting, if you do not have a system that is currently set up for this online reporting, is that a cost that is going to be borne by business?

**Ms Steele:** Initially the cost will be borne by EOWA to develop the system. Obviously we will consult with business as to how easy that will be for them to adopt.

**Senator CASH:** Are there going to be any transition costs associated with business for these proposed changes, or are there not going to be transition costs?

**Ms McKenzie:** That is something that the implementation advisory group is working through at the moment because it obviously depends on the exact changes and the exact reporting. That is why we felt it was so important to have the implementation advisory group to work those through.

**Senator CASH:** When is the implementation advisory group actually reporting, seeing that you have already commenced drafting the amendments?

**Ms McKenzie:** As I said, we have just commenced drafting the—

**Senator CASH:** Yes, so in terms of—

**Ms McKenzie:** The idea is that this is an iterative process and the discussions will be had with the implementation advisory group prior to any legislation going into the parliament?

**Senator CASH:** How are you drafting amendments without input from the implementation advisory group if the implementation advisory group are looking at the potential transition costs to industry?

**Ms Carroll:** I think Ms McKenzie said before that the drafting is just in the very kind of initial stages and that we have a framework. We have the key elements that the government has committed to. What she is describing is basically a process as we test what that might look like so that what goes into the legislation has as minimal impact on business as possible, and we take on board the input from the advisory group. Hence we are not introducing the legislation in this period of parliament, we are going through that advisory process and we

adjust the drafting as we go. We obviously do not finalise that until we are comfortable that we have got the right balance.

**Senator CASH:** Are you going to put out a green paper on these changes? Will there be an opportunity for business and industry to actually comment on the proposed legislation before it is brought to the parliament?

**Ms McKenzie:** When we were having our discussions with ACCI, AIG and the BCA around the implementation advisory group, they advised us that they would do significant consultation with their members and they would be able to bring those forward to the implementation advisory group.

**Senator CASH:** What is the process in relation to your office, the implementation advisory group, and those that the implementation advisory group are allegedly consulting with? How can you be sure that the views that have been presented by the implementation advisory group are indeed the views of the wider group? What process do you have in place to actually ensure that that is occurring?

**Ms McKenzie:** I chair the implementation advisory group.

**Senator CASH:** Fantastic. So, what process do you have in place?

**Ms McKenzie:** As the chair of the implementation advisory group, we have very broad discussions about the issues that different parties have raised. We have only had one meeting where we went through the broad changes. The next meeting we will be focusing down in more detail around the reporting.

**Senator CASH:** In terms of your consultation process, as chair of the implementation advisory group, you are consulting amongst yourselves and you have also said you have consulted more widely. How are you consulting more widely?

**Ms McKenzie:** We are utilising the networks of the people who are on the implementation advisory group. For example, ACCI or AIG or the BCA may well develop their own small consulting group that they talk to. They will be looking at their members. They will be doing the normal things that they do in terms of advising on industry and business responses to a range of policy issues.

**Senator CASH:** But you do not know what they are?

**Senator McLucas:** I think we are talking about three very well-respected organisations.

**Senator CASH:** Absolutely, but I just want to make sure that the Office for Women actually knows what it is doing.

**Senator McLucas:** I think we can have some faith that if ACCI, BCA and AIG are indicating to us that they are going to consult with their members—and they are membership based organisations—that they will in fact do that.

**Senator CASH:** I would certainly hope so, and I am asking what is the process to ensure that they do that, but there does not appear to be a process in place.

**Senator McLucas:** Do we have to check on whether the BCA actually goes out and consults with their members? I think that because they are a membership based organisation, they will be endeavouring to do that.

**Senator CASH:** 'Endeavouring'; this has been my problem. I am merely trying to ascertain—

**Senator McLucas:** Are you suggesting that they are not going to do it?

**Senator CASH:** No, not at all. I am trying to work out whether or not this advisory group has any process in place to actually ensure that the views of the wider group are actually being represented to it.

**Senator McLucas:** I think by simply placing those three well-regarded organisations in our country on this transition group, we are ensuring that the views of the business and industry sectors of our country are being represented.

**Senator CASH:** If that is your statement, that is your statement. Do you anticipate—yes or no—that there will be transition costs to industry and business?

**Ms McKenzie:** As I said, that will depend on the actual detail of the changes.

**Senator CASH:** And we have not got that detail yet?

**Ms McKenzie:** We are working through that detail with the implementation advisory group.

**Senator CASH:** Albeit, you have had only one meeting.

**Ms McKenzie:** We have had one meeting and we have another meeting next week.

**Senator CASH:** Do you have a schedule of meetings set out?

**Ms McKenzie:** We certainly do. I think there are four meetings at the moment that are scheduled.

**Senator CASH:** Over what time period?

**Ms McKenzie:** Roughly at monthly intervals.

**Senator CASH:** Are you able to provide the committee with the dates of those meetings? Not now, but if you could take that on notice, please?

**Ms McKenzie:** Certainly.

**Senator CASH:** Thank you very much. In the speech to the press club the minister also outlined that mobile support teams of agency staff will help businesses in the transition phase. Is that something that the Office for Women has anything to do with?

**Ms McKenzie:** Apart from any broader directions about what those mobile support teams would do, no.

**Senator CASH:** What are the broader directions, then, in relation to the mobile support teams?

**Ms McKenzie:** If I go back to the discussions that we had at the first meeting of the implementation advisory group, there was certainly a number of really good suggestions that were raised by the members in terms of things that those mobile teams could focus on, but that is something that we are still working our way through.

**Senator CASH:** So, we have no information at this stage as to what they may or may not be doing?

**Ms McKenzie:** There is a range of different things that they could focus on.

**Senator CASH:** But it has not been finalised?

**Ms McKenzie:** It has not been finalised.

**Senator CASH:** In relation to the punitive measures for businesses with staff of more than 100 who do not comply with the new reporting requirements, is it anticipated that these businesses will be named and shamed?

**Ms McKenzie:** Currently, the process is that those businesses are named in parliament.

**Senator CASH:** Will that continue?

**Ms McKenzie:** That will continue.

**Senator CASH:** The minister referred to spot checks in the following way:

We will put more checks in place and we will keep businesses honest in a few important ways. There will be regular spot checks to ensure that the information that organisations are providing to the government actually matches how they conduct their day-to-day business.

What are the thoughts around how the spot checks will actually be conducted?

**Ms McKenzie:** This is obviously an issue that we have raised with the implementation advisory group. The important thing here is to provide some assurance that the system is working well and that with companies who are reporting information, that that information is accurate. The idea is it will be a broader quality assurance system, such as in place for many of the other policies of government.

**Senator CASH:** But in relation to the spot checks, do you actually mean that you will have a group of people, for example workplace inspectors, who will actually go out to businesses and conduct spot checks? Is that what it means by spot checks?

**Ms McKenzie:** I imagine that is not how it is going to work, but as I said we are working through the detail.

**Senator CASH:** When the minister was giving her speech, what did she mean by, 'There will be regular spot checks'? What did the minister mean?

**CHAIR:** You cannot ask that question of an officer.

**Senator CASH:** I will ask the minister then. Minister, when this minister gave her speech, what did she actually mean by, 'There will be regular spot checks'?

**Senator McLucas:** I will seek some advice for you.

**Senator CASH:** Thank you very much. The rest of my questions will actually relate to EOWA on that particular subject, unless anyone else had questions on the changes to the act.

**CHAIR:** Senator Boyce, did you have questions?

**Senator BOYCE:** Are we dealing with the agency now?

**CHAIR:** No, they have not gone to the agency. A lot of those questions could have been to the agency, but nonetheless, we will see what happens next.

**Senator CASH:** I will turn back to the Women's Interdepartmental Committee, referred to at page 36 of the Women's Budget Statement. Obviously that was established in March 2009, so it is some two years old now. Who actually sits on the committee?

**Ms Carroll:** I chair the committee and I think we now have a representative from all departments that sit on those committees. So, departments choose deputy secretaries from each department that are invited and departments choose who is the most appropriate person. In some departments they send a policy type of person, others might send a corporate type of

person, so it just depends; departments choose who is the most appropriate. Then part of the responsibility of the members of that committee is to feed that information back through their organisation and also, when we put items on the agenda, to come forward with what the issues are for their department.

**Senator CASH:** In terms of the departments who are not represented on the interdepartmental committee, are you able to provide us with information as to which departments are not represented?

**Ms Carroll:** We now have them all.

**Senator CASH:** You do now have them all?

**Ms Carroll:** Yes.

**Senator CASH:** When did the last department actually decide that it would send a representative?

**Ms Carroll:** Certainly to the last meeting, all departments were in attendance. I am not sure exactly when we ended up with all the departments; we will have to take that on notice.

**Senator CASH:** Perhaps you could put it in terms of when it was established in March 2009, which departments determined that they would send representatives and obviously which did? Then basically show me when departments actually joined this group and who within the department is actually sent to sit on the interdepartmental committee.

**Senator McLucas:** I do not think we will give you the names of particular people.

**Senator CASH:** No, their title. So, if it is the policy officer, the policy officer. Thank you very much.

**Senator McLucas:** Just to follow up your question you asked earlier about spot checks, I am advised there will be paper based reviews of the information provided by business from time to time to ensure the integrity of the system.

**Senator CASH:** I appreciate you following up, thank you very much. What are the actual scope and functions of the interdepartmental committee?

**Ms Carroll:** Clearly, one of the key issues is actually to promote the priorities of the government in terms of women and gender issues across the Commonwealth. It is a process that we can actually take forward the issues that apply across all departments, like women on government boards and those sorts of things. It is also a very useful process; for example, we draw on the same group of people in pulling together the budget statement. We have contacts across the service and can draw on those contacts in a range of ways. It allows us to do a couple of things. Obviously, one is to push out the messages and get feedback around what the sticking points might be. It also allows us to draw in what the issues for particular departments might be around meeting any of the broad objectives of government.

**Senator CASH:** The statement at page 36 says:

The Women's Interdepartmental Committee was established in March 2009 as the most efficient means to achieve direct whole of government engagement in the Office for Women work program and advancing gender equality.

Why is it considered the most efficient means?

**Ms Carroll:** It is seen as one of the mechanisms, and we use it across the Public Service in a range of ways. For example, we use it in a similar way in the Indigenous context; we

have a secretaries group and so on. It is a way that we can get high-level representation quickly across the issues. It gives us immediate contacts across the Public Service and to highlight what the issues are. So, one of the reasons is to send out volumes of paper that people have to read through, that they do not have someone to ask questions of. It is an interactive committee; people ask a lot of questions and we are able to deal with things on the spot, but we are also able to then follow up what particular issues for particular departments might be.

**Senator CASH:** So, if I was to say to you, what has the committee done to influence and shape policies to improve outcomes for women, how does it do that? Since its establishment over two years, how has it actually done that?

**Ms Carroll:** If we just take the women on government boards as an example, one of the things that we did immediately in the first meeting after the election commitment around women on government boards was to go out to the agriculture department, which we knew had had some success in getting increased numbers of women on government boards. We got them to give a presentation at the interdepartmental committee. In particular, the department of finance representatives on the committee raised the sorts of difficulties they had. There was a good exchange of how different departments have dealt with it and then we agreed that the Office for Women would gather that material together from the different departments and circulate it back out. So, it was a quick and efficient mechanism of utilising the agriculture department, which we knew had been quite successful, to give a presentation about what they had been able to do and then share things. So, that is just one example. Clearly, each meeting has an agenda, has a set of papers, and we progress different issues in that way.

**Senator CASH:** Could I briefly now turn to 1800-RESPECT? Again, we spoke of this at the last estimates hearing and in relation to the advisory board that is overseeing implementation of the counselling service, the answer to my question on notice 135 in February stated that the advisory board would be in place by mid-year. Can you just update me on the advisory board?

**Ms Smart:** Medibank Health Solutions, as the provider of 1800-RESPECT, have written to a range of people inviting them to participate on the advisory group and are awaiting responses to those letters.

**Senator CASH:** What is your definition of mid-year?

**Ms Smart:** I am advised by Medibank Health Solutions they anticipate having their first meeting before September of this year, but they are currently in the process of, as I said, inviting people to participate. Then they will need to work through with those individuals who agree on a suitable time when the majority, or all, can be available for a meeting.

**Senator CASH:** So, the advisory group is not in place yet?

**Ms Smart:** No, it is not.

**Senator CASH:** Even though this was announced some time ago?

**Ms Smart:** The period that they have been working through with 1800-RESPECT has been a transition and an establishment phase, so they had to transition from the previous helpline, which was a very different arrangement to the new service. So, the focus of the providers has been on establishing that service and on the technical side and on the staffing



and what have you, and they are now working through the establishment of that group to provide advice and support as they move forward.

**Senator CASH:** The answer I was given was actually provided on Friday, 27 May 2011. Why would you say in your answer that it is expected to be up and running mid-year if your answer today is actually it is not going to be up and running until September?

**Ms Smart:** No, I said that they anticipate that they would have had their first meeting by September.

**Senator CASH:** When do you anticipate, in accordance with the answer that I was provided on notice, that it will be in place?

**Ms Smart:** Medibank Health Solutions has written to a range of people to invite them to participate and they are awaiting those responses.

**Senator CASH:** So, in terms of 'The advisory group is expected to be in place mid-year', where has that information come from?

**Ms Smart:** It comes from Medibank Health Solutions.

**Senator CASH:** That is what they have told you?

**Ms Smart:** That is correct.

**Senator CASH:** Are you following them up to ensure that it is going to be in place?

**Ms Smart:** We meet with them and speak with them very regularly.

**Senator CASH:** In terms of then 'mid-year', what is that expectation?

**Ms Smart:** The expectation is that at this point in time they are awaiting responses and we will continue to speak with them about where they are at in terms of getting those responses to their invitations, but as you would appreciate they cannot force people to respond in the time that they necessarily would want them to.

**Senator CASH:** The concern that I have, though, is that this was announced on 5 October 2010. It is in place and there should be an advisory group that is actually overseeing the counselling service and ensuring ongoing improvements and that is not happening yet. So, 'ensuring the ongoing improvements' we are not actually seeing because the advisory board is not yet in place.

**Ms Smart:** The work that has been going on since the service commenced has been, as I said, that transition of establishing the service, of engaging the staff, of dealing with various technical aspects of setting up the service with the New South Wales Rape Crisis Centre, and they are now looking to establish the group.

**Senator CASH:** But the service is up and running?

**Ms Smart:** That is correct.

**Senator CASH:** And it is taking calls, because that was the information that I was given?

**Ms Smart:** That is correct.

**Senator CASH:** My understanding is that there was \$12.5 million in funding that was allocated to this over four years for the creation and delivery of 1800-RESPECT and that \$2,971,281 has been spent as at 31 March 2011. Can you provide a breakdown of how that money has been spent?

**Ms Smart:** I cannot give you a breakdown on the level of expenditure within Medibank Health Solutions. We fund them to deliver a service. We do not—

**Senator CASH:** So, they have basically invoiced you for the \$2 million?

**Ms Smart:** We have a funding agreement with them which sets out payment processes and after the end of each financial year, as with all our service providers, they are required to provide an acquittal. We have not reached the end of the financial year.

**CHAIR:** You are close to time and I am just wondering where you are up to.

**Senator CASH:** I did not realise. How much longer?

**CHAIR:** I am going to let this go until half past, but I know a couple of other senators have got questions.

**Senator CASH:** That is fine. I will ask two more questions just very briefly then. Thank you very much, Chair. If you have spent almost \$3 million, I am assuming that you have some information as to how the \$3 million has been spent.

**Ms Smart:** The \$3 million has been spent to operate the service. It funds the operation of the service, so the staff and the overheads to operate the service.

**Senator CASH:** Can you provide the committee with a breakdown of those costs?

**Ms Smart:** No, I cannot.

**Senator CASH:** I just need to understand why.

**Ms Smart:** We do not request that information.

**Senator CASH:** Until 30 June?

**Ms Smart:** Until when we request their acquittal after the end of the financial year.

**Senator CASH:** That is fine. Minister Ellis, in her press release—again going back to 5 October—stated that:

Over the coming months 1800-RESPECT will also be expanded to include online counselling and coordination with existing state and territory domestic violence and sexual assault services.

That was almost eight months ago. Could you please outline what expansion has taken place and what states and territories have been spoken to in relation to the expansion?

**Ms Smart:** In terms of meeting with states and territories, I cannot locate a schedule of the visits that Medibank Health Solutions and the New South Wales Rape Crisis Centre have had. I can say that they have visited a number of jurisdictions and met with service providers in those jurisdictions to ensure that they have sound working relationships and to ensure that the arrangements in place for crossing over between services are effective.

**Senator CASH:** Could you take on notice to provide the committee with a list of those jurisdictions that have been met with? Are you able to advise what has occurred to date in terms of the expansion that was referred to in October last year?

**Ms Smart:** Particularly in relation to the online counselling, Medibank Health Solutions and New South Wales Rape Crisis Centre are working together on the development of the web infrastructure. The advice I had earlier this week was that that is anticipated to be in place by 30 June.

**Senator BOYCE:** I just had a couple of questions, some relating to your involvement—looking at the office—in disability employment. The Public Service Commissioner, you may have noted on Monday, described the current progress in the area of employing people with a disability as not good. Could you tell me what, first, the office itself does in terms of employing people with a disability and, second, what watch or brief or actions you undertake in regard to employment for women with disabilities more generally?

**Ms Carroll:** Essentially, are you asking in terms of the kind of policy work that we do around employment of women with a disability, or internally within the department?

**Senator BOYCE:** Both. I have asked the whole of department; I am asking now specifically with regard to employment of women and/or people with disabilities in the office itself, and in regard to policies or programs that you might try to put out into the private sector on the issue.

**Ms Carroll:** Internally within the department, clearly, as was outlined earlier today about the suite of measures that the department has, the Office for Women takes part in all of those and obviously tries to promote women with a disability within that broader context where we participate—

**Senator BOYCE:** Do you have any measurements of your success in this area, or otherwise, I suppose?

**Ms Carroll:** Across the department we work on the broader disability measurement. We do not specifically break it up. We do not also do a gender based assessment specifically in that area, but certainly within the office we strongly promote the employment of people with a disability and, as I think Ms McKenzie said earlier, we have a very high proportion of female staff within the Office for Women, so in that way we are considering that. In the broader kind of whole-of-government policy, we work very closely with the colleagues in the disability area of the department and certainly look at those issues. One of the things that the Office for Women also does is throughout all the broad policy advice that goes up to government through the cabinet process and so on, the Office for Women actually has a look at all of the cabinet submissions, for example, that come through and can take a gender analysis to that.

**Senator BOYCE:** Like a women's impact statement?

**Ms Carroll:** Something like that. Within the department when we are putting up any comments on a particular submission, then we will have taken that gender analysis into account as well; so, when we are working with our colleagues in disability and those sorts of things, we are thinking about those things and working with them, and across government.

**Senator BOYCE:** I can see that Ms Steele has got something she is going to tell us here; is that right? I guess the Office for Women does not have a specific remit around trying to improve the employment levels of women with a disability in Australia?

**Ms Steele:** No, not as such, but what we try to do in the office is to look at what we probably call multiple disadvantage, so women with a disability get a double—

**Senator BOYCE:** Are getting up there in the multiple multiples?

**Ms Steele:** Yes, that is right. I have to say, though, this year at the United Nations Commission on the Status of Women we were privileged to have a member of the delegation with a disability.

**Senator BOYCE:** Who did some fantastic blogging while she was away.

**Ms Steele:** She did.

**Senator BOYCE:** She blogged and blogged and blogged.

**Ms Steele:** She was actively involved in negotiations of the agreed conclusions and we had some hard-won paragraphs to fight on that very issue of multiple disadvantage for women, so that was very beneficial to have her there.

**Senator BOYCE:** The other program that I wanted to know about was the gender equity panel which was announced in March, I think, and involves 38 organisations who tendered to the Office for Women—is that right—to provide what?

**CHAIR:** They have answered questions on that earlier, Senator Boyce.

**Senator BOYCE:** I am sorry; I was not here.

**CHAIR:** Senator Cash went through that. You were just wanting an overall view. Is there any particular issue you want to raise?

**Senator BOYCE:** I am just intrigued as to if I am an organisation that decides I need advice from one of the 38 organisations involved in the panel, who am I paying? Am I paying the Office for Women or the organisation?

**Ms McKenzie:** The gender panel—

**Senator BOYCE:** I am sorry; is this going over old ground?

**Ms McKenzie:** Yes, it is.

**Senator BOYCE:** I can do it quickly.

**CHAIR:** It is a straightforward answer.

**Ms McKenzie:** The gender panel is a procurement panel. What we have done is we have gone through the process of finding organisations that are interested in providing high quality gender advice to government. We provide other departments with the list of names, and then from that the other departments choose who they might choose to employ and they go through the normal selection processes. So, it is really just easy access.

**Senator BOYCE:** Who will know what the activities of the gender panel have been? Will there be a report that says that, you know, '17 organisations were used 12 times', or whatever?

**Ms McKenzie:** At this stage, we are not collecting those kinds of statistics.

**Senator BOYCE:** How will you know if it is any use?

**Ms McKenzie:** This was discussed previously. The panel—

**Senator BOYCE:** She may trip herself up here, Chair.

**Ms McKenzie:** I hope not. The panel goes until the end of 2013. We are certainly encouraging departments to use the panel in terms of being able to access their advice. But we also accept that a number of departments already have gender experts that they use and a number of departments have also built within their own agency expertise on gender issues that they tend to use internally. So, we see it as just part of a suite, an extra service we are offering to other departments. What we will do prior to the end of the panel contract in 2013 is that we

will go back to departments and we will ask them about the value-add that they have found from this process.

**Senator BOYCE:** Thank you.

**Senator FURNER:** Can you let me know whether the Office for Women have any involvement in the Australian Services Union pay equity case at all, or any dialogue with the workplace relations department?

**Ms Carroll:** I can probably answer that. Clearly, the Office for Women is part of the department. I think I answered earlier about how the department is broadly participating in a whole-of-government process, and one of the things we do across the department is take into consideration the input from the Office for Women as well as the broader inputs that I talked about earlier about what might be the impact on service providers. So, one of our roles is to make sure we think about both of those components as we go forward. So, through that broader whole-of-government process, we are able to provide that input.

**Senator FURNER:** So, what sort of input are you having in that particular case?

**Ms Carroll:** The input is into what any submissions might be, but also into what might be advice about things that need to be considered on the way through. Obviously, the initial decision was a significant recognition of the issues for women.

**Senator FURNER:** Because certainly the government has signed a heads of agreement with the ASU back in 2009 committed to equity for women in this particular area of the SACS industry, so no doubt there is a continual commitment for that particular matter. There are somewhere around 100,000 women in that particular area; is that correct?

**Ms Carroll:** That is right. It is a very significant employer.

**Senator FURNER:** I do not know whether you will be able to answer this question, it may be for the minister. Would this case have been possible under the IR policy of the previous coalition government's Work Choices?

**Ms Carroll:** I do not think that I can answer that.

**Senator McLucas:** My view is no, not only because of the construct of the act, but the will of the previous government to address this pressing issue.

**Senator FURNER:** Thank you.

**Senator McEWEN:** I missed some of this session. I do not think my questions have been asked, but I will check. I wanted to ask about the department's role in representation of Australia and our Pacific neighbours in UN Women with the continuing saga about how Australia will be represented in the new body.

**Ms Steele:** Did you have a particular question on UN Women?

**Senator McEWEN:** How are we ensuring that Australia's voice is heard at UN Women, given that we do not have a designated position on the executive board and nor does the region from which we come?

**Ms Steele:** I understand that in terms of the executive position in UN Women that Australia is represented under the Western European and Other group. Australia will have a board seat in UN Women's third year, around about 2013. Australia may also have an opportunity to earn a seat in 2014, 2015 and 2016, depending on the level of increase of our

core contributions to UN Women. AusAID is obviously the lead agency in the funding of UN Women.

**Senator McEWEN:** So our representation is through the Western European and Other group. Are there any concrete examples of how we are feeding into that group so that Australia's position is heard?

**Ms Steele:** I would have to take that on notice in terms of any specifics. Obviously the workings of UN Women are under development, so I am not entirely sure of the new processes.

**Senator McEWEN:** I would appreciate if someone could let me know because we ask these questions of a number of departments and I am keen to find out how we are having input. Is the office having any role in assisting our Pacific neighbours to have their input into UN Women?

**Ms Steele:** We work closely with our Pacific neighbours when we are in attendance at UN Women. We sometimes assist with travel for some of our Pacific sisters, hold joint events and so on. Their representation is through a different group which is part of the Asia group, which seems odd. We are very supportive of the Pacific nations, as are our colleagues in New Zealand.

**Senator McEWEN:** I would appreciate any other information that you could give us, on notice, in that regard. The other question that I had was about Australia's representation at the United Nations Commission on the Status of Women in New York earlier in the year. I believe we had three delegates attend.

**Ms Steele:** I think it was a bit more than that.

**Senator McEWEN:** We had two community sector representatives and one Indigenous woman representative.

**Ms Steele:** Yes.

**Senator McEWEN:** Can you tell me what engagement those three community representatives had with that forum and is there a report or an update available?

**Ms Steele:** I can provide you with the reports from the three NGO delegates who went to the commission. The minister, Kate Ellis, was head of delegation for the first week. The minister undertook a number of official duties and so on, which included the whole of the Australian delegation, including the NGO representatives. I think the delegation was made up of 12 people. The NGO delegates can largely do their own thing to an extent, but they were certainly very much involved in the second week during negotiations and attended many different functions and meetings to share experiences with other women around the world.

**CHAIR:** Thank you to the officers from the Office for Women. We will now move into questions on the agency.

**Equal Opportunity for Women in the Workplace Agency**

[19:39]

**Senator CASH:** I start by congratulating Ms Conway on her elevation to the position of director of the agency. The minister said in her speech to the National Press Club on 9 March 2011, 'I am delighted to be providing Ms Conway with a hefty to-do list.' Was that a written or verbal hefty to-do list? Are you able to elaborate the committee on the hefty to-do list or provide us with a copy of it?

**Ms Conway:** It is not a written to-do list. It is essentially the implementation of the new legislation which is being currently worked through, as we discussed earlier.

**Senator CASH:** Was that it?

**Ms Conway:** Of course the business as usual continues. I have met with the minister. The minister obviously has an expectation that I will continue to run the agency under the current legislation, but similarly work energetically towards the new regime. Essentially it is business as usual, plus working through the change and implementation program so we move to the new paradigm for the agency under the proposed new legislation.

**Senator CASH:** So that is a hefty to-do list according to the minister.

**Ms Conway:** It certainly feels like a hefty to-do list to me.

**Senator CASH:** But there is nothing that you can provide us in writing?

**Ms Conway:** No, I do not have a written to-do list.

**Senator CASH:** What policy changes will you be looking at instituting? What will there be in EOWA going forward?

**Ms Conway:** We do not set policy in the agency, we implement policy.

**Senator CASH:** So what are you looking at implementing going forward?

**Ms Conway:** We will be implementing the new legislation as it is passed.

**Senator CASH:** So at this stage it is just the new legislation?

**Ms Conway:** Correct.

**Senator CASH:** Does the office have specific priorities or is that merely the implementation of the legislation?

**Ms Conway:** The priority at the moment is to make sure business as usual continues under the existing legislation, but the agency is preparing to make itself ready and fit to be able to implement the new legislation, which involves undertaking some new responsibilities which the agency has not had in the past.

**Senator CASH:** What will they be?

**Ms Conway:** Specifically the issue around providing more proactive support to business. The review function was discussed earlier, that is reviewing reports that come into the agency for accuracy and of course the agency will continue to work very collaboratively with business as has occurred in the past. The agency has a compliance role under the act, but similarly a role to engage in public debate and raise the issues that are the subject of the agency's charter. We will work as energetically as we can on both fronts, on the compliance front and also in working with business and many other organisations that are very active in

this area to try to aggregate the effort around getting gender equity on the agenda across the business.

**Senator CASH:** Can you confirm what date you were appointed as the director?

**Ms Conway:** My appointment was effective 27 April 2011.

**Senator CASH:** Have you made any speeches since that time?

**Ms Conway:** I have made one short speech at the Women On Boards Conference, on day two, on 28 April 2011, but no significant public speeches.

