

**Dr Harmer**—Senator, we are still in the first year of all of those agreements.

**Senator BOYCE**—Absolutely, but how they work now—

**Dr Harmer**—Sure.

**Senator BOYCE**—will established a pattern for how they work into the future.

**Mr Innis**—That is correct.

**Senator BOYCE**—The states have perhaps not always been as—

**CHAIR**—Lost for words there?

**Senator BOYCE**—I am trying to think of a polite one—rigorous, perhaps, as they could be in their use of Commonwealth funds. That is all the questions that I have.

**CHAIR**—There are no more general questions. Thank you for the responses on cross-outcomes. It might be sensible if we take the break now.

#### Proceedings suspended from 10.05 am to 10.23 am

**CHAIR**—I welcome officers from the department for outcome 2, Housing. Senator Payne, I believe you are starting in this area, and I know Senator Ludlam has questions as well.

**Senator BOYCE**—I have some questions.

**CHAIR**—Yes, of course.

**Senator SIEWERT**—And I have too.

**CHAIR**—It is going to be a long day.

**Senator PAYNE**—I want to start with the National Rental Affordability Scheme. As I understand it, round 2 of the NRAS closed at the end of March this year. I think that when we were last talking in estimates you indicated you had about 12 applications. Ten were being assessed, one was withdrawn and one was non-compliant. We then discussed the concept of the late rush with these things. I wonder if you could update the committee about whether that late rush eventuated in February.

**Mr Leeper**—Yes, it is fair to say there was a late rush. We have not finished assessing the applications, but in the second round of the National Rental Affordability Scheme we have received proposals covering almost 27,000 incentives. Not all of those will necessarily come through the assessment process. We received 540 applications covering around 27,000 incentives.

**Senator PAYNE**—What is their current status?

**Mr Leeper**—We are assessing them in accordance with the guidelines and procedures we have established for the scheme, including financial and risk assessments. That process is proceeding as we speak.

**Senator PAYNE**—When do you expect the assessment of those applications to be concluded?

**Ms Mills**—We expect them to be completed towards the end of July and are hoping to have announcements made in mid-August.

**Mr Leeper**—Sorry; I will correct my evidence. It is 140 applications, not 540 applications. I beg your pardon.

**Senator PAYNE**—I was about to say, that was a very big rush! The compliance applications that we were talking about in the previous discussion were for approximately 1,000 incentives, I think; is that right? Incentives or dwellings—I am not sure which noun we are using. Ms Winzar?

**Ms Winzar**—We are perhaps looking a little puzzled because we are straddling both round 1 and round 2. Your question is just in respect of round 2?

**Senator PAYNE**—Yes.

**Ms Winzar**—I think it would be a bit premature for us to be looking at the total number of non-compliant applications at this point.

**Senator PAYNE**—Even for the ones that were received earlier?

**Ms Winzar**—The complication is that round 2 had essentially two components. We asked for some early bids where houses could be actually delivered by 30 June and then the bulk of that round was for houses to be delivered over the next couple of years.

**Senator PAYNE**—So in relation to those early bids and the delivery by 30 June, what proportion do you expect will actually be delivered by that date; in fact, what number?

**Ms Mills**—I have that number here. We assessed 12 applications that were for early availability of dwellings by 30 June. Offers have been made to six providers for just under 600 dwellings. We still anticipate that they will be available by 30 June.

**Senator PAYNE**—In what locations? Can you tell the committee?

**Ms Mills**—I can give you general information, not actual street addresses. In terms of the state breakdown, in South Australia we have around 55—that is, in the metropolitan and rural areas.

**Senator PAYNE**—Just to clarify, when you say ‘rural’ do you mean very rural or regional?

**Ms Mills**—Outside of major regional centres.

**Senator PAYNE**—Thank you.

**Mr Leeper**—We have incentives offered across four states and four locations: inner metro, outer metro, provincial and rural. We can read those into the *Hansard* if that is useful.

**Senator PAYNE**—Yes. So SA is 55 metro and rural?

**Mr Leeper**—New South Wales: 112 inner metropolitan, 10 rural. Queensland: 20 inner metropolitan, 30 outer metropolitan, 46 provincial. South Australia: seven inner metro, eight outer metro, 43 rural. Victoria: five inner metro, 199 outer metropolitan, 41 provincial and 78 rural. That totals 499.

**Senator PAYNE**—That leaves out Western Australia?

**Senator ADAMS**—It does, yes.

**Mr Leeper**—These are our assessments of early bids that were made. They are not necessarily allocated on a geographic basis.

**Senator PAYNE**—I understand that. Were there any bids from Western Australia which were not deemed to be compliant?

**Ms Winzar**—I think we will have to take that one on notice. We will get back to you with it later on today.

**Senator PAYNE**—All right.

**Ms Winzar**—Sorry, correction: the answer apparently is no.

**Senator PAYNE**—No bids?

**Mr Leeper**—No bids.

**Senator PAYNE**—Thank you. The 30 June delivery: I think you said, Ms Mills, that there will be 599 or 600 dwellings, thereabouts.

**Ms Mills**—Yes.

**Senator PAYNE**—How long before the next group of dwellings comes online for tenancy?

**Ms Mills**—That will not be known until we have actually completed the assessment process for the main round 2 applications. We will have more detail about that as we go through that assessment process.

**Senator PAYNE**—Is that going more slowly than the department expected?

**Ms Winzar**—The second round is because, to be frank, we were not expecting 27,000 dwellings to be canvassed by those 140 projects. The process of assessing them and the state and territory governments doing their component of the assessment has taken longer than we expected.

**Mr Leeper**—The way the scheme was built up in the estimates was that we provided for 3½ thousand incentives in the first round and 7½ thousand in the second round. We certainly expected at least double the number of incentive applications. We were not expecting nearly four times as many. That has caused us a few logistical issues which we are responding to and managing, but we will get through the process.

**Senator PAYNE**—Do those logistical issues include adding further staff into the area that is dealing with the NRAS assessment process?

**Ms Mills**—Yes.

**Senator PAYNE**—How many and at what levels?

**Mr Leeper**—We would need to take the levels on notice, but we would have engaged non-ongoing staff to help us cope with the assessment load. It would be a two- to three-month activity. They would typically be at the APS5/6 and EO1 levels.

**Senator PAYNE**—Okay. Will you come back with more detail on that?

**Mr Leeper**—Happy to, Senator.

**Senator PAYNE**—Thank you. Given this aspect that you have explained about the status of the second round, what is the time frame for a third round?

**Ms Winzar**—We have not definitely resolved the timing for announcing the third round. Obviously, we will need to complete the second round assessments and provide feedback to the unsuccessful applicants before we move to the next round.

**Senator PAYNE**—Can applicants reapply in another round?

**Ms Winzar**—Yes, they can.

**Senator PAYNE**—If they have failed in the preceding one, I mean.

**Ms Winzar**—Yes, and we would certainly hope that they improve their subsequent applications and are successful in subsequent rounds.

**Mr Leeper**—All unsuccessful applicants are offered feedback from our process so that they understand why it was that we were unable to support their application.

**Senator PAYNE**—I am sure they are very grateful for that. I am not sure that you actually gave me a time frame then. Can we be a little more precise for round 3?

**Ms Winzar**—At this stage, we have not resolved when we will go to the third round announcement.

**Senator PAYNE**—It is a ‘when’, not an ‘if’? You are intending to do a third round?

**Ms Winzar**—Yes, we are.

**Dr Harmer**—There will be a third round but we have not determined yet when it will be.

**Senator PAYNE**—Where does this leave the initial NRAS timetable in terms of the total number of people we expect to be able to take up tenancies in dwellings under the scheme? If we are only at 676 or 599, or whatever it was, by 30 June, where does that leave the full timetable?

**Ms Winzar**—At this stage we are quite confident that we are going to meet our ultimate target of 50,000 affordable rental dwellings over the course of this initiative. We received so many applications in round 2—and of course we do not know yet how many of those are going to be successful—and, while our initial take-up in year 1 to have tenants in place by 30 June is perhaps a little bit below where we thought we would be, we are quite confident that we will make that up by 30 June 2010.

**Senator PAYNE**—That is a lot of making up to do.

**Dr Harmer**—That would be consistent with the number of applications we are getting.

**Senator PAYNE**—Do you have any reports from people involved in the industry about the capacity to find workforce—issues like that—particularly for the construction of new dwellings?

**Ms Winzar**—To my knowledge, we certainly have not had any feedback that any delays are due to problems in finding construction capacity, if that is where your question is going.

**Senator PAYNE**—Yes.

**Ms Winzar**—No.

**Senator PAYNE**—Given the size of the second round and what you have said about bringing people on to short-term positions in your team, are you also using additional consultancy services?

**Ms Mills**—No, not any additional. We have previously had some consultancy arrangements and we have continued that for round 2, with KPMG and WalterTurnbull to assist us with the financial viability assessments. Those have obviously expanded because of the number of applications.

**Senator PAYNE**—Can you advise the committee of the costs for those two companies respectively for round 2?

**Ms Mills**—Yes. I have got that here somewhere. For KPMG the cost is \$224,334.54 and, for WalterTurnbull, \$129,220.91.

**Senator PAYNE**—Thank you. I want to ask a question about the annual statements of compliance. Are they already coming in?

**Ms Mills**—Yes, they are coming in for round 1 dwellings. They are being lodged electronically, so there has been a slight delay with some of those not being received by the due date, which was 13 May. But as of last week there are only 32 outstanding.

**Senator PAYNE**—How many does that mean you have received, Ms Mills?

**Ms Mills**—472 have been received to date.

**Senator PAYNE**—If they were overdue—that is, if they were overdue beyond 13 May—did the department have to chase up participants to get the certificates?

**Ms Mills**—Yes.

**Senator PAYNE**—Would you describe the level of returns as satisfactory?

**Ms Mills**—We are still working through the compliance and the quality of those returns. But, yes, we have been doing a lot of work, through the call centre and through the staff in our branch, to ensure that the information is at the level that is required for us to be able to issue those statements.

**Senator PAYNE**—Are there any consistent areas where perhaps participants have not understood the sort of information that they needed to provide? I do not mean that critically. I am interested in how they have been responded to.

**Ms Mills**—I probably do not have that level of information here with me but I think that, generally speaking, there has not been one stand-out area where there has been a consistent mistake or a consistent oversight. It is just getting used to the new system more than anything else.

**Senator PAYNE**—And you will continue with that process of electronic lodgement for round 2, when the time comes, obviously?

**Ms Mills**—Yes.

**Senator PAYNE**—In terms of the expenditure for this area, the forecasts for 2009-10 in the 2008-09 budgets looked at \$25.2 million for FaHCSIA, and then the PBS for you now is an allocation, I think, of \$23.505 million. That is a slight variation—relatively speaking, ‘slight’. Can you explain that?

**Mr Leeper**—Sorry. Are you saying that the previous figure was—

**Senator PAYNE**—It was \$25.2 million. In the current budget it is \$23.5 million or thereabouts.

**Mr Leeper**—There is a difference of about six per cent, so it is unlikely to be solely due to indexation. It may be that there is a slight delay in the build-up of the issuing of incentives.

**Senator PAYNE**—Right. Would it be helpful, Mr Leeper, to take that on notice and provide some further detail to the committee?

**Mr Leeper**—Yes.

**Dr Harmer**—We may well take it on notice, if we have not got anything here.

**Senator PAYNE**—When we were talking before about the location of the projects—and Ms Mills said, of course, that we do not have street addresses available, which we understand absolutely, and I appreciate the breakdown between the inner metro, outer metro, rural, provincial, regional, and so on—is that the level of breakdown that we can get? If you took it on notice, could you give us more specific information?