**Senator CASH:** Is it anticipated that you will be making any significant speeches between now and the end of the year?

**Ms Conway:** There are many people who would like me to speak, but my priority at the moment is to stabilise the agency in a fashion so that it is fit to be able to carry forward the new responsibilities.

**Senator CASH:** When you say 'stabilise the agency', does that mean that it is unstable?

**Ms Conway:** By that I mean setting up a structure that is a fit-for-purpose structure for executing the new responsibilities under the proposed new legislation.

**Senator CASH:** How is that going to be done?

**Ms Conway:** We have a process in the agency.

**Senator CASH:** What is the process?

**Ms Conway:** The process is that I have had a meeting with every member of my agency and talked to each member about what they do, how they do it, why they do it and how they would see things differently under the proposed new legislation. I have consulted with everybody, including the Office for Women and I have announced a top-line restructure.

**Senator CASH:** How many people are employed in the agency?

**Ms Conway:** We currently have about 33 people in the agency.

**Senator BOYCE:** Is that full time?

**Senator CASH:** FTE.

**Ms Conway:** No, on an FTE basis on an average across the year it is about 21. We have a significant casual staff that come in for a period during the reporting period.

**Senator BOYCE:** Flexible workplace practices?

**Ms Conway:** We have many flexible work practices in the agency. We are hopefully a shining light in the agency for flexible work.

**Senator CASH:** Have any changes in personnel taken place since your appointment as director on 28 April?

**Ms Conway:** Yes. We have one of our staff who is about to go on maternity leave, so we have made an appointment to replace her while she is on maternity leave and that person started today.

**Senator CASH:** Did you say that there will be a top-level restructure?

**Ms Conway:** That has occurred.

**Senator CASH:** What was that restructure?



**Ms Conway:** Essentially when we looked at what the agency was doing, what it needed to do through the transition and what it needed to do under the new regime, we wanted to have a structure that sustained through those periods, so I have announced a structure that has various direct reports, not markedly different from the existing structure, but tweaked to reflect the priorities under the proposed new legislation.

**Senator CASH:** Can you take on notice to provide the committee with a copy of the restructure?

**Ms Conway:** Yes.

**Senator CASH:** Is there a list of reports that have been tabled by EOWA this year? Are you able to advise what reports EOWA has tabled?

**Ms Conway:** There have not been any reports tabled since I started.

**Senator CASH:** Can you take on notice in terms of 2011 to date?

**Ms Conway:** I will take that on notice.

**Senator CASH:** An answer to a question on notice—and this could be a question for the department—stated:

The department is working to improve the quality of the data to ensure its accuracy across spatial boundaries before it can publish a full suite of electoral reports on the department's website.

Was that more specific for the department or EOWA?

**Ms Carroll:** Which question on notice was that?

**Senator CASH:** It is question on notice No. 8.

**Ms Carroll:** That is for the department and is a broader issue.

**Senator CASH:** I will put that one on notice. The EOWA website refers to education programs that have been expanded to further assist organisations in gaining the business benefits for advancing women. Could you take me through those education programs?

**Ms Conway:** We currently have face-to-face workshops that we conduct. We have different educational tools. For example, our most recent educational tool that we have launched is the pay equity online course. That is a course that has been developed over the last 12 months which, we hope, will raise awareness around pay equity issues and give human resources practitioners, primarily, some tools to be able to go back to their organisations and conduct some pay equity analysis. It is a complex area. It is our intention with the focus under the proposed new legislation on pay equity to expand this area, but at the moment we have launched that tool and hopefully we will be able to provide some more educational support going forward.

**Senator CASH:** How important are the education programs and the workshops?

**Ms Conway:** There are two types of workshops. There is the workshop that talks about developing a program, which is what you have to do under the existing legislation, and how you prepare a report annually about that program, and the other workshop is about positioning your business to perhaps be able to achieve an employer of choice citation or participate successfully in the business achievement awards. There is also a component of that which relates to waiving. These are important information exercises for people who have to report to the agency.

**Senator CASH:** If you go to the EOWA workshops page it states, 'EOWA has expanded its education program to further assist your organisation in gaining the business benefits for advancing women', but it then states, 'Currently there are no workshops available.' When do you anticipate the next workshops will be made available?

**Ms Conway:** In light of the new legislation we need to completely revamp our education offering, so once we get the structure settled and populated, as part of our change management program we will then be developing a new educational program.

**Senator CASH:** When it says 'to register your interest', what am I registering my interest for?

**Ms Conway:** At this point in time it is nothing.

**Senator CASH:** Are you going to amend the workshop page to reflect that there is nothing available?

**Ms Conway:** We need to update the website. As part of our capital allocation going forward over the next two years we will be substantially reworking the whole website.

**Senator BOYCE:** I would like to ask a question about the website. One other thing that you have on your website is:

Reporting as usual for 2011

The announcement made by Minister Kate Ellis in March this year about changes to the Agency's legislation and reporting process will take a number of months to action. Reporting and waiving will be 'as usual' this year and EOWA will provide reporting organisations with detailed information on this as it becomes available.

Was that in response to queries from organisations as to how they were going to go about reporting?

**Ms Conway:** I will have to take that on notice because that entry would have been put up on the website prior to my commencement.

**Senator BOYCE:** It was presumably put up in March when the changes came through. You can take it on notice.

**Ms Conway:** I did not start until 27 April.

**Senator BOYCE:** Are you aware of whether there has been confusion or concern from reporting organisations about not being sure what they are supposed to reporting on and when?

**Ms Paterson:** Organisations generally speak with us quite regularly about what the reporting requirements are for any given year.

**Senator BOYCE:** So 2,500 of them?

**Ms Paterson:** Thankfully not all of them, no. This was a proactive move just so that businesses knew that it was as usual.

**Senator CASH:** When you state that the website is going to be reviewed and updated, could you take on notice to advise the last time that the website was updated? In relation to the workshops, how many workshops that I would access via that page on your website have taken place in the 2010-11 year to date and what were the nature and contents of those

workshops. How many workshops are planned for 2011-12 and what will be the nature and content of those workshops?

**Ms Conway:** Yes.

**Senator CASH:** Where has EOWA been able to contribute its specialist knowledge through submissions to inquiries this year?

**Ms Conway:** In relation to 2011, there has been nothing since my appointment.

**Senator CASH:** Is there someone else at the table who could advise prior to your appointment? The acting director may be able to help.

**Ms Steele:** I am not the acting director any more.

**Senator CASH:** I understand that, but you were prior to the appointment.

**Ms Steele:** There were no submissions in 2011.

**Senator CASH:** Is that usual practice or how does that work? Does someone come to you and ask for you to provide a submission, or do you look to go out and provide a submission to an inquiry?

**Ms Steele:** Over the past two years it was inquiries where we thought we could usefully contribute.

**Senator CASH:** How many did you contribute to over the last two years?

**Ms Steele:** This is going off the top of my head and may have to be confirmed, but I think we made contributions to the pay equity inquiry, paid parental leave, efficiency dividend inquiry and of course to the EOWA review.

**Ms Conway:** I can help you with some information. On page 26 of the EOWA annual report for 2010 four submissions are listed. There was a submission to the ASX Corporate Governance Council. That was in relation to the proposed amendments to the ASX corporate governance principles. There was a submission to the Reform of Australian Government Administration. That was apparently an inquiry entitled 'Building the World's Best Public Service'. A submission was obviously made, as Ms Steele has said, to the federal government's review of EOWA and a submission was made to the Office of the Fair Work Ombudsman in relation to community based employment advice services.

**Senator CASH:** Thank you. In relation to the budget statement, the program 1.1 objective list states:

Increased influence over Australian employers to achieve equality for women in the workplace through regulation and education on eliminating discrimination and promoting merit based opportunity.

The principle that employment for women should be dealt with on the basis of merit is repeated in the EOWA annual report overview and functions. In terms of your office promoting merit based appointment, how does that sit with the Prime Minister's own stated aim of March 2011 that the government's policy is that we have a quota or target for government boards of 40 per cent which we are working towards? There appears to be a conflict between the agency and what the Office for Women are working towards, if you advocate merit based appointment as opposed to quotas or targets.

**Ms Conway:** I defer to the Office for Women.

**Ms Carroll:** The Office for Women and the department have never implied that it is not a merit based process. A couple of Senate estimates ago we had discussion about the difference between a target and a quota, and one of the things that we said was that it is a target, but the importance is to make sure that the right people with the right skills still get appointed to the boards, so it is making sure that we are able to find those right people and enable them, through different processes, to be able to take up the positions on boards. I just wanted to clarify that the Office for Women has not been saying that it does not subscribe to a merit based process for appointments to boards and therefore there would not be a conflict as you are describing.

**Senator CASH:** We will not go through the argument of when is a target not a target and when will it not be achieved in terms of the merit based appointment. I will put some questions on notice surrounding the changes to the boards and the actual skills that the appointees have had to date just to ensure that I understand exactly where you are going with that.

Ms Conway, you would have been here when I discussed it with the office, but they are questions more so for the agency. It is the proposed changes. What you have said is basically what you are tasked to focus on. To clarify for the purposes of *Hansard*, on 9 March at the National Press Club, Minister Ellis announced a suite of significant reforms to the act and to the agency that will give EOWA the powers it needs to really drive gender equality in Australian workplaces. Are you working with the Office for Women in terms of the types of amendments that will be put forward? What is your agency's role?

**Ms Conway:** The agency is obviously a very interested stakeholder and we are a member of the implementation advisory group that was referred to earlier today.

**Senator CASH:** Is that as far as it goes?

**Ms Conway:** That is our formal involvement.

**Senator CASH:** So it is the Office for Women who are actually drafting the legislation. It was explained to me earlier today that the agency will pick up when they are implemented, and that is when the role for the agency steps in, so at the moment you are stakeholder?

**Ms Conway:** That is correct.

**Senator CASH:** Has the agency turned its mind to transition costs, or has that been left to the Office for Women?

**Ms Conway:** The agency has new funding to enable it to effect the transition and operate under a new regime. That new funding is effective 1 July this year.

**Senator CASH:** Just remind me what the amount of the new funding was?

**Ms Conway:** The agency appropriation for 2011-12 is \$5.324 million.

**Ms Carroll:** The additional funding provided was \$11.2 million over four years.

**Senator CASH:** Again in the speech the minister has advised that there will be substantial investment in a new IT system underpinning the new reporting framework for EOWA whereby businesses who have more than 100 employees are required to report against pay equity and gender equality targets. Are you able to take me through how that system is envisaged to work?

**Ms Conway:** We are currently undergoing a scoping exercise in relation to the new online system, so that is a process that will take some weeks. We really cannot advance it beyond that. We are trying to scope out what we think the system should look like and what it should be able to do without the legislation being in place, but envisaging the legislation as it will look. We have funding of \$1.61 million over two years to put that system in place and also to revamp the website that we discussed earlier.

**Senator CASH:** Is the \$1.61 million the cost of the substantial investment?

**Ms Conway:** Yes. That is the capital that has been afforded to us to implement that, but it is about the online system and the website.

**Senator CASH:** If this legislation was to go through the parliament at the end of the year and it was anticipated that it would be presented, will you have the IT system formalised by then?

**Ms Conway:** The system will not be in place by the end of the year. As I said, we are at the scoping point and then we will have a project plan that will fall out of the scoping. Obviously the intent is to have the system in place and operational so that we can effect the transition and the final change to reporting under the new legislation.

**Senator CASH:** In relation to the change of name, in the budget paper under 'Gender Equality in the Workplace' at page 189, \$11.2 million has been allocated over four years to increase gender equity in the workplace by amending the Equal Opportunity for Women in the Workplace Act 1999 and providing additional resources to your agency which will be renamed the Workplace Gender Equality Agency. Can you provide a breakdown of how the funding is to be applied on an annual basis?

**Ms Conway:** We currently have that allocation of funding and we are working through the staffing that we will need. We have a framework of staffing that we will need to be able to provide the extra services that we will have to provide under the new legislation. We are currently working that through and expect to have that effectively sorted over the next couple of months.

**Senator BOYCE:** I would like to ask a question there. Your name change to Workplace Gender Equality Agency will occur at the time that the legislation goes through?

**Ms Conway:** That is correct.

**Senator BOYCE:** Will you continue to be the implementing arm of the Office for Women at that stage or will the Office for Women become the Office for Gender?

**Ms Conway:** We are not actually an arm of the Office for Women. We are a separate statutory agency, so we will go from EOWA to the Workplace Gender Equality Agency.

**Senator BOYCE:** It is going to be a very nasty acronym. You currently implement policy in regard to women.

**Ms Conway:** That is right.

**Senator BOYCE:** The Office for Women is the area that you work most closely with. I am just wondering, if we are going to have a change to the term 'gender equality', which presumably is meant to reflect a change in focus, what happens with the Office for Women? Perhaps I should be asking the Office for Women.

**Ms Carroll:** At this stage we do not believe there are any suggestions to change the name of the Office for Women, but obviously the government may make a decision about that in the future. But at this stage the Office for Women is remaining the Office for Women.

**Ms McKenzie:** We obviously look at gender equality issues now in many areas. If you only look at it from the women's point of view and you do not also take into account the issues for men it is not going to work. In terms of shared care issues, for example—

**Senator BOYCE:** It is about focus, isn't it? It is about prioritising and focus. When you look at the range of functions and things you are involved with, they are focused on women, not on gender equal activities.

**Ms McKenzie:** We are certainly focusing on gender equality for women.

**Senator BOYCE:** That is good.

**Senator CASH:** That was a question I was going to ask. What was the rationale behind changing the name of the agency from the Equal Opportunity for Women in the Workplace Agency to the Workplace Gender Equality Agency and how will that impact on the perception that the office was actually doing a lot to assist women? I assume something was undertaken to actually look at what the rationale was.

**Ms McKenzie:** I would need to take that for the Office for Women. That was a decision that was made by the minister. The issue was to broaden out the scope and to recognise the very important role that men need to play. If we look at the way things are working at the moment, women are often unable in a family circumstance to increase their hours of work because men are not able to increase their hours of caring. In resolving those issues for families and for the broader community, you need to take a look at the whole problem, not just from the women's angle. Part of the idea of focusing more broadly was to look at men's take-up of paternity leave, to look at their take-up of part-time work or flexible work practices and to consider whether those sorts of issues then interfered with men's capacity to be promoted. It is really taking a broader look.

**Senator CASH:** Did you do any work, though, surrounding the significance of actually deleting the word 'women' from the title and the impact that this may well have on women? I would have thought it was a pretty significant change. You have gone from being an agency that focuses on women to one that does not. What is the impact? Was there any analysis undertaken of what impact that would actually have?

**Senator McLucas:** I think as the officer has clearly said the focus of the agency is on women. The removal of the word 'women' and replacing it with 'gender' I think is very clear.

**Senator CASH:** I do not. I do not think it is clear.

**Senator McLucas:** People know what gender equity—

**Senator CASH:** Is she going to become the minister for the status of gender equity? Would that title also change?

**Senator McLucas:** I do not think so.

**Senator CASH:** Why would you have a Minister for the Status of Women but then take out the word 'women' from the most significant agency?

**Senator McLucas:** For exactly the reason Ms McKenzie explained to you.

**Senator CASH:** It does not answer my question, though. Was an analysis undertaken in terms of the impact on women that that would have?

**Ms Steele:** Could I have a stab at this one? There was not an analysis as such. The issue came up during the review of the act and the agency. There was some considerable support for broadening the scope of the agency. Hence the resulting change in name and also the change in the principal objects of the act to be more inclusive of men. There was no groundswell of opposition during the review period.

**Senator CASH:** In terms of the setup of the agency, will there be specific units dealing with men and dealing with women to reflect the new focus of the agency?

**Ms Conway:** We are still trying to determine how we will structure the agency under the new legislation. That is a work in progress, but I would think that unlikely.

**Senator BOYCE:** Can you see the concern that one of the reasons that areas that specifically focused on women were carved out in the first place was this question that was raised earlier about disadvantage and multiple disadvantage? Now the government appears to be retreating from that position.

**Senator CASH:** If you look at, say, the remarks made at the National Press Club in Canberra: 'Yesterday was the centenary of International Women's Day. We reflected upon the substantial achievements for and by women. We need to turn our minds to the battles and challenges ahead for women.' Now you are deleting that word from the name of the agency.

**Senator BOYCE:** And including a focus on men.

**Senator CASH:** It just seems to be inconsistent.

**Ms Conway:** From the agency's point of view, our focus will be very much on women, but there is a very significant issue around gender equity when you look at caring responsibilities, which I think is something the minister referred to at the Press Club. The inability of women to share that equitably across other genders has meant that they have been unable to participate so effectively in paid work. The focus of the agency, consistent with the changes to the act, in relation to caring responsibilities will cover both men and women, because we will be saying it is a shared responsibility. That will then facilitate women spending more time in paid work, if in fact those caring responsibilities are more fairly shared. That is an area where the agency will work with both genders. But the focus on women in the agency will not reduce.

**Senator BOYCE:** I do not think I can usefully explore that any further. I will just wait and see what the practice looks like.

**Senator CASH:** Budget Paper No. 2, under 'Gender equality in the workplace' at page 190, sets out that the \$11.2 million funding to the agency will be partially offset by a redirection of funding from the Department of Families, Housing, Community Services and Indigenous Affairs of \$3.1 million from the Women's Leadership Development Program. What was the function of the Women's Leadership Development Program?

**Ms McKenzie:** The Office for Women has a number of different funding streams. One relates to the women's safety agenda, one relates to trafficking, and the other relates to the Women's Leadership and Development Program. The Women's Leadership and Development Program is really engaged with supporting two of the minister's priorities for

women, which is improving the economic participation of women and improving leadership opportunities for women. It was seen that the work that EOWA was going to be doing was a vital part of that agenda and therefore a small amount of the Women's Leadership and Development Program was used to offset the big changes in EOWA.

**Senator CASH:** When you say 'a small amount', my understanding is that it is \$3.1 million.

**Ms McKenzie:** Yes.

**Senator CASH:** What was the total budget in 2010-11 for the Women's Leadership and Development Program?

**Ms McKenzie:** I am taking this off the top of my head and I will correct it later if I am wrong, but my understanding is it is about \$3.9 million.

**Senator CASH:** How is it a small amount that has been taken away—

**Ms McKenzie:** It was \$0.75 million. It is over four years. It was \$0.75 million I think in the first year. I was not in any way suggesting that it was not an important amount. It was really that the importance of the objectives to be achieved through EOWA was something that had to be considered.

**Senator CASH:** So the \$11.2 million over the four years that is going to EOWA includes a redirection of \$3.1 million from the Women's Leadership and Development Program. In terms of the \$11.2 million that has been set aside for EOWA, how much of that is going to be spent in terms of the name change of the agency on stationery, websites, publications, et cetera? How much is actually earmarked for that?

**Ms Conway:** No amount has been earmarked for that.

**Senator CASH:** You do not know how much of that will come out of the \$11.2 million, though?

**Ms Conway:** The amount for the rebranding of the agency will come out of our budget allocation.

**Senator CASH:** Which is \$11.2 million—is that right?

**Ms Conway:** Over four years.

**Senator CASH:** It will come out of that figure?

**Ms Conway:** It will come out of that figure.

**Senator CASH:** But you do not know how much that is?

**Ms Conway:** We have not got to the point of having to do that work yet.

**Senator CASH:** What happens, though, if it is a significant portion of the \$11.2 million? Considering they are basically administrative costs, it could be a significant proportion of \$11.2 million that is actually just spent on changing the agency's name?

**Ms Conway:** From my experience, I would be amazed if it were a significant amount of the \$11.4 million. I would expect—

**Senator CASH:** It is \$11.2 million.



**Ms Conway:** I am sorry. I would expect it to be a relatively modest amount and that the extra funding that the agency has will be largely spent on resourcing the agency so we can deliver what the new legislation requires us to deliver.

**Senator CASH:** When you say ‘resourcing the agency’, are you looking at increasing staff numbers?

**Ms Conway:** Yes, we are.

**Senator CASH:** By how many?

**Ms Conway:** The extra budget allocation that was provided to the agency will enable us to increase the staff by in the order of approximately nine FTEs.

**Senator CASH:** I have a number of questions surrounding the Women’s Leadership and Development Program, but seeing as that was for the Office for Women I am happy, if that assists, to put them on notice.

**Senator BOYCE:** I have a couple of questions that have almost become de rigueur. You have roughly 2,500 organisations who report. What percentage of organisations that should report is that?

**Ms Conway:** I think I could answer that question by saying we think the non-compliance rate is about 30 per cent.

**Senator BOYCE:** You mean that 70 per cent report?

**Ms Conway:** That is our best estimate.

**Senator BOYCE:** If you are going to be asking for more detailed reporting, you could expect that perhaps there would be organisations that would try to fly under the radar. What are you going to do about trying to improve those numbers?

**Ms Conway:** Firstly, in relation to the reporting, I think I would say that we expect the reporting to be simpler, easier and cheaper for business.

**Senator BOYCE:** It will be more detailed, though, won't it?

**Ms Conway:** That is in the process of being resolved now.

**Senator BOYCE:** Certainly from what the minister announced one would imagine that they are going to get more information and require more detailed programs to be developed.

**Ms Conway:** What is proposed under the new legislation is that organisations will report against indicators online. Currently a lot of the reporting is in a narrative style and is not so focused on quantitative data. We would expect that the reporting itself will be simpler in terms of content and how the reporting is done. I think that is the first thing. Secondly, there is currently consultation underway—not being managed by the agency but by the Office for Women—as to what mechanisms might be used to identify organisations that are currently not reporting to the agency. The agency itself as part of its changed management program is also looking at ways that we can source information to help us identify those organisations.

**Senator BOYCE:** Did you have something to add there? What are you doing to try to track them down?

**Ms McKenzie:** This is one of the items that was discussed at the most recent women’s IDC, where one of the issues around non-compliance is that Commonwealth departments are not supposed to be doing business with organisations that are non-compliant. What we have

started to do is to have a dialogue with departments about how we can ensure that that is effectively maintained. Different departments—

**Senator BOYCE:** If you were to look up an organisation and discover that they were not a reporting organisation that would immediately raise a flag that they were possibly non-compliant—is that the case?

**Ms McKenzie:** At the moment, because the organisations have to be organisations of over 100, it is not necessarily—

**Senator BOYCE:** That is why I said it might be.

**Ms McKenzie:** At the moment, what happens is that a department looks up the list of non-compliant organisations that EOWA provides, but that only has those organisations that EOWA is aware of that are non-compliant. We are looking at how we can strengthen that to ensure that the Commonwealth does not deal with non-compliant organisations.

**Senator BOYCE:** In terms of streamlining and the reporting process and so on, where does cost to the reporting organisation come in your list of priorities?

**Senator McLucas:** I understand that to fulfil the new reporting requirements the RIS, the regulatory impact statement, estimates that the cost to business will decrease on average from \$1,200 to \$450 per annum, reflecting Ms Conway's description of the changed reporting structures. In terms of compliance, there is a greater incentive now to comply.

**Senator BOYCE:** Yes, we will wait for the implementation.

**Senator McLucas:** We share your concerns about making sure we have it right.

**Senator BOYCE:** I beg your pardon?

**Senator McLucas:** I share your concern that we have a system that will capture all relevant businesses.

**Senator BOYCE:** Lastly, we had the list of organisations in December, I think it was, the 12 organisations that I think were referred to as recalcitrant at the time. Could you update that list for me, please?

**Ms Conway:** There is some good news there. We now have a list reduced to 10. Two of those on the list of 12 are now compliant.

**Senator BOYCE:** Could you tell me who is not compliant?

**Ms Conway:** The remaining one that is not compliant is Rivers. If we look at the list—there is a list in the annual report—the non-compliant organisations are A J Mills & Sons Pty Ltd; Berri Hotel Incorporated, Charles Hull Co Pty Ltd, JasNeat Pty Ltd Cleaning Services, Johnston's Transport Industries Pty Ltd, Nowshire Pty Ltd, Red Lea Chickens, Rivers (Australia), Roverworth Pty Ltd and Thomas Jewellers (Aust) Pty Ltd.

**Senator BOYCE:** You specifically mentioned something about Rivers?

**Ms Conway:** Rivers have submitted a report which unfortunately is not compliant, so we have had to keep them on the non-compliant list. Sanity Entertainment and Tyrrell's submitted a report and that report was compliant. But the report submitted by Rivers was not compliant.

**Senator BOYCE:** I think that happened earlier in the year but, yes.

**Ms Paterson:** No, they have only just—

**Senator BOYCE:** Okay, sorry.

**Ms Paterson:** Sanity was a little earlier, but Tyrrell's has only just become compliant. I might add, though, that the report that Rivers submitted is not compliant, but we are still working with them. They still may become compliant.

**Senator CASH:** What does that actually involve?

**Ms Paterson:** We will contact the organisation and say, 'The report you have submitted is non-compliant,' and explain to them what parts are missing or what information is required. In most cases, the organisation then says, 'Sorry, I thought it was meant to be this,' and it is actually something else—

**Senator CASH:** We have the information.

**Ms Paterson:** We just have to add to it, yes.

**Senator CASH:** A number of my questions now may actually have been for the Office for Women. I had some on pay equity. In the 9 March speech to the National Press Club Minister Ellis stated that pay equity will be enshrined in the objects of the EOWA Act and businesses will be required to report against it, and that this will allow us to see whether gender pay gaps are emerging or growing. Where are we in terms of the requirements for the act, et cetera? What has been happening on that issue?

**Ms McKenzie:** As I mentioned before, we are working through the details with the implementation advisory group and this was one of the issues that was raised.

**Senator CASH:** This is another one of those issues?

**Ms McKenzie:** Yes. Those issues that I ran through, the six issues that relate to the reforms of the EOWA Act, include this.

**Senator CASH:** I appreciate you have said that you are working through them. Has the office turned its mind to whether or not there will be any requirement for compliance to be legislated? Will there specifically be legislation in relation to the compliance measures?

**Ms McKenzie:** We are still working through that.

**Senator CASH:** Again, has any thought been given to the cost implications for the government, et cetera, of ensuring compliance?

**Ms McKenzie:** The cost implications for EOWA have been taken into account in terms of the additional funding that was provided to EOWA. As I mentioned, the cost implications for the Office of Women are being absorbed within the Office of Women.

**Senator CASH:** As to industry and business, has there been any determination as to what those costs may be?

**Ms McKenzie:** As I said, that really depends on the changes, and we are still working those through. I should mention that the first meeting of the implementation advisory group was a very constructive meeting, and there is a real feeling of collaboration and partnership in taking this forward.

**Senator CASH:** In terms of the punitive measures that government is planning to take against employers and companies who do not comply with the requirement, what types of measures are being looked at?

**Ms Steele:** In effect there will be no change to the—

**Senator CASH:** The current regime?

**Ms Steele:** Yes. What will change perhaps will be that more businesses hopefully will be reporting to the agency. You may see an increase in the number of non-compliant businesses. You may not. But the broad contract compliance nature of the scheme as is will remain.

**Senator CASH:** Obviously the pay equity is separate to, say, the reporting requirements in terms of the type of employee and the gender make-up of the workplace. My understanding in relation to the pay equity was that you were actually reporting against what women and men are paid in the workplace?

**Ms Steele:** The detail of that again is still being worked through. The pay equity will become a specific object of the act.

**Senator CASH:** That is part of what the advisory group are looking at?

**Ms Steele:** Yes.

**Senator CASH:** Anything else that I have I can put on notice. Thank you for your indulgence.

[15:25]

**CHAIR:** I thank officers from outcome 6 and the agency. We will now move to outcome 3, community capability and the vulnerable. The first subgroup is outcome 3.1, financial management.

**Senator SIEWERT:** Can we deal with income management here?

**Ms Carroll:** Yes. The plan under this outcome is to deal with income management, and also to deal with problem gambling. I know there were some questions earlier about when we would get to problem gambling.