**Ms Winzar**—By suburb or town; something like that?

**Senator PAYNE**—Yes.

**Ms Winzar**—Yes, we could, I think.

**Senator PAYNE**—Thank you very much. Looking at the applications for round 2, can you give the committee an assessment of the level of institutional application versus the not-for-profits?

**Ms Winzar**—In terms of the split between the number of applications received—the 140 or so—my understanding is that it is about half and half for not-for-profit organisations and institutional investors. In terms of the number of NRAS incentives or dwellings that that applies to, the split is quite different. In relation to the applications for round 2, I think about two-thirds of the dwellings would be not-for-profit applications and the balance would be from institutional investors.

**Senator PAYNE**—That is a different proportion than I think we expected, or you had indicated was the expectation, when we discussed this scheme first-up at previous estimates. Is that going to change the funding around this significantly, given that that will be a high proportion of cash payments and tax offsets?

**Ms Winzar**—Yes, that is right. It is something that we are keeping under review. Of course, we will not have a totally clear picture until we have completed the round 2 assessments, but certainly in terms of applications I think it is fair to say that we expected more of a balance in the number of dwellings that would be canvassed by not-for-profits and by institutional investors than we have received.

**Senator PAYNE**—Will the figures need to be significantly reviewed, if that is the case?

**Ms Winzar**—Yes, we will keep it under review, and if there is a need to change the balance between cash payments and refundable tax offsets then we will seek to have that done. But bear in mind that the complexity around this is, of course, that applications in round 2 are not simply for the 2009-10 year but may go—

**Senator PAYNE**—Beyond.

**Ms Winzar**—forward for several years, yes. I have not got a profile of the dwellings applied for by not-for-profit organisations, but it may well be that they are for the most part in this next financial year, whereas the institutional investors' profile might be somewhat different.

**Senator PAYNE**—That will be an interesting review process, I am sure. So if we are looking at completion—and I assume, then, tenancies—for the ones that are due to be ready by 30 June, I guess we should be looking for the minister and the Prime Minister, in the way of things, to visit their first completed NRAS dwelling quite soon.

**Ms Winzar**—I believe that there may have already been a visit to an NRAS tenant.

**Senator PAYNE**—I must have missed that media opportunity, but I will get onto the Media Monitors people.

**Senator BOYCE**—And you had better go for a very large chequebook.

**Senator PAYNE**—I just thought I needed a hard hat, Senator Boyce!

**Senator LUDLAM**—Maybe to follow along in that vein, when you were taking us through the list before for that part of the second round that you have offered, there were none for Western Australia, so no bids were accepted. We did not hear anything from Tasmania, the Northern Territory or the ACT? Nothing there?

**Ms Mills**—No.

**Senator LUDLAM**—Do we need to be worried about not all the states and territories picking up or is it just that this is the very shallow end and soon there will be a flood?

**Ms Mills**—There certainly are applications in the main round 2 from each jurisdiction—and good numbers, at least in the applications and in the number of incentives that they are seeking.

**Senator LUDLAM**—Yes.

**Ms Mills**—As Ms Winzar said, we certainly have not completed the assessment yet, so it is too early for us to be able to indicate how many of those might be successful applications.

**Mr Leeper**—Out of the 27,000 round 2 main round applications, acknowledging as Ms Mills has that this does not guarantee success, 1,644 of those are from Western Australia, 1,677 are from Tasmania and 172 are from the Northern Territory.

**Dr Harmer**—There is nothing in the information we are getting so far in relatively early days to indicate that there would be a problem with any particular state or jurisdiction.

**Senator LUDLAM**—That is fine. I just wanted to make sure. Do you have quotas for the balance of inner metro, outer metro, provincial and rural? Do you have guidelines about trying to fund a certain proportion in each zone?

**Ms Winzar**—No.

**Senator LUDLAM**—So it is pretty much up to the housing providers and the developers. We went through this in some detail last time. Are you happy enough with the balance as it stands between the different regions?

**Ms Winzar**—I am quite happy in terms of applications in round 2. We are roughly looking at about a little over 10,000 in inner metropolitan areas, about 5,700 in outer metropolitan areas, 3,600 in provincial and about

6,500 in rural areas. That leaves about 1,000 where we actually have not finished the coding yet. So that is a pretty good split, I think.

**Senator LUDLAM**—Yes, certainly. I think last time you did table a sheet of postcodes, which I presume must have been from round 1, and they were overwhelmingly outer metro areas, which was a bit of a concern. But it sounds like it is rounding out quite a bit.

**Ms Winzar**—That is our view, yes.

**Mr Leeper**—In round 1, of the incentives by those four broad locations—inner and outer metro, provincial and rural—1,000 of the 3,800 incentives that have been offered are for rural properties or tenancies and 500 are for provincial. So that is more than 40 per cent. In the early offers of round 2, out of the 600, 131 are rural, which is about 22 per cent, and 87 are provincial. So, combined again, it is about 36 or 37 per cent of incentives going to non-metropolitan areas.

**Senator LUDLAM**—Do you maintain a list—and I do not know how you would do this—of the geographical breakdown of housing stress, whether it is broken down by postcode or much larger areas than that, and are you mapping the way in which incentives are being taken up against need?

**Ms Winzar**—We have quite a lot of information about various regions and housing stress. It does not actually help us very much in the NRAS assessment process, because there are so many parts of Australia where there are people with rental stress or rental availability is quite limited.

**Senator LUDLAM**—Okay. So you do have a map and it is desperate in so many places that it is not so helpful?

**Dr Harmer**—There is no commonly accepted benchmark of what represents stress but, generally, when you pay more than 30, 35 or 40 per cent of your income—certainly more than 50 per cent of your income—in rents then you would be regarded as being in some stress. What Ms Winzar is saying is that the people who are paying that would be distributed around rural, regional and urban.

**Senator LUDLAM**—Yes.

**Dr Harmer**—She is not commenting on the number of them. She is just saying that the distribution is wide.

**Senator LUDLAM**—That is okay. So the scheme was announced and the minister emphasised the quality of applications would be the major defining factor in NRAS funding being awarded. I wondering if you can tell us a bit more on how you define 'quality'. As I was last time, I am interested to know how the sustainability benchmarking is going, with particular regard to water and energy efficiency and access to public transport.

**Ms Winzar**—Perhaps I will lead off on that one and ask Ms Mills to help me. All of the NRAS applications are assessed around a number of sustainability and accessibility outcomes, including how close they are to transport, schools, services, employment opportunities and so on. The types of dwellings and the proposed household composition is also a factor, so that we get a good social mix. We are also assessing them around their building and design features that might address the overall costs of maintaining or living in that building for tenants, and that would include energy and water efficiency.

Finally, the other dimension is looking at universal design principles or other low-cost measures that would make those properties more accessible for people who are older or have got disabilities. So in terms of the environmental sustainability dimension, we have developed with the Housing Industry Association a checklist that asks some questions of the applicants about the houses or the dwellings that they have got. In particular it asks whether or not they exceed what the current state building regulations are for energy efficiency, whether or not their living areas face north, whether or not they have got window designs and so on that catch prevailing breezes, whether they have got seals around doors and windows—all of those sorts of things. It is quite an extensive checklist.

**Senator LUDLAM**—Yes.

**Ms Winzar**—On the water side of things, we are certainly asking them what the rating is for their toilets; whether or not they have got shower heads that are water efficient; whether all hand basins, sinks and so on are fitted with water efficient taps; whether or not they have got rainwater tanks—we ask them that too—whether or not there is any other alternative water supply that is going to be connected to the house; and so on and so forth.

**Senator LUDLAM**—What can you tell us about how the applicants have performed against those standards for round 1 and the proportion of round 2 that has already been through your process?

**Ms Winzar**—I do not have that information with me, but that is a good question. We will take that one on notice and see what we can find. We can probably give you some information from round 1.

**Senator LUDLAM**—Yes, that would be great because that was still up in the air last time we went through this process. I figure by now you must have some reasonably accurate data. Is that something you might be able to provide a bit later today, or is that buried in the archives somewhere?

**Ms Winzar**—We are back with the committee tomorrow, so we will see what we can do by then.

**Senator LUDLAM**—If that is possible it would be excellent—and in as finely grained detail as you can, because there are a lot of very diverse benchmarks that you just ran through. That would be really helpful. I will leave NRAS stuff there and come back with some other material a bit later.

**CHAIR**—I know there are a few people with housing questions, but is there anything else on NRAS?

**Senator PAYNE**—Can I check a couple of things?

**CHAIR**—Sure.

**Senator PAYNE**—Going back to the question of the proportionality between the tax offsets and the cash payments, are you able to give us a clearer idea of what proportion you are expecting to be paid as direct cash payments rather than the offsets?

**Ms Winzar**—Yes. Our original estimate for 2008-09 was that the split between refundable tax offsets and claims would be pretty much fifty-fifty—51,750 dwellings apiece. For 2009-10 our projection was that around 5,600 would be refundable tax offsets and 1,875 would be grants.

**Senator PAYNE**—Do you still think that is going to be the case, based on the figures you quoted me before?

**Ms Winzar**—I think it probably will need to be adjusted, but we will need to see the outcome of round 2 applications and what their profile across the years is before we can make a definitive assessment.

**Senator PAYNE**—I understand that there are processes to be gone through. I understand that you are still doing these applications. But when do you think we can get a better idea of the numbers around that, from the committee's perspective?

**Ms Winzar**—I am not certain that we would be able to provide you with that information in advance of the mid-August announcement of the round 2 applications. But if not then, then I would hope soon after.

**Senator PAYNE**—Okay. If a tenant is in receipt of Commonwealth rent assistance and they end up one way or another in a dwelling that is an NRAS dwelling, can they still receive CRA as well?

**Mr Leeper**—Yes.

**Dr Harmer**—If they have a threshold amount for rent, yes.

**Mr Leeper**—The rent for which Commonwealth rent assistance will be calculated would reflect the discount that the tenant is effectively receiving. I think at the last hearing I said hypothetically a \$400-a-week house would, under NRAS, attract an \$80-a-week subsidy for the tenant. They would only pay \$320. Centrelink would calculate rent assistance on \$320 a week, even though the headline rate for the property would be \$400. So the landlord receives the NRAS payment in return for renting the property at a 20 per cent discount of the market rate. Centrelink would take account of that and would assess the rent at the rate the tenant actually paid.

**Senator PAYNE**—What about the question of equity around people in private rental who are probably facing reasonably high costs for the private rentals but do not end up in an NRAS? Don't they lose out in that deal?

**Mr Leeper**—I do not have the numbers in my head, but most people renting dwellings above \$200 a week have almost certainly already triggered their maximum rate of rent assistance. We could do the numbers if you need us to, but a rule of thumb would be that most people paying more than \$200 a week in rent for a property would be in receipt of maximum rent assistance if they are eligible to receive it.

**Senator PAYNE**—Madam Chair, that probably deals with the questions I have on the NRAS at the moment.

**CHAIR**—Do you have any other area you wish to move to? I am happy for someone to lead off and we will go into it.

**Senator PAYNE**—Yes, I am happy to go into the Housing Affordability Fund, for example.

**Senator ADAMS**—I have got one more on NRAS.

**CHAIR**—I am sorry. What is yours on NRAS?

**Senator ADAMS**—Last estimates there was a question on notice regarding the NRAS and realistic goals as to how many people were going to be housed under the plan. Do we have any better idea about how many people will be housed under this plan?

**Mr Leeper**—Could you give us a question number? Would that be possible?

**Senator ADAMS**—Yes. It was 383.

**Mr Leeper**—Thank you. We would stand by our answer. The scheme talks about supplying an additional 50,000 affordable dwellings. If those are tenanted at average tenancy rates we would expect to house more than 100,000 people, but we are not actually prescribing or seeking to deliver a particular tenancy profile. What we are in the market for is to stimulate the supply of 50,000 new dwellings.