**CHAIR:** We will start with income management and we will go with the flow.

**Senator SIEWERT:** Can I also clarify, will we deal with DSP changes in disabilities and carers tomorrow?

**Ms Carroll:** Yes.

**Senator SIEWERT:** I have already asked DEEWR a lot of questions yesterday and I know that some of the issues need to be raised with DHS, so if you tell me that is for them I will move on. Can we start generally on the extension of the financial counselling initiative. Is it basically just extending the current funding and things will remain the same?

**Ms Oswald:** Yes, the additional funding for financial counselling is a top-up to the existing funding, so it will continue the positions that were funded through the global financial crisis money.

**Senator SIEWERT:** Is that simply rolling on for the same organisations and there is no new tendering?

**Ms Oswald:** That is right.

**Senator SIEWERT:** I will come back to financial counselling as it relates to income management. Could we perhaps go through where we are up to with income management in the NT and then move on to the new provisions? Is that okay? Could we get some data about where we are up to on the completion of the rollout of the process in the Northern Territory? How many people are now on income management? Where are we up to there?

**Ms Carroll:** I think you might have been given a sheet of paper that had some facts and figures on it.

**Senator SIEWERT:** Thank you.

**Ms Carroll:** I think it was requested yesterday. I just thought that might help as a reference sheet.

**Senator SIEWERT:** That will shorten things, thank you. Will we go through this table? Is that okay? When we talk about the vulnerable welfare recipient payment measure, the new customers—less than 20—are they the new ones that have gone on since I asked in the last estimates?

**Ms Hefren-Webb:** The way this table breaks down is that 'new customers' essentially represents people who were not subject to income management under the NTER. They are not necessarily 17 new since we last spoke.

**Senator SIEWERT:** Is this the total number?

**Ms Hefren-Webb:** If you look across, the total number is 217 people in the vulnerable measure. Of those 217—is that the figure you have?

**Senator SIEWERT:** We are looking here at vulnerable—

**Ms Hefren-Webb:** Yes, and if you go right across to the right.

**Senator SIEWERT:** Unless I am missing something, nothing on my sheet says 217.

**Mr Pratt:** While we are clarifying this, I have some information for Senator Fifield from this morning which—

**CHAIR:** Yes, we can do that while we are making sure we have the right document in front of us.

**Mr Pratt:** Senator Fifield, you were asking about the AusTender contract CN383740, which was the \$44,000 to support the business coming from the budget. I have a bit of information here. This was in relation to supporting work on emergency relief funding, which occurs under outcome 3—

**Senator FIFIELD:** Supporting?

**Mr Pratt:** Supporting some work in relation to the emergency relief funding program. Essentially it was to assist with finalising contracts, provide administrative support and draft letters. One temporary staff member was employed at a relatively junior level to do this work and that person has been engaged until 30 June. The projected expenditure will be just over \$14,000 over that time.

**Senator FIFIELD:** When you say the 'emergency relief funding program', which particular program is that?

**Mr Pratt:** This is the one where we provide emergency relief funding to people who have been affected by an emergency—for example, the Queensland floods.

**Senator FIFIELD:** The description in the tender said that it was for anticipated extra queries from the minister's office as a result of the budget.

**Mr Pratt:** Yes, it was rather poorly worded.

**Senator FIFIELD:** Given that it would have absolutely nothing to do with that.

**Mr Pratt:** To the extent that some of those queries could have been around that area, it is not completely inaccurate, but it is essentially to provide additional support around the operation of this program.

**Senator FIFIELD:** Thank you for that detail.

**Senator SIEWERT:** We will restart.

**Ms Carroll:** I think the issue was that the crib paper Ms Hefren-Webb had did not have the suppressed numbers.

**Senator SIEWERT:** As I figured. I was trying to be polite.

**Ms Carroll:** The final had actually come out, because Centrelink obviously does not ever give numbers under 20.

**Senator SIEWERT:** That is what I figured, which is why I said straightaway that I thought we were on a different sheet.

**CHAIR:** Do we now have the same sheet?

**Ms Carroll:** Yes.

**Ms Hefren-Webb:** With the sheet that says 'new customers under 20', you were asking whether they were new since we last spoke?

**Senator SIEWERT:** Yes.

**Ms Hefren-Webb:** Not necessarily. These have come on since August last year, but they are not former NTER customers.

**Senator SIEWERT:** That is the total number of new customers. So the rest that are vulnerable are essentially those ones from the NTER?

**Ms Hefren-Webb:** Correct.

**Senator SIEWERT:** When you break it down to Indigenous and non-Indigenous, all the NTER ones we will assume are Indigenous and then you are not breaking down the other 20; is that correct?

**Ms Hefren-Webb:** They will have suppressed the Indigenous and non-Indigenous ratio, if there is a figure less than 20.

**Senator SIEWERT:** It is fairly safe to presume that a very large majority of them are Aboriginal people. In terms of those that were transitioned, do you have a breakdown of how many of those would be age pensioners and how many would be in other groups; in other words, they are not long-term unemployed?

**Ms Hefren-Webb:** Are you talking about the vulnerable?

**Senator SIEWERT:** Yes, the vulnerable.

**Ms Hefren-Webb:** I do not have those figures with me. I know that approximately three-quarters were DSP recipients.

**Senator SIEWERT:** DSP rather than aged?

**Ms Hefren-Webb:** Yes. There was a large proportion. The remainder were mostly age pensioners and there are a few on things like special benefit and so forth.

**Senator SIEWERT:** In terms of parenting participation, when you say 'other customers', what does that mean?

**Ms Hefren-Webb:** Other customers are people who have previously been involved with income management but not in the NTER. We get a bit of movement across from Kununurra. There may have been a voluntary customer there and they have moved over. They may have been in the cape. It is a small number and, again, those have been suppressed.

**Senator SIEWERT:** Is that because it is a small number?

**Ms Hefren-Webb:** Yes.

**Senator SIEWERT:** There are 2,130 that were granted exemptions. Can you break down how many were Aboriginal and how many were non-Aboriginal?

**Ms Carroll:** Of the exemptions, 75 per cent were non-Indigenous and 25 per cent were Indigenous.

**Senator SIEWERT:** What is the average time for processing of exemption applications?

**Ms Hefren-Webb:** I do not have an average time for processing.

**Senator SIEWERT:** Should I ask Centrelink?

**Ms Hefren-Webb:** That is Human Services.

**Senator SIEWERT:** I will try to remember to ask that one tomorrow. Should I ask Centrelink about the number of appeals as well?

**Ms Hefren-Webb:** No, I have figures on that. There have been 86 decisions reviewed by a Centrelink original decision maker, 59 reviewed by an authorised review officer and four reviewed by the SSAT.

**Senator SIEWERT:** Who were the 86 reviewed by?

**Ms Hefren-Webb:** The Centrelink original decision maker. There were 59 by an authorised review officer and four reviewed by the SSAT.

**Senator SIEWERT:** How many of those were successful?

**Ms Hefren-Webb:** Of the decisions reviewed by the Centrelink original decision maker, 70 were affirmed. So they affirmed the Centrelink decision. In five the decision was set aside. Essentially the matter was looked at afresh. One was varied. Ten requests for review were withdrawn. Of the decisions reviewed by an authorised review officer, 48 affirmed the original decision; three set aside the original decision and eight requests for review were withdrawn. Of the four decisions reviewed by the Social Security Appeals Tribunal, my understanding is three have been affirmed and the remaining one is still pending. I understand that two that have been affirmed have appealed to the AAT and those matters are still pending.

**Senator SIEWERT:** Could you give me the budget breakdown figures on how much has been expended since this measure was introduced?

**Ms Hefren-Webb:** The majority of the funding for income management goes directly to the Human Services portfolio for Centrelink service delivery. The expenditure figures I have are really a minor portion.

**Senator SIEWERT:** Can you give me yours and I will get the rest tomorrow?

**Ms Hefren-Webb:** Yes. These figures are at 31 April 2011. Of the \$1.267 million appropriated, \$1.051 had been spent. That would comprise funding for communications, evaluation and voluntary income management incentive payments.

**Senator SIEWERT:** One was communication, but what was the other one?

**Ms Hefren-Webb:** Evaluation and voluntary income management incentive payments—the \$250 payment made each six months.

**Senator SIEWERT:** How many of those have we had?

**Ms Hefren-Webb:** There have been 3,664 voluntary income management incentive payments made as at 22 April.

**Senator SIEWERT:** Is that the 13-week saving payment?

**Ms Hefren-Webb:** No. There are two. The voluntary income management payment is paid every six months a person is on voluntary income management.

**Senator SIEWERT:** That is that one?

**Ms Hefren-Webb:** It is that one. The matched savings payment is the other one that you are referring to.

**Senator SIEWERT:** I always mix the two up. How many of those have been paid?

**Ms Hefren-Webb:** Four.

**Senator FIFIELD:** Is that the managed savings scheme?

**Ms Hefren-Webb:** That is correct.

**Senator SIEWERT:** Is the \$250 every six months?

**Ms Hefren-Webb:** That is correct.

**Senator SIEWERT:** So there have been four matched savings since the new measure came in?

**Ms Hefren-Webb:** That is correct.

**Senator SIEWERT:** What date do you take the new measure from?

**Ms Hefren-Webb:** The legislation took effect from 1 July, but we did not commence the rollout till August. As you know, it took a while across the NT. That would be from August, but when we spoke in November last year we said that it would have been too early for anyone to have those payments. It is not too early now. There should be some and there are a few.

**Senator FIFIELD:** On the matched savings scheme, there was an article in the *Australian* in March which said that only one person had accessed the full \$500 available at that time. There are now four people who have availed themselves of the scheme. Have all of those four reached the \$500 maximum?

**Ms Hefren-Webb:** Yes, those four claimed the full \$500 amount.

**Senator FIFIELD:** Is there anyone else who has claimed a smaller amount?

**Ms Hefren-Webb:** No-one has claimed a smaller amount.

**Senator FIFIELD:** So they have all claimed the maximum?

**Ms Hefren-Webb:** There might be people who are working towards a savings goal who will claim in the future, but at this stage no-one has claimed another amount.

**Senator FIFIELD:** Do you only seek to claim it once you have hit \$500?



**Ms Hefren-Webb:** You can claim at any point, but you can only claim once. It is in the interests of the customer to save as much as possible. If someone came in and attempted to claim \$50, they would be asked whether they were aware that that meant they could not save more and subsequently claim a higher amount.

**Senator SIEWERT:** It is a one-off measure.

**Ms Hefren-Webb:** That is right.

**Senator FIFIELD:** So you have had a rush on the scheme since March.

**Senator SIEWERT:** If you are on income management, how much money do you think you are going to save over this period?

**Senator FIFIELD:** I am not suggesting anything else. What were the expectations for the scheme? Is this where you thought the uptake would be?

**Ms Hefren-Webb:** It is a little lower than we expected.

**Senator FIFIELD:** What were you expecting?

**Ms Hefren-Webb:** I cannot remember exactly what the estimate was.

**Senator FIFIELD:** Are we talking double figures?

**Ms Hefren-Webb:** Yes. We were expecting probably in the hundreds.

**Senator FIFIELD:** Are you disappointed or surprised?

**Mr Lye:** It is a measure that is new that had not been tried before, so it is very difficult to estimate take-up on these sorts of things. It was put in place with a view to try to incentivise savings and so, in that sense, it is very hard to work out what people's behaviour will be. The other thing is that, given the staggered rollout of the new income management, it is probably a little early to make a judgment about whether it has been successful or not.

**Senator FIFIELD:** At what point would you seek to make that judgment?

**Ms Hefren-Webb:** I would make the additional point that there are two parts to this scheme. People have to complete an approved money management course and then undertake the matched savings. They can undertake the savings over any time period they like. We have had 812 people register for the money management course and 415 people complete the course. Another 335 are still participating and 62 have withdrawn. That indicates to us there is a fair bit of interest in developing financial management capacity. Some of those people will be undertaking savings, but we do not have any visibility of that until they come in to claim the matched savings payment. The fact that we have had reasonably high take-up of the course indicates to us that there is an interest in this area. As to why we have not had more people do the savings as well, that is something we will be having a look at.

**Senator SIEWERT:** One of the issues is trying to exist on \$32 a day.

**Senator FIFIELD:** I have no doubt. It raises questions as to the realism of the scheme. Where was the design and concept of the scheme come up with in the first place? Was that something the department came up with or was it something the government came up with?

**Ms Carroll:** Which scheme?

**Senator FIFIELD:** The matched savings scheme.

**Mr Pratt:** Are we going to rerun the discussion we had this morning about the genesis for policy ideas, whether that comes from the government or from the department?

**Senator SIEWERT:** I would like to ask some other questions, but we get the same answers.

**CHAIR:** We will see where it goes, Mr Pratt.

**Senator FIFIELD:** I do not think it goes to advice to government. You can take something like the Henry review. It is clear, if there is an idea that the government adopts, where it came from. It is just what the antecedents of this particular policy were.

**Ms Hefren-Webb:** I can answer that in the sense that these schemes have been run by a few of the banks. It is an idea that has been around in the community sector that was picked up for this cohort.

**Mr Lye:** There is literature from the UK and elsewhere regarding the concept. It is not new to this area.

**Senator FIFIELD:** I will yield to Senator Siewert.

**Senator SIEWERT:** You obviously have a document there with a whole lot of financial figures on it. Is that a document that you could table that would save me asking a whole lot of questions?

**Ms Hefren-Webb:** No. I do not think that I could table it in its current form.

**Senator SIEWERT:** Is it possible in its unscrambled form?

**Senator BOYCE:** What is the document?

**Ms Hefren-Webb:** It is some handwritten notes.

**Senator SIEWERT:** I wanted to go back to the figures around the financial counsellors and accessing money matters. Are those figures just for the NT or are they for accessing financial counselling in the other states as well?

**Ms Hefren-Webb:** The figure of 812 people who have registered is just for the money management course, which is only one element of financial counselling. I will defer to my colleagues.

**Ms Oswald:** In terms of Commonwealth financial counselling for income management in the NT, there are seven organisations and 16 full-time equivalent positions in the NT. In WA there are around 11 organisations and over 13 full-time equivalent positions.

**Senator SIEWERT:** If you remember, over a couple of estimates we have had this discussion about people that are on income management that are not accessing, which is why I asked whether it was just for the NT. Has there been an increased uptake in financial counselling? I would like to know state by state if possible, because WA is one of the ones that was not accessing financial counselling, as I recall.

**Ms Oswald:** I do not have individual client numbers specifically for income management for Commonwealth financial counselling, so we would have to take that on notice and get back to you.

**Senator SIEWERT:** In any of the states? You have had them in the past.

**Ms Hefren-Webb:** We cannot always confirm that a client in financial counselling is an income management client. I think that is what we have discussed in the past; because they do

not have to self-identify as such. My apologies: the client numbers are across the Northern Territory and Western Australia. In 2009-10, there were 14,000 people who accessed financial management support services in the NT and WA, and in the year to December 2010 there were 7,000 people that had accessed those services.

**Senator SIEWERT:** So 14,000 is from when?

**Ms Hefren-Webb:** That is 2009-10.

**Senator SIEWERT:** And up until now it is 7,000?

**Ms Hefren-Webb:** Up to December 2010, so the first six months of this financial year.

**Senator SIEWERT:** So it is about the same?

**Ms Hefren-Webb:** That is correct.

**Senator SIEWERT:** How many of those are repeat?

**Ms Hefren-Webb:** I do not have that information.

**Ms Oswald:** We do not know repeat numbers of clients because financial counsellors do not necessarily have to record that kind of information. I have some 2010-11 numbers on financial counselling. In the NT there were 707 and in WA there were 2,264 people who accessed financial counselling.

**Senator BOYCE:** Is that all of the states?

**Ms Oswald:** That is 2011 to date—to December.

**Senator SIEWERT:** I would like to go on to the new process. How involved was FaHCSIA in identifying the 10 new sites? I realise that there are different things happening in five of them, but let us just say 10 for the time being. How involved were you in identifying those 10 sites?

**Ms Carroll:** The department was part of an interdepartmental committee process. The submissions that went up to government around the measures were put forward by a number of ministers across the government. The department was involved in that policy process.

**Senator SIEWERT:** In terms of how much you have been allocated for your input into that—and I realise the bulk of it is being handled by DHS—what is your level of involvement from now on? They have now been identified and set up, so what level of involvement is FaHCSIA going to have on an ongoing basis?

**Ms Carroll:** We will have very close involvement going forward. There are processes across government. There is an interdepartmental committee process looking at all the participation measures, but there are also subgroups that are looking at the different elements in the different locations. We have already attended meetings that have included us, DEEWR, Prime Minister and Cabinet, and Human Services, which are looking at each of those locations, the measures going into those locations and how we are going to implement them in a more holistic and less piecemeal way. For our department, in particular, obviously we have the income management in the five sites that we will have a lead on, and we also have some Communities for Children additional funding across the 10 sites. We have measures that are part of that whole and we are obviously working across government, but also some discussions have started to happen, for example, with the state governments that we have been participating in as well.

**Senator SIEWERT:** In terms of the five income management sites, there are child protection measures, vulnerable measures and voluntary measures; is that correct?

**Ms Carroll:** Yes.

**Senator SIEWERT:** This might be a DHS question. In WA there was money set aside for 1,000. How many are there in the trial sites? Is there a cap on that?

**Mr Lye:** It is the same.

**Senator SIEWERT:** So, it is 1,000 capped in each?

**Mr Lye:** Yes.

**Senator SIEWERT:** I do not know whether I have asked this before and if I have I have forgotten so I apologise. What happens if you get more than 1,000?

**Ms Hefren-Webb:** Centrelink would need to decline applications for voluntary income management.

**Senator SIEWERT:** So they are the ones that go off first?

**Ms Hefren-Webb:** Yes, that is correct.

**Ms Carroll:** There would also be a process where you could go forward to government to ask to extend that if there was deemed a huge swell in demand greater than we had anticipated.

**Senator SIEWERT:** Are we using the same list for the vulnerable as is currently used?

**Ms Hefren-Webb:** There are likely to be some amendments to the instrument that sets out vulnerability criteria.

**Senator SIEWERT:** You are going to my next question.

**Ms Hefren-Webb:** There is an interest in including people at risk of homelessness due to eviction from public housing due to rental arrears. We might update the legislative instrument on that basis.

**Senator SIEWERT:** How are you going to get information on rental arrears?

**Ms Hefren-Webb:** Information on rental arrears would be provided by the public housing authority in each jurisdiction.

**Senator SIEWERT:** Let us go into the vulnerability criteria. Is that the only additional vulnerability criterion?

**Ms Hefren-Webb:** At this stage.

**Senator SIEWERT:** In what other instances do you go to outside agencies when you are determining who is vulnerable? What other criterion on the vulnerable list of people on income support do you go to outside agencies?

**Ms Hefren-Webb:** As to the current vulnerability criteria to provide guidance to a social worker who makes a decision, that social worker would have a number of sources of information and would speak regularly with a range of organisations, but there is no formal list of organisations from whom they can take advice.

**Senator SIEWERT:** How will this work? You will have a list of people in a trial area who are on income support. You surely do not go to the housing records of everyone on income support to find out who is in rental arrears?

**Ms Hefren-Webb:** No.

**Senator SIEWERT:** How will you do that?

**Ms Hefren-Webb:** The housing department would advise Centrelink of the name of the client who was in rental arrears and at risk of eviction.

**Senator SIEWERT:** So that is if you are in public housing?

**Ms Hefren-Webb:** That is correct.

**Senator SIEWERT:** So if you are in public housing you get pinged. What happens if you are in private rental?

**Ms Hefren-Webb:** If the Centrelink social worker is aware that you are at risk of homelessness because you are in private rental, which they may do because of your disclosing that fact, that could come into play, but there is no formal mechanism by which private landlords can provide that information to Centrelink.

**Senator BOYCE:** Would these be people who are receiving rent assistance?

**Ms Hefren-Webb:** I do not believe that people receive rental assistance when they are in public housing.

**Senator BOYCE:** No, I was thinking about private.

**Senator SIEWERT:** So potentially they could get a list of people receiving rental assistance and then look at them?

**Mr Lye:** Importantly, the Centrelink social worker is the decision maker and so that might trigger a discussion with the person. The Centrelink social worker would determine vulnerability, not the referee.

**Senator BOYCE:** Can child protection workers put people forward as well?

**Mr Lye:** That is separate. You would be aware that is where there is a formal—

**Senator BOYCE:** That is in those five areas?

**Ms Hefren-Webb:** That is correct.

**Senator SIEWERT:** That is a different measure.

**Ms Carroll:** That is right. On the vulnerability measure it is the Centrelink social worker that would remain as the decision maker. It is not that anybody could be referred from the public housing area and automatically be put on income management.

**Senator SIEWERT:** No, but you are getting their data, aren't you? Centrelink will be getting the data from the public housing association about anybody in arrears on income support.

**Mr Lye:** The housing manager who is in discussion with that person who is in arrears might say to that person: 'This is the situation. We don't want to evict you. I have an ability to make a referral through to the Centrelink social worker.'

**Senator SIEWERT:** This gets better and better. So now you are turning housing people into people that could potentially require a person to be income managed?

**Mr Lye:** They would not have that ability. The Centrelink social worker would be the decision maker.

**Senator SIEWERT:** They still have a position of authority over those people by saying, 'We could be referring.' Does somebody know when they are going to be reported to Centrelink for being in arrears from the department of housing?

**Ms Hefren-Webb:** We would be envisaging a practice very much like the current child protection model where the child protection worker has that discussion with the person and advises them that the intention of the department is to make that referral. We have not yet had detailed discussions with state housing authorities, but we would envisage it being an appropriate process that there was discussion with the client and they were made fully aware that this was pending and potentially even might be offered the chance to put in place regular deductions to deal with the issue that way prior to the referral happening. That is still to be negotiated.

**Mr Lye:** The policy intent is to try to prevent the person from being made homeless through eviction. That is the intention of having that ability to refer to the social worker.

**CHAIR:** We will take a break and then come back to this issue.

**Proceedings suspended from 16:00 to 16:15**

**CHAIR:** We are on Outcome 3.1, and Senator Siewert was in mid-question.

**Senator SIEWERT:** Can we go back to how we pick up this indicator on housing? How regularly will somebody be checked? Will the housing department be trained in how to deal with these issues?

**Ms Carroll:** One of the things is that obviously this is new; we have not done this before. As Mr Lye said earlier, the objective is really to ensure that we do not have people that are falling out into homelessness that have multiple other issues for which it would be deemed by the Centrelink social worker that they met the kind of vulnerable criteria and therefore income management would be a useful thing. We are in the process at the moment of just starting to talk to states and territories, and obviously the way things occur in every state and territory will be a bit different around housing. We would be wanting to ensure that in working with the states about the protocols to get to those kinds of things like you have just described, like how frequently or whatever. We would be wanting to ensure, as we worked through with the state governments, that it was a more senior officer that did any of those referrals through to the Centrelink officer.

They are the sorts of things we still have to talk to the states about and work through, but we are quite conscious that it is not, 'Oh, this person looks like they are not going to pay their rent. We are going to refer them through to income management.' That is not the intent. The intent is to pick up highly vulnerable people that have significant issues and that are at risk of falling out into homelessness. Why we are being a bit vague on the detail is we are still working through that and working through what that might look like, both with the state governments—and we have only just started preliminary discussions with them—but also on the Centrelink side about how the Centrelink social worker as the decision maker would handle any of that information that they received. Because it might be that they receive the information from the state government person and all they need is to go onto Centrepay onto a compulsory rent deduction and, in fact, everything else is okay, so they do not need to go onto income management. They are the kinds of things that we are still working through because,

as indicated right at the beginning, we do not have this as one of the criteria in what currently exists, so it is one of the things that we are still working through.

**Senator SIEWERT:** I appreciate what you have just said. This is occurring in certain locations. I am a senior housing person. There has got to be some process of indicating to me in that region. You are not going to be doing it across the state, so there will be a list that exists of people that are on income support in that locality, or is it just that if you are in that locality, you may be on income support?

**Ms Carroll:** It would just be if you were in that locality and in public housing. We would be working with the housing authority to be saying if they have public housing in that locality and the person is highly vulnerable and they are very concerned and think that it might be a useful tool, then there would be a mechanism to refer them in. It is Centrelink that understands whether they are on income support or any of those other things. If you are in public housing you are mostly on income support, so we are actually not asking the housing authorities to have a list of people—or Centrelink certainly are not giving them a list of people—of this is who is captured in that area.

**Senator SIEWERT:** So, the indicator will be if people are in arrears? I am really struggling with, 'I think this person is vulnerable. They are struggling and they are in arrears, so they are vulnerable, so I am going to send their name to Centrelink.' That is how it is going to work.

**Ms Carroll:** As I said, we still have to work through that with the state governments, but one of the things that we certainly hear from the state governments on the housing side is that one of the things they struggle with is people not just getting in arrears, but they might actually have other complex issues—multiple issues—that are being dealt with at the same time, and their risk of getting so much in arrears that they actually lose their tenancy is like a final trigger. So, that is the idea, not just to say, 'You are a month behind in your rent and therefore you get sent off to Centrelink', which is why we would want to, as we work through it with the state governments, ensure that there is obviously an appropriate protocol but also some senior level oversight of how all of this happens.

**Senator SIEWERT:** This mechanism is not being used in the NT at the moment, is it? Because it is a new criterion, it is going to be added to the list?

**Ms Hefren-Webb:** That is correct; it is not currently operating in the NT.

**Senator SIEWERT:** If I am in a private rental and I am in arrears, I am not going to be telling my social worker because I am going to learn pretty quick that if I tell my social worker at Centrelink, I will get pinged and I will be classed as vulnerable. So, how then do they seek help if they want some support to get their way through issues, but they know they are going to get income managed? I tell you what, I would not be telling them, so how are you going to deal with that issue? You are pinging the people that are in housing authority houses, but there is no way that those that are in private rentals are going to be asking you for help. One of the avenues where you can get help is going to be excluded because I will be running a mile.

**Ms Carroll:** Again, we will be working through, obviously, with Centrelink, and you can ask them some questions about some of their thinking about how this might work as well. A lot of times the Centrelink social workers are seeing some people anyway is because they

have multiple, complex problems, and the fact that they are in private rental and getting in arrears is an additional thing which makes it very difficult for them to stabilise, which is the idea of then bringing in the income management.

**Senator SIEWERT:** I am hearing you; I just do not agree. I appreciate that. I understand in this measure there is additional funding for additional social workers. Do I ask that here or DHS?

**Ms Carroll:** DHS.

**Senator SIEWERT:** Thank you. In terms of the time process for the generation of the new criteria for the vulnerable list, first, what is the time line and, second, are there any other additions?

**Ms Hefren-Webb:** The new locations are scheduled to commence from 1 July 2012, so we would be looking to have the revised instrument in place prior to that, but obviously they are likely to be scheduled for first half of next year, say. There are no other criteria currently under discussion.

**Senator SIEWERT:** Will that instrument then be used for the NT as well?

**Ms Hefren-Webb:** At this stage, no decision has been made about that.

**Senator SIEWERT:** So, at the moment it will apply only to the five locations?

**Ms Hefren-Webb:** That is the current intention.

**Senator SIEWERT:** Are there any other legislative changes that are required to do the trials?

**Ms Hefren-Webb:** We are just looking at that at the moment. There may be some minor amendments, not so much required as that would facilitate the operation. The underpinning legislation is there already to implement, but just in terms of particular tweaking around the new locations, we are just looking at that issue at the moment.

**Senator SIEWERT:** Is the child protection measure going to operate in the same way it operates in Western Australia?

**Ms Hefren-Webb:** Subject to the discussions we have with each jurisdiction and how their child protection system operates. They all operate slightly differently, so in terms of what is their policy around keeping cases open and what level of seniority and so on would be required for referral, but we would be intending to use the system we have got set up in WA and NT at the moment as I guess a kind of a starting point for discussions with the other jurisdictions. We will be providing them with examples of how it works there and getting their views as to how that relates to their system.

**Senator SIEWERT:** Did you hold any discussions with the state governments prior to announcing these measures on these trials?

**Ms Carroll:** Not before the announcement. On the day after the budget there was a telephone conference with state government officials where we discussed the measures that were announced in the budget.

**Senator SIEWERT:** I understand that when the Western Australian one was brought in you had had prior discussions with the state government. Is that a correct understanding?

**Ms Carroll:** I would have to check, I am sorry. I do not know.



**Ms Hefren-Webb:** I believe that is correct.

**Senator SIEWERT:** So, why not this time, and what were the states' reactions?

**Ms Carroll:** Obviously, it was a decision of government about whether they have discussed things that are in the budget prior, or not. We have had two conversations with the states since then. There was, as I said, a telephone conversation on the day after the budget and then we had a community services senior officials meeting in Adelaide last week where we spent some time talking through the measures and the issues. The states were quite receptive. They had lots of questions, obviously. They wanted to understand how it would work and what it meant; not just the income management part, but all of the place based measures. They were very interested in how we would work together. Some jurisdictions were keen to be starting as quickly as possible and others were more wanting to understand how it might work in with what they have already got, but we certainly have had very positive conversations with the states.

**Senator SIEWERT:** They are obviously having to commit additional resources. Are they prepared to commit the additional resources?

**Ms Carroll:** We have not had a resourcing discussion with them, but they obviously are talking to us and interested in how to take this forward.

**Mr Pratt:** This is speculative, but clearly it could actually result in a saving for the state and territory governments if they do not have to pursue people who are at risk of homelessness around rent arrears and things like that.

**Senator SIEWERT:** In terms of additional financial counselling, are there going to be additional resources? In Western Australia there were some additional financial counselling and a bit of extra emergency financial counselling provided when that first started, was there not? Is that going to happen in these locations?

**Ms Oswald:** That is right. Over the five years that the pilot will be running, there is about \$13.6 million that will be put into additional financial management support services.

**Senator SIEWERT:** That is across the five locations?

**Ms Oswald:** That is across the five sites; that is right. We have not yet done a distribution across those sites. We need to do a scoping study first to work out what is in each of those locations before we determine what services are needed and what the gaps are.

**Senator SIEWERT:** Presumably, that will be tendered out like it was in Western Australia?

**Ms Oswald:** That is right.

**Senator SIEWERT:** While we are on Western Australia, going back to the table that you provided and the percentages in the column for WA for the income management trial. I have not done the calculations on my calculator; I am presuming where we are talking about the 55.5 per cent, that is the percentage of customers of the total amount that are being income managed.

**Ms Hefren-Webb:** That 55 per cent of the child protection customers are in the Perth metro area and 44 per cent are in the Kimberley; that would total 100 per cent.

**Senator SIEWERT:** In WA we have got a group of people—less than 20—which are outside metro and outside the Kimberley, so that would be south-west of the Pilbara. Is that what I can assume there?

**Ms Hefren-Webb:** The people out of area would be people who have subsequently moved out of area. You cannot sign up for voluntary income management unless you are in that area, but once you have signed up you can move away, subject to Centrelink being able to adequately service.

**Senator SIEWERT:** We have had a discussion before about the number of people that are cycling on and off voluntary income management in WA. Can you tell me, of the 542, how many of those have been on and off? Do you know what I mean?

**Ms Hefren-Webb:** I do not have that information with me.

**Senator SIEWERT:** Are you able to get it? The reason I am asking is there was some evidence in the past that people were signing up, going off. Some were going back on again. Could you get—

**Ms Hefren-Webb:** There have been new rules put in place putting a minimum of three months participation, so that may have affected that. I can try to get you that information. We are observing a somewhat similar pattern in the NT, where we have had some people cycle off and then on again.

**Senator SIEWERT:** For how long do they stay off?

**Ms Hefren-Webb:** Do you mean on average?

**Senator SIEWERT:** I beg your pardon, I meant when you are finding that. I should have been more clear. As I understand it, the Local Solution Fund is going to be administered by DHS?

**Ms Carroll:** That is correct.

**Senator SIEWERT:** Is there going to be an advisory committee process on that?

**Ms Carroll:** I think all of that is just being finalised at the moment about how that will actually operate. The funding has been provided to the Department of Human Services to administer and obviously there will certainly be local advisory committees that determine the needs in a particular area and also help these things work. We are still in the process of working out how all those things might work together.

**Senator SIEWERT:** So, that we can get an understanding of the total cost of this approach, who is doing that overview? I have some figures from DEEWR, I have some figures from you and I will get some figures from DHS tomorrow. Is there anybody who says, 'This is how much we are spending in total?' And, for example, per person or should I say per measure? Do you know what I mean? I am in the vulnerable group. There is obviously work that you were doing in terms of FaHCSIA. There is obviously work that DHS does and DEEWR does. Do we just have to keep going between each committee or is there an overview of all the expenditure to see whether it is working?

**Ms Carroll:** At a bureaucratic and a government level the IDC that I described before, which is actually chaired by DEEWR, will be keeping that kind of overview of how everything is coming together. In terms of providing something to this committee in an

overview way, we could perhaps take that on notice as to how we could provide more of an integrated update to the committee.

**Senator SIEWERT:** That would be appreciated, thank you. Who is in charge of the evaluation? I know there is money set aside. I know there is \$1.3 million set aside for the evaluation—

**Ms Carroll:** DEEWR is in charge of the overarching evaluation. The money is being appropriated to them.

**Ms Hefren-Webb:** An additional \$2.4 million has been appropriated to FaHCSIA for specific evaluation of the income management.

**Senator SIEWERT:** Is that separate to the—

**Ms Carroll:** Yes.

**Senator SIEWERT:** What process are you using to determine the evaluation?

**Ms Hefren-Webb:** We intend to go through a process similar to what we have done for the Northern Territory, which is to develop I guess a framework for the evaluation and to have a kind of consultative process. Then there would be a tender process and some sort of consortium or individual researcher would be appointed.

**Senator SIEWERT:** Is that intended to start as the pilots start?

**Ms Hefren-Webb:** We would actually probably intend to start a little earlier, so we could undertake some baseline research.

**Senator SIEWERT:** Does that mean you are going to be letting the tenders very shortly in that case, if you are going to have done what you just said, to get it in place before next year?

**Ms Hefren-Webb:** Potentially we might carve it up in future. These decisions have not been finally made, but potentially you might contract for some baseline research pretty quickly with some of the funding and then contract for the four-year evaluation. No decisions have really been made about how that will operate.

**Senator SIEWERT:** In terms of the baseline data, what did you have in mind?

**Ms Hefren-Webb:** I guess there would be value in looking at the nature of the income support population in each of the five locations, current issues around financial management, use of emergency relief and other issues like that, and potentially even selecting some sites that were not amongst the 10 for comparative purposes but were similar on other grounds. So, demographic information, potentially survey information, but I am not sure.

**Senator SIEWERT:** I understood that some of the information that you have just articulated is the information on which you made the decision to go for these pilot areas in the first place?

**Ms Hefren-Webb:** Obviously those pilot areas are very high on a number of disadvantage indicators. I guess we would be looking to get some more finely grained data about the nature of people in those communities, perhaps their use of financial counselling, their issues with debt, issues with homelessness or rental arrears and things like that.

**Senator SIEWERT:** Demographics—CALD, Aboriginal communities, et cetera.

**Senator BOYCE:** Are you able to provide us with those worksheets, for want of a better word? You talk about the indicators and then what the finished indicator for each of the five or 10 areas was.

**Ms Carroll:** Are you talking about the site selection?

**Senator BOYCE:** Yes.

**Ms Carroll:** I think DEEWR has answered some questions today about kind of how broad indicators were used. We can certainly take on notice the broad indicators—

**Senator BOYCE:** But presumably there was something that said—

**Ms Carroll:** Certainly the broad indicators were looking at significant low socioeconomic—

**Senator BOYCE:** I appreciate what the indicators would be, but I want to get a sense of what the reality of those indicators applied to those sites looks like. Do you know what I mean?

**Ms Carroll:** Are you asking, for example, in Rockhampton what the series of indicators look like for Rockhampton; is that what you are requesting?

**Senator BOYCE:** Yes.

**Senator FIFIELD:** That lead to their being selected as a site.

**Senator BOYCE:** Yes.

**Ms Carroll:** We can take that on notice.

**Senator SIEWERT:** We really want the 10.

**Senator BOYCE:** It would be good to get the 10, but if we have to settle for the five, we will.

**Senator FIFIELD:** You mentioned earlier that there was an IDC established to provide advice on site selection; was that right?

**Ms Carroll:** Not specifically on site selection. There was an interdepartmental committee that was working on the policy process.

**Senator FIFIELD:** And sites were part of that?

**Ms Carroll:** Sites were one of the things that were considered.

**Senator FIFIELD:** Who actually made the final decision about sites? Was that a decision by a minister or—

**Ms Carroll:** The government made the decision.

**Senator FIFIELD:** So, advice was provided to government and government made the decision. Did the department make a recommendation in relation to which site should be chosen?

**Ms Carroll:** I really cannot say any more except to say that advice was provided and government made a decision.

**Mr Pratt:** The department was part of a process with other—

**Senator FIFIELD:** I appreciate that. I hope we do not get to the advice to government, which is debatable anyway, as to whether that is a valid reason not to answer a question. We will just put that to one side. It does not go to advice to government. I am not asking what the

advice to government was, I am just asking, were recommendations made about which sites should be chosen?

**Mr Pratt:** I think it is safe to say we provided advice around that area.

**Senator FIFIELD:** Was that advice accepted?

**Mr Pratt:** That was a matter for government.

**Senator FIFIELD:** Of course it is a matter for government and they made their decision, but were the sites recommended chosen?

**Mr Pratt:** That goes to the deliberations of government. We provided advice along with other departments as part of the process that Ms Carroll described earlier, and government took decisions.

**Senator BOYCE:** Next you will be suggesting they are all Labor seats.

**Senator FIFIELD:** I have not even look at it in terms of who holds seats.

**Senator SIEWERT:** I would take that as a negative, not as a positive.

**Senator FIFIELD:** It just does make it a tad difficult for transparency, as I am sure you appreciate.

**Mr Pratt:** This is an issue which is of course always challenging in this environment and has been for many years.

**Senator FIFIELD:** I am not suggesting that government does not have the right to make these decisions, but it is just interesting to know when advice is accepted and when it is not. We might come back to that. I will not delay any further.

**Senator SIEWERT:** In terms of the budget allocation of \$117.5 million over five years, is that the amount that has been allocated to the extension of the five trials?

**Ms Hefren-Webb:** Yes.

**Senator SIEWERT:** Does the bulk of that money go to DHS?

**Ms Hefren-Webb:** The bulk of that is essentially for service delivery.

**Senator SIEWERT:** I am trying to work out the breakdown of that and how it is going to be spent. In terms of the overall funding, do I ask them? How much of that money do you get and what for?

**Ms Hefren-Webb:** The amount allocated for FaHCSIA specifically is—page 32 of the Portfolio Budget Statements—\$4.5 million in 2011-12, \$6.3 million in 2012-13, \$5.9 million in 2013-14 and \$6.5 million in 2014-15. That would comprise funding for the financial counselling and money management services, funding for evaluation, funding for the matched savings payment and the voluntary income management payments and departmental staff.

**Senator SIEWERT:** What was the last one, sorry?

**Ms Hefren-Webb:** For the matched savings payments and the voluntary income management payments and funding for departmental staff.

**Senator SIEWERT:** I will ask DEEWR for the rest of those figures—

**Ms Hefren-Webb:** DHS.

**Senator BOYCE:** You would not have those figures? They are doing it for you, aren't they?

**Ms Hefren-Webb:** They are doing it for the government, yes.

**Senator BOYCE:** All right.

**Ms Hefren-Webb:** I could do a subtraction. Essentially the bulk of the funding goes to DHS, in the order of \$70 million to \$80 million. I do not want to mislead you by trying to guesstimate a figure now.

**Senator SIEWERT:** I will ask them tomorrow. In terms of how the income management trials then coordinate with the team program and the very long-term unemployed programs, how is that going to work in terms of coordination, the evaluation that is taken of the five sites that have everything; that will come under the one evaluation process? You have the money for the income management trial and then there is the evaluation process that DEEWR is running over the whole thing. How is that going to interact?

**Ms Carroll:** We are still in the process of working out the different evaluation components. As Ms Hefren-Webb said, we are still in the formative stages of what it might look like and so is DEEWR. As part of the cross-departmental process, we are actually working together on how we might do that evaluation, because the purpose of their evaluation is in each of the 10 sites to actually understand how things have come together in a coordinated way and actually evaluate the totality. We do not have firm answers at this stage about how the two are going to interact, but we are clear that we need to make them work together and feed into each other.

**Senator SIEWERT:** I will ask again in October.

**Senator BOYCE:** The thousand people a year in each site covers child protection, vulnerable and voluntary; is that right?

**Ms Carroll:** That is correct.

**Senator BOYCE:** Do you have a sense of what the split would be even if you have to do that on an individual site-by-site basis?

**Ms Hefren-Webb:** We have a notional sense of a split but only based on our experience in Western Australia to date.

**Senator BOYCE:** Without tying you down to saying what it was, can you tell me about it?

**Ms Hefren-Webb:** Our estimate is that the most populous group is likely to be the volunteers followed by child protection referrals and then the vulnerable. As I said, that is just notional. We would not—

**Senator BOYCE:** Do volunteers make up more than half?

**Ms Hefren-Webb:** That has been the experience in WA. They make up 700 of the 900 clients.

**Senator BOYCE:** But presumably you would prioritise vulnerable and child protection over volunteer if you were going to get near the cap. Is that the way it would work?

**Ms Hefren-Webb:** Yes, if there were no room to move. As Ms Carroll said, that might be a point at which we would try to negotiate some adjustment of the cap or something.

**Senator BOYCE:** Is there any way to appeal against the Centrelink social worker's decision, if you are considered vulnerable?

**Ms Hefren-Webb:** Yes, that decision is appealable internally within Centrelink and then externally to the Social Security Appeals Tribunal.

**Senator BOYCE:** But if I were to wish to appeal, I would have to organise the material for that appeal to the Social Security Appeals Tribunal, et cetera?

**Ms Hefren-Webb:** It operates just like any other appeal in the social security system.

**Senator BOYCE:** In the area of child protection income management, is it going to be the child protection worker who makes the initial decision?

**Ms Hefren-Webb:** As we discussed, we have a specific arrangement with the child protection departments in WA and the NT. In both cases the decision made by the worker is actually reviewed by their team leader, and so the referral does not come until it has been through that kind of process.

**Senator BOYCE:** And how will that work—

**Ms Hefren-Webb:** We would envisage that happening in the—

**Senator BOYCE:** in the other states? Have you commenced negotiations on that point?

**Ms Hefren-Webb:** No, not really commenced negotiations. As Ms Carroll said, we have had some broad discussions multilaterally.

**Senator BOYCE:** One of the famous sort of concerns about the federation and how it was working, particularly in the area of health, was the wonderful problems around cost shifting. Do you see any potential at all here for states to try to shift issues management to the Commonwealth?

**Ms Hefren-Webb:** The way that we have structured this program to date is that the state child protection department must maintain the case open and have an active case worker assigned to the family for as long as they are on income management. To this point I cannot see that being an issue.

**Senator BOYCE:** Child protection in virtually every state and territory is notoriously underfunded and understaffed. What are you going to do in terms of ensuring that the cohort that you are seeking to assist is actually targeted and focused on properly in these areas?

**Ms Hefren-Webb:** As I said, currently we accept referrals only if the families are already under active case management by the department.

**Senator BOYCE:** So, that will not help the ones who are not at all, will it?

**Ms Hefren-Webb:** Each state has its own process for notification of a child at risk, whether they open a case or how that is resolved. This measure only comes into play once a case is open and there is case management already happening. It just offers an additional tool at that point in the process.

**Senator SIEWERT:** In terms of the Western Australian trial, there is money in the budget for one more year?

**Ms Hefren-Webb:** That is correct.

**Senator SIEWERT:** Do you expect it to then end or are we expecting to see it rolling on and what happens from here with that?

**Mr Pratt:** I think that would fall into the category of a hypothetical at this stage. We will have to wait until the government takes a decision on that.

**Senator SIEWERT:** I appreciate what you are saying. The reason I am asking is that there are a number of people now on income management. Therefore, will there be a process to ease them off? It is part of the funding and the support process to ease them off income management?

**Ms Hefren-Webb:** That is correct.

**CHAIR:** In terms of what will happen if the program ends? Is that the hypothetical? Are you saying if they come off the program between now and when the program is being re-evaluated?

**Senator SIEWERT:** I would have thought—and I should have asked this last time—that here you have a number of people who are currently under a process and it is only good management for a government to plan for if these people are going to be coming off income management at the end of this financial year. That entails work by this department and work by the Western Australian government to make that transition. Have you planned for it?

**Ms Hefren-Webb:** The funding for income management includes funding for an exit process for each customer, because the assumption is that, even though a person might be referred for six months or a year or two years, eventually they will be transitioned off. That funding is built into the funding for Centrelink to conduct an exit interview for them to get assistance with setting up direct deductions and bill payments, et cetera.

**Senator SIEWERT:** Does that mean that your average length of somebody on income management is three months? Not the average length, but you have already said that you have to stay in voluntary income management for three months. That is right, is it not?

**Ms Hefren-Webb:** As at 1 July last year.

**Senator SIEWERT:** So, the latest somebody would be going on in that case, if they are going to be transitioned off by July next year, would be, what, March next year?

**Ms Hefren-Webb:** That is correct.

**Senator SIEWERT:** There will be no planning for anyone new to go on from March next year to the end of the financial year?

**Ms Hefren-Webb:** As I said, the funding is available to transition those people off should it be the decision of the government to cease the program.

**Senator SIEWERT:** Even if you go on after March?

**Ms Carroll:** The funding is available for the thousand—

**Senator SIEWERT:** All of those thousand people?

**Ms Carroll:** to be transitioned off and it would just be a workload issue at a particular point in time.

**Senator SIEWERT:** Do we want to move on to the BasicsCard? I know some of this will be Centrelink, but presumably you will be involved in the process of ensuring there is a rollout of facilities for BasicsCards in each of these locations?

**Ms Hefren-Webb:** That is correct. There will be a process for engaging with merchants in each of the locations. We already have BasicsCards sign-ups by a number of national supermarket chains, as you know, but it will be about identifying some other target merchants in each location to encourage them to sign up to the BasicsCard.



**Senator SIEWERT:** Presumably that is starting almost immediately?

**Ms Hefren-Webb:** Yes, we will start reasonably soon. As I have said before, we have a 12-month lead-in, which gives us a little bit of time. The other factor is that it can be that when the customers actually start to flow through their shopping preferences are slightly different from what we might have predicted, and so we do leave some latitude. It will not be a case of signing up everyone before we start the program. We will try to sign up some major retailers and consult with community organisations about who they think would be useful to sign up in the locations, but there will still be a facility for Centrelink to sign up new merchants.

**Senator SIEWERT:** I presume I asked DHS about the cost of the rollout of the facilities in these five locations?

**Ms Hefren-Webb:** The cost of the rollout of the BasicsCard facilities, yes.

**Senator SIEWERT:** I think most of my other BasicsCard questions are for Centrelink.

**Senator BOYCE:** You may not be able to take this any further at this stage, and you have mentioned that you will speak to some individual retail players in those sites. All I was really interested in is, what is involved in further expanding the use of the BasicsCard to these other sites?

**Ms Hefren-Webb:** The BasicsCard operates off the EFTPOS system. From a merchant's perspective, if they agree to sign up it is a fairly quick process in terms of the actual mechanics of it. Centrelink goes in with a swipe card and activates the BasicsCard on their terminal. But prior to that they obviously need to consider the terms and conditions, sign up to that, et cetera, train staff in the use of it.

**Senator BOYCE:** Am I right in thinking that the new sites are in the main more geographically diverse than the current sites that you have?

**Ms Hefren-Webb:** Currently we have the whole of the Northern Territory, the Kimberley—

**Senator SIEWERT:** The Kimberley is only voluntary. No, it is not vulnerable.

**Ms Hefren-Webb:** It is not vulnerable, no; it is the others. It would be safe to say we have coverage of a fairly diverse range of merchants already from very small community stores to big supermarkets in Darwin and Perth. These new sites are all reasonably urban in nature. The strategy will be similar to those we have used in urban communities.

**Senator SIEWERT:** I know that SEAM is next door, but the SEAM trial is still operating in Logan, is it not?

**Ms Hefren-Webb:** That is correct.

**Senator BOYCE:** And will continue; is that what I have picked up?

**Senator SIEWERT:** I presume that is going to continue.

**Ms Hefren-Webb:** Funding for a further year was announced in the budget.

**Senator BOYCE:** Because those figures you gave us earlier included the extension of SEAM? That is what it says here.

**Ms Hefren-Webb:** The funding of \$117.5 million includes funding for the extension of SEAM, yes.

**Ms Carroll:** The extension of SEAM is just for one year.

**Senator BOYCE:** So, it is not applied to the new sites?

**Ms Carroll:** It is for the—

**Senator BOYCE:** For 2012-13.

**Ms Carroll:** Yes, you are right, because it does not start until 2012-13; that is right. The funding for SEAM is for through to 30 June 2012.

**Ms Hefren-Webb:** But it is just for the current SEAM locations. Logan happens to be a site that currently has SEAM and it happens to be one of the new sites, but that is the only overlap.

**Senator SIEWERT:** It is not going to be operating when the new process is operating?

**Ms Hefren-Webb:** Subject to a further decision of government.

**Senator SIEWERT:** Next year.

**Senator BOYCE:** But the budget papers say ‘targeted locations income management and extension of the School Enrolment and Attendance Measure’.

**Senator SIEWERT:** But what you are saying is that that is only for a year.

**Ms Hefren-Webb:** It is an extension in the time sense, not an extension geographically.

**Senator BOYCE:** I see what you mean.

**Senator SIEWERT:** I appreciate that I am skating on thin ice here about numbers. How many who are under the SEAM trial and being income managed through the process of SEAM are potentially going to transfer over into the new process? Does that make sense?

**Ms Carroll:** It does, except that the SEAM process isn’t income management, so to speak.

**Senator SIEWERT:** No, but people—

**Ms Carroll:** It is how many people are being affected in the particular locations in the SEAM trial.

**Senator SIEWERT:** They get 70 per cent of their income under the SEAM process?

**Ms Hefren-Webb:** The SEAM process involves suspension—

**Senator SIEWERT:** We are just cutting them off now. We are not doing the 70 per cent management.

**Ms Hefren-Webb:** It has never been 70 per cent.

**Senator SIEWERT:** Where is the 70 per cent?

**Ms Hefren-Webb:** Child protection.

**Senator SIEWERT:** I beg your pardon; yes, you are right. How many have been suspended; do you know?

**Ms Carroll:** No, sorry.

**Senator SIEWERT:** I will explore it elsewhere. There is a very strong potential that those people would then be straightaway designated as vulnerable, because their children are not going to school?

**Ms Hefren-Webb:** Yes, I guess the people suspended under the SEAM measure do have contact with the social worker prior to the suspension being applied. The same social workers

in the Northern Territory at this stage assessing the vulnerable measure, but as you know, the vulnerable measure does not list failure to have your children attend school as an indicator of vulnerability.

**Senator SIEWERT:** Those people are flagged because they are already in the system through the same assistance?

**Ms Hefren-Webb:** The social worker has to make an assessment on the basis of the principles under the legislative instrument. A social worker could not say, 'Because this family has come to me through SEAM and they are having trouble getting their children to school I automatically deem that they are vulnerable.' They would need to assess them against—

**Senator SIEWERT:** Which would be the same process that would work for the housing that we have just been through. That is how they will get flagged to the social worker potentially?

**Ms Hefren-Webb:** Potentially, yes.

**Senator SIEWERT:** I will ask next door about how many have been suspended. You are taking on notice the process that you are going through in providing the demographics. Will that also be broken down into Indigenous and non-Indigenous?

**Ms Carroll:** It will be how we have collected the demographics for that process. We have mostly used standard ABS criteria, but I can see what is possible in what we have already done.

**Senator SIEWERT:** I apologise for jumping back, but the officers are still at the table for financial counselling. I know that we have already had the discussion that it is going to roll out much the same. In terms of learning any lessons from the last two years, is there a process for that and is that being considered in the rollout? You are refining the process.

**Ms Oswald:** As far as I am aware, the funding agreements will be quite similar to the funding agreements that we have had in the past. I would have to take on notice the question about the evaluation of where we are at the moment with financial counselling and get back to you on that.

**Senator SIEWERT:** One of the reasons that I ask—and I think I have been through this before—is that I have had some feedback that people are still constantly in crisis and they are not getting to the point where they can start thinking about some of the longer term management issues.

**Ms Oswald:** This questions relates more to the emergency relief part of the program than just to the financial counselling part of the program?

**Senator SIEWERT:** Yes.

**Ms Oswald:** We are looking at a model of case management in emergency relief that would work more intensively with clients and do some basic financial education of clients. We are looking at perhaps rolling that model out more widely. While there have been no decisions made about the five trial sites—

**Senator SIEWERT:** That is where I was going next.

**Ms Oswald:** we may use that opportunity to trial some different models of emergency relief and income management so that we do some more of what we have looked at as money

management-type services that have been operating in the Northern Territory and looking at bringing that model more into the mainstream of emergency relief so that there is additional education for people about financial literacy and extra opportunities to do things like money plans and think about budgeting.

**Mr Lewis:** This leads on from some work that we did last year with the sector looking at changing the dynamics for ER and looking at a new way of approaching with people how they might not come back as repeat customers. It is quite creative and innovative work.

**Senator SIEWERT:** So, is the work that you did with the sector being implemented?

**Mr Lewis:** Certainly.

**Senator SIEWERT:** Do I assume that the work that you have done there is leading into what we were just talking about?

**Mr Lewis:** That is right.

**Senator SIEWERT:** Was that developed with the sector?

**Mr Lewis:** We certainly spent quite a lot of time last year working through with the GFC and the ER expansion what the implications might be so that in future we were not in the same position.

**Senator SIEWERT:** I have a few more questions on income management and then I think we should probably move off 1.1. I want to go back to the issue about the consultation not occurring with the states. Was there any consultation with not-for-profits or service organisations about the nature of the approach to these particular trials?

**Ms Carroll:** You might be aware that the Social Inclusion Board has recently done a paper on place based work.

**Senator SIEWERT:** Yes. In fact, they have done a number of papers.

**Ms Carroll:** That is right. That is just one of them. During the policy development process these things have been very active. The work that has been by the sector around a range of these issues was drawn on in the policy development process.

**Senator SIEWERT:** Do I understand that to mean that that work was, but not specifically talking to the organisations?

**Ms Carroll:** Yes.

**Senator SIEWERT:** I have not asked questions about Cape York, because we are doing that on Friday. It does relate, because it is not an Indigenous question that I am asking. There are a lot of people who are quite supportive of that particular model because of the case management. Again, I am skating on thin ice, but was there consideration given to that sort of even more intensive case management work? For example, you are not pinged on income management under the Cape York approach until you have gone through some of the other support mechanisms. Was that considered and, if not, why not?

**CHAIR:** We want everyone to give the same response.

**Ms Carroll:** Obviously I am not in a position to talk about what was part of the policy deliberations.

**Senator SIEWERT:** What is the difference in cost between the approach that has been taken under this trial and with Cape York?

**Ms Carroll:** We would have to take that on notice.

**Senator SIEWERT:** I thought you might. You can take that on notice. I realise it is going to be difficult because we are talking about five trials, but I would like to know what the cost is for the trial sites that are only trialling the income management under the various mechanisms and one of the other five that has the long-term unemployed, teen mums and income management.

**CHAIR:** Over a set period of time?

**Senator SIEWERT:** Over an equivalent period for Cape York versus one of those trials. I think I am on safe ground there in not asking for advice.

**Mr Pratt:** Yes. We will take that on notice and do the best we can. I think it is going to be a very difficult comparison.

**Senator SIEWERT:** I understand that, but I also understand that in this country we are now operating a number of income management/support approaches. This is another set of that. I think the government should be looking at the costs with the outcomes. I would have thought you would be looking at that at some stage.