**Senator ADAMS**—Right.

**Mr Leeper**—That is the objective of the program, rather than a particular number of people to be housed.

**Senator ADAMS**—Will the majority of those buildings be four bedroom or three bedroom? Where have you gone with that?

**Mr Leeper**—That would depend pretty much on the proposals that are put forward. I would expect they would range from everything from a bedsit studio apartment up to possibly including four-bedroom homes. We may even have something larger than that. I do not know.

**Senator ADAMS**—I will ask some more questions on public housing.

**CHAIR**—NRAS, Senator Williams?

**Senator WILLIAMS**—Thank you, Chair. I am concerned about a lot of regional areas—for example, in the census that came out in 2006, 85 people are listed as homeless in Inverell shire. I know of two or three in the town and around the shire. Even our mayor has said, ‘Look, this is simply wrong.’ Have you got figures of how many are homeless in those types of regional areas, or do you just take the census report?

**Ms Winzar**—The census collection around homelessness remains our main data source. The other major piece of information that we have is from Centrelink records, which can give us a bit of a window, but it would not be any different from the census results, I would not think.

**Senator WILLIAMS**—The ABS estimates were 104,700 homeless persons in the census night of 2006, of whom 16,400 were ‘sleeping rough’.

**Dr Harmer**—We are getting into the homelessness part and I have not got the right people here. We would be better placed to answer your questions when we have got—

**Senator WILLIAMS**—Yes, that would be fine.

**CHAIR**—Senator Williams, we will let you know when that time comes.

**Senator WILLIAMS**—Thank you, Chair.

**CHAIR**—We will go on to the next area of housing. Senator Ludlam?

**Senator LUDLAM**—Sorry. I do have one or two more on NRAS, if that is possible.

**CHAIR**—I will have to punish you!

**Senator LUDLAM**—I cannot believe I let this go: the tax issue.

**Dr Harmer**—Yes.

**Senator LUDLAM**—It is still ongoing. It was unresolved as of the last estimates in February. Can you tell us what progress has been made in resolving the charitable tax status issue for community housing providers?

**Mr Leeper**—It is under consideration.

**Senator LUDLAM**—That is where we were in February. Surely things must have moved a little bit since then.

**Mr Leeper**—These are matters for government to consider, and if it takes more than three months, it takes more than three months. We know of the matter.

**Dr Harmer**—I do not think we can answer that.

**Mr Leeper**—We know we need to deal with it. We are working on it.

**Senator LUDLAM**—I gather there has been quite a bit of work done. There is a new community housing industry development section—CHID. Can you tell us a little bit about what that unit or section is doing?

**Ms Winzar**—I will lead off a little on that and Ms Mills can help me. That section has got a couple of major tasks. The greatest priority one is simply to look at what the future might hold for the community housing part of the social housing sector and to assess what extra might be required to lift the scale of that part of the sector from some 35,000 to, conceivably, something over 100,000 dwellings under management, which is a fairly big lift in its operational capacity. The sorts of issues that come up include things like the financial management and governance capacity of those organisations to increase in scale and to examine some of the roles that they play at the moment. There are a few community housing organisations which, for example, as well as doing tenancy and property management, have started doing some property development. But there are only a couple of those.

We are also having a look at the regulatory frameworks that are currently in place to see whether or not they would be really what we need going forward if we are going to significantly increase the scale of operation of the community housing sector.

**Senator LUDLAM**—How many people work in that section?

**Ms Winzar**—I think there are five or six.

**Senator LUDLAM**—Is the charitable tax issue on the radar of that section?

**Ms Winzar**—Yes. I should have mentioned that, shouldn't I? Yes, they are involved in that, too.

**Senator LUDLAM**—Okay. Five to six people. So it is sector development, more or less. I know this is my third go at banging on about the charitable tax status stuff but, given that the proposals for round 2 of NRAS have closed, this is really starting to loom large now. Are the community housing organisations that you are dealing with starting to fall back? Is it starting to have a measurable impact, do you think, on the applications that they are putting up?

**Ms Winzar**—It did not for round 2, and we would not have expected it to because the current protection mechanism is in place with rounds 1 and 2. Clearly we will need to resolve it as soon as we can before we go forward to round 3.

**Senator LUDLAM**—But there is nothing you can tell us about the timing or any progress whatsoever in negotiations on that matter?

**Ms Winzar**—I do not think I can add anything to Mr Leeper's answer before.

**Senator SIEWERT**—Nice try!

**Senator LUDLAM**—I cannot ask that question in any other way.

**CHAIR**—There is no other wording.

**Senator LUDLAM**—I want to ask you briefly about the states' contributions. We will not talk about the territories yet, if there is nothing on the table. Have the states stepped up with matching or in-kind support for the incentives that the Commonwealth is offering? What can you tell us about that?

**Ms Winzar**—Yes, they certainly have. You will see in our portfolio budget statement that there is a line that talks about a special account under the NRAS heading, and that is the projection of the state and territory co-contributions to the NRAS.

**Senator LUDLAM**—I do not have that line in front of me, so can you just describe it within orders of magnitude. Are they stepping up to the \$2,000 minimum or—

**Ms Winzar**—Yes, indeed, at least the minimum.

**Senator LUDLAM**—Yes, I guess they have to. What I am asking is: to what degree have they gone the extra mile with additional or in-kind support?

**Ms Winzar**—We would have to take that on notice. I am sorry; I do not have that with me today.

**Senator LUDLAM**—Can you tell me what page that item is on?

**Mr Leeper**—Page 61.

**Senator LUDLAM**—Thank you. So a special account has been established for that. I do not know whether this sort of information is going to be in the public domain or not, but it would be good if you could tell us whether that is actually bearing up or not, because I know the sector was hoping that the states and territories would come up with much more than the \$2,000 cash or in-kind support.

**Mr Leeper**—There are certainly no requirements on the states to put forward extra. The requirement is that they match, as it were, the Commonwealth's \$6,000 with \$2,000 of their own, both of those indexed. As far as we are aware, they are doing that in all cases.

**Senator LUDLAM**—Yes.

**Mr Leeper**—It would be a major issue for us if they were not, but we are not aware of any problem.

**Senator LUDLAM**—You are not getting incentives out unless that matching contribution is there.

**Mr Leeper**—Absolutely; that is right.

**Senator LUDLAM**—Does anybody else want to ask about charitable tax status?

**Senator PAYNE**—I wanted to know if there is any progress as well, but the answer will be the same as it was for you.

**Senator LUDLAM**—I will leave it there, thank you.

**Senator PAYNE**—Can we go to the Housing Affordability Fund, please. When we were talking about the HAF in February, I think we were told that the successful HAF proposals had submitted business cases, they were in the process of being assessed and offers were due to be made in the months of March and April. Can you advise us whether offers have been made.

**Ms Mills**—Yes, offers have been made.

**Senator PAYNE**—Ms Mills, can you outline for the committee the assessment process—the scrutiny that the business cases are given—and can you tell us whether any proposals were rejected on the basis of a poor business case and what happened to those, if there were any.

**Ms Mills**—We did have a rigorous assessment process. There were guidelines that the department used to assess those applications. We also engaged KPMG to assist us with the financial viability assessments. The assessments were undertaken by staff from within the department. We did rule out two of the applications as a result of the additional information we got from the business cases. So 30 offers were actually made.

**Senator PAYNE**—The two that were ruled out on the basis of their business cases—

**Ms Mills**—One of those was because the project had already been completed, so we were not in a position to provide any kind of—

**Senator PAYNE**—They were after retrospective funding, were they?

**Ms Mills**—That is right.

**Senator PAYNE**—Interesting!

**Mr Leeper**—With the other one, most of its funding was sought for the 2010-11 financial year and our guidelines required that at least 30 per cent of the funding was scheduled to have work commencing in the 2008-09 financial year, so it just did not meet a profiling issue.

**Senator PAYNE**—Is there an appeal process built into the assessment process—that is, if you have been ruled out, you can complain or have your decision reviewed?

**Ms Winzar**—In short, no.

**Senator PAYNE**—Okay.

**Dr Harmer**—As for NRAS, we give the applicant the reasons and—

**Senator PAYNE**—And they can apply again?

**Dr Harmer**—once they have completed the construction, they can resubmit.

**Senator PAYNE**—So somebody who, to use the example Mr Leeper used, had applied for funding that was going to address work to take place in the next financial year, not adequately in the current financial year, can reapply, I assume?

**Dr Harmer**—Yes.

**Ms Mills**—In the next round.

**Senator PAYNE**—Thank you. Can you tell us how many funding agreements have been signed to date?

**Ms Mills**—Two.

**Senator PAYNE**—Out of 30 offers?

**Ms Mills**—Yes.

**Senator PAYNE**—Can you tell us what amount of actual Commonwealth funding has been delivered as payments to successful proposals, therefore?

**Ms Winzar**—Even though we have two signed agreements, I do not think we have actually made any payments in respect of those at this stage.

**Senator PAYNE**—So no expenditure yet?

**Ms Winzar**—Not at this stage, no.

**Senator PAYNE**—When would you expect to make payments for those agreements?

**Ms Winzar**—The advice I have received is that we are just waiting on the first milestone reports from the developers, from the applicants, and we will make those payments.

**Senator PAYNE**—When are they due?

**Ms Winzar**—They are due in June, so we are hoping to get the money out the door before the end of the financial year.

**Senator PAYNE**—When did the first round close?

**Ms Winzar**—October last year.

**Senator PAYNE**—October last year, and hopefully we will get payments for two out the door before 30 June?

**Ms Winzar**—That is correct.

**Senator PAYNE**—For the other 28 patient souls or organisations, when do we expect them to be progressed?

**Ms Mills**—We are in quite detailed negotiations with all of those other applicants and we are certainly hopeful that we will have more signed and funding against those out before the end of June.

**Senator PAYNE**—And funding out for those before the end of June?

**Ms Mills**—Yes.

**Senator PAYNE**—What proportion of the 28 would you hope that to be the case for?

**Ms Winzar**—We hope it to be the case for most, if not all. If they have their contract offers, that was done in early April. Since then, we have been having detailed discussions with them about some of the contract conditions and about any reprofiling that they may have done with their development projects between when applications closed last October and when they finalised their business cases in January-February.

**Senator PAYNE**—In this time frame, when do you expect we can start measuring savings and the success of the program in terms of its lowering of regulatory and infrastructure costs which are built into the purchase price of a new home, to quote the budget papers? When can we measure the success of that?

**Mr Leeper**—That will be on a project-by-project basis, depending on the nature of the infrastructure work that is being funded. In some cases it is land-lot servicing; in other cases it is forms of infrastructure. Those will vary from project to project. So to roll all that up across 30 offers would be quite a complicated piece of work. It is work we will do. We do not have it here at the moment.

**Senator PAYNE**—Can you provide me with further assistance on notice, do you think, Mr Leeper?

**Mr Leeper**—We are happy to consider the matter on notice if we may, yes.

**Senator PAYNE**—Thank you. In fact, you have taken me to a question about a specific development which is of interest to my constituents in Western Sydney in particular. At the last estimates you took on notice a question in relation to the Landcom development at Edmondson Park and, in the answer to question 392, indicated that that funding would be used to rebate infrastructure charges such as sewer trunk mains, water mains and stormwater, with savings from these rebates being passed on to the end purchaser. Landcom is a New South Wales government entity, isn't it, effectively?

**Mr Leeper**—I understand it is, yes.

**Senator PAYNE**—My reading of that opportunity, if I might put it like that, for Landcom under the Housing Affordability Fund gives it a significant competitive advantage over other developers that need to pay charges and levies to Sydney Water or to Liverpool Council. Is there any proposal to address the disparity between what is being given to a government entity in the state of New South Wales and the requirements placed on private developers?

**Mr Leeper**—The projects which are proposed to be funded under the Housing Affordability Fund reflect a range of backing and promotional arrangements from private development companies through government development agencies, councils and departments of governments to organisations representing things such as the Council of Mayors. There is quite a wide variation between government departments themselves, government land development corporations, private development arrangements and councils.