**CHAIR:** Are there any other questions in 3.1?

**Senator SIEWERT:** I am pretty certain the rest of mine relate to Human Services.

**CHAIR:** Are there any questions for 3.2, Community Investments?

**Ms Carroll:** 3.1 also includes gambling.

**CHAIR:** Thank you so much for reminding us of that, because we would have had to call you all back. Senator Boyce has questions. We have until six o'clock, which is when we will break for dinner.

**Senator BOYCE:** I am not anticipating that it will take that long. There is a comment in the budget papers' preamble around how you will be working on precommitment technology this year. Could you tell me what you have done, what it has cost and what you are going to continue to do?

**Ms Carroll:** I am very happy to talk about what has happened and probably as a backdrop we can refer back to the select council meeting that occurred last Friday. You may have seen the communiqué that came out of that select council meeting. Effectively going forward from here we are working in two main areas. One is working on the areas that were agreed at the select council for continued work with the state and territory governments. They go to understanding the specifications of what is required on an electronic gaming machine for precommitment to operate on that machine. We have an agreement from the select council to do further work and for a Commonwealth and state working group to continue to do work on that and come back.

**Senator BOYCE:** Who is doing that work? Is it being done in house?

**Ms Carroll:** We have a working group between the Commonwealth, state and territory governments, and the bureaucrats will be working on that. We are yet to decide if we need additional technical support to do that, and that will be something that we will look at as we go forward over the coming months.

**Senator BOYCE:** I would have thought it was a highly technical area.

**Ms Carroll:** It is. However, a number of the state and territory officials are from the agencies that are regulators, and so they understand the technical specifications with great detail, because they are used to being the regulators and approving games and things like that on the electronic gaming machines. There is a great deal of technical expertise in the group, but that does not mean that we will not seek some advice from outside. As I said, that has not been determined yet. The other area that was decided last Friday was the consideration of small venues.

**Senator BOYCE:** Is this the 15 or less?

**Ms Carroll:** They decided that small venues may need special consideration. In the parliamentary committee report the 15 or less was a number that was put forward. We are obviously working with that number, but also the states are interested in some specificity that they have in each of their jurisdictions about it. The 15 or less looks very different state by state.

**Senator BOYCE:** I have seen some state figures, but I have never seen a national figure. Are you able to provide that? How many are 15s and how many are—

**Ms Edwards:** Forty-one percent of venues nationally have 15 machines or fewer, and that leaves a balance of 58 per cent or thereabouts of venues. Did you want the number of the venues?

**Senator BOYCE:** Yes.

**Ms Edwards:** There is a total of 5,513 venues nationally. Of those, 2,285 have 15 or fewer electronic gaming machines and 3,228 have greater than 15.

**Senator BOYCE:** Perhaps on notice you can give me that list broken down state by state. Do you have those figures as a percentage of turnover? How many small clubs are using this definition and what is the percentage of turnover by the small clubs?

**Ms Edwards:** We do not have those figures available. The revenue figure of turnover for clubs is something that is held by the states and has not been provided to us at the moment. We have the numbers of machines, as well as the numbers of venues, but not by revenue. That is not something that we would not hold at this stage or could easily get.

**Senator BOYCE:** What do you mean, how many machines each state has?

**Ms Edwards:** Yes.

**Ms Carroll:** Also, within each of those small venues what the proportion is of the total machines in a jurisdiction.

**Senator BOYCE:** Perhaps you could provide that on notice as well.

**Ms Edwards:** We can provide the number of venues by 15 or less and greater than 15 and then the number of machines nationally and by state.

**Senator BOYCE:** Thank you. Ms Carroll, you were talking about where you were up to.

**Ms Carroll:** Yes. We are progressing that work and that has to come back to the next select council meeting.

**Senator BOYCE:** Which is when?

**Ms Carroll:** The date has not been determined yet. That still needs to be decided, but I presume it is later in the year. The other thing that we are obviously working on is an

agreement that from a particular date, which is yet to be determined, all gaming machines might be required to have some precommitment functionality, and looking also at the other areas of dynamic warnings and cost of play displays and so on. That is a body of work that we are continuing to do. The other body of work that the Commonwealth is working on is looking at legislative arrangements for Commonwealth own action.

**Senator BOYCE:** What is the budget for this work for FaHCSIA?

**Ms Carroll:** We are doing the work internally within our existing resources, but we are also working across government. Clearly we are working very closely with Treasury, and also during the period to date we have had a seconded officer from the Department of Finance working with us as well as the Department of Treasury.

**Senator BOYCE:** How many FTEs are employed in the Problem Gambling Taskforce?

**Ms Cattermole:** There are currently 22 FaHCSIA staff in the taskforce, in addition to the one seconded officer from the department of finance.

**Senator BOYCE:** The Treasury people are working separately but—

**Ms Cattermole:** Jointly.

**Ms Carroll:** There have been some officers who have been working constantly on the work within the Treasury and will continue to work like that.

**Senator BOYCE:** So is it 22 FTEs or 22 people?

**Ms Cattermole:** That is 22 staff. It is slightly less FTEs, because Ms Edwards and I are involved in that Problem Gambling Taskforce on a job share arrangement. It is slightly less in terms of FTE, but 22 actual staff are involved from FaHCSIA.

**Senator BOYCE:** So today is changeover day?

**Ms Cattermole:** Indeed.

**Senator BOYCE:** Whilst the budget appeared to be suggesting that precommitment technology was a completely done deal, I am trying to get a sense of what you are perceiving to be the costs of this going forward? What are the steps that need to be taken to deliver on what the budget papers refer to as precommitment technology? I was going to look for the absolute quote, but I know, having not brought my copy and using someone else's, that I will not find it in time. You would be aware of that?

**Ms Edwards:** Yes. You are not talking about the cost to the department of managing this process, but the installation of infrastructure.

**Senator BOYCE:** The cost of the project, so to speak.

**Ms Carroll:** We are working through a range of issues around looking at what the cost of any implementation would be. Clearly this has all been premised on the Productivity Commission report, which had a whole range of cost estimates and so on in it. We have commissioned Access Economics to do work for us on the costs to industry as well as the costs to state and territory governments. The model is due by the end of the year for us to look at what the costings are, but we are working with them on the development.

**Senator BOYCE:** When you say 'them', do you mean Access Economics?

**Ms Carroll:** Yes.

**Senator BOYCE:** So, they are looking at developing a model as well?

**Ms Carroll:** A model to look at what the cost of implementation might be. Clearly one of the big drivers is to understand what the behavioural responses might be of individuals. One of the things that we have commissioned Access Economics to do is to develop a model to help look at a particular behavioural change and what would be the flow-on impacts. They are in the process of developing that for us.

**Senator BOYCE:** When was that work commissioned?

**Ms Carroll:** From memory, the contract was at the beginning of this year.

**Senator BOYCE:** Was that a tender process?

**Ms Carroll:** Yes. It was a select tender process.

**Senator BOYCE:** What is the value of the tender?

**Ms Cattermole:** There are two and I am just adding them up in my head, but it is about \$278,000.

**Senator BOYCE:** Can you tell me what you mean by 'two'?

**Ms Cattermole:** The study was being done in two phases. The first phase was focusing on the impacts of a reduction in problem gambling on individual behaviours and the second phase was looking more broadly at what those impacts might be, for example, on industry and the broader economy. It was done in two phases, although together that will form the basis of the work that is being done by Access Economics.

**Senator BOYCE:** Is there a briefing paper or something that you have prepared that is publicly available that we could have?

**Ms Carroll:** We could give you the tender documentation that went out to the select tender, which describes what we were requesting.

**Senator BOYCE:** When will you have the report?

**Ms Carroll:** As I said, the final is due at the end of this calendar year. We are working with them at the moment on looking at how it is progressing.

**Senator FIFIELD:** What about in the states?

**Ms Carroll:** That will be a decision for government as we go through.

**Senator FIFIELD:** You mentioned the report will be looking at the impact on industry. By industry, do you mean the clubs themselves?

**Ms Cattermole:** And more broadly, so other potentially affected industries as well.

**Senator BOYCE:** And machine manufacturers and the like?

**Ms Cattermole:** It could potentially be broader than that. For example, what other flow-on effects to other parts of industry might there be?

**Senator FIFIELD:** Would that also look at regional impacts—impacts in a regional setting in a particular town?

**Ms Cattermole:** Yes, it will. How much it drills into that is still being worked through in terms of the way the model is being developed, but it is highly likely that it will pick that up as well.



**Senator BOYCE:** The premise of this is that it is based on their being precommitment technology in all clubs with more than 15 machines or all premises with more than 15 machines?

**Ms Edwards:** I will just go back one step. The indication that was agreed at the select council about special consideration for small venues and the basis on which the minister made an announcement that the government's position is 15 venues is that those venues would have more time to implement the reforms rather than being completely exempted from them. Those with more than 15 machines would have precommitment by the set date, but smaller venues would have four additional years.

**Senator BOYCE:** So, it just applies with all venues with gambling machines?

**Ms Edwards:** That is correct. The study would investigate a model for what the impacts of those reforms would be, once implemented, on industry and other players and the economy.

**Ms Carroll:** As Ms Edwards said, it will be looking at that once it is implemented and in place.

**Senator BOYCE:** I think that is all my questions.

[17:26]

**CHAIR:** We have completed 3.1. Anyone from 3.1 can leave, Mr Pratt. Are there any questions for 3.2?

**Senator FIFIELD:** Is volunteer grants in 3.2?

**CHAIR:** Yes. Senator Fifield.

**Senator FIFIELD:** I would like to go to the Volunteer grants program. Minister Macklin, in the press release of 4 May, said:

To support people most in need, preference will be given to organisations with volunteers that assist disadvantaged individuals, families and communities, organisations located in regional and rural areas and organisations affected by recent natural disasters.

For the purposes of the volunteer grants program, and giving preference to those areas that were affected by recent natural disasters, how does FaHCSIA determine whether an applicant is in an area that has been affected?

**Ms Farrelly:** It is worked out by the address of the applicant. The areas that have been recently affected by a disaster such as the Queensland floods and in Victoria, those addresses bring with them additional loading in terms of the scoring when all of the applications are being processed.

**Senator FIFIELD:** What was the additional loading? Was it the postcode?

**Ms Farrelly:** Yes. It is the address of the applicant. It does not have a fine gradation. It will not be down to specific streets and into specific suburbs. It is the locations where those events happened.

**Senator FIFIELD:** How does that loading express itself? What are the other factors?

**Ms Farrelly:** There are other factors. You mentioned disadvantage. Another factor in working out the successful grant recipients is also the use of the SEIFA index.

**Senator BOYCE:** So, is it the postcode of the organisation and not the person filling in the application?

**Ms Farrelly:** Of the organisation; that is correct. The SEIFA is from the Index of Relative Social and Economic Disadvantage.

**Senator FIFIELD:** How recently does a natural disaster have to have occurred to be considered relevant?

**Ms Farrelly:** For the purpose of this one, it was over the last 12 months. We had assumed that possible grantees may have received grants for equipment in previous years that may have been lost in the floods, for example.

**Senator FIFIELD:** Are you able to provide a list of those disasters considered relevant?

**Ms Farrelly:** I can take that on notice.

**Senator FIFIELD:** If you could. Is the purpose of the weighting or the loading to specifically give assistance to organisations that have been themselves affected by the disasters or just that they are servicing areas that have been affected by disasters?

**Ms Farrelly:** It is more that they are servicing them. On average, we have over 15,000 applicants for a volunteer grants round, so there is not that level of granularity down to the organisation. You can imagine the processing of over 15,000 and making those fine decisions would be very expensive.

**Senator FIFIELD:** Indeed. I love that word ‘granularity’. It is a useful one for these occasions. Would you assume that the bulk of monies which go to disaster affected areas as a result of the loading would go to Queensland?

**Ms Farrelly:** I could not say. It would depend on the applications that came in and it would depend on the extent to which they answered other questions.

**Senator FIFIELD:** Thank you for that. I would like to go to the volunteer grants program as budgeted for 2011-12. In looking at 2008-09, I think it was \$21 million for the volunteer grants program. In 2009-10 it was \$21 million; 2010-11, \$21 million; in 2011-12, \$16 million. I appreciate that in 2007-08 the figure for the program was \$16 million and then it was increased by \$5 million. I think two things happened then. I think the criteria for the volunteer grants program was expanded to include the ability for fuel to be counted, and also the budget was increased by \$5 million in recognition of that and for people to use it for fuel. It does seem, particularly at a time I guess when the fund quite likely is being skewed—not using that as a pejorative—towards helping in disaster areas, that funding is actually being reduced.

**Ms Farrelly:** You correctly have stated that it was a three-year budget measure, which was the fuel subsidy, and although the measure has finished after three years, the applicants can still apply for fuel subsidy with the current funding amount.

**Senator FIFIELD:** I appreciate that and I will get to that, but it does seem odd. Perhaps I should address this to the minister as a decision of government, that the volunteer grants program was at \$21 million for the previous three years and in the immediate aftermath of a series of disasters and when the money is being skewed, rightly, towards disaster affected areas, whichever way you look at it the budget program expires, government chooses not to extend it and the budget is going down by \$5 million per year. It just strikes me as odd and I just wonder what your thoughts are, Minister, on behalf of the government.

**Senator Arbib:** I do not have any information on that program in relation to the funding. It has been a difficult 12-month period, though. We have said that in terms of the budget. There has been a lot of constraints in terms of revenue coming out of international economic challenges, but also at the same time as that we have had to deal with a number of natural disasters which have tested the Queensland government and also this government. I am happy to get more information for you.

**Senator FIFIELD:** Thank you. It does strike me as a little odd that in what I think this is the tenth anniversary of the United Nations International Year of the Volunteer, the funding for the voluntary grants program goes down in that year. I will come to the issue of fuel now and I appreciate that the grants program fuel can still be claimed, but the whole purpose of the additional \$5 million from 2008-09 on was in recognition of the fact that in the scheme from 2008-09 on fuel could be claimed. I appreciate that it still can be, but that part of the budget which was allocated in recognition of the demand for fuel is now gone. Clearly, fuel prices have not been going down over that time.

So, Minister, if I could direct this question to you about that component of it. The budget was increased by \$5 million in 2008-09 to recognise the fact that for the volunteer grants program the eligibility criteria was extended to include fuel. You can still claim fuel but that component of the budget which was put there in recognition of that is now gone. Cost of living pressures are significant, volunteers are putting their hands in their pocket and there is less money there now to reimburse those voluntary groups for fuel costs.

**Senator Arbib:** During the GFC, a great deal of work was done with not-for-profit organisations to ensure they had funding to get through a very rough period, temporary financial assistance. My understanding, in terms of the volunteer grants, is that we are putting in the same amount of funding as the last year of the Howard government.

**Senator FIFIELD:** But the scope of the program was expanded by the current government in 2008-09 to include fuel, which it did not include under the previous government, and the budget was increased by \$5 million to recognise that. It is unusual, I think, when cost of living pressures are there, when fuel is going up, that that component which was specifically put there for fuel is now gone.

**Senator Arbib:** I do not have any information in front of me except that in terms of the funding levels, they were in line with what was provided by the last Howard government.

**Senator FIFIELD:** Which was a scheme smaller in scope.

**Senator Arbib:** At the same time as that, though, there are a number of other programs that the government has provided funding to volunteer organisations and also community organisations. We have worked pretty closely with the Queensland government in terms of the disaster relief areas and the support they have provided to community and sporting organisations as well. Of course, on top of that we have got the direct payments that we provided to people affected, so we have worked pretty hard as a government to ensure that community organisations have benefited.

**Senator FIFIELD:** You mentioned funding provided during the global financial challenge to the not-for-profit sector. I could be wrong, and the department might correct me, but I thought the amount that was specifically allocated for the not-for-profit sector was only about \$11 million.

**Senator Arbib:** I need to check this, but out of the jobs fund I think there was temporary financial assistance provided to some not-for-profits around that amount, but I would need to double check. It is not the only work the government has been doing with the not-for-profits, but the temporary financial assistance was an important part and was welcomed throughout the sector.

**Senator FIFIELD:** In the scope of the \$42 billion, \$11 million was a surprisingly small figure for the not-for-profit sector.

**Senator Arbib:** But the not-for-profits have done a lot more than that, though. If you look at the housing and the stimulus and look at the work that the not-for-profits have done there, the community housing sector has really been able to leverage out of the stimulus. We are delivering 19,300 homes and a great deal of that is being delivered by the community housing sector, those not-for-profits, and they will say that it is the stimulus package itself that has given them the leverage and the platform to work off. So, there have been other benefits. At the same time as that on employment, we have worked with a number of different charities and not-for-profit organisations with intermediate labour market programs such as Mission Australia, which have been involved in numerous, plus all the job fund projects which have gone out to the homelessness sector, the Indigenous sector and so on. So, when the GFC and stimulus package were calibrated it did take into account the community sector and they have benefitted greatly.

**Senator FIFIELD:** I was thinking specifically of money direct to the not-for-profit sector to assist the organisations themselves through that time.

**Senator Arbib:** I take on board your point, but that has allowed them to provide services on the ground in terms of homelessness services and also employment services and infrastructure as well.

**Senator FIFIELD:** Back to fuel. In 2010, I think there were 29,000 organisations who sought reimbursement for fuel. Is that figure correct?

**Ms Farrelly:** I do not have that figure, but I can take it on notice.

**Senator FIFIELD:** Just bear with me a moment. Actually, 29,000 cannot be correct, actually, looking at my figures, so ignore that figure; I have scribbled my note down incorrectly.

**Ms Farrelly:** You quite rightly pointed out from the media release the number of volunteers supported by the fuel reimbursement were 29,000. That would be the volunteers supported by the organisations.

**Senator FIFIELD:** So, I was right, despite myself?

**Ms Farrelly:** Yes, that is the number of people.

**Senator FIFIELD:** I should not be so quick to doubt myself, should I?

**Ms Farrelly:** The amount of funding is \$2.8 million of the \$21 million.

**Senator FIFIELD:** Did 29,000 people claim fuel?

**Ms Farrelly:** No. The organisations that claimed, which I said I could take on notice, they were supporting 29,000 volunteers.

**Senator FIFIELD:** So, it is not the 29,000 people putting claims through those voluntary organisations; it was that those voluntary organisations support 29,000 people doing what?

**Ms Farrelly:** Correct; doing their range of volunteering things on which all of their volunteers were able to claim petrol subsidy.

**Senator FIFIELD:** All of their volunteers?

**Ms Farrelly:** Absolutely, yes.

**Senator FIFIELD:** All of their volunteers were able to claim, but it does not mean that they all did or were beneficiaries of it.

**Ms Farrelly:** No, but we would expect from their applications that that is the capacity that they have.

**Senator FIFIELD:** So, it is a slightly misleading figure, then. I am not alleging it is deliberately misleading; that 29,000 people just could give the wrong impression. Was it 6,000 organisations benefitted from the grants?

**Ms Farrelly:** Over 6,000.

**Senator FIFIELD:** Just take me through again how we get to the figure of 29,000 people.

**Ms Farrelly:** Yes. I mentioned organisations applied for fuel and those were the successful organisations.

**Senator FIFIELD:** So, how many organisations applied for fuel?

**Ms Farrelly:** I would need to take that on notice. Of the ones that were successful, that is the number of volunteers that they support, that were able to benefit from the fuel subsidy.

**Senator FIFIELD:** That is the number of people who are members of those voluntary organisations; is that right?

**Ms Farrelly:** That were claimed by those organisations as volunteers that they support, yes.

**Senator FIFIELD:** That they support with the fuel?

**Ms Farrelly:** It would have been in their application. The volunteer organisation says, 'I am applying for fuel', and the application says, 'How many volunteers do you support?'

**Senator FIFIELD:** That is how many volunteers are in your organisation?

**Ms Farrelly:** Yes.

**Senator FIFIELD:** It is not that those people might have put in claims themselves; it is potentially that number of people can be reimbursed in some small way?

**Ms Farrelly:** That is correct.

**Mr Lewis:** It is an assertion by the applicant that they have X number of volunteers in that organisation and the quantum of the fuel money that they are bidding for will be disbursed across those volunteers.

**Senator FIFIELD:** You said you will take on notice the number of organisations that submitted for fuel; you do not have that?

**Ms Farrelly:** I do not have that at this minute.

**Senator FIFIELD:** Could you also take on notice then, unless you have it—but I suppose as a matter of logic, you could not—what reduction you expect in the number of organisations who will benefit from being able to claim for fuel?

**Ms Farrelly:** That would be speculation. If we wait until next estimates, I can tell you how many apply and how many receive it, probably.

**Senator FIFIELD:** If you could. Are you able to tell me—overall, not specifically fuel—by each year from 2007-08 through to 2010-11 how many organisations have been assisted by the volunteer grants program?

**Ms Farrelly:** If I could take that on notice, please.

**Senator FIFIELD:** Okay, thank you. And how many you anticipate, are expecting, projecting or are forecasting—however you put it—for 2011-12?

**Mr Lewis:** We have got to be a bit careful about some of that because the round is live at the moment, so speculating on that at this time would be a bit fraught.

**Senator FIFIELD:** I would not want you to do anything fraught. The current round closes on 8 June?

**Ms Farrelly:** Yes.

**Senator FIFIELD:** Community investment. Playgrounds; are they also—

**Ms Farrelly:** They are.

**Mr Lewis:** We are glad you asked that one.

**Ms Farrelly:** I am so glad you asked about that.

**Mr Lewis:** We have been waiting for that one.

**Senator FIFIELD:** I was not going to, but then I thought you might feel neglected.

**Ms Farrelly:** It was really exciting you asked about that. I actually brought something for you. You will have to forgive our rather small cost production, but we brought you a history.

**Mr Lewis:** You have been very keen on the history.

**Ms Farrelly:** You have been given a history of Adventure Playgrounds; we can autograph one.

**Senator FIFIELD:** Indeed.

**Ms Farrelly:** If you would like. We did bring what is the history of the playgrounds and where they are. As I said, it is quite low cost; it is a photocopy in a sleeve, but if you would like them tabled, we would be glad to do that.

**CHAIR:** Do you have any questions on this gift that you have received?

**Senator FIFIELD:** It would be fair to say, I feel slightly overwhelmed. I do, Chair. The history of these community playgrounds had been elusive.

**CHAIR:** Not any longer.

**Senator FIFIELD:** That is right. Their origins were lost in the mists of time, but anyway I have the history, which I will read with interest.

**Mr Lewis:** Even a map of where they are.

**Senator FIFIELD:** I am even more impressed, thank you.

**Ms Carroll:** They seem to be peculiar to Victoria.

**Senator FIFIELD:** They are. Victorian exceptionalism.

**Senator BOYCE:** Excuse me, but where are the Queensland playgrounds?

**Senator FIFIELD:** We are very into community in Victoria.

**CHAIR:** Any questions arising.

**Senator FIFIELD:** Yes, thank you, Chair. There were, I thought—scratching my memory now—it was four or half a dozen, I thought.

**Ms Farrelly:** There were five.

**Senator FIFIELD:** There looked to be more than five pins on the map.

**Ms Farrelly:** You have the Fitzroy Adventure Playground, known as Cubbies; the Kensington Adventure Playground; the Prahran Adventure Playground; the South Melbourne Adventure Playground; and the St Kilda Adventure Playground. What the map is showing is some of the areas that are accessing the playgrounds. You can see the playgrounds in green and then the Housing Commission areas. So some of the playgrounds provide access to a range of areas, so they are a bit of a community hub.

**Senator FIFIELD:** The other sites identified represent public housing estates; is that correct?

**Ms Farrelly:** Yes.

**Senator FIFIELD:** I assume all of the playgrounds are still running. None have passed into glory since we last spoke?

**Ms Farrelly:** No, they are still operating.

**Senator FIFIELD:** Could you just remind me what the budget is for these?

**Ms Farrelly:** Yes. In what year would you like that?

**Senator FIFIELD:** In the current financial year and what is in the budget for the next financial year?

**Ms Farrelly:** Yes. In 2010-11, the total budget is \$671,191.66.

**Senator FIFIELD:** And for next?

**Ms Farrelly:** And for next, it is the same, and it is the same in 2012-13 and 2013-14. You will notice these funding amounts will vary slightly from the media release. That is because the figures include indexation.

**Senator FIFIELD:** I am just looking for the year that these commenced, which is in 1978, according to the history. Thank you.

**Ms Farrelly:** I guess it would be true to say that the Commonwealth government's funding went from then but their history is actually much earlier than that.

**Senator FIFIELD:** So, before 1978 they were funded by whom?

**Ms Farrelly:** My understanding is that—as you can read from the history—between 1962 and 1974, when the Housing Commission areas were constructed, that was the commencement. So, in the sixties there was a lot of criticism and so the Backyard Playgrounds, which is what they were originally called, really were started from 1974 to cater

for family needs. I do not have it with me, but they get funded by a range of local councils and state government funding also.

**Senator FIFIELD:** Thank you for that. There are no plans to review the funding of those community playgrounds?

**Ms Farrelly:** Not at this stage. We work very closely with the organisations that are funded to make sure that they are delivering what they promise to deliver and we see them providing very good outcomes. In some of these high-rise flats, they really are a community hub. If there is a crisis in the housing area—say, there is a death or a suicide or something of a tragic nature—then the playgrounds provide a really safe place to go and people come to them to talk and for young people to get support.

**Senator FIFIELD:** Thank you for that, and thank you indeed for following up on the history of those. I do appreciate it. The volunteer management program; that has left FaHCSIA, has it not?

**Ms Farrelly:** Yes, it transferred to Prime Minister and Cabinet as part of the machinery of government changes last October.

**Senator FIFIELD:** That has gone to the office of the not-for-profit sector; is that right?

**Ms Farrelly:** Yes, that is right.

**Senator FIFIELD:** What was the budget that was transferred across?

**Ms Farrelly:** It was around \$5 million. I am just having trouble locating my page. I will come back to you on that one.

**Mr Lewis:** We do have it.

**Ms Farrelly:** Yes, I do have it, but I just cannot find it. I do not want to waste your time.

**Senator FIFIELD:** That is okay. It was essentially the budget for the program itself for the volunteer resource centres that was transferred.

**Mr Lewis:** We transferred \$17.1 million over four years, and we transferred five full-time equivalent staff to manage that work.

**Senator FIFIELD:** And it is essentially to manage that program, is it?

**Mr Lewis:** And a range of other things in the not-for-profit sector.

**Senator FIFIELD:** Such as things to do with the national compacts with the—

**Mr Lewis:** That is it; that is right.

**Senator FIFIELD:** Does that mean that PM&C is now the lead department for the voluntary sector since the establishment of the office of the not-for-profit sector?

**Mr Lewis:** That is our understanding.

**Senator FIFIELD:** So, the national volunteering strategy will now be driven and controlled by PM&C rather than FaHCSIA?

**Mr Lewis:** That is right.

**Senator FIFIELD:** While FaHCSIA still has an interest in volunteer issues, they are the lead policy department?

**Ms Farrelly:** That is right.



**Senator FIFIELD:** Is there a reason why the volunteer grants program was not also transferred to PM&C? Is that because you have more capacity in program delivery than PM&C's essential agencies?

**Mr Lewis:** I think you have summed it up. It is a fairly onerous and micro process that would not normally be engaged in by a central policy department in that way; not in that sort of work, anyway.

**Ms Farrelly:** I have found the figure. The volunteer resource centres is \$5.1 million.

**Senator FIFIELD:** Is that \$5.1 million per annum?

**Ms Farrelly:** Yes, that is right. That is a component of the larger figure of \$17.1 million.

**Senator FIFIELD:** Thank you for that. Mr Pratt, do you maintain an interest in the voluntary sector and voluntary issues, or it is now someone else's doing?

**Mr Pratt:** We still contribute, of course, given that we are actually involved in management of the programs.

**Senator FIFIELD:** Thank you, Chair.

**CHAIR:** Any other questions in Outcome 3.2 that we know of? No. I think actually it is a good time to break. It is going to be 6 pm until 7 pm. It is a hypothetical, but I am just wondering what the officers would have done if Senator Fifield had not asked a question about playgrounds?

**Mr Lewis:** We would have been very sad.

**CHAIR:** Exactly. You created such excitement.

**Senator BOYCE:** The Department of Health and Ageing gave us big bags with goodies in them, so perhaps you could just contemplate that?