**Senator PAYNE**—I understand that, Mr Leeper. I watch developers in Western Sydney particularly, which is an area of significant growth and simultaneous challenge, as you know, in terms of infrastructure support and the capacity of developers—councils themselves—to get land into the market to address the supply issues which the Housing Affordability Fund was meant to deal with, and when I see a government entity having an opportunity under the Housing Affordability Fund that puts it on a slightly higher plane than private developers trying to meet the same challenges, I am intrigued by that—not that you are probably interested in what intrigues me and what does not, but it does make it an interesting competitive environment. It is certainly not a level playing field.

**Mr Leeper**—The outcome that we are seeking is to deliver reform in housing development and land approval processes and to deliver end price benefits to home purchasers. I think we have made it clear; and the minister made it clear that she was interested in that competitive process and any developer could have put forward a proposal. As I have indicated, they come from public and private sources, from public corporations and from councils. We were not directive about the source of the proposals. We assessed them on their competitive merits according to a list of criteria that we developed and these are the ones that have come through that process.

**Senator PAYNE**—I appreciate that and I appreciate the information, but if you are looking at trying to encourage developers, in this case, to bring on the available developments that they have and to put them in a position where they are better able to take advantage of the opportunities, then providing government with this level of support seems to me to be a peculiar way to go about it.

**Dr Harmer**—As Mr Leeper has said, the objective is to reduce the overall costs in development and make systemic changes. That is the key objective. We have not tried to have a secondary objective about the particular mix of developers or whatever.

**Senator PAYNE**—I understand that, Dr Harmer. I do not expect anyone to comment on this, but I think it speaks volumes about the state of the New South Wales government. Let me go on to what is next in terms of the HAF. Is there a second round envisaged and what would be a possible start date for that if that is the case?

**Ms Mills**—Yes, a second round is planned. We had previously indicated that would be around the middle of the year and we are still hoping that, as soon as we are able to complete all the negotiations with this current round, we will be in a position to advertise the next round and do a series of information sessions to alert people to that new round being available.

**Senator PAYNE**—Is that this month, Ms Mills, or next month?

**Ms Mills**—Probably it would be into July.

**Senator PAYNE**—So advertising for expressions of interest in July?

**Ms Mills**—Yes.

**Senator PAYNE**—Can I take you to the budget statement which says that the Housing Affordability Fund, which is a component of the housing assistance and homelessness prevention program within outcome 2, is currently under review. What exactly is under review?

**Ms Winzar**—What is under review is where it sits in the portfolio budget statement.

**Senator PAYNE**—Where are you planning to move it to?

**Ms Winzar**—If that were certain, we might have moved it already. It is a question about whether or not something of the nature of the Housing Affordability Fund sits naturally with our other activities around homelessness per se or whether perhaps it belongs elsewhere in the outcome set of activity.

**Dr Harmer**—This is about where we deal with it in the statements.

**Senator PAYNE**—Whether it is in 2.1 or 2.2?

**Dr Harmer**—Yes.

**Senator PAYNE**—But you were not in a position to finalise that review process before the publication of the budget documents, I assume?

**Ms Winzar**—That is correct.

**Senator PAYNE**—Madam Chair, does anyone else have questions for the Housing Affordability Fund? I would like to go over some of the strategies I have here.

**Senator ADAMS**—I would like to ask some questions about the public housing, specifically in WA. Have I got the right person for that?

**Mr Leeper**—The Commonwealth does not deliver public housing. We are happy to hear the question.

**Senator ADAMS**—These would be under the same program. What is the amount provided from the 2008-09 and 2009-10 budgets to Western Australian construction of affordable housing?

**Mr Leeper**—Those would be covered under the National Building and Jobs program. Could we cover those there? The officers here at the present time can assist the committee on the Housing Affordability Fund and NRAS. I am happy to discuss that, but I need to swap people over, that is all. I thought we were still on the Housing Affordability Fund.

**CHAIR**—Senator Adams, do you have any questions for the Housing Affordability Fund?

**Senator ADAMS**—No, my questions are specifically on Western Australia.

**Mr Leeper**—We have those figures, but the officers are not at the table at the present time.

**Senator PAYNE**—I want to go to some of the homelessness questions.

**Senator ADAMS**—Could I just get clarification. The issue that I am following on Western Australia is the guidelines and the types and quality of houses and also the fact that the tenders do not appear to be the same—apples for apples. There has been a problem over there with companies that did not actually make the grade. I want to see if there have been any recent additions to the guidelines. Where does that come?

**Mr Leeper**—That would be under the Nation Building and Jobs program, which would be somewhere here. It is really a question of where it suits the committee to do that, Chair.

**CHAIR**—Senator Adams, it might well be easier to get your bunch of WA questions done. Mr Leeper, can we get the appropriate officer for that range of questions? Good morning, Mr Jagers. This is your area.

**Mr Jagers**—Yes.

**CHAIR**—Thank you. Senator Adams, do you want to go through your questions now?

**Senator ADAMS**—Thank you. Firstly, I was after the amount from the 2008-09 and 2009-10 budgets to Western Australia for construction of these houses.

**Mr Jagers**—For Western Australia, there are two stages in the construction part of the program: \$70,044,000 has been allocated to Western Australia for the first stage of construction. That is on the basis of proposals that were received by the Commonwealth. They were assessed and decisions made on houses to be built. In relation to the second stage of construction, decisions have not been made yet but the indicative allocation for Western Australia is \$538,072,000. I can give you the repairs and maintenance figure also, if you would like: \$40,488,000 has been allocated to Western Australia on the basis of the repair and maintenance work that they are doing, which gives you a total funding for Western Australia of \$648,604,000.

**Senator ADAMS**—Thank you very much. What guidelines are agreed as to the size and quality of the houses to be constructed with these funds?

**Mr Jagers**—We have issued guidelines, which are on the FaHCSIA website, which outline the types of proposals we are looking for. We have not specified an exact size of dwelling or an exact cost for each dwelling, so we are after proposals from each state and territory—as we were in stage 1; we are in stage 2 also—that meet the needs within that state, particularly focusing on the key outcome, which was to house

homeless people. For instance, in the first stage I think the average size was just over two bedrooms—about 2.4 bedrooms. In Western Australia there were a range of houses approved, from one-bedroom units to four-bedroom houses. Those are targeted towards the particular needs in Western Australia, so the Western Australian government provided those proposals to us and we did the assessment.

**Senator ADAMS**—I refer to an article in the *West Australian* on Saturday, 23 May 2009, which I will table. The headline is ‘State houses cost more as list blows out’. Their criticism was of new state owned houses boasting home theatres, walk-in wardrobes, al fresco dining areas and en suite bathrooms and saying that some of these plans had been accepted against other tenderers that have had three bedrooms, one bathroom and a smaller house. Just as to value for money, and remembering we are looking at trying to house homeless people, the criticism is: how did these four-bedroom, two-bathroom, home theatre et cetera homes come to be approved to be built in comparison to another tender that was three bedrooms, one bathroom and obviously not nearly as lavish a home but certainly met the requirement to be able to house more families? That is the basis of my questions.

**Mr Jagers**—Obviously, we are not completely across every house that the Western Australian government is constructing, but certainly under the funding that the Commonwealth is providing I have not seen any that have a home theatre. There are dwellings of a larger size. Western Australia, for instance, had one house approved that had five bedrooms, on the basis that it was designed for a particularly large family in a particular area. Most of the housing is of a smaller nature, around the two-bedroom mark, with quite a number of one-bedroom units, but there is a range, which reflects the diversity of the types of people we are seeking to house through the package.

**Mr Leeper**—The data we have for round 1 approved construction projects is that in Western Australia, with a total spend of \$70 million on construction, we are getting 286 dwellings at an average price of \$245,000 per dwelling with an average of 2.9 bedrooms. If the committee wishes us to, we can look at the list of things. I would be very surprised if we had approved anything with a home theatre in it. I might point out that at the same time the Western Australian government has been embarking on its own capital spending program. It may well be—I am speculating—that it has arisen out of that, if in fact the story is true. But there are 286 dwellings that we have approved under stage 1 and I am very happy to ask Mr Jagers’ people to review that list. I am fairly confident there would not be a home theatre on it.

**Senator ADAMS**—I hope you are right. I am quoting from the newspaper article:

Housing and Works Minister Troy Buswell said yesterday the builders chosen for the first 90 homes in the public housing project would deliver better value for money.

So the argument once again is with the larger four-bedroom home versus the smaller three-bedroom home. This constituent is the person that tendered for the three-bedroom, one-bathroom homes and has missed out. That then comes to another question regarding any recent addition to the guidelines that have been made to the WA agreement in terms of the union status of the tenderers. So we do have a problem in Western Australia as to how these tenders were managed.

**Mr Jagers**—Applications or proposals that are received from all jurisdictions will be assessed. We are about to receive the second-stage construction proposals from all jurisdictions. They will be assessed against a number of criteria and one of those is about increasing the underlying social housing stock. Part of that assessment involves a value-for-money assessment of proposals that are received. We have engaged a building consultant who has been assisting us in developing an appropriate value-for-money assessment tool. We are also in discussions with a quantity surveyor who will come on board with us to help with the assessment of the second-stage proposals that come in. So value for money is one of the key considerations in the assessment of the proposals that come in.

**Senator ADAMS**—Under the agreement, does the state authority call for the tenders?

**Mr Jagers**—That is correct. The state and territory governments are responsible for calling for the tenders and managing those tender processes.

**Senator ADAMS**—Then they put recommendations through to you?

**Mr Jagers**—They are putting recommendations but we are requiring to see all proposals that were suitable or compliant with their process so that we will see not just what they are recommending but also the proposals that were compliant that they are not recommending. We have a basis to look across the board at what was received in Western Australia under the second stage and then assure ourselves that they are

recommending the best proposals on a value-for-money basis as well as against the other criteria we have established.

**Senator ADAMS**—So the tenderers that missed out in the first stage can come back for the second stage?

**Mr Jagers**—There are different procurement processes in every jurisdiction. In Western Australia they had, as I understand it, a single, open tender process that is still running. Proposals have been lodged with the Western Australian government. They have been assessing those and will be making a recommendation for stage 2, but they had a fairly open process that will continue even beyond 30 June. The difference in Western Australia is that they, as Mr Leeper said, have an existing program running at the same time, so they will keep that process running to secure stock for their own program.

**Senator ADAMS**—Would you just go through and make sure that in those four-bedroom, two-bathroom homes, we do not have a home theatre and all the issues that I discussed?

**Mr Jagers**—Yes. It would be surprising to see that, but we will ensure that that is the case.

**Dr Harmer**—As Mr Jagers has said, Western Australia are running their own program. It may be part of one of their separate programs, not part of ours.

**Senator ADAMS**—Really, I am trying to find out if the issues seem to be defeating the purpose of us trying to house as many homeless people as possible, and whether the smaller units are better than the larger ones, despite the fact that you are talking about specifics for certain families.

**Dr Harmer**—We are very focused in our analysis on value for money.

**Senator ADAMS**—Of course. Thank you. Thanks, Chair.

**CHAIR**—Mr Jagers, are you the person for homelessness?

**Mr Jagers**—No, I am not.

**CHAIR**—We will not move there yet.

**Senator PAYNE**—I would like to stay in social housing.

**CHAIR**—Apparently we are staying in social housing.

**Senator PAYNE**—It is probably easier. Are you all right with that, Scott?

**CHAIR**—Who wants to kick off?

**Senator PAYNE**—I will kick off and see how we go. Thanks very much, Mr Jagers and Dr Harmer. I have some time frame questions, because there have been a few key dates go past since the last estimates. As I understand it, the states and territories were required to inform the Commonwealth of their proposals by 15 February this year. Did any state or territory government fail to provide the details within that time frame?