**CHAIR:** Thank you very much to the officers from Outcome 3.2. We will come back at 7 o'clock and go into Outcome 3.3, income support.

**Mr Pratt:** May I just inquire? It is feasible that we will not actually have any questions for the rest of Outcome 3, I understand.

**CHAIR:** We will check. Who has questions for Outcome 3?

**Senator BOYCE:** I was going to ask a few, I thought, in support for people in special circumstances around the floods, but I am happy to put those on notice. There is not an extensive number, but could I just make one query before we do that. I just wanted to double check that queries about rental assistance come under housing tonight; is that right?

**Senator Arbib:** Are you talking about CRA? Yes.

**CHAIR:** In that case, I think we can actually farewell the officers in Outcome 3, but we would then need to have the officers from Outcome 2 available earlier. We will operate on the basis that we start with housing at seven o'clock, but I will be making inquiries with the senators, because we had it scheduled for eight o'clock, in case they are caught up in other estimates areas. We will check it, Mr Pratt, but certainly the officer from outcome 3 can go home.

**Proceedings suspended from 18:00 to 18:59**

**CHAIR:** Thank you very much, we will start back with Senator Payne in the area of 2.1, affordable housing.

**Senator PAYNE:** Could I just start with some of the numbers around the social housing construction process, and seek an update on where the initiative is at by jurisdiction, I suppose. So, in terms of new houses and repairs and maintenance jobs by jurisdiction, those which have been completed, to start with.

**Ms Croke:** I will come back to repairs and maintenance because that phase is entirely finished. But I will go through with you the construction element of the social housing initiative. For New South Wales, we have a total of their approved allocation of 6,329; 100 per cent of those have started and completions is 5,234, or around 83 per cent. For Victoria, the total approved is 4,644; the total number started is 4,405 and the total completed is 2,910. Then we have Queensland, approved 4,045, started 3,799, completed 2,520; Western Australia, approved 2,071, started 2,071, completed 1,673; South Australia, 1,378 approved, 1,329 started, 1,021 completed; Tasmania, 531 approved, 531 started, 384 complete; ACT, 421 approved, 421 started, 310 complete; and Northern Territory, 208 approved, 208 started, 155 complete.

**Senator PAYNE:** You gave me a percentage completion rate in New South Wales, but not for any of the others and my mental arithmetic is suffering.

**Ms Croke:** We have New South Wales 83 per cent, Victoria 63 per cent, Queensland 62 per cent, Western Australia 81 per cent, South Australia 74 per cent, Tasmania 72 per cent, ACT 74 per cent and Northern Territory 75 per cent.

**Senator PAYNE:** So, other than Victoria and Queensland, all of the completion rates are in the 70 to 80 percentage point range.

**Ms Croke:** Yes.

**Senator PAYNE:** What is the reason for the lower numbers in Victoria, firstly?

**Ms Croke:** Victoria, when they established their building program, did have a number of larger dwellings that were scheduled for commencement in the second half of 2011. We are seeing those larger developments come on stream now. It has just meant that they have got their larger projects being completed later, which is a reason for the number. The other reason is the wet weather that they too experienced over the summer. Similarly for Queensland, the wet weather would be the key factor there.

**Senator Arbib:** Apart from WA, all state governments and territory governments report higher than usual rainfall.

**Senator PAYNE:** Of the homes that are remaining for completion, can you give an estimate of how many of those are expected to be completed by the end of the financial year? I know that is only a month away, but is there a line in the sand at the end of the financial year for any of the completions?

**Ms Croke:** We do not have any further milestones other than the completion milestone which is 30 June 2012. We certainly are watching closely and we have introduced an additional reporting factor for projects that have not yet commenced.

**Senator PAYNE:** What is that?

**Ms Croke:** We are asking states and territories to provide us on a monthly basis, project by project, analysis so that we can make sure that we do have completions through to 30 June 2012, which is the end date. So I do not have another milestone.

**Senator PAYNE:** I understand. An analysis is all well and good, but if it was to show you a significant problem or a lag, what would be the response of the department in that case?

**Ms Croke:** We do visit states and territories on a fairly regular basis—most recently we have been to four jurisdictions. We are in very close contact with all of the coordinator generals in each state and territory and are working with them to make sure that progress is being made. The new monthly reporting is providing us with far more information about projects yet to commence in terms of have the slabs been laid, are all approvals in. So we are getting far more information to be able to have a better assessment of tracking.

**Senator PAYNE:** In terms of an aspect like the development approval process, will the introduction of a reporting tool like that give the department a better idea of where there are challenges in the development approval process around a social housing project like this?

**Ms Croke:** It would, for the most part—and I would have to check whether this is entirely accurate—most of the projects would have already been approved. There might be some late elements needing approval, but for the most part it is actually just making sure we have got everything ticked off to be able to commence construction.

**Senator PAYNE:** I only really asked about that because you mentioned it as a factor in the analysis process.

**Ms Croke:** There are some tender processes that are still being finalised, but that again is part of how states and territories set their program of work.

**Senator PAYNE:** Can you tell me where those outstanding tender processes are?

**Ms Croke:** I would have to take that on notice, I do not have that with me.

**Senator PAYNE:** I think your officer was going to help you.

**Ms Croke:** I will get back to you.

**Senator PAYNE:** In terms of the ascension of new governments in three of the states, but most recently in two of the states, are there any policy changes in either of those states, Victoria or New South Wales, that have any impact on the continuation and completion of this program?

**Mr Tongue:** Not that have been drawn to our attention by the relevant state government housing agencies. We are certainly aware of attitudes to planning policies, for example, in New South Wales. It depends, a little bit, by state, because all of the projects in New South Wales have commenced. For Victoria, we have not been advised of any changes. I think there is general support for the stimulus program.

**Senator LUDLAM:** When you are talking about social housing, in general, for the last couple of years mainly the statistics that you have given us have been about the spending that occurred as a result of the stimulus package. Is there anything else out there that we have missed? As you say, most of that funding, if not all of it, has been committed. A fair bit of it is under construction. What is there in the pipeline when that well has run dry?

**Mr Tongue:** Do you mean in total across the current \$20 billion spend on housing or do you mean what happens post the stimulus package?

**Senator LUDLAM:** What happens post the stimulus package. So we deal with NRAS—I am not sure if that is what you are referring to, in a separate portfolio—

**Mr Tongue:** Yes, that is right.

**Senator LUDLAM:** Which I grumble about, given any opportunity at all. So I do not mean that; I mean what the social housing spending will be, actually going out and building stuff.

**Mr Tongue:** It depends a little bit in each of the areas. For example, remote Indigenous housing is a \$5.6 billion initiative. It is a national partnership and it is over 10 years, so that funding stream broadly rolls out over 10 years. The NAHA, the National Affordable Housing Agreement, is spread over five years and what happens beyond that will be a question for the government—noting that federal governments have tended to spend at least a billion or so dollars a year with the states and territories on public housing for many, many years. There are various elements of funding related to say, homelessness, some of which are over four years, some of which are three years. So, the various elements drop off at various times and what happens after that will be a question for the government.

**Senator LUDLAM:** I guess I am interested more in the supply side at the moment given this is an area that we are in right now. There was a big pulse of funding that hit the table as a result of the stimulus package. That is now starting to wind down. The minister, I think at the National Affordable Housing Exchange on 14 April, identified a current shortfall of about 90,000 homes, I think that was the figure that you used, Minister, with 60,000 in greatest need. And the gap would rise to 150,000 by 2020. Once that funding has worked its way through the system, which it almost has, there does not appear to anything on the horizon, certainly not in the forward estimates that we have got. Is there any target or is there going to be any systematic attempt to meet that shortfall?

**Mr Tongue:** NRAS would deliver 50,000 or thereabouts into the more affordable end of the market. We are working with states and territories around the development of the community housing sector. One of the advantages from a policy perspective of working with a community housing sector is leverage, so that community housing is able to borrow against assets that state governments do not borrow against and can generate growth that way. There is also a keen link here between, if you like, what I call core public housing and the whole affordable spectrum which certainly is evolving. There are new products coming onto the market. So whilst there are some challenges there, we still see a fair bit of product hitting the market for the foreseeable future.

**Senator LUDLAM:** You would be aware, of course, because the government has been very careful to make this very clear, that NRAS is not really for the most needy; it is not for homeless people, it is for people in the middle of the market, given that is an extremely distorted and overheated market. So I will give you an example: the recent Western Australian affordable housing strategy has a target of 20,000 in terms of new supply by 2020. We might argue about whether that is sufficient or not, but there is a growth target there. I do not understand, unless I have missed it, whether or not the federal government has an aspirational target or any kind of target to meet that 150,000 by 2020, if that is the estimate.

**Mr Tongue:** I think that in terms of where we are right now, one of the things that we are observing in the market is that there is a lot of pressure at the bottom end, say in reference to

NRAS, from people who we might judge have relatively greater means to rent taking up property at lower rent levels. So, part of the advantage of NRAS in delivering the 50,000 is it relieves a bit of rental stress at the bottom end of the market. In terms of targets, one of the big challenges in looking at the whole area is the complex interaction of population growth, the rate of household formation, the economics of the day, what the private market is generating, as well as the dynamics of the type of housing that is being constructed.

**Senator LUDLAM:** Yes, but the state administration in WA, and the other states and territories for that matter, are confronting exactly that same complex range of variables but it has set a target. You have not yet got to the issue of why the Commonwealth has not.

**Mr Tongue:** The Commonwealth certainly set targets in terms of NRAS and the stimulus and we have got aspirations with regard to NAHA—

**Senator LUDLAM:** Yes, but when we add those targets up, they do not come anywhere near 150,000.

**Mr Tongue:** No, but they are a considerable injection. We do have to look at what the private market will also generate over that time. So we have also been working with the Treasury and our colleagues at SEWPAC, who have got a large part of the affordability agenda and the development industry in looking at the nature of product that is being delivered. So some of the data that we have certainly seen suggests that houses are tending now to get smaller, blocks are tending to get smaller. The market is responding to what is happening out there on the demand side.

**Senator LUDLAM:** Could you take on notice for us, by the year 2020 what fraction of that 150,000 will be taken up by the different schemes and incentives that governments are providing and what you expect will be taken up by the private sector—how you actually anticipate the country meeting the demand. Otherwise, to me it feels as though we are planning for a shortfall.

**Mr Tongue:** Happy to have a go at the concrete bits we can provide and we will have a look and see what we can do about the percentages.

**Senator LUDLAM:** The gaps themselves will be interesting.

**Mr Innis:** One of our difficulties is that our key vehicle for discussions with the states is the Affordable Housing Agreement. That is on a five-year term. Clearly, beyond 2014, when that becomes due, government has not yet established what it expects to do and intends to do. So, we will not be able to, with precise numbers, respond with a 2020 figure.

**Senator LUDLAM:** I picked out that date because that was where the minister went, but that is a fair comment. In that case, could I ask you to take exactly the same information on notice, but gear it back to a 2014 target—what we expect the shortfall will be and how we are planning on making that up.

**Senator ARBIB:** Senator, you have raised one of the speeches I have given in terms of affordable and social housing. There is no doubt that we are going to, in terms of the next NAHA renegotiation, have to change the way funding is delivered to get better leverage out of the states. There is no doubt about it. I think we should remember primary responsibility for housing rests with the states, and they should be setting targets—and I welcome Western Australia setting a target. In terms of what we been able to deliver, I think it is important to note that 20,000 homes have been delivered already. That is right now. If you put together the

14,200 out of the stimulus package, the 3,500 out of NRAS and 1,200 out of the National Partnership Agreement on Social Housing, we are already around 20,000. In terms of the stimulus, with the social housing initiative, the latest advice from the department is that we will go better than 19,300 because there have been cost savings out of construction. We may get to 19,600. I do not want to raise expectations, but that is what we are hopeful of. In the national partnership on social housing there are another 577 to come.

We fully appreciate the pressure on housing. The reason I gave that speech was to say that the demand is very great on the states and, with an ageing population, it is not business as usual. We are going to have to change the way we deliver funding at a federal level, but at the same time as that the states are going to have to change their ways. We are going to have to rely more on community housing, the not-for-profit sector, and find ways to get private investment into the market.

**Senator LUDLAM:** And that sector is stepping up. None of this is intended as a criticism of what has gone before. I do not want to be interpreted in that way. You put some numbers on the table in that speech, and presumably we will be able to make an educated guess by 2014 that will be better than the educated guess for 2020. I am interested to know how you plan on filling the wedge. To me it feels as though the targets are good, and they are coming after a decade of chronic underinvestment. We were coming from a pretty low base. But it still seems to me that the gap is widening. Even as we are making a substantial investment the gap is widening, and at no time have I heard anybody express how we are going to hit the shortfall that is being expressed.

**Senator Arbib:** Senator, I know you work a great deal with the community housing sector and you have seen what has happened in the United Kingdom. The speech that I have given is an attempt to ensure that the committee housing sector and the not for profits have the capacity they need to grow, and a great deal of that shortfall has to be provided through that sector building their asset base so they can leverage funds out of the private sector, further use of PPPs—

**Senator LUDLAM:** I understand the dynamic. What I am keen to know is: what fraction of the shortfall does the Commonwealth believe will be taken up by exactly that kind of activity? I am just looking for rough numbers, because if you had these targets no doubt you would have published them. I am trying to establish the different mechanisms of things the Commonwealth directly controls, the things that it indirectly tries to leverage and what you want the private sector and the community sector to do—how we are going to meet the shortfall of 150,000 by 2020 or, if you would prefer, some targets by 2014, when the NAHA rolls over. That is all.

**Senator Arbib:** The key bit of work that has to take place is through the NAHA. That is where the departments and the states and officials sit down and work out those sorts of details. That renegotiation will probably start sometime next year, I expect. Mr Tongue, you might like to say why.

**Mr Tongue:** As part of our engagement with the states and territories, the NAHA is unusual in that it replaced the old Commonwealth-State Housing Agreement. That was very much a public housing type focus, whereas the NAHA is a broader agreement that contemplates reform across the affordability sector.

**Senator LUDLAM:** I am familiar with that.

**Mr Tongue:** Moving forward without tipping our hand, we certainly want to keep that breadth so that we have purchase, as the minister described, with the states and territories around the full spectrum of affordability. Part of the reality here going forward is that at the affordable end, looking at everything from public housing to lower priced rental, we are going to need the private market to do some lifting.

**Senator LUDLAM:** I have no dispute with anything that has been said in the last two minutes. I am trying to get some order-of-magnitude idea of what you think will pick up what slack; that is all. I think you undertook to take that on notice prior to the minister's comments

**Mr Tongue:** Yes, we did.

**Senator FIERRAVANTI-WELLS:** Could I take you to page 57 of the portfolio budget statement and the reference there to the national partnership agreement on mental health. Could you elaborate on that for me, please?

**Mr Innis:** This is part of the government's mental health package led by the department of health. This particular initiative is designed around people who are hard to help who are hitting the hospital system. The idea is to connect support from the hospital system all the way through to stable housing. It is a \$200 million initiative over five years. It will be a national partnership with the states. One of the interesting features of this work is that it will be a competitive partnership, so states will be asked to put up their best bids for this funding. We will be working closely with Health in developing that, but it is a health portfolio initiative.

**Senator FIERRAVANTI-WELLS:** So they will be driving the agenda and coming to you for your component of it.

**Mr Innis:** That is correct. We will be working together, but it is part of the mental health package and will be driven from the health portfolio.

**Senator FIERRAVANTI-WELLS:** In terms of funding for the assistance, on page 62 there are some statistics about the number of cases where individuals and families were assisted. Does that mean that the mentally ill come within that figure of \$5,500?

**Mr Innis:** Those figures refer to a program that FaHCSIA does at the moment. Those two figures refer to existing programs—Reconnect and the HOME Advice Program.

**Senator FIERRAVANTI-WELLS:** So this initiative is new?

**Mr Innis:** The national partnership on mental health?

**Senator FIERRAVANTI-WELLS:** No, the component that you—

**Mr Innis:** No. They were existing programs and funding is continuing.

**Senator FIERRAVANTI-WELLS:** Sorry. With the mental health component you said you were getting \$2 million to undertake the work in relation to mental health. Is that new?

**Mr Innis:** I do apologise. We are receiving some funding—I only wish it were \$2 million; it is not—to assist Health in developing that national partnership.

**Senator FIERRAVANTI-WELLS:** That is what it is.

**Mr Tongue:** The significance here in relation to homelessness is that the evidence suggests that up to 70 per cent of people who are homeless may have a mental health issue.

What we are trying to do in our work with Health in some of their construction with the states and territories of homeless initiatives is bind the health and hospital system better around support for homeless people.

**Senator FIERRAVANTI-WELLS:** Yes. Indeed I was just looking at the national common framework and the process that you are going through in relation to that, and I note that you have started a series of public workshops in consultation. What sort of focus is there in those workshops from people within the mental health sector?

**Mr Donovan:** The National Quality Framework was a two-stage process and we have just concluded our second stage. We are expecting a report back from the consultant next month. There has been a focus to date of the broad sector engagement looking at having some consistency across jurisdictions, quality of services, client focus and flexibly responsive and culturally responsive services. I am not quite sure of any detail at this point—about whether there has been a specific focus.

**Senator FIERRAVANTI-WELLS:** Perhaps you could take on notice the mental health component of those consultations.

**Mr Innis:** What I can say is that there have been interviews and focus groups with 100 people. There have been 16 public workshops, with over 500 participants, and 20 interviews with service providers who could not make workshops. We received a number of submissions and we also had an online survey, which about 130 people completed. I am happy to take it on notice. Our experience is that when you are working with the homelessness sector, even if they are not expert mental health providers—and there would have been quite a number—most of the providers have a deep experience in working with people with mental illness and, as Mr Tongue said, about 70 per cent of homeless people have a mental illness. So it is part and parcel of the whole system.

**Senator FIERRAVANTI-WELLS:** It is day to day. They are bread and butter work.

**Mr Innis:** It is bread and butter stuff.

**Senator Arbib:** This is probably one part of the budget I was most happy with. When we were out talking to the homelessness providers, and also with those involved in the mental health area, this is an area where they say that there has been a gap in state funding and that the states need support.

**Senator FIERRAVANTI-WELLS:** Especially in New South Wales, whence we come.

**Senator Arbib:** The program we are looking at is HASI in New South Wales. It is a very innovative program. We think it is working. That is the type of program we hope the states bid for out of this private funding. That is what we are aiming to achieve. I think it is a very good result, and Minister Butler should be congratulated on the work he did with the mental health sector. It has come out of the work he has done and also out of the work that our own department has done with the homelessness sector.

**Senator FIERRAVANTI-WELLS:** There was a lot of pressure on Minister Butler in working in mental health, and I think that is—

**Senator Arbib:** In the end he got the result. I think the housing side was an area that had long been talked about but in which little had been done. It was a good bit of work.



**Senator FIERRAVANTI-WELLS:** Mr Tongue, the framework here refers to 105,000. Is 70 per cent of that 105,000 roughly the figure that you are working toward?

**Mr Tongue:** Yes.

**Senator BOYCE:** I want to look at the accommodation that is being built under the Nation Building Program. Can you tell me what proportion of the funding that each state was allocated is spent on management and contingency fees?

**Ms Croke:** I do not think I have that.

**Senator Arbib:** While we are trying to find the advice—and Mr Tongue or Mr Innis might be able to correct me on the figures—in terms of the cost and what was expected, the states have done much better than the expected cost. I think it has come in at around \$260,000 or \$270,000 per dwelling, and the estimate, off my head, was \$300,000. So to come in at that level has been a good result.

**Mr Tongue:** We have come in below where we were expecting.

**Senator BOYCE:** Could you perhaps take that question on notice.

**Mr Tongue:** Sure. Just to clarify, it was management fees and contingencies?

**Senator BOYCE:** Yes, management and contingency fees in each state versus their total amount of money. What was the average cost per single unit in each state and nationally? In the material I have here a single unit is defined as 'a bedroom', so that you get a comparison.

**Ms Croke:** For one bedroom?

**Senator BOYCE:** Two bedrooms is two units and three bedrooms is three units. You might have to do it some other way, but can you explain how you are doing it?

**Mr Innis:** I do not think we have it bedroom by bedroom, but we do have figures per dwelling.

**Senator BOYCE:** Can we have the breakdown of the size of the dwelling and the average cost? Perhaps you can just give me what you have got now, Ms Croke, and we will see where we end up.

**Ms Croke:** I will give you what we have. We have an average dwelling for new construction by jurisdiction. Will I run through it?

**Senator BOYCE:** Yes, please.

**Ms Croke:** For New South Wales it is \$295,171; for Victoria it is \$251,077; for Queensland it is \$268,349; for Western Australia it is \$265,440; for South Australia it is \$293,369; for Tasmania it is \$236,309; for the ACT it is \$206,841; and for the Northern Territory it is \$267,183. The national average is \$271,765.

**Mr Innis:** That is about 10 per cent below what we expected—hence the minister's observation that we are hoping to build more dwellings than we had originally planned.

**Mr Tongue:** I should also note that we have also worked with the states around the allocation of dwellings. Our expectation is that with the states and territories at least half of the dwellings will go to people who are homeless or at risk of homelessness. Whilst we have tried to stay out of the way of the states in getting the program done, because of the nature of the stimulus, it is also conditioned around who gets a six-star rating—and we can provide you with the data—universal access and that style of thing.

**Senator BOYCE:** But if one state has built 80 per cent single units and another state has built 50 per cent three-bedroom units, those figures are not telling me a lot. What I was wanting, perhaps on notice, Ms Croke, is what the average cost of a three-bedroom unit was in each state and what the average cost of a two-bedroom unit was et cetera, if possible.

**Ms Croke:** Certainly.

**Mr Tongue:** Part of the costs arrangement in the program is the mix of dwelling type between things that might be built, say, in the middle of Melbourne versus things that have been built in regional communities.

**Senator BOYCE:** Yes, I appreciate that. That would be one of the reasons that the Northern Territory figure is sitting where it is.

**Mr Tongue:** Yes.

**Mr Innis:** The types of dwellings built were very much designed around the demand in the individual location. The configuration—be it one bedroom, two bedrooms or whatever—was designed to reflect the demand.

**Senator BOYCE:** That probably takes me to my next question, which is: what were the guidelines to ensure that the houses went where they were needed—areas of high need?

**Ms Croke:** The states and territories were key in working out, from their own knowledge, where they felt the greatest housing need was. They then looked at all the proposals and assessed them against where they felt the greatest housing need was. The Commonwealth also had an opportunity, early on in the piece, to approve those projects.

**Senator BOYCE:** So you reviewed the decisions that the states had made about where to site the houses, is that correct?

**Ms Croke:** Yes.

**Senator BOYCE:** Did you receive any complaints about where accommodation has been sited?

**Mr Tongue:** Senator, to clarify: do you mean from the states and territories?

**Senator BOYCE:** No, I meant from organisations, NGOs, individuals.

**Mr Tongue:** I think we have previously canvassed that at estimates. In a few instances, across 2,500 projects nationally, we had some complaints. Ryde, in Sydney, sticks in my mind. In Far North Queensland, around Cairns—

**Senator BOYCE:** That was the Cairns one.

**Mr Tongue:** Yes.

**Senator BOYCE:** In fact I think I might have raised that one.

**Mr Tongue:** Yes, I think you possibly did. And there were a couple in Melbourne, but I cannot remember where. In terms of the level of complaint, for 2,500 construction projects across the country the level of complaint—and there were certainly complaints—was very low, which was heartening.

**Senator BOYCE:** Of the sites that were selected were any selected against the advice of the state departments that they were unsuitable for the projects?

**Mr Tongue:** We would have to take that on notice.

**Senator BOYCE:** Could you also take its reverse on notice: were any of the sites that were suggested by the Commonwealth as unsuitable selected?

**Senator Arbib:** Are you asking: did we override a state planning decision? Is that what you asking? I am just trying to understand.

**Senator BOYCE:** No, it is not about planning decisions. It is about the sites selected. The two sites might have the same planning approvals. It is simply about whether the sites—

**Mr Tongue:** I do not recall any. I was not here for the early part of the program but I do not recall any. We did further condition the states around sites that were, say, within 400 metres of public transport because of the nature of who was going—

**Senator BOYCE:** And that would be part of the review process that Ms Croke mentioned.

**Mr Tongue:** That is right. So if a state came forward and said, 'Oh, well it's 450 metres'—you know.

**Senator BOYCE:** Obviously, yes. Do you have written guidelines for that review process? Would you be able to on notice provide those to us?

**Ms Croke:** Certainly.

**Senator BOYCE:** Were there any rules around the split between government and private contracts—state versus private?

**Ms Croke:** I do not think there were.

**Mr Tongue:** All the projects were put out to tender.

**Senator BOYCE:** But some of them were undertaken by state government bodies and some were undertaken by private contractors. Was there any rule about that?

**Ms Croke:** Not to my knowledge. What we were looking for in that process is, I suppose, the stimulatory effect—wanting to make sure that we were getting construction started as soon as possible. So, on balance, trying to look across all of those developments and see where we could have construction started.

**Senator Arbib:** The states and territories deliver social housing, so it was their procurement methods that were in place, and that is what was used as part of the Nation Building package.

**Senator BOYCE:** Again, on notice, would you be able to—I am trying to think how you would do this—supply perhaps the value of accommodation in each state that was provided by government construction and by private construction? If that means you have to go hunting through every state, okay, but just on notice look at what you would have available in that area.

**Mr Tongue:** In all jurisdictions, the requirement was to comply with state purchasing arrangements. We could possibly do a breakdown where, say, projects were contracted to the community housing sector or where projects may have been contracted to an Indigenous organisation or something along those lines. But the bulk of the work was just tended by state housing agencies out to the private sector under a range of arrangements under state purchasing arrangements.

**Senator BOYCE:** I think there might be some contention around whether a large enough proportion of that was done, Mr Tongue.

**Mr Tongue:** I see. Okay.

**Senator BOYCE:** Which is why those figures are being required.

**Senator Arbib:** One of the things that the federal government did put up front and push for was the role of the community housing sector in terms of the development of the SHI. This has probably been the biggest boom for the community housing sector that they have ever had.

**Mr Tongue:** Seventy five per cent of the stock was intended to go out to the community.

**Senator BOYCE:** You have all told me what fantastic value for money this was in the sense that it came in under budget per item. Could you tell me how else to assess that other than by comparing it to what you originally thought it was going to cost? What audits were done about whether you got value for money?

**Mr Tongue:** Assess for accuracy what the states were telling us in terms of particular projects. Before we were approving projects we were running the various proposals against the costing model. If projects looked high, we would go back to the states and territories and query them. If they were very, very low we one occasion would go back and query that too. So we queried it at that end.

**Senator BOYCE:** Could you on notice tell us how many projects by state were queried?

**Mr Tongue:** We will see what records we have.

**Senator BOYCE:** My next question was going to be what were the results of these audits. Obviously, you have not done what are considered formal audits but you have assessed using your model.

**Mr Tongue:** Yes.

**Senator BOYCE:** My next question is: what was the result of that assessment? I have asked you for that. Is there any other way, Mr Tongue, that you could provide information about it?

**Mr Innis:** One of the things we have been discussing with our colleagues in the states and territories is, given the amount of investment that the government has made in social housing, we are trying to look at which projects have delivered the most benefit. That work is underway. We do not have a timetable for it.

**Senator BOYCE:** Is this an evaluation you are doing?

**Mr Innis:** I would stop short at this point of calling it an evaluation. But we are working with the states and territories to try to get a sense of which type of projects delivered the most benefit. We are confident that they all delivered benefit. Clearly, in coming to questions of future funding we are interested in which ones worked best. It is early days.

**Senator BOYCE:** My first question will be: what do you mean by benefit? Do you have a briefing backgrounder?

**Mr Innis:** That is something we are working through. There is a range of factors that would come into play.

**Senator BOYCE:** Will this be a written document? A benefits sheet, so to speak?

**Mr Innis:** I imagine it will form advice to government when it is complete. But it is something that we are looking at.

**Senator Arbib:** The stimulus package itself, in terms of social housing, has resulted in some pretty good innovations with the states in particular, which led to things like land being put forward by the states, which allowed us to leverage up in terms of the numbers. To come back here today and say that we will probably get to 19,600 is a sign that the states and territories have delivered well in terms of value for money. Again, \$300,000 is where we thought it was going to be. We have come in at \$270,000 per dwelling—a good result.

**Mr Tongue:** Just to follow on from that: various states approached the task in different ways. For example, in Western Australia we found the housing department working with developers. At the height of the GFC developers were not able to get finance. But the housing department was able to come in on the development and say, 'We will guarantee'—

**Senator BOYCE:** We are from the government; we are here to help.

**Mr Tongue:** We are here to buy affordable housing. They could pre-commit 30 per cent of the project, which meant we found examples across the country where projects that would have stopped altogether were able to get pre-commitment. The follow-on from that was that the remaining, say, 70 per cent of stock has come over time onto the market.

**Senator Arbib:** Most of that was in WA with Minister Buswell, who was driving that hard. We worked pretty closely with him in terms of getting that up.

**Mr Tongue:** I would characterise part of the exercise that Mr Innis is talking about is trying to learn all those lessons for future practice under the NAHA.

**Senator BOYCE:** It would be very complex to sort out all the derived benefits from the construction industry. Can I just go back to the details of the project, Mr Innis? Is it being done in-house or is there an external consultancy doing the project?

**Mr Innis:** At this stage, Senator, we are holding some discussions with the states. And we have not decided how to do it. At this stage, we are looking at how we might go about it.

**Senator BOYCE:** Are they informal discussions or is this some sort of COAG working group or something we are talking about?

**Mr Innis:** It is under our regular meetings with the states and territories. It is not a mandated piece of work, if that makes sense.

**Senator BOYCE:** When would you anticipate that you would begin the work, and hopefully finish the work?

**Mr Innis:** We are in discussions with the states. I do not have a formal start date or completion time at this stage. It is something that we are working through. Clearly, we would like to have a good sense of this before serious negotiations over the next iteration of NAHA commence, noting that the current one ends in 2014.

**Senator BOYCE:** I noticed you commented before, but you are expecting this to be advice to government. Does this mean it is not likely to be published?

**Mr Innis:** All that needs to be worked through.

**Senator BOYCE:** If it has lessons for government at the federal level, it would have lessons right across the building, planning and development industry, one would imagine.

**Senator Arbib:** These issues are raised that the Housing Ministers' Conference, and I have had numerous discussions with my state colleagues about the stimulus package and what has

been working and where we can improve. Certainly, that is something that we will look at when we put together the next NAHA in the renegotiations. We want to make sure that we get the best bang for our buck and that the states deliver on that as well. It is something that we will keep at the front of our minds.

**Senator PAYNE:** I want to go back to those repair and maintenance numbers.

**Ms Croke:** I will give you the planned outcome per jurisdiction and then give you an actual outcome. Would that be a useful way?

**Senator PAYNE:** Yes.

**Ms Croke:** We will start with New South Wales. The planned outcome for all repairs and maintenance was 31,605 projects; in Victoria, 7,000; in Queensland, 23,000; in Western Australia, 10,500; in South Australia, 503; in Tasmania, 516; in ACT, 243; and in Northern Territory, 297. These are 30 April 2011 figures, and there is one outstanding project to be completed and I will come to that at the end. I will now run through the completed projects: in New South Wales, 31,381; in Victoria, 9,363; in Queensland, 27,420; in Western Australia, 10,489; in South Australia, 503; in Tasmania, 534; in ACT, 259; and in Northern Territory, 297. There is one remaining project for conversion of bedsits in New South Wales, which is due for completion on 30 June 2011; otherwise, the repairs and maintenance project has been completed.

**Mr Tongue:** I think on notice perhaps we have previously provided the number of dwellings that were returned to stock as a result of refurbishments. I am not sure whether Ms Croke has it with her, but one of the significant aspects of the refurbishment was that states and territories were able to bring back into stock dwellings that would otherwise have sat empty, pending repair and maintenance.

**Ms Croke:** I think it was over 12,000 that were uninhabitable previously.

**Mr Tongue:** That is the figure that I recall; it was in that order.

**Senator PAYNE:** Were they uninhabitable because the states and territories had not been performing maintenance? Is that correct?

**Ms Croke:** Yes.

**Senator PAYNE:** And is that 12,000 across Australia?

**Ms Croke:** Yes.

**Senator PAYNE:** Do you have a jurisdiction breakdown for those?

**Mr Innis:** I would hesitate to say that the states were not performing maintenance. What this funding did was give a very substantial boost to the maintenance effort and allowed the states to do things they might not have got to for a while.

**Senator PAYNE:** 12,000 is a lot of dwellings.

**Mr Innis:** It is.

**Senator Arbib:** Or it could have sped up the process. They may have had that in their planning, to do many of those times, but this extra money sped up the process.

**Senator PAYNE:** I want to ask some questions about community housing generally, but I will ask a question about the stock, for example, that is being transferred from public housing to community housing. What is the liability for putting those properties into habitable

condition? Is that work being done by the community housing organisations or is it done by the states before they are handed over?

**Ms Croke:** It would be done by the states before they would be handed over.

**Senator PAYNE:** Are you sure about that?

**Ms Croke:** Pretty sure.

**Senator PAYNE:** I must say that it is not the feedback I have had.

**Mr Tongue:** Once the community housing organisations have the stock, then future repairs and maintenance, subject to the agreement that the community housing organisations have with the states and territories, will normally be transferred to community housing.

**Senator PAYNE:** I understand that. I had received an impression that in some instances with the transfer of stock from states to community housing organisations that a lot of work had to be done by the organisations before the properties were at a standard which they deemed appropriate for the sorts of tenants that they have. That is not your experience or your understanding?

**Ms Croke:** No, I have not heard of that in particular.

**Mr Tongue:** Not associated with the stimulus, at least. I am not familiar with that claim.

**Senator PAYNE:** I do not make it in a pejorative sense; I was seeking some guidance. On those statistics generally, where the number of repair and maintenance items exceed the planned numbers, has that been achieved because of successful cost arrangements?

**Ms Croke:** Yes, within the allocated budget they have been able to achieve more. I have numbers of dwellings returned to stock by jurisdiction—that 12,000 figure. Would that be useful?

**Senator PAYNE:** Yes, please.

**Ms Croke:** There were 8,340 in New South Wales; in Victoria, 2,006; in Queensland, 19; in Western Australia, 671; in South Australia, 503; in Tasmania, 154; in ACT, 186; and in Northern Territory, 242.

**Senator PAYNE:** Why is the number so low in Queensland? Is that because of their specific public housing arrangements?

**Ms Croke:** They had a total of 27,420 project works completed and 19 were returned to stock. If I was to chance my arm, it is possible that their repairs and maintenance were more up to date with the plan.

**Senator PAYNE:** Okay. In terms of the development of public housing stock by the states and territories, is the Commonwealth happy with the number of developments of state owned housing stock? I know you discussed numbers with Senator Ludlam slightly earlier. Given the waiting lists for public housing and, I think the minister and I discussed this in the chamber, given the increase in days in which housing stock has been left vacant, and given that a number of the states and territories have not met their building program targets, what process is the Commonwealth engaged in with the states and territories to push that along?

**Mr Tongue:** The financial arrangements, particularly around public housing, have been very long-standing between the Commonwealth and the states, as it is principally a state responsibility. One of the various reports that is done on this is the report on government

services, which indicates that the states run a deficit on each unit of public housing in the order of, say, \$630 or so, which implies a reasonable state government subsidy going in. I think it is fair to say in the rough and tumble of Commonwealth-state relations that those of us who work in public housing would like to see more effort from the states, and the states would like to see more effort from the Commonwealth.

In terms of the efficiency of production, certainly one of the things that I highlight to people is the pretty efficient way the states have been able to generate new affordable housing stock and do so in ways that are relatively innovative and leading to some rethinking in state government about the nature of some of the stock—doing smaller street frontages, looking at different compositions of dwellings, public-private partnerships. There is a whole range of innovation that in part has been liberated by the stimulus.

In terms of the waiting list, I think at last estimates we made the point that we think the waiting list went up in part because people in the community saw new stock coming in and thought their chance of getting allocated stock would be higher and so they joined the waiting list. In terms of moving forward, part of the rough and tumble that the minister was alluding to with the states and territories will be trying to maximise the amount of stock.

**Senator Arbib:** One of the big problems is that a lot of the stock the states hold is very old. There are big costs in terms of renewing it, and they have to find ways of doing that and find the capital to do that. That is one of the areas where community housing is very important. As to the figure I gave in that speech that I think Senator Ludlam is talking about, if you look at the Commonwealth-state funding agreements for housing, over 10 years there has been a \$10 billion commitment and the number of residences has actually declined. That is why we say there needs to be a changed way of doing things, and the stimulus provides a good model that could be used.

**Senator PAYNE:** This is possibly a question for you, Minister, and not the officers: I refer to, in policy terms, the relatively low turnover of tenancies in public housing. In the red book, for example, there is a statistical reference to over half of the tenants in public housing staying with their housing authority for over 10 years. Has any thought been given to a policy approach of encouraging tenants to move into alternative accommodation and seek other options to keep public housing clients flowing through and assist the waiting list process, particularly? The waiting list is phenomenal.

**Senator Arbib:** Ms Croke has reminded me, and I have seen it in practice, that Western Australia has measures in place that deal with that.

**Senator PAYNE:** Are they working?

**Ms Croke:** It is only a newly released strategy, but they are talking about tenure for the duration of need rather than a lifetime tenure approach.

**Senator PAYNE:** Is the Commonwealth comfortable with that as a policy position?

**Senator Arbib:** Certainly we will be looking at it in the future. We will work it in at housing ministers and we will be monitoring it. The big issue is employment—there is a disincentive to actually go out and get employment if you are in public housing. That is an area we have identified that we will be looking at in the future. That is the biggest disincentive to leaving. Public housing is for people who are extremely disadvantaged and vulnerable, and of course social housing, public housing, for them will be long-term support.



For a large section of the population, social housing should be a transition point into the private housing sector.

**Senator PAYNE:** That is the point I was making.

**Senator Arbib:** That is also why community housing is so important—because when they are developing sites they are working towards mixed communities which have social housing, public housing, but also private rentals. There is cross subsidisation. That is why, for us, it is such an important model.

**Senator PAYNE:** That also goes to the problem adverted to in the red book—the problem of the disparity of who occupies lower-level, private rental housing and their income levels and so on. Minister, I do not need to tell you anything about Western Sydney, I am sure, but the lack of availability of housing at that end of the market is not only killing agencies but also fracturing families and having such an extraordinarily deleterious effect on people's lives.

**Senator Arbib:** On the issue of housing though, people focus on and there is talk about the fact that we need to increase the supply of social housing but, in the end, we have really got to increase the supply of affordable housing, which means working with the state governments and ensuring that they are releasing the land and that the planning processes are not stifling release. I know that in New South Wales they are looking at that, and we will certainly be working with them and the other states on that.

**Senator PAYNE:** Thank you for that. While we are talking about what is affordable and who pays for what, I know that Commonwealth rent assistance is administered by Treasury, and I understand that. Is it administered by you?

**Mr Tongue:** They let us do that one.

**Senator PAYNE:** Yes, let me rephrase that. I know they let you do that. I wonder whether you could assist me with some statistical information around rent assistance, which is not really apparent on the face of reading the budget papers and so on. Is it possible to give us as a committee any idea of what percentage of the average rent that is paid by rent assistance recipients is actually covered by rent assistance? Is there an average figure in that space? There may not be.

**Mr Innis:** We do have figures on—and I am giving Ms Croke time to find them—how many people rent assistance takes below 30 per cent of income level, which we would think is a pretty reasonable indicator of its contribution. I do not know whether I have given Leesa quite enough time.

**Ms Croke:** Using March 2011 figures, people paying more than 30 per cent of their income in rent before rent assistance is 68 per cent. With rent assistance factored in, that figure drops to 40 per cent. Another cohort is people paying more than 50 per cent of their income in rent, without rent assistance, is 29 per cent and with rent assistance, that figure drops to 13 per cent.

**Senator PAYNE:** Those people are obviously undergoing severe stress in that space. I understand that in the last budget—not this one—there was the bulk verification of rent details in the community housing space. Has that helped recipients of rent assistance in not dropping out or falling out of the scheme?

**Ms Croke:** We really do not have anything concrete on that yet. It has been, I suppose, a slower take-up than what we had thought. I would expect, though, that within the next six months we should see some real figures that show that the number of people who are eligible for rent assistance but not receiving it start to drop.

**Senator PAYNE:** Because they will start claiming?

**Ms Croke:** We will have the information directly from the community housing provider through to Centrelink to verify their rent. It will not require the tenant to actually physically go to Centrelink, or however they are able to do it, to verify their rent. That is where we were worried about those most vulnerable not being able to undertake that transaction with Centrelink.

**Senator PAYNE:** I know there is an over-representation of Indigenous clients falling into that group; is that particularly assisting them?

**Ms Croke:** Yes. And, within six months time, we would want to see some data that actually shows that for us.

**Senator PAYNE:** So we could ask about that again?

**Ms Croke:** Yes.

**Senator PAYNE:** You assisted me with an answer to a question on notice in relation to the transfer of housing stock to community housing on the last occasion—I think it was question No. 55—with your table. I think that was a table on the proportion of the Social Housing Initiative stock to be transferred. Are there any figures on commitments by states and territories to transfer remaining public housing stock which is non-stimulus to community housing providers?

**Ms Croke:** There is a housing ministers' commitment for, as an overall target, up to 35 per cent of the social housing stock to be in the hands of community housing by 2014. We have—I am pretty sure I do not have them with me—indications from states and territories of that type of transfer. I think that in January this year New South Wales, for instance, indicated a transfer of around 5,000 dwellings, from memory—those were non-stimulus housing.

**Senator PAYNE:** New South Wales, you said?

**Ms Croke:** New South Wales—I am pretty certain of that. Within the WA strategy, they have committed to a transfer of stock to the community housing sector within their Affordable Housing Strategy. So different states and territories have made different commitments to transferring stock other than the stimulus housing. At this stage we do not have an indication of that target being met.

**Senator PAYNE:** Is it possible to come back on notice with a breakdown state by state and territory by territory on that?

**Ms Croke:** Certainly.

**Mr Tongue:** Subject to what we can get from the states.

**Senator PAYNE:** Yes, I understand that. Is there a view to trying to get a more standardised approach from the states and territories on that particular matter?

**Mr Tongue:** In our conversation with the states and territories, there are some jurisdictions—for example, New South Wales—where there are a couple of very large

community housing providers with skills and experience. In other jurisdictions, community housing is less well developed. So certainly, when we are talking with our colleagues in the states and territories, the different rates of transfer in the different jurisdictions tend to reflect judgments that those jurisdictions are making about the capability of community housing to absorb the stock and manage both the stock and the welfare of the people in the stock. That is one of the reasons you tend to see differences across the country. But we are working with states and territories also to evolve the capacity and the capability of the sector so that over time we would see a more even national picture.

**Senator PAYNE:** The minister certainly talked about a national system for the regulation and governance of the sector itself. How far progressed is that? Is that an ongoing subject at the Housing Ministers Council, for example?

**Senator Arbib:** The officers are working on it now.

**Mr Tongue:** We are hoping to put a possible model to housing ministers at their next meeting, which would be a national prudential regulation arrangement to enable the system to evolve based on a Commonwealth-state model where there would be a lead jurisdiction that would enact what for want of a better term I will call the 'model' legislation, and then each of the states would follow behind that.

**Senator PAYNE:** How much enthusiasm is there for the proposition amongst the states and territories?

**Mr Tongue:** I think there is a fair bit of enthusiasm for a national model based on state regulation, and probably less enthusiasm for us doing it.

**Senator PAYNE:** That is good. Hopefully that means they will take it up with alacrity.

**Mr Tongue:** The other interesting part is that when you talk to the community housing sector there are also differing views about growth. While a large part of the sector want to be able to grow at fast speed and therefore think the stimulus was great because it has given them leverage and asset base, there is a proportion of the sector that is not into growth: the smaller providers who, let us say, are dealing more with vulnerable clients and who want to remain small. So in the end I guess the job for governments is to get the balance right to allow the organisations who want to grow to grow as long as the capacity is there, and also to have the regulation in place at the same time to protect those smaller ones who want to keep close to their clients.

**Senator PAYNE:** That is right. The plan would not be to make the growth compulsory; the plan would be to make it possible.

**Mr Tongue:** But you have to get the system properly calibrated to ensure that you can achieve both goals.

**Senator PAYNE:** When is the next Housing Ministers Council?

**Ms Croke:** The middle of June.

**Senator PAYNE:** I want to ask a question on the GST implications in this space in terms of the state capacity to take this on. It says in the red book—I have not been able to find a further reference to it since then—that there may be GST implications for the title transfer of stock which is older than five years. Does that mean that the state jurisdictions which are

trying to increase affordable housing by transferring the stock to community housing organisations might have to pay GST on the transactions or transfers?

**Ms Croke:** I understand that that issue has been resolved and the transfer of stock will not attract the GST. That was a particular issue in New South Wales, I understand.

**Mr Tongue:** If it is from the red book, it would have been about the time there was a bit of a query.

**Senator PAYNE:** That is right, but I had not seen it mentioned since anywhere.

**Mr Tongue:** No, that is why it has dropped off the agenda: because it has been resolved.

**Senator PAYNE:** That is always a good reason. So that is not going to be an ongoing problem; that is done and dusted.

**Senator Arbib:** We can thank the Treasurer for that one.

**Senator PAYNE:** Going back to the observations that you made a moment ago about states having differing views of the capacity of their community housing organisations to cope with the changes and with growth, is that why the ownership targets differ considerably between some of the states and territories so that some have very high targets for ownership but Queensland and Victoria have slightly lower ones—or significantly lower in some cases?

**Mr Tongue:** I think it is a key factor, yes.

**Ms Croke:** When we asked the jurisdictions this, this was a 2014 question: 'In 2014 what do you expect?' It is certainly possible that post 2014, as the sector's capacity grows, we may see those numbers change in some jurisdictions. The particular question we asked, though, was around the target that was set for housing ministers to 2014.

**Senator PAYNE:** Would the Commonwealth be trying to lead in that process by encouraging the states to support the community housing sector more considerably—or, in fact, more full stop?

**Ms Croke:** We are supporting it. I suppose the national regulatory system is one of the approaches to ensure that the community housing sector is able to grow.

**Senator Arbib:** The regulation comes out of our discussions with community housing providers about providing certainty in terms of what they do, particularly with the finance sector—the banks—so they can lend. At the same time, the community housing sector is relatively new in this country and is growing strongly, and providers need to ensure that they have the proper governance in place—

**Senator PAYNE:** Of course.

**Senator Arbib:** and also, on top of that, capacity. They are all looking at the British model. When you talk to them, they want to progress at light speed, but we just need to make sure that it is being done at a rate that allows them to grow sustainably.

**Senator PAYNE:** I think that, in the same speech that Senator Ludlam referred to earlier, the minister talked about the establishment of an independent expert panel to progress this. How will that be comprised?

**Ms Croke:** What we expect—and this is for ministers to consider—

**Senator PAYNE:** Subject to agreement—I understand.

**Ms Croke:** Subject to ministers agreeing, it will be an expert panel that is a combination of jurisdictions' advice on who they feel should be involved, and a small number of independent experts in the field as well. So it would be a combination of experts and people who can represent the jurisdictions.

**Senator PAYNE:** Will they be from both ends of the spectrum that the minister has effectively referred to—that is, those who are growing and trying to beat light speed and the smaller ones who want to be able to deal with their more vulnerable clients?

**Ms Croke:** Yes, that would be right, and also looking at the finance sector and other stakeholders who are interested in the growth of that sector.

**Senator PAYNE:** So not just providers of broader—

**Mr Innis:** Ms Croke is being appropriately cautious. It is a decision for ministers coming up.

**Senator PAYNE:** I understand.

**Mr Innis:** So speculating on the exact constitution is—

**Senator PAYNE:** I was not trying to ask for a list of names.

**Mr Innis:** I understand.

**Senator PAYNE:** However, I would say that after the ministers conference, if it is possible to provide the committee on notice with what is decided and what it is intended to do in this area, including the composition of an expert panel, I think the committee would be grateful for any information you can provide us on notice.

**Mr Innis:** Certainly.

**Senator PAYNE:** Thank you very much. Mind you, the minister does put a lot of stuff on the record in his speeches, so I have lots of stuff to work with—

**Senator Arbib:** I said it to my staff at the time.

**Senator PAYNE:** notwithstanding the fact that it is subject to agreement with the states and territories. You also said that you are aiming for the end of 2012 to bring all of this together. Is that still the target date?

**Senator Arbib:** Yes.

**Senator PAYNE:** I am reasonably confident that Senator Ludlam has questions around community housing.

**CHAIR:** He does, but he has gone to another committee for a short time. Senator Payne, do you have many other areas to cover?

**Senator PAYNE:** A few, and some on homelessness.

**CHAIR:** What we might do is take the break now, and then that will give Senator Ludlam time, and you can touch base on where you want to go. I think there is enough to make it worthwhile to break at this stage.

**Proceedings suspended from 20:21 to 20:33**

**CHAIR:** We are still on outcome 2 Housing.

**Senator LUDLAM:** I have a couple of different areas that I want to go to. If I drift into somebody else's portfolio, just bring that to my attention—then I can berate you for breaking

up the portfolio. On government owned land releases and the ability of community housing organisations to get some kind of allocation of that land, I understand the Australian government is releasing 769 hectares of land across the country in 2010-12. Are there any targets or any provisions for community housing organisations to access some of that land or to go in as equity partners?

**Mr Tongue:** The release of land is a matter for our colleagues at the department of finance. We used to have responsibility there but it has been transferred to SEWPaC, so could I take that one on notice?

**Senator LUDLAM:** Sure. I have a couple in this general area. Does the government—whichever's responsibility it is—have a view on community housing providers having greater access to government owned land? Also, whether or not there is some way of getting around the issue where, generally, they are expected to pay market rates for lots that are released in subdivisions and so on? What I am seeking is whether there is a commitment for a mandatory target, for example, for affordable housing, which is a slightly separate issue, on government released land? Can you take that on notice?

**Mr Tongue:** Certainly.

**Senator LUDLAM:** I unfortunately missed the opportunity the other night to speak to the ABS directly, but I am interested in your views—if I can just change the subject to homelessness—on rather controversial revisions of the way that homelessness is calculated, which appears to have eliminated about 40,000 people at the stroke of a pen. Actually, that is not true; it is getting a bit ahead. There is a discussion paper of the new methodology that ABS are proposing to use, which would have that effect.

**Mr Tongue:** That is right.

**Senator LUDLAM:** I have got some concerns about that. I am wondering if you can give us the view from the department about the proposed revision of the way that homelessness statistics are collected.

**Mr Tongue:** I think that the first point to make is that ABS is a completely independent statistical agency. So, we are a receiver of their product and we may hope that they could influence it at a technical level, but ultimately they are the independent umpire. They have put out a discussion paper, but the ABS has an extensive consultation underway at the moment and we are trying to meet the concerns of the sector. It is a very difficult area and, certainly, I do not think the ABS is challenging too much the 'rough sleeper' number. Where their discussion paper goes is what we would call, if you like, secondary/tertiary type homeless issues. At the same time the sector is coming back and saying, 'Well, what about the undercount on young people, for example.'

**Senator LUDLAM:** Aboriginal people.

**Mr Tongue:** And Aboriginal people. To be fair to the ABS they are hearing those concerns, and we are hoping to work with them further, recognising that this is one of those areas of social policy where cracking the count is very important to us in meeting the government's objectives. At the end of the day, though, we will have to work with what the ABS tell us they believe the story to be.

**Senator LUDLAM:** When you say that the sector has concerns, has your department got concerns about the potential changes to the methodology?

**Mr Tongue:** We have been talking to the ABS about the nature of the methodology and trying to contribute some of the other work we are doing around data in the sector, such as rolling out with the states and territories and homelessness providers the new data system that will give us a real window on the sort of accommodation support we are providing. We are looking at how we might work with Centrelink on the vulnerability flag that they have instituted around people who are homeless or vulnerable to homelessness. So we are certainly trying to inject into the ABS process the administrative data that we have or we are building to collect as part of the government's homelessness initiatives.

**Senator Arbib:** If I could add, we have had numerous representations from the sector and also from the Homelessness Council. I have met with the ABS about the issues and also raised the concerns of the sector. The promising thing has been that there has been a great deal of consultation between the sector, the Homelessness Council and also the ABS. I think everyone in the area wants accuracy and getting that accuracy is the hardest part of what we are doing. There is one thing we should all keep in mind about it and that is that there is a limitation on its use, if it is just a snapshot in time. Talking to the ABS, they are now starting to talk about homelessness over a year, and the number is around 340,000 to 440,000 people experiencing homelessness over a 12-month period. So I think we need to look at the data in a more holistic way.

The other point that Mr Tongue has raised is the new specialist homelessness service data collection system, which I think will give us real data and much more relevant data in terms of the homelessness services themselves. So, we have to not just use the ABS data but use other sources to ensure that we have a fuller picture.

**Ms Mandla:** It is probably also useful to look at the context around this review. This is actually the first time the methodology has been reviewed since it was first used for the 1996 census. ABS have advised us that the purpose of the review is to move towards a methodology that is transparent, consistent and repeatable that we can use over time to track progress against the homelessness targets. ABS has also indicated to us that there are a number of areas where they feel it may be difficult to get an accurate count of homelessness. As already mentioned by Mr Tongue, we are trying to get an accurate count of Indigenous homelessness, youth homelessness and also homelessness experienced by families escaping domestic violence. We rely on the census as one data source to provide that one-night snapshot, but the specialist homelessness services collection and our longitudinal study into homelessness will give us a better indication of the flow of people into and out of homelessness, who is experiencing transitional homelessness and what are the characteristics of people who are actually experiencing long-term and entrenched homelessness. That will actually help to build our evidence base, not only around the one-night evidence that we get from the census but also to enable us to more strategically target our responses to deal with the different types of homelessness for different cohorts.

**Senator Arbib:** Just so you know, I have had concerns about it. One of the issues we raised with the ABS concerned comparing data to ensure that we can track what has been happening. They have assured me that whatever the final result is they will adjust the previous years to ensure that we have comparable data.

**Senator LUDLAM:** A serious problem with changing the methodology is that you kind of void your existing data set if you are not careful.

**Senator Arbib:** We certainly need to know that so that we can continue with our targets. We have said that as a government we are working to halve homelessness. That is the target and whatever the ABS come back with we will continue on towards that target.

**Senator LUDLAM:** Who initiated the review? Did it come out of ABS directly or did the department initiate it?

**Ms Mandla:** It was initiated by the Australian Bureau of Statistics.

**Senator LUDLAM:** Can you describe for us in a little bit of detail what the consultation has looked like, because I understand, and you have acknowledged it, that the sector has raised concerns with you and presumably with ABS directly. Was there to be a formal process of review and consultation prior to the paper being tabled?

**Mr Innis:** Ms Mandla might be able to give some detail, but the consultation process has been one of the ABS's. As an observation working with the ABS for a long time, this is probably the most intensive consultation I have seen from them in terms of trying to understand the sector and its issues. Do you have more detail Ms Mandla?

**Ms Mandla:** Yes, I do. I understand that the Australian Bureau of Statistics has undertaken consultation in all major capital cities throughout Australia. They have also had forums with the original authors of the original methodology that is being used and with various stakeholder groups. There has also been a process for written submissions. The consultation process is ongoing until the end of this month at which time they will then consider the results of consultation, to inform their final report.

**Mr Innis:** I can add that the ABS has come to meeting of the Prime Minister's Council on Homelessness at least twice that I recall. So they are right in the thick of it.

**Senator LUDLAM:** Is there a particular steering group for that review that is broader than just ABS.

**Ms Mandla:** Yes, there is a reference group, which has been consulted as part of this process, and FaHCSIA is represented on that group. I understand there is also representation on the group from other government agencies. The other aspect is the extensive consultation with a range of other data agencies, which have been consulted as part of this process as well.