**Mr Jagers**—There are a couple of key dates. The repairs and maintenance proposals were due with the Commonwealth by 15 February and all jurisdictions made their proposals before that date.

**Senator PAYNE**—For repairs and maintenance, yes.

**Mr Jagers**—For repairs and maintenance.

**Senator PAYNE**—So they all did?

**Mr Jagers**—They all did—some on 12 February and some on 13 February.

**Senator PAYNE**—Yes.

**Mr Jagers**—For the first stage of construction, the deadline for proposals was 15 March, and all state and territories provided their proposals before 15 March.

**Senator PAYNE**—Thank you for pre-empting that question, Mr Jagers. The Commonwealth, I think, was in turn issuing its approvals in the repair and maintenance element by 1 March. Is that right?

**Mr Jagers**—That is correct.

**Senator PAYNE**—Can you advise the committee what date the Commonwealth issued approvals to each state and territory government?

**Mr Jagers**—Yes. The Minister for Housing approved all jurisdictions, with the exception of Queensland, on 24 February. In respect of Queensland, the approval was on 26 February.

**Senator PAYNE**—Why are they special, aside from the screamingly obvious—that is, that they are going to, with all respect, lose the State of Origin on Wednesday night! I have to say that.

**CHAIR**—There is a general point of order there, Senator Payne, because the chair is a Queenslander.

**Senator PAYNE**—Sorry. Ignore them and me.

**CHAIR**—Is there any issue about the change of date there?

**Mr Jagers**—With all of the jurisdictions, after we received the data, we had a number of questions and follow-up issues and with Queensland we had not quite settled those by the 24th. So the other decisions were made and we did get revised data before the date and had questions answered as needed, and the decisions were able to be made before the 1 March deadline.

**Senator PAYNE**—So that was done on the 26th?

**Mr Jagers**—That is correct.

**Senator PAYNE**—Flowing from that, on what dates was funding provided to each of the state and territory governments?

**Mr Jagers**—The funding was provided from Treasury to Treasury and the first payments were made, as I understand it, on 7 March. Sorry, I think it was 9 March. Generally, payments are to be made on the 7th, but in the first case it was 9 March.

**Senator PAYNE**—Is there a payment schedule for each of the state and territory governments in regard to the repair and maintenance part of the NPA?

**Mr Jagers**—There is a payment schedule.

**Senator PAYNE**—Can you tell us what the amount of funding was that was provided to each state and territory government?

**Mr Jagers**—Yes, I can.

**Senator PAYNE**—Do you need to break that down into new construction and repair and maintenance?

**Mr Jagers**—Yes, I can do that if you would like.

**Senator PAYNE**—Thank you. Yes, please.

**Mr Jagers**—Are you just interested in the March payments?

**Senator PAYNE**—Yes.

**Mr Jagers**—Or all of them?

**Senator PAYNE**—At this stage, yes.

**Mr Jagers**—Okay.

**Senator PAYNE**—Then we will go to the total.

**Mr Jagers**—Certainly. No stage 1 funding was provided until the April payments, but for repairs and maintenance New South Wales received \$16.3 million; Queensland \$10,012,000; Western Australia \$5,061,000; Victoria \$12,400,000; Northern Territory \$515,000; South Australia \$3.8 million; Tasmania \$1,170,000; the ACT \$806,000. A total of \$50,064,000 was transferred to state and territories in that first month.

**Senator PAYNE**—That is repairs and maintenance?

**Mr Jagers**—That is repairs and maintenance.

**Senator PAYNE**—How many more payments have been made since then?

**Mr Jagers**—Payments were also made on 7 April and 7 May.

**Senator PAYNE**—When is the next payment due?

**Mr Jagers**—It is due on 7 June.

**Senator PAYNE**—Can you provide us with the progressive payment amounts and the totals as at 7 June on notice.

**Mr Jagers**—Yes, I can.

**Senator PAYNE**—Thank you.

**Mr Jagers**—I can say that we do expect that the full \$260 million allocated for this year will have been transferred on 7 June, but we will provide you with the exact transfer once it happens on notice.

**Senator PAYNE**—So the full \$260 million by the 7th of this month?

**Mr Jagers**—Correct.

**Senator PAYNE**—In terms of work completed under repairs and maintenance, looking at the information on the website, there is an indication of work being completed on more than 1,300 dwellings.

**Mr Jagers**—That is right. That is the figure on the website.

**Senator PAYNE**—Yes.

**Mr Jagers**—Since that date, as I think Mr Leeper mentioned before, we are receiving monthly reports from state and territories on progress and we have just received the end of April reports from state and territory governments, so those figures have substantially been updated. They have not made it to the website yet, but I can give you those if you would like.

**Senator PAYNE**—Yes, please.

**Mr Jagers**—At 30 April there were 9,073 repair and maintenance projects or dwellings completed nationally. There was also repair work to the common areas of a further 3,605 units.

**Senator PAYNE**—Mr Jagers, can you tell us what sort of work is being done? What is the nature of the repairs and maintenance, broadly speaking? I understand we are talking about 12,000 jobs there, but just in broad terms.

**Mr Jagers**—Yes. There is quite an array of work being conducted at the moment from quite major repair works, where a house that is vacant would be having a full kitchen refurbishment, a full laundry refurbishment, all floorings replaced, as well as in many cases roofs and even asbestos being removed, to some smaller repairs which have been outstanding for some time that have been completed on dwellings—for instance, the house being painted on the inside and out or new appliances in a kitchen. There is quite a variety. When I mentioned 9,000 repairs being completed, some of those would have been at the smaller scale end and some at the larger scale, which are quite substantive.

**Senator PAYNE**—What was the prerequisite for funding to be allocated to repairs and maintenance? Wasn't it that the existing housing was unsuitable for occupation?

**Mr Jagers**—The states and territories were to identify houses that were in need of repairs and the key target was homes that were vacant or would become vacant without the repair work being completed so that they might be lost to the social housing stock. Within this repair and maintenance schedule there are just over 10,000 homes that are being repaired that are in that category of either vacant or would become vacant without the repair work.

**Senator PAYNE**—Vacant because the kitchen had not been refurbished or because there was an asbestos issue or because it had not been painted, along the range of those issues that you cited before?

**Mr Jagers**—They could have been vacant, yes, because they had a leaking roof and the repair work may not have been extensive to get that completed, or they could be vacant because they needed quite significant refurbishments or complete refurbishments.

**Senator PAYNE**—Of the 9,073 dwellings that you referred to as of 30 April, can you give us a state-by-state breakdown of where the repairs and maintenance had to be done?

**Mr Jagers**—Yes, I can. This is completed work, but I will give you the figures. The ACT had 79. New South Wales had 6,676. The Northern Territory had 12, but I do not have an April figure for the Northern Territory. I have only got March here.

**Senator PAYNE**—That obviously does not include Indigenous housing, does it—or does it?

**Mr Jagers**—It can do. It can include housing that a state is managing in Indigenous communities or in remote locations.

**Senator PAYNE**—Of the 12 in the Northern Territory, can you come back to us on notice with a division between whether it was Indigenous housing or otherwise?

**Mr Jagers**—Yes, I can.

**Mr Leeper**—It is unlikely to be housing which is being addressed under the remote Indigenous housing program. It is more likely to be mainstream housing for this package.

**Senator PAYNE**—I would just like clarity around that—

**Mr Leeper**—We tried to keep that boundary pretty thin.

**Senator PAYNE**—because it is quite hard to follow where the houses in the Northern Territory actually fit, occasionally.

**Mr Leeper**—Yes.

**Mr Jagers**—There have been 1,936 dwellings completed in Queensland, and an additional 3,605 where there was work done to common areas of dwellings.

**Senator PAYNE**—Yes.

**Mr Jagers**—But we have not included that in the total for individual dwellings.

**Senator PAYNE**—Anything from Victoria? Are you not up to there yet?

**Mr Jagers**—No. I am not up to there yet.

**Senator PAYNE**—Sorry.

**Mr Jagers**—That is fine. In South Australia, no work had been finalised, but they do have 85 dwellings that, at the end of April, were under construction or under repair and maintenance work. South Australia, of course, is one of those jurisdictions where all the work is quite substantive, and the average cost in South Australia is higher than in some of the other jurisdictions. They have got quite substantive works being undertaken. Tasmania had completed seven dwellings. They, at the end of April, had 68 dwellings under repair work and, I am told, now have about 90. Obviously, where those figures have been low, we have been following up with jurisdictions to find out exactly what is happening and where they are up to. In Victoria they have completed 361 repair and maintenance dwellings. They did have another 931 which were in active repair work at the end of April. In Western Australia there were two repairs completed, but they also had 43 under active work.

**Senator PAYNE**—As at the end of April they had 43?

**Mr Jagers**—Yes.

**Senator PAYNE**—So New South Wales was 6,676?

**Mr Jagers**—Yes.

**Senator PAYNE**—Are you able to give the committee a dollar breakdown—not necessarily now; if you cannot, on notice is fine—for each of those as well?

**Mr Jagers**—Sorry, each of?

**Senator PAYNE**—The 79 in the ACT, the 12 in the Northern Territory, the 6,676 in New South Wales, the two in Western Australia, moving to 43: the dollar value of the total of those jobs.

**Mr Jagers**—We do have that, but it would be quite extensive to give the 9,000.

**Senator PAYNE**—On notice is fine. Thanks, Mr Jagers.

**Mr Jagers**—Yes.

**Senator PAYNE**—The money that the Commonwealth provides to the states and territories under the previous Commonwealth, state and territory agreements on housing—and now under the NAHA—in terms of public housing, what is that supposed to be spent on?

**Mr Leeper**—I am sorry, I missed the question.

**Senator PAYNE**—The money that the Commonwealth has provided, for as long as this process has been under way—so under the previous agreement and now under the NAHA—to the states and territories for public housing, what is it supposed to be spent on, from the Commonwealth's perspective?

**Mr Leeper**—Under the National Affordable Housing Agreement the states would need to determine how best to spend that money to produce the outcomes which are asked for in the agreement.

**Senator PAYNE**—So it is okay with us if they do not spend money on public housing to the extent that houses in New South Wales—6,676 of them—need repairs and maintenance to be habitable?

**Mr Leeper**—The repairs and maintenance part of the stimulus plan reflects that there has been a backlog in the states with repairs and maintenance activity which the Commonwealth chose to fund as part of a stimulus response.

**Senator PAYNE**—Outrageous.

**Mr Leeper**—The states would have already, as part of their own operating budgets—of which the National Affordable Housing Agreement is a contributory part—capital, management and repairs and maintenance elements. What the repairs and maintenance program does is supplement that effort, but is not intended to replace it.

**Mr Jagers**—If I might provide some further clarity around that New South Wales figure: there were 6,676 dwellings with repair work completed, but of those, 71 were either vacant or would have become vacant without that work.

**Senator PAYNE**—So how did the other 6,605 meet the prerequisites for funding under the program?

**Mr Jagers**—The repair work that was prioritised through the approval process was bringing back into the housing stock dwellings that were vacant or would become vacant, but certainly through this funding we were able to achieve repairs and maintenance to many more houses to improve the amenity for those public housing tenants.

**Senator PAYNE**—It is very good of you to help out the New South Wales government to such a significant extent; 6,605 buildings, as I understand your numbers, Mr Jagers.

**Mr Leeper**—The response in New South Wales has been better than we had expected. Nationally, we had hoped to keep within the housing stock, from memory, 2,600 dwellings as a result of the repairs and maintenance spend. As a result of the responses we have had from New South Wales in particular, the national figure of units of housing kept within the system that were either vacant or would have been lost to housing in the next two years, is actually now over 10,000. So for \$400 million we are keeping 10,000 units of public housing alive, and the majority of those are being provided by New South Wales.