**Senator LUDLAM:** Who represents FaHCSIA?

**Ms Mandla:** I am the FaHCSIA representative.

**Senator LUDLAM:** Thank you, I might come back to that. I am interested in the national census of homeless school students as one subset or one cohort. I understand that that particular data collection will not go ahead for the 2011 census. Is that correct?

**Ms Mandla:** That is correct.

**Senator LUDLAM:** What is going on there?

**Ms Mandla:** In the past that data collection has occurred around the same time as the census. However, the Australian Bureau of Statistics has indicated that it does not necessarily have to be conducted at the same time.

**Senator Arbib:** The ABS is an independent body. Its decisions are its own decisions and we have no decision-making process in regard to the ABS. I also note, though, that the ABS was on last night in Treasury estimates.



**Senator LUDLAM:** Yes, they finished up about three hours before they were scheduled to, so I did not get to them. I am happy to take that as read. Anything I am asking here is specifically about your direct involvement. I will not ask you to speak for ABS. My information is that FaHCSIA just decided not to fund that data collection. Is that in error or is that purely a decision for ABS whether or not to do that?

**Ms Mandla:** That is not correct. No decision has been made at this time.

**Senator LUDLAM:** No decision by your minister or by this department?

**Mr Innis:** The ABS, along with many others, has identified youth as a potential weakness in collection. The ABS has had a look at that survey. It feels, as I understand it, that there are methodological flaws with that survey and it is looking at how best to ensure an accurate read of the youth picture. I do not think it has come to a view on how best to measure it. We would take some advice from the ABS about the appropriateness of the methodology.

**Senator LUDLAM:** So is there a sense that the methodology will not be fixed in time for that to run at the same time as the census.

**Mr Tongue:** I am a bit worried about us sort of verballing ABS here and, because they count everything, they will get us! Can we take that one on notice? We are verging into their area of responsibility.

**Senator LUDLAM:** Yes.

**Ms Mandla:** I make one more point: as you have noticed, Senator, the methodology for counting the homeless is under review by the Australian Bureau of Statistics. It is going through a consultation process and, because the schools census is a component of that review process, we have not had specific discussions with ABS. It has not yet produced a final report on the results of that consultation and made a determination in relation to the methodology.

**Senator LUDLAM:** One or two other areas where there have been concerns for a long period of time, about undercounting in particular, would be of Indigenous people, either in overcrowded housing or people sleeping outdoors—*itinerants* and so on. That would be very difficult for collectors to get to. From the department's point of view, how well do you think we understand those cohorts of homeless people?

**Mr Tongue:** It is certainly an issue that has been discussed by the PM's Council on Homelessness. It is an issue that is reflected in the National Partnership Agreement on Remote Indigenous Housing where we have been using figures on overcrowding, from memory, from the Australian Institute of Health and Welfare, but I would need to check that for you. It is certainly the case that it is a very difficult area to get an accurate count because there are cultural and language overlays and so on. We are certainly keen for more work to be done in that area.

**Senator Arbib:** There are also seasonal factors as well, big variations depending on wet season—

**Senator LUDLAM:** The census gives you a snapshot, which is not necessarily reflective of what is going on.

**Senator Arbib:** Exactly.

**Senator LUDLAM:** I do not want to pin all this down on what is going to be ready and what is not in time for the census but, in terms of you folk meeting your targets, what is still to be done in order to get a more accurate idea of how many people we are trying to serve?

**Mr Tongue:** We have got some interim targets in 2013. Subject to where the ABS comes out, they will do a count back. If they come up with a new methodology even after the census this year, they will go back and readjust the datasets back to the time the original methodology was first used. In the interim, though, as Ms Mandla pointed out, we are working particularly around the administrative datasets, which will help us address the stock and flow challenge here.

**Senator LUDLAM:** Yes, I forget who it was who mentioned this earlier. But one of you said that there could be anything up to, I think, 300,000 in any given year. What data does that reference?

**Senator Arbib:** My understanding is that that is information that has come out of discussions with the ABS—between the ABS and the Homelessness council.

**Senator LUDLAM:** So that is not something that is published at the moment?

**Ms Mandla:** It is published. It is actually in the introduction of the ABS's discussion paper for the review. They have done an analysis of the SAAP data to come to that indicative range for the year.

**Senator LUDLAM:** Thank you. I have a bit of a habit at these sessions of asking how we are going with the homelessness bill and being told that it will be ready soon. So will it be ready soon?

**Senator Arbib:** I think last time, off the top of my head, I told you we would be introducing it during spring, and that is still our intention.

**Senator LUDLAM:** That is still the case. Okay. That will be an exposure draft; is that still the intention?

**Mr Tongue:** Subject to the minister's views, the intention at this stage is that we would produce an exposure draft and go out for consultation.

**Senator LUDLAM:** Going back again to the social housing, the stimulus housing in particular, up to, I think, 75 per cent of the nation-building housing and up to 35 per cent of all stock is to be transferred by 2014 to the community housing sector. I think those are the targets we have spoken of before.

**Ms Croke:** Can I just clarify: we have a target of up to 75 per cent of stimulus housing to be transferred by 2014, we then have an overall target of up to 35 per cent of community housing stock within the whole social housing pool, not necessarily transferred.

**Senator LUDLAM:** What I am interested to know then is whether you have got figures on the amount of stock to be transferred with title, as opposed to that that would just be the management obligations to be transferred.

**Ms Croke:** I do and we provided this on a question on notice—

**Mr Innis:** Question on notice No. 55.

**Senator LUDLAM:** From the last session?

**Ms Croke:** Yes, and that figure is just for the stimulus housing.

**Senator LUDLAM:** Is the Commonwealth working with the states and territories and the community housing sector to talk about the quality and the location of stock being transferred? Are you interested in anything more fine-grained than that overall percentage?

**Mr Tongue:** We touched on this a little earlier, so the stimulus stock is new. Some of the other stock is refurbished stock. Senator Payne raised with us a concern that perhaps some stock was being transferred that had not been refurbished and may be lower quality stock. It is not something that has been drawn to my attention, but I am happy to take it on notice—

**Senator LUDLAM:** I think we are both drawing it to your attention.

**Senator Arbib:** This is not something that we have had a discussion about, but in my discussions with the sector I have heard that. A lot of it is old stock that is being transferred by the states.

**Senator LUDLAM:** A lot of it is old and we are expecting the sector to leverage new build off the capital that has been transferred to them, which they will not be able to do as efficiently if they have devalued stock.

**Senator Arbib:** It is definitely an issue and that is one of the reasons that the stimulus was so important—to give them that injection of new stock.

**Mr Innis:** It would help us a lot if either of you could give us an indication of where the areas of concern might be. It is a rather large country. It would be nice to narrow it down.

**Senator LUDLAM:** I will not speak for Senator Payne, but I do not have specific names and addresses; it is more about the general principle. If it is the lower value stock that is being transferred to the community housing sector, expectations of what future funds they will be able to raise will be lower.

**Mr Innis:** I understand the issue.

**Senator PAYNE:** I think I need to see what information organisations are comfortable with providing.

**Mr Innis:** It would just be helpful.

**Senator LUDLAM:** Has anybody ever estimated what the average energy efficiency star rating equivalent would be for older public housing stock? Is it one star or two star, recognising that we have made big improvements in recent years?

**Mr Innis:** I very much doubt that we have that sort of information. We would need to go to the public-housing authorities in each jurisdiction to try to gain that. I do not know if it is available or not.

**Mr Tongue:** We have done outstandingly well on the stimulus. The states have done incredibly well.

**Senator LUDLAM:** They were up around six. I recognise that, but I am interested in the legacy stock.

**Mr Tongue:** We would have to ask the states and see what they have done.

**Ms Croke:** We would have to ask the states, but we know with some of the repairs and maintenance that they did on existing stock they did look to incorporate as much as they could around energy efficiency and universal design. I do not have an accurate number to give you.

**Senator LUDLAM:** I might chase the WA figures and see if that gives us an idea.

**Senator FURNER:** In relation to the budget, can you give me some indication of what was provided to assist homeless people, particularly in the mental health package and the employment participation package?

**CHAIR:** We touched a little bit earlier on mental health, but I will see what the officers are prepared to say.

**Mr Tongue:** We were talking earlier about the specific \$200 million mental health measure, which we have been working with the Department of Health and Ageing on. It looks at the question of the integration of the health and hospital system with homelessness providers. One of the challenges with working with the states and territories, and in designing the service system, is that we would like to achieve a system where people who may be discharged from hospital are not just discharged into crisis care, but that they are actually discharged into something that gives them a broad sense of stability. Particularly in the homelessness area, some of the experts are telling us that if somebody has been stabilised in hospital and they immediately go into crisis care that is likely to trigger further episodes, and they will fall out of having a home and end up back in hospital. It is a cycle. So that \$200 million will be a competitive pool in a national partnership agreement to be negotiated with the states and territories.

**Mr Innis:** We have done an initial analysis of the budget and its impact on homelessness. There are a large number of initiatives that we think will have a positive impact; some are going to have a greater impact than others. They range through the mental health spending and some of the income support measures. There was \$111 million spent on emergency relief. That is a good contribution to homelessness. There was another \$8.5 million spent on domestic violence. There is a range of issues around economic participation, which will have some impact on our ability to reduce homelessness. There is a direct injection into Centrelink for people who work with homeless clients. That is again a positive impact. And there are a range of measures in the Indigenous space that we would assess to have some positive impact. Plus there are some aged-care measures, which I know the Prime Minister's Council on Homelessness was very keen to see. Overall, there were quite a number of initiatives that will make some contribution and there are some specific initiatives that we would think would make a significant contribution—but without being able to put numbers against it.

**Senator FURNER:** How will the accommodation support under the mental health package help people who are homeless?

**Mr Innis:** The intention is for it to connect people who are entering the hospital system with stable accommodation. This is particularly for the rough sleepers cohort, where they do connect with the service system, because often the only place they connect is an emergency department or a crisis mental health hospital facility. The intention is to use that connection to the service system and build on it with a client all the way through to stable housing. As the minister said earlier in the hearing, we have looked around the country for models which do this and what we are really seeking to do is encourage more of that type of work.

**Senator FURNER:** I take it that it is consistent with the white paper strategy on homelessness?

**Mr Innis:** It is absolutely consistent with the exits from care element of that strategy.

**Senator PAYNE:** I have some questions around the ABS methodology review, which Senator Ludlam addressed. I think towards the end of that discussion most of these questions were answered, but there is one that I am not quite sure about. You said that this would continue over time. You will use other accounting methods and make sure that it was all factored in so that we have as complete a picture as possible. But in relation to the upcoming census in August, is it the view of the department that there is adequate time for feedback from homelessness providers to be fed into the final methodology design to use for census process?

**Ms Mandla:** I am happy to answer that one. Because it is a review of the methodology, it is not going to impact on the mechanics of how the census is conducted on census night. It relates to the analysis of the data that is gained from the census and that analysis occurs over quite a lengthy period post the census. It will not have any impact on that. I understand that ABS will still work with the specialist homelessness services providers to get as best a count as possible on census night. We would expect that any final findings that come out of that final report, which is due around the middle of the year, would be applied to that analysis and would also be applied to the figures for the 2006 and 2001 censuses. This would be so that we would have a consistent time series that we can gauge progress against.

**Senator PAYNE:** The other question that came to mind when that discussion with Senator Ludlam was occurring is at a fairly micro level, but it did occur to me to ask: to what extent do the state authorities become engaged in providing, particularly the departments of housing, information on homelessness as they encounter it through their officers? Anecdotally, the individuals who approach my office in Parramatta engage with the New South Wales department of housing officers across western Sydney, from one end of it to the other. They are often people who are about to be evicted and who are about to need emergency accommodation. They may have children. They may spend time accommodated in their own cars or they may farm their children out and live in their cars themselves. All of that information is provided to department of housing officers as they seek help. They are clearly homeless, but I am not sure whether they are statistically viable for counting. I thought that you might be able to advise me what involvement or engagement state officers in any jurisdiction have in that process.

**Ms Mandla:** My understanding is that various states have a range of protocols in relation to identifying vulnerable cohorts of people, including the homeless. The agency they would most likely come into contact with is Centrelink. As you may be aware, Centrelink have their homelessness indicator flag. So in a lot of cases that information would also be fed through to Centrelink, which would basically be aware of that, and through their community engagement officers and social workers they would then be able to refer those families to the appropriate services.

**Senator PAYNE:** I must say that my personal experience over an extended period of time in this role is that they do not always engage with Centrelink. Very often they walk through the front door of the department of housing because that is what they do not have and that is what they think they can find there—not unreasonably, I might say. So I do not know how often the Centrelink flag does go up in that context.

**Senator Arbib:** Are you trying to say what interaction is there between the ABS and the work they are doing with the methodology and state community service and housing departments?

**Senator PAYNE:** Is about more than that, but that would be helpful to know as well. I am also asking about how much feedback your Commonwealth department gets from the state departments in relation to their experiences with people who are at the crisis point of homelessness.

**Mr Innis:** On the second point, we have previously talked in this committee about the specialist homelessness service database that we are creating and which commences on 1 July. They are funded organisations. It is a very big data collection that we are seeking to improve. Often people who are homeless try to touch base with the state housing authority and very often they connect with an emergency provider, and that is in the specialist homelessness field. So we are hoping to get a very rich database on homeless people as they present.

One of the other things we are doing is that we are trying to look at data from the sources of homelessness. Obviously being evicted from public housing is a potential source of homelessness, so we do have a look at data around the evictions from public housing as a likely source of homeless people. There is quite a rich tapestry of data that we connect with to build up the overall picture. The homelessness flag, understanding that it is not a perfect measure, does give us some sense of who is out there. But your specific question about the state interaction with the ABS is a question we would have to refer to the ABS because we do not know.

**Ms Mandla:** I can answer that question now. It probably comes down to the fact that state jurisdictions provide the Supported Accommodation and Assistance Program list of agencies. So I presume that they would be referring them on to SAAP agencies that they administer as part of that. I also understand that they are working actively with the Australian Bureau of Statistics in the counting of the homeless for the census.

**Senator PAYNE:** I really appreciate that information, thank you. Senator Ludlam was discussing some of the challenges around Indigenous homelessness, particularly for the count. I am happy to be redirected if this is not the appropriate place to ask, but the NPA on Remote Indigenous Housing has a performance indicator for the incidence of homelessness and its benchmark is a reduction of homelessness in remote Australia by 30 percent by 2013. Is it appropriate to ask a question about that now?

**Mr Tongue:** Can we carry that over to Indigenous estimates? Today we have a different line up of people.

**Senator PAYNE:** That is fine. That is why I thought I would check. I want to ask about one of the budget measures in Budget Paper No. 2, the extension of the homelessness and social inclusion service. Is there someone who can help me with that? It is the money for 20 community engagement officers and the 13 social workers. But it is called the homelessness and social inclusion service.

**Mr Innis:** This is the department of human services initiative that is attached to Centrelink and it builds on an earlier investment by government to have I think it is now around 90 officers. It is an additional effort in what has been a very good program of engagement. I have

had the opportunity to go and talk to a number of these folk. They are doing a very good job in connecting people up. What we are finding is by having these engagement officers out they are building a local network both with the clients and also with the service providers, and they are being able to do some matching of clients and service providers.

**Senator Arbib:** So what you are referring to is an expansion of the numbers?

**Ms Mandla:** And the budget specifically provides for an additional 20 Centrelink community engagement officers to ensure that people who are homeless are assisted.

**Senator PAYNE:** So if I wanted to pursue that, I should do that with Human Services and with Centrelink, not with you guys. You tricked me by calling them a homelessness service. What about the provision for funding in the aged care space to increase the residential viability supplement to eligible aged care providers and money to provide a further supplement to aged care homes in rural and remote Australia that are facing financial pressure? These homes include those that specialise in caring for homeless and Indigenous Australians. Is that your space?

**Mr Innis:** It is a Health initiative, Senator. I think I mentioned this one earlier—

**Senator PAYNE:** Was that with Senator Furner?

**Mr Innis:** I think with Senator Furner. It has been an issue that has before the Prime Minister's Council on Homelessness. We have raised it with government and this initiative meets the problems that they have identified.

**Senator PAYNE:** Does your department know how much of the \$16 million supplement will be used to assist homes that do specialise in caring for the homeless in particular?

**Mr Innis:** No, you would have to talk to Health about that.

**Senator PAYNE:** I will do that on notice. In a press release of 24 April about homelessness, the minister was making a few observations about some state government decisions but encapsulated spending on homelessness at \$5 billion, including the spending on 10,000 new homes for people experiencing or at risk of homelessness. Can I ask on notice for you to provide me with a more comprehensive breakdown of that \$5 billion dollar scheme.

**Mr Innis:** Certainly.

**Senator PAYNE:** There has been some discussion and commentary about homelessness in regional and remote areas in recent times and the NPA on Homelessness, as I understand it, was supposed to give the states and territories more flexibility in how they deal with rural and remote areas. Does the department keep an eye on how many homelessness services are functioning in rural and remote areas to address some of those concerns or is it more of an en globo approach?

**Mr Tongue:** One of the things about the stimulus spend that I think we have previously reported is the urban and regional/remote breakdown. One of the things we were conscious of in rolling out the stimulus was that it was not all just big capital cities. We were actually getting stock out to more regional areas. In terms of the 190 or so separate initiatives that the states have taken up as a result of the injection of around \$400 million towards dedicated homelessness services, I will look at the team and see whether we have got a regional breakdown. I am not sure whether we can do it today. I am happy to take it on notice,

perhaps, and see if we can try to break that down—noting that some funding will go to the Brotherhood of St Laurence; that was—

**Senator PAYNE:** I do understand that, yes. What I might do is just put a little bit more detail around that in some questions on notice and if you could assist me with that, that would be helpful.

**Mr Innis:** Sure.

**Senator PAYNE:** On the last occasion, I think I asked some questions in terms of the social housing construction process where some contractors had gone into administration, and you provided me with an answer to a question on notice in relation to that, which was question No. 49. The answer indicated that seven have gone into administration or, and I think this phrase is interesting, decided that they were unable to perform their contracted work. I am not entirely sure what that means at the end of the day, but I guess it means they do not do it. Are you able to tell us which are the seven contractors which have gone into administration?

**Mr Innis:** Senator, I am glad you raised that because we have had one other additional. Now the number is eight.

**Senator PAYNE:** Could you tell us which are the eight?

**Mr Innis:** I think we can tell you the sites involved?

**Ms Croke:** We have the states and territories.

**Senator PAYNE:** And the sites as well, Ms Croke?

**Ms Croke:** Yes, I can tell you the sites. In New South Wales there are Towradgi, Tarrawanna, Coffs Harbour, Bomaderry, Scone, Ballina, Kempsey, Armidale; in Victoria there is Broadmeadows; in Queensland there are Allenstown, Emerald, Maryborough, Tiana, Gympie, Scarness, Beenleigh, Condon, Deeragun, Mount Lousia, Misserton and Railway Estate.

**Senator PAYNE:** So those sites are covered by eight contractors?

**Ms Croke:** Yes.

**Senator PAYNE:** And did all eight of those contractors go into administration or did some of them decide they were not able to perform their contracted work?

**Ms Croke:** It was a mixture.

**Senator PAYNE:** What does that actually mean?

**Ms Croke:** It just is, I suppose, trying to make a distinction that some have gone into administration but some have not, but they are no longer completing the work.

**Mr Innis:** Some are continuing as a commercial enterprise, which is one of the sensitivities around who and where and when.

**Senator PAYNE:** I think in your answer to me, question 49, you said, for the seven, it covered 160 dwellings and they had all been retendered. What is the total of dwellings now covered by that?

**Ms Croke:** Sorry, I have missed the location for the eighth one.

**Mr Innis:** We are now into territory where I think we could identify the particular—

**Ms Croke:** No, just the locations.



**Mr Innis:** Unless there are other projects, we have got one provider and—

**CHAIR:** In terms of the privacy aspect, Mr Innis, okay. The others are all clearly in the public domain, but this eighth one—

**Mr Innis:** Senator, it would be better to ask that on notice so that we could consider the issue properly.

**Senator PAYNE:** Okay, thank you. So can I go back to my question. You said in the answer that it covered 160 dwellings previously; what number of dwellings does it now cover?

**Ms Croke:** It is 215.

**Senator PAYNE:** Can you advise the committee, for each of these contractors, whether it has been a matter of going into administration or not being able to perform the contracted work, whether any subcontractors have performed work and gone unpaid or underpaid as a result of the contractors' position? You can take that on notice if you cannot answer it right now.

**Ms Croke:** I think we would have to take that on notice.

**Mr Tongue:** We will have to take that on notice; it would be a bit reliant on the information provided to us by states and territories.

**Senator PAYNE:** Can you give us some idea of what the expected completion dates for those contracts were and what they are now?

**Ms Croke:** We could take that on notice.

**Senator PAYNE:** All right, thank you very much.

**Ms Mandla:** Senator, in relation to your previous question around the homelessness services and their coverage for rural, remote and metropolitan areas, I have got a figure here for you. The latest data I have got is 2008-09, although I believe the 2009-10 data should be out shortly. Major city areas had a higher percentage of Supported Accommodation Assistance Program agencies, so they are the homelessness services. That was 57 per cent, compared with regional and remote areas, which had 43 per cent out of the total 1,532 agencies in 2008-09.

**Senator PAYNE:** Do you expect that figure to have altered significantly in the subsequent year?

**Mr Innis:** I do not think we should speculate—I think the next data is out around September, is that correct?

**Ms Mandla:** We will have data available perhaps at the end of this week or early next week, but one thing I can say is that with the new specialist homelessness and services collection, which is due to go live on 1 July, we will have some quite detailed data around. More services will be covered within that data collection and we will also have the geographical spread data and a bit more detail around that too.

**Mr Innis:** I think the other thing to note is that those data relate to specialist homelessness services. I would observe that as you go into regions and more remote areas—

**Senator PAYNE:** The more mixed services.

**Mr Innis:** Yes, you end up with more mix, which might not be captured in that data.

**Senator PAYNE:** I understand that. So Centacare working in Dubbo, for example, might be working on Indigenous youth programs, young mums programs and homelessness programs.

**Mr Innis:** That is correct.

**Ms Mandla:** We will actually get more information about the types of services offered by each service in each of those locations as well. For example, if some of them offer a range of services or just one service, we will have more information than we had under the previous system.

**Senator PAYNE:** So if I was to place questions on notice in relation to that, you think there is information coming to hand relatively soon that you could assist me with?

**Ms Mandla:** Yes. It depends on the questions.

**Senator PAYNE:** A very salient point. I find they often depend upon the answers, but I know what you mean. Madam Chair, I think that covers the vast majority of the issues that I have.

**Mr Tongue:** Senator, could I just raise two issues on previous questions. On our responsiveness in terms of getting information from states and territories, we will rely a little bit on timeframes there. I know the committee was concerned about the timeframes.

**Senator PAYNE:** We always accept that caveat, Mr Tongue; we do understand.

**Mr Tongue:** We have got a good relationship with them and they are very helpful, but just occasionally we wait. The second area concerns projects that have been affected by contractor issues. It is certainly the case in most jurisdictions that efforts are being made to ensure, either through a process of liquidation or administration or through other processes of state government, that subcontractors' and others' payments are addressed. So, certainly, one of the reasons that the program carries a contingency that we talked about earlier is to address that issue. The arrangements vary, of course, by jurisdiction, but they tend to echo across the country such that either payments are made for completion of projects or payments are stopped, or there is a variety of arrangements so that contractors are brought in to ensure that the subcontractors are not left high and dry.

**Senator Arbib:** I think the 215 that we talked about represents that one per cent of the stimulus.

**Senator PAYNE:** I know it is small and we have said that, but it is very important to the individual.

**Senator Arbib:** Yes, it is important, of course.

**Senator BOYCE:** My particular focus is on people who are receiving rent assistance and are in arrears with that rent. I realise I may have to re-ask some of this at Centrelink, but I will try here now. Rent assistance is paid direct to the individual who is paying the rent. Could you tell me what the current number of recipients is.

**Ms Croke:** Certainly. As of 11 March 2011, it was 1,130,532 individuals and families.

**Senator BOYCE:** How much did they receive?

**Ms Croke:** I cannot give you—

**Senator BOYCE:** The figure for March 2011, so to speak.

**Ms Croke:** What about if I give you the 2010-11 financial year figure for rent assistance? It was \$3.1 billion.

**Senator BOYCE:** It is supposed to go to about \$3.3 billion, isn't it?

**Ms Croke:** That is projected expenditure for 2011-12, yes.

**Senator BOYCE:** I have had a couple of complaints come to me from landlords who are asking why this money continues to be paid irrespective of whether people are paying their rent or not. What is the policy in this area from the department's perspective?

**Ms Croke:** Rent assistance is part of the income support arrangements. It is not an appropriation in its own right; it builds on the primary payment. It is, as you say, paid to the tenant, and the obligation is on the tenant, as part of their rental arrangement, to pay rent.

**Senator BOYCE:** How do you monitor whether rent assistance is used to pay rent?

**Mr Innis:** We do not specifically monitor whether rent assistance is used to pay rent. In the vast, vast bulk of cases, it would be.

**Senator BOYCE:** How do you know that, Mr Innis? What percentage of people are in arrears?

**Mr Innis:** I do not know if we have arrears in the private market. The philosophy is that it is part of the bundle of income support that a client receives, and the intention is to place the client in a position to manage their finances and pay their obligations. That is the general proposition.

**Senator BOYCE:** So 'rent assistance' is something of a misnomer, in that it is part of income support for people who rent houses or properties.

**Mr Innis:** It is based on their income and what they pay in rent, so it is targeted at the costs of housing, whether it comes from that dollar amount or the primary income payment; generally it is a mixture of both that would satisfy a landlord. That rent assistance does not generally cover the entire amount of rent.

**Senator BOYCE:** I realise that. You would not have any idea of how many people who receive income support were in arrears with their rent?

**Ms Croke:** Not in the private rental market. Centrelink does have a facility for deductions to be made from income support payments: it has a Centrepay facility. Between the tenant or income support recipient and Centrelink, they can set up a direct deduction through Centrepay for that rent to be paid to the landlord. Those facilities do exist.

**Senator BOYCE:** But, again, that would be something that the individual is choosing to do. I can see this from both sides, but can you understand that landlords, where rent is significantly in arrears, can see it as unreasonable that this rent assistance is going to the tenant and not, perhaps, directly to the landlord?

**Ms Croke:** I can certainly see it as reasonable that any landlord who is not being paid is concerned. It may not help to have rent assistance paid directly, because it is a contribution to the costs of housing; it does not cover housing.

**Senator BOYCE:** I appreciate that, but I think that obviously, given the financial situation that some people are in, a contribution is better than nothing.

**Senator Arbib:** Landlords do have mechanisms within the state legislation to chase up arrears, so the processes are there to ensure that they can access those arrears.

**Senator BOYCE:** Yes, but the point being made by these people is that what they perceive to be government money is going direct to these people to help them pay their rent, and they are not paying their rent. That is the argument.

**Senator Arbib:** I can see why that might be the case, but landlords ultimately do chase up those funds.

**Senator BOYCE:** Yes, I realise that. Very briefly, when will the supported accommodation innovation fund that is in the budget actually start? I see that the first funding round will be in late 2011. When is the fund itself going to be set up?

**Mr Innis:** Senator, do you have a reference to the—

**Senator BOYCE:** Page number? The portfolio budget statement says:

... the Government is also establishing a Supported Accommodation Innovation Fund. The Fund will help support community organisations that build innovative and sustainable ...

It is on page 22 of the statement. Going further through the statement, I really could not find any detail on it.

**Mr Innis:** Is this a disability-related initiative? Sorry, it took me a little while to realise.

**Senator BOYCE:** Again, it was one of those things where I am not sure if I should be asking it—

**Mr Innis:** It should have been in the disability outcome.

**Senator BOYCE:** Okay, there we are. Thank you, Chair.

**CHAIR:** Does anyone have any further questions? Mr Pratt, we will see you at 8.30 tomorrow. We appreciate the patience of your officers. There is a suicide prevention function at lunchtime, so we are working around that. Thank you very much.

**Committee adjourned at 21:32**