**Senator PAYNE**—Provided by New South Wales because of the Commonwealth's contribution, not because of their own capacity to provide it, but I do not expect you to comment on that, Mr Leeper. While we are talking about repairs and maintenance, can we talk about demolition as well? As I understand it, as part of the process of the development of the new social housing units, there is the requirement to demolish a number of existing dwellings. Can you tell us how many will be demolished across Australia as part of the construction program?

**Mr Jagers**—Those costs would not have been incurred under the repairs and maintenance element, but—

**Senator PAYNE**—You would hope not.

**Mr Jagers**—may have been under the new construction element. When we are assessing proposals, we are ensuring that state and territories are increasing the social housing stock by the full amount that the Commonwealth is providing. For instance, in New South Wales they are knocking down a number of older houses—

**Senator PAYNE**—How many?

**Mr Jagers**—I do not have a figure.

**Senator PAYNE**—Can you obtain that, please?

**Mr Jagers**—It is not something that we have asked to date. I do not have that figure.

**Senator PAYNE**—Isn't it relevant to know, if you want to maintain the levels of social housing stock available, how many houses are being demolished for the purposes of reconstruction?

**Dr Harmer**—That is a matter really for the states. As Mr Leeper said, under the new agreement we are looking at outcomes and improving the affordability of housing et cetera. We do not require them to specify to us the particular composition—which houses they knock down. We are interested in the overall number and how many they construct.

**Senator PAYNE**—But you must, Dr Harmer. You are requiring them to account for money they want for repairs and maintenance versus money they want for new construction. You must be requiring them to account for how they are going to do that, and whether they are going to demolish existing units of public housing to construct new units of public housing, one assumes in the same location.

**Dr Harmer**—If they are planning to demolish to bid for this money, we would, certainly.

**Senator PAYNE**—Aren't we talking about the new construction money, as well, under this policy?

**Mr Jagers**—I guess there are a couple of issues with the question. In terms of maintaining the social housing stock, I guess the overarching framework that has been established here is that heads of Treasury will be reporting on state and territory governments' maintenance of effort—state and territories are required to maintain their effort.

**Senator PAYNE**—Or lack of.

**Mr Jagers**—In relation to social housing, state treasuries have to provide the forecast of their expenditure under the plan—so, forward expenditure. They also have to provide information on housing, including the movement of stock by numbers of social housing, broken down into sales and purchases on construction over the previous four years, as well as the target stock by number of social housing over the next four years, including any planned sales of stock of social housing, and they have to provide a narrative explaining the rationale behind the estimates of the planned expenditure.

**Senator PAYNE**—So in the construction narrative, as you put it, or rationale—I am not sure which word you just used there, Mr Jagers—

**Mr Jagers**—I used both.

**Senator PAYNE**—You used both. There we go. In the construction narrative, doesn't the narrative include the tiny detail that they are demolishing units of social housing to construct new units of social housing with the Commonwealth's money?

**Mr Jagers**—That is what we are expecting the narrative will describe. I guess where the projections of housing stock within a jurisdiction are mapped over the next four years, and proposed targets for stock are also outlined, and where there is a difference, there will be an explanation.

**Senator PAYNE**—So you will be able to tell me how many houses have been demolished to construct new ones. Is that right?

**Mr Jagers**—I just do not have those figures now, Senator.

**Senator PAYNE**—No, I understand that.

**Mr Jagers**—I think eventually that will be something we will have. As I mentioned, in New South Wales, where they are knocking down some social housing sites to build others under our plan, they are also using their own money to construct the social housing in other locations so that the net stock increases and they do not lose the numbers they are knocking down. We are adding the full number that we are funding under the package.

**Senator PAYNE**—It will not surprise you to know, Mr Jagers, that I am interested to know what state governments—all of them—and territory governments are knocking down because they have let them degenerate to such a point that they require demolition, one imagines. They are then using the Commonwealth's money to reconstruct buildings on those same sites, one imagines. I am interested to know how the Commonwealth's money is being spent in that regard, and I do not understand an agreement environment where the Commonwealth does not also require that information as a matter of course, to be frank.

**Dr Harmer**—One of the things about the new agreement, and one of the principles operating in public housing, is that many of the states have created, over many years, large tracts of public housing dwellings—concentrations of public housing stock—and many of the states have looked at some of the social implications of having huge concentrations of public housing and are looking at ways to break down the concentrations and to partner with developers to redevelop sites where there is a mixture, in the same way that we are looking at NRAS to be a mixture of private and public housing as a way of breaking down some of the concentrations of social disadvantage.

Many of the states are doing this. They are not necessarily knocking them down and replacing them. In fact, we would not allow them to. We encourage them to redesign concentrations, to partner with private developers, to break down some of those big estates and to relocate the housing in areas where there is less concentration. It is quite a significant initiative and the Commonwealth supports that general breakdown of the big estates, because of the social consequences of it.

**Senator PAYNE**—Dr Harmer, I understand that and I appreciate the sentiment and the policy intention that you have just enunciated quite well. It will not be the first time I have told this committee that I work across Western Sydney. Western Sydney is a very good example of a part of Australia where very significant public housing developments were put in place that went very badly wrong. The New South Wales government has

addressed those in a number of ways, and I am not here to comment on that. I am here, though, to ask questions about the expenditure of the Commonwealth's money.

It seems to me, from the explanations that I have received so far—and I am grateful for Mr Jagers' explanations—that it does not give me any confidence in what the states are delivering back to you in terms of detail. I would be interested to know, for example, whether the Commonwealth was already aware that the houses which were marked for destruction would have been lost before the stimulus package was announced and how we have come to a point where the dire state of public housing is such that it takes almost a global financial crisis to get the houses repaired.

**Dr Harmer**—One of the factors which has led to the situation where states have perhaps underinvested in maintenance is that the real funding for public housing over the last 10 or 15 years has declined very substantially and there has not been any injection of new money—certainly no real growth—in public housing for many years, until very recently. The states have been in a situation where they have been managing a decline in real terms in allocation from the Commonwealth and at the same time facing increasing numbers of people on their waiting lists and they have had to manage that. We could debate about where they have allocated their resources.

**Senator PAYNE**—We could.

**Dr Harmer**—Maintenance versus construction.

**Senator PAYNE**—Joe Tripodi might have an interesting view on the allocation of resources in New South Wales, but go on, Dr Harmer.

**Senator FIFIELD**—It is just not clear which infrastructure in New South Wales has had any money put to it.

**Senator PAYNE**—Anyway, sorry, Dr Harmer, you go on.

**Dr Harmer**—That was the point I was making. I was just explaining how we could have got to this situation.

**Senator PAYNE**—I had some more questions about repairs and maintenance.

**Senator McLucas**—Senator Payne, just to assist the committee, it might be useful to recognise that in 2006-07 the allocation from the Commonwealth was \$1.4 billion. In 2009-10 the allocation is \$6.6 billion.

**Senator PAYNE**—And it is very important to know where that is being spent, Senator.

**Senator McLucas**—I agree, absolutely.

**Senator PAYNE**—So I agree with your enunciation of the amount.

**Senator McLucas**—I think the point that Dr Harmer—

**Senator PAYNE**—I understand Dr Harmer's point.

**Senator McLucas**—It is relevant.

**Senator PAYNE**—I do understand Dr Harmer's point. Can I go back to those social housing units which are subject to demolition. Can you advise whether the tenants have to be relocated and, if they are relocated, whether there is any Commonwealth funding contributing to that.

**Mr Jagers**—We are not paying for the relocation of tenants through the package.

**Senator PAYNE**—Do you have any details in relation to the relocation programs that you can provide the committee with, Mr Jagers?

**Mr Jagers**—I understand in New South Wales, in the case in point, that where they are, for instance, demolishing two houses or units, they are at the same time purchasing two additional houses or units that they are relocating tenants to, on the basis that those sites will then be sites used for the economic stimulus plan social housing sites.

**Senator PAYNE**—So they are purchasing existing dwellings which will be converted to public housing stock as part of the program?

**Mr Jagers**—I am not sure whether they are existing or they are new dwellings, but certainly their housing coordinator has confirmed with us that they are purchasing stock to house the tenants that are being relocated.

**Senator PAYNE**—But you do not know whether it is existing or to be constructed?

**Mr Jagers**—I do not know whether it is existing stock or to be constructed.

**Senator PAYNE**—Is that information you can obtain for the committee?

**Mr Jagers**—I am sure the New South Wales officials would help.

**Senator PAYNE**—Thank you. Do you know who is managing the purchasing of existing dwellings for housing in New South Wales?

**Mr Jagers**—I do not, no.

**Senator PAYNE**—Mr Leeper?

**Mr Leeper**—That is a matter for the New South Wales government.

**Senator PAYNE**—If there were a property company engaged in that process and they were providing services to a state or territory government—it does not really matter where it is—to do that in relation to the purchase of existing dwellings for the state government under this package, would those services be paid for from funds that are provided to the state government under the stimulus package, possibly?

**Mr Jagers**—I would not expect so.

**Senator PAYNE**—Could you check for me?

**Mr Jagers**—Yes. We certainly have not been asked to meet those sorts of costs at all, so it definitely has not been approved.

**Mr Leeper**—We would be very unlikely to agree to that because the intent of the package is to stimulate construction activity.

**Senator PAYNE**—I am aware of that. Could we talk further about the new construction side of the package. I think you said to me that the state and territory governments all had their proposals for funding in on time.

**Mr Leeper**—Round 1 construction, yes.

**Senator PAYNE**—And then the requirement in turn was for the Commonwealth to go back to the states and territories with stage 1 approvals by 1 April. Can you tell us on what dates the Commonwealth did inform the state and territory governments of their approvals?

**Mr Jagers**—Yes. For New South Wales the decision date was 26 March; Victoria was 31 March; Western Australia and South Australia were 31 March, as was the Northern Territory; Tasmania and the ACT were 26 March. In respect of Queensland, there were two decision dates. One was 31 March and the other was 9 April.

**Senator PAYNE**—So they are still special?

**CHAIR**—Always, Senator.

**Senator PAYNE**—Just checking! No change there. Is the funding schedule similar to the funding schedule for the repairs and maintenance funding? What dates was funding provided?

**Mr Jagers**—Yes, those payments are made together.

**Mr Leeper**—So, back to those figures.

**Senator PAYNE**—So repairs and maintenance and new construction are made together?

**Mr Leeper**—Yes. And the \$260 million figure that Mr Jagers mentioned a little while ago is the combined maintenance and stage 1 figure.

**Senator PAYNE**—So just splitting that \$260 million total, Mr Leeper, how much of it is repairs and maintenance and how much of it is new construction?

**Mr Leeper**—It is \$200 million for repairs and maintenance in 2008-09 and another \$200 million in 2009-10. It is \$60 million in 2008-09 for construction stage 1 and \$632 million in 2009-10.

**Senator PAYNE**—Thank you. Can you tell us at this point, as at 1 June, how many new homes have commenced construction?

**Mr Jagers**—I can give you figures from 30 April, which was the monthly report that we have last received from states and territories. Construction has commenced on 260 homes. We are defining 'construction commenced' as having a site layout completed.

**Senator PAYNE**—Site layout?

**Mr Jagers**—Yes, which means work actually on the site to lay out, and usually the next milestone is to—

**Senator PAYNE**—That is pegs and string, you mean, basically?

**Mr Jagers**—It is indeed, yes.

**Senator BOYCE**—There are no footings and things like that.

**Mr Jagers**—That is correct, yes.

**Senator PAYNE**—So 260. When is the next update due?

**Mr Jagers**—The next update will be for the end of May figures, and that will be due on 23 June.

**Mr Leeper**—There is at least one completed, which was subject to some media activity last weekend. That is in Sydney.

**Senator PAYNE**—I think that involved hard hats, Mr Leeper.

**Mr Leeper**—I was not there. I cannot comment.

**Senator PAYNE**—You did not need to be there. We all got to see.

**Mr Leeper**—But the house is finished.

**Senator PAYNE**—That is a good thing.

**Mr Leeper**—I do not think hard hats would have been required.

**Senator PAYNE**—I hope it was finished. I would hate it to have been just a visit for the sake of it.

**Senator BOYCE**—It would not have just been a media stunt, Senator Payne.

**Senator PAYNE**—No, I am sure it was finished. I have got a copy here of a press release that the minister issued with her state colleague, the New South Wales Minister for Housing, on 5 May in which there was an announcement that 2,100 jobs had been secured as a consequence of ‘the massive new investment in housing’, and I understand that is a breakdown of—

**Senator BOYCE**—That is a lot of string.

**Senator PAYNE**—It is a lot of string, yes—418 jobs as part of stage 1 construction and 1,714 jobs from maintenance work. Then on 14 May the state minister said that, as a result of the state and federal investment—he said ‘maintenance investment’—there were 4,148 jobs secured. Does the Commonwealth have a grasp of the exact figures in this area?

**Mr Jagers**—Treasury are responsible for providing estimates around employment. The department does not make those estimates.

**Senator PAYNE**—How does it get into the housing minister’s press release? You have nothing to do with it?

**Mr Jagers**—We have not provided any estimates of employment.

**Senator PAYNE**—Where do you think the minister got them?

**Dr Harmer**—From Treasury, presumably.

**Senator PAYNE**—She does not use you to do that, Dr Harmer.

**Dr Harmer**—I stand to be corrected, but ministers frequently ask us to provide them with information which requires us to deal with other departments. That would not be unusual.

**Mr Leeper**—I have got the 5 May media release in front of me and, from reading it, I would say that the information in that release has been sourced from the New South Wales housing department, because it is clearly attributed to the New South Wales housing minister and not to the federal housing minister.

**Senator PAYNE**—Yes, but the minister would be very careful to ensure that the minister’s name was being put to accurate information, I am sure.

**Dr Harmer**—Indeed.

**Senator PAYNE**—So can you please, on notice, clarify for me whether the figure of 2,100 jobs referred to in the statement of 5 May is correct? I do not expect you to check whether Mr Borger’s figure of 14 May of 4,148 jobs is correct, but if the 2,100 jobs line is, then I am sure the other one is not.

**Dr Harmer**—Given what has been said about his responsibility, we will check with Treasury and answer that question on notice.

**Senator PAYNE**—I am only asking the question, Dr Harmer, because it is under the letterhead of your minister.

**Dr Harmer**—Sure. Indeed.

**Senator PAYNE**—Have the proposals which were approved under the stage 1 new construction met the key requirements for funding? Is your department satisfied that they are going to increase the allocation of housing available to people with highest needs who are on the public housing waiting lists, which I think you referred to yourself in passing earlier? Will they support the transition of people who find themselves homeless or at risk of homelessness getting long-term accommodation? I know there is also a criteria around design principles that facilitate better access for people with disabilities and older people and, as Senator Ludlam has asked about before, there are also requirements around environmentally sustainable construction.

**Mr Jagers**—With the first stage—this was bringing forward planned construction within the states and territories—we assessed the proposals against the key requirements in the Nation Building and Jobs Plan national partnership agreement, and we are satisfied that the proposals did meet those key requirements.

**Senator PAYNE**—Can you tell me, in relation to better access for people with disabilities in particular, state by state, what proportion of the number of dwellings for new construction will be designated for people with disabilities and built appropriately?

**Dr Harmer**—The premises would be accessible in terms of the wider corridors—is that what you mean?

**Senator PAYNE**—The requirements for people with disabilities, yes.

**Mr Leeper**—We are just having that checked.

**Senator PAYNE**—What proportion in each state and territory of the houses that are marked ‘new construction’?

**Mr Jagers**—I might need to take that on notice. Certainly for the second stage of construction, the guidelines are quite specific on what meets the universal design principles and what does not. What we are trying to achieve there, for the bulk of the program—stage 2—is that, where possible, all properties will have six universal design features built into their design and construction, as well as 20 per cent of the dwellings that are built meeting a class C adaptability under the Australian standard. They are the targets for the broader program.

For the first stage, we did not have at that time a set of standards to assess proposals against, so states and territories advised us whether they were meeting their own universal design principles in these houses. We do have that figure, and I can take that on notice and get it for you.

**Senator PAYNE**—Does that mean for the expenditure of those funds that the Commonwealth is satisfied that the states’ and territories’ guidelines or principles, as you refer to them, in relation to social housing for people with disabilities are adequate?

**Mr Jagers**—We did not have a national benchmark.

**Senator PAYNE**—No, I heard you say that.

**Mr Jagers**—Yes.

**Senator PAYNE**—I was asking you whether you regard the states’ and territories’ benchmarks as adequate.

**Mr Jagers**—We thought they were. I guess that first stage was bringing forward what the states and territories already had in their development pipelines, so most of those properties had development approvals and I guess the design of the properties was fixed at that time, because it was meant to hit the ground running with a quick stimulus effect. We did not have, as I mentioned, that benchmark to assess the proposals against, which we do have for the second stage.

**Senator PAYNE**—So we cannot really say, in terms of the funding that the Commonwealth has provided to the states—and let’s take my state again as an example—what proportion of the houses funded under stage 1 in New South Wales are going to be suitable for tenants with disabilities.

**Mr Jagers**—We can give you that figure, but that assessment of whether they met certain benchmarks—

**Senator PAYNE**—Was not applied for that stage.

**Mr Jagers**—We can give you an indication of what New South Wales think met their universal design standards—the proportionate numbers.

**Senator PAYNE**—Any indication would be helpful.

**Senator BOYCE**—And for all states.

**Senator PAYNE**—And for other states. For all of the states, yes.

**Mr Leeper**—We will take that on notice.

**Senator PAYNE**—Was any of the repairs and maintenance expenditure directed towards making housing suitable for tenants with disabilities?

**Mr Leeper**—I do not think it was an explicit objective, no. We were quite flexible in the way that we allowed the states to design their approach to repairs and maintenance. As far as I am aware, it was not an explicit element of the guidance that we might have given them.

**Dr Harmer**—Therefore, it is unlikely we will be able to answer the question.

**Senator PAYNE**—The 260 homes—I do not think I can call them homes; they are more sites, aren't they?—which have their pegs and string laid out, and then those other sites that have met with approval under stage 1, can you provide the committee with a breakdown by locality of each of those?

**Mr Jagers**—Yes, I can. The ACT had zero sites laid out at the end of April—I guess construction completed. They may be at more advanced stages now than peg lay out.

**Dr Harmer**—This was at the end of April.

**Senator PAYNE**—Yes, I understand that.

**Mr Jagers**—New South Wales had 212, the Northern Territory, zero. Queensland had six, but as I understand it, they have 37 additional dwellings now contracted and with that work starting. South Australia had zero when it got to that stage, but as I understand it, they have 43 houses contracted and 16 apartments as well and, as I understand it, they have quite a bit more to report in this next report. Tasmania have zero starts, but they have six off-the-plan purchases that they have now finalised the contracts on and, as I understand it, another 48 starts will be happening fairly shortly. Victoria had zero commencements at the end of April, and they have now got five sites under construction. They will have more in their next report. Western Australia had 42 dwellings under construction.

**Senator PAYNE**—Can you break those down—not necessarily now, Mr Jagers, but on notice—within the states and territories as to more specific locality?

**Mr Leeper**—We can try that, but I would want to be careful about going too far to identify individual dwellings.

**Senator PAYNE**—I do not expect you to identify individual dwellings at all.

**Mr Leeper**—But if we said there was one building in a particular postcode, that might even be enough to give it away. Could we have a bit of latitude from the committee about just being careful with the numbers if they are relatively small in particular places?

**Senator PAYNE**—I understand that.

**Mr Leeper**—Yes.

**Senator PAYNE**—If you are dealing with six off-the-plan in Tasmania, I understand the point that you are making, but we are talking about 212 in New South Wales, so a little more detail would be helpful.

**Mr Jagers**—We can provide postcodes.

**Senator PAYNE**—All right. Dr Harmer, is your department responsible for any aspects of the promotion of the first home owner boost?

**Dr Harmer**—We did run the campaign which was part of, I think, the end of last year's decision. We ran that campaign which, as we discussed earlier today, is still going.

**Senator PAYNE**—The media campaign?

**Dr Harmer**—Yes. That was one of the first campaigns, I think, to go through the new Australian National Audit Office guidelines about the campaign. So, yes, we did, and we ran it through that process.

**Senator PAYNE**—Can you tell me three things about that campaign: what its total cost is to date, whether the—

**Dr Harmer**—I do not know if I have got the—

**Senator PAYNE**—No, I understand that.

**Dr Harmer**—That question really crosses programs, but I will take it on notice.

**Senator PAYNE**—Okay, if you can take it on notice: what the total cost is to date; whether any state or territory government has contributed to those costs; and what sum of money they may have committed, if they did.

**Dr Harmer**—Sure. I think we have got that information here.

**Senator PAYNE**—Thank you.

**Dr Harmer**—I would be pretty confident to say that the states and territories did not make a contribution to that campaign.

**Senator PAYNE**—Did not?

**Mr Hunter**—That is correct.

**Senator PAYNE**—No surprises.

**Mr Hunter**—Sorry, I will just find my brief.

**Senator PAYNE**—Thanks, Mr Hunter.

**Mr Hunter**—Can I just ask you to repeat the question?

**Senator PAYNE**—Total cost of the campaign to date? And you do not need to answer the next two because we know they did not make a contribution.

**Mr Hunter**—The total budget was \$6.4 million. I am trying to find the actual answer—

**Senator PAYNE**—Sorry?

**Dr Harmer**—It was \$6.43 million for the first home owners boost campaign.

**Senator PAYNE**—Okay.

**Dr Harmer**—I think we would probably need to take on notice how much we have spent to date. I do not think we would have that; Mr Hunter may.

**Mr Hunter**—No. Sorry, I do not.

**Senator PAYNE**—Thank you. I have some more questions around the national partnership agreement, but I imagine other senators have questions on the social housing.

**Senator LUDLAM**—Yes, I do.

**CHAIR**—We are having a break at 12.30 and, because of the interest in this particular area, we will come back to housing after lunch.

**Dr Harmer**—Can I just get a sense of how much more there is on housing, so that I can give the people for the next program a bit of guidance about when we might need them?

**CHAIR**—Another hour, Dr Harmer.

**Dr Harmer**—An hour past lunch, so 1.30 to 2.30?

**CHAIR**—Yes. So 1.30 to 2.30 will be housing.

**Dr Harmer**—Thank you.

**CHAIR**—Then we will move to women at that stage.

**Senator SIEWERT**—Can I just check whether we deal with rental assistance in housing?

**Dr Harmer**—Yes. So is that still an hour?

**Senator PAYNE**—There is still homelessness, yes.

**CHAIR**—At this stage, we will go to three o'clock on housing, and during that period we will reassess, because I do not think there is going to be a problem with time with the program. After three o'clock, we will go to women, and I do not think we will get to families until at least 4.30, 5.00.

**Dr Harmer**—Okay, fine, thank you. Mr Hunter does have that information.

**Senator PAYNE**—Mr Hunter.

**Mr Hunter**—Sorry, I could not see the forest for the trees.

**Senator PAYNE**—I know how you feel.

**Mr Hunter**—We have got the total. The total budget is \$6.4 million.

**Senator PAYNE**—Yes.

**Mr Hunter**—Year-to-date expenditure is \$4.5 million.

**Senator PAYNE**—Thank you.

**Proceedings suspended from 12.21 pm to 12.32 pm**

**CHAIR**—We are still looking at outcome 2, Housing.

**Dr Harmer**—I have a couple of answers to questions that I took from Senator Boyce this morning on superannuation and paid parental leave. Senator Boyce asked how many people in FaCHSIA are on ComSuper schemes, and the numbers are as follows: in the CSS, or Commonwealth Superannuation Scheme, there are 288; in the Public Sector Superannuation Scheme, or the PSS, there are 2,078; and in the Public Sector Superannuation Accumulation Plan, PSSAP, there are 1,016. In terms of what proportion of the super the department pays, under the CSS, the department pays 24 per cent; under the PSS, it pays 12.5 per cent; and under the PSSAP, it pays 15.4 per cent. How many employees have accessed paid parental leave during 2008-09? Paternity leave, 11; maternity leave, 103. What hours did the employee work on their return? Of the 11 returning from paternity leave, 100 per cent worked full time. Of those returning from maternity leave, 59 worked full time and 44 part time.

**CHAIR**—Thank you very much, Dr Harmer.

**Senator SIEWERT**—I have a series of questions. I hopefully will not jump around too much and I apologise if I do. You provided information to the yearbook previously around housing assistance—is that correct?

**Ms Winzar**—Whose particular yearbook are we talking about?

**Senator SIEWERT**—The 2008 one, which, as I understand it, used June 2007 figures.

**Ms Winzar**—Are you are talking about the Australian government yearbook?

**Senator SIEWERT**—Yes, *Year Book Australia 2008*. I understand that you provided quite a comprehensive dataset as of June 2007, which went into details around individuals and families, the number of people that were getting average rent assistance and rent paid et cetera. As I understand it, there is not going to be figures provided for 2009. Is that correct?

**Ms Winzar**—I cannot understand why that would not be the case. We have the datasets about rent assistance, outlays, family construction, rates and so on, so I am not sure that anybody has actually asked us for that information in respect of June 2008.

**Senator SIEWERT**—Could I have your most up-to-date figures for the type of information that is provided in the yearbook—that is, the average rent assistance, average rent paid per fortnight for individuals and families under the reporting groups that you traditionally report on, such as parenting payment single and disability support pension?

**Dr Harmer**—We can provide that.

**Senator SIEWERT**—As I understand it, the reporting that you do for the yearbook is different to the reporting that is done for the Henderson poverty line. Is that correct? There are two sets of figures that are provided. There is data that is provided for the Henderson poverty line, which is done on families with one child, two children, three children and four children. Yet the data that is provided in the yearbook is provided for couples and for singles with one or two children; it is not broken down to the same degree. As I understand it, that is causing some confusion when doing the calculations for the minimum wage et cetera.

**Dr Harmer**—I am not sure who provides the information to the people who prepare the yearbook in relation to the Henderson poverty line. The Henderson poverty line is just one of the measures used, which we do not regard, necessarily, as any better than some of the other poverty measures. We would not be providing any information for our rent assistance program in relation to that particular measure. We would be simply providing it according to the data we receive, and the data we receive is presumably according to the numbers of one, two or three children.

**Senator SIEWERT**—I would have thought that you would have had data for one, two, three or four children, not one or two children.

**Dr Harmer**—Only if it makes a difference to the payment. We are not permitted to collect information beyond that which we need to make the payment. It may be that we do not need to differentiate between one and two children to make the payment—I do not know.

**Senator SIEWERT**—For family tax benefits A and B, you provide—

**Dr Harmer**—For that we do, but that is not rent assistance.

**Senator SIEWERT**—That does not necessarily affect rent assistance. Is that correct?

**Ms Winzar**—That is correct.

**Senator SIEWERT**—Are you also able to provide us with data on how many people get the maximum rent assistance, compared to the average rent assistance? Is that possible?

**Ms Wall**—Yes, we do have that, and I will find it in just a minute.

**Senator SIEWERT**—If you could give that to me now, that would be very much appreciated.

**Ms Wall**—Seventy-one per cent of rent assistance recipients get the maximum rate.

**Senator SIEWERT**—On what basis do those get the maximum amount?

**Ms Wall**—Rent assistance is calculated on the basis of individuals' income, family circumstances and the amount of rent that they pay. There is a maximum amount that you pay. If you pay more rent than that—if you have reached the maximum amount of rent assistance—your rent assistance does not increase.

**Mr Leeper**—The only people not getting the maximum rate who have a rent level which qualifies them for the maximum rate would be the ones whose family tax benefit was tapering away to the point where they are losing some rent assistance, which is the last payment that goes. The 71 per cent of people getting maximum RA is an absolute figure, but there will be some people who pay a rent which would get them the maximum rate of RA, except that it is being tapered away at the end. It is the last part of family tax benefit that tapers away.

**Senator SIEWERT**—So if you are on family tax benefit and you are at the last taper rate you then start—

**Mr Leeper**—The last thing you are losing is rent assistance.

**Senator SIEWERT**—I have a few hypotheticals which you may or may not be able to answer. If a state government set up a not-for-profit housing entity, would the tenants qualify for rent assistance?

**Dr Harmer**—It depends what your definition of 'set up' means.

**Senator SIEWERT**—If they established, under the auspices of their organisation, a so-called—

**Dr Harmer**—Is it still owned by the housing authority?

**Senator SIEWERT**—Let us do both scenarios: that it is still owned or comes under the auspices of the state but it is set up to be, technically, a not-for-profit organisation.

**Ms Winzar**—Yes. They would be entitled to rent assistance.

**Senator SIEWERT**—They would be entitled to rent assistance even if not called—

**Dr Harmer**—But the houses would need to be managed by an entity other than the housing authority.

**Mr Leeper**—Yes. The relevant issue here, Senator, is management, not ownership. If housing is managed by a community housing provider, the Commonwealth generally will pay rent assistance, even if it is owned by the state. But if it is owned and managed by the state housing corporation, we do not pay rent assistance, because assistance is provided through what is now the National Affordable Housing Agreement.

**Senator SIEWERT**—Thank you. Senator Payne, that conversation we were having just as we broke, did you want to follow that up again in terms of the NRAS and rent assistance, because I was about to go there?

**Senator PAYNE**—You go.

**Senator SIEWERT**—I know that you answered this question earlier in terms of the amount of money under the NRAS is then deducted from the rent assistance. Is that applicable in all cases?

**Mr Leeper**—Sorry, just let me restate it. If a property is let for rent under the National Rental Affordability Scheme, one of the conditions of the scheme is that the property be let at a 20 per cent discount to the prevailing market rent. So if the market rent for a particular property is \$400, and it becomes a NRAS property, it will be let for \$320 a week. So the person living in the housing has some effective subsidy and that

is purchased through a payment to the landlord. If that person is in private rental, that \$320 a week can still be used to calculate access to rent assistance if they are eligible, but not \$400; it would be \$320.

**Senator SIEWERT**—So then if they are eligible, they could still get the maximum rate of rent assistance?

**Mr Leeper**—Yes, they could.

**Dr Harmer**—Yes. It is just that the rent level for the calculation of eligibility for rent assistance is the lower level, not the higher level.

**Senator SIEWERT**—Yes. I am absolutely crystal clear on that now, thank you very much. I think I am done for the time being on rent assistance.

**CHAIR**—We would prefer to go back and finish off social housing with Senator Ludlum before we go back to the next stream of questions so that we finish off that unit.

**Senator PAYNE**—Social housing. I have nothing.

**CHAIR**—Thank you, Ms Wall. You may well have further questions later, but on that issue, that is completed. Thank you, Senator Ludlum.

**Senator LUDLAM**—At the COAG meeting of 29 November last year, a communiqué came out on affordable housing that stated that the implementation plans for the social housing spend would be finalised by 1 April 2009. Does that sound familiar? I am just checking, essentially, have these plans been finalised, as promised, and can you describe in broad outlines what they are and what they do?

**Ms Winzar**—Senator, that COAG communiqué related to a couple of partnership agreements. The social housing partnership agreement to the NAHA, which was the \$400 million capital spend, and we had asked jurisdictions to provide us with their proposed spend of the first \$200 million in 2008-09. We had asked for their bids to be in no later than 2 March, and then we had undertaken to approve those, I think, by that first week in April. We certainly had received all of the proposals from jurisdictions no later than 10 March—that was the last one that came in. One jurisdiction actually got their bid in mid-December. And we had signed all of those off; they were all approved by 22 May.

There was a slight delay in approval of 2008-09 proposals from Western Australia, South Australia, Tasmania, the ACT and the Northern Territory, and that arose not through any difficulty with the proposed plans from jurisdictions but just a technical issue around the legislation that gives effect to the reform of the Commonwealth's financial arrangements with the states. That bill was going through parliament and we had to wait until that bill was assented before we could sort out the payment arrangements. Payments in respect of 2008-09 have now, I understand, all been made—no, they have not, quite. It must be this week, I think, the next payment date.

The second tranche of activity, which was the \$200 million spend in 2009-10, we asked jurisdictions to get their proposals in to us by 15 May, and we had, I think, again one that came in on 18 May and one on 21 May, otherwise, they are pretty much all resolved. They have not yet been assessed and approved by Minister Plibersek.

So that is on the social housing one. We have the same implementation deadline around the homelessness partnership agreement. That was slightly more complicated, because jurisdictions were required to match funding provided by the Commonwealth, whereas the first one was simply a matter of satisfying us about their implementation plans. Because of the matching funding component, each jurisdiction had to go to their own cabinet and get approval for not only the spend but also the strategy before they brought it to us and, thus, I think we got some of them well after that due date of 1 April.

**Senator LUDLAM**—The implementation plans just set out that timetable that you have described, or are they more complex than that?

**Ms Winzar**—For the implementation plans for the social housing one, we asked them to nominate how they proposed to spend the money and what the time frame was for delivering the houses. For the homelessness partnership agreement, it is effectively a four-year plan of activity against the outputs specified in the agreement.

**Senator LUDLAM**—You have received those from all of the states and territories?

**Ms Winzar**—Yes, we have. I am pretty sure we have received all of the homelessness partnership agreement ones now, but I will just check. We have still got three outstanding for those ones.

**Senator LUDLAM**—Who are they?

**Ms Winzar**—We are waiting on New South Wales, the Australian Capital Territory and the Northern Territory.

**Senator LUDLAM**—That is a long way after 1 April. What kind of follow-up does your department do to chivvy them along?

**Ms Winzar**—Quite enthusiastic. But, as I mentioned, because of the requirement to do matching funding, they had to go back to their cabinets, and that was only after they had done some, for the most part, consultation with the sector in their states and developed a bit of a strategy which they could then present to their cabinet to support how they were proposing to match the funding.

**Senator LUDLAM**—Is the absence of those plans in the two territories and New South Wales now holding up the granting of funding?

**Ms Winzar**—No. The issue with the homeless partnership agreement is a bit different, because the funding was not to flow until 1 July anyway.

**Senator LUDLAM**—But you would anticipate before 1 July that those three outstanding ones would be in?

**Ms Winzar**—Yes. And we will continue to enthusiastically follow them up.

**Senator LUDLAM**—What about the plans for the social housing spend?

**Ms Winzar**—We expect, again, that we will finalise the social housing plans fairly soon. We are in the process of assessing the proposals that we have received, and I think we should be able to despatch those within the next month.

**Senator LUDLAM**—Just staying with the social housing stuff for the moment, are the implementation plans public documents, or are they confidential for some reason?

**Ms Winzar**—They have not been published yet. I think we would have to seek some advice.

**Dr Harmer**—We would have to take it on notice, Senator, whether we could provide those to you.

**Senator LUDLAM**—If you could. And if not, then some rationale as to why not, because I presume there would be quite a bit of useful detail in there about how prepared the states and territories are.

**Dr Harmer**—Sure. If they are not normally a public document, the very least it would require would be for us to get the states' approval, because it is a document which is jointly owned.

**Senator LUDLAM**—I understand.

**Senator PAYNE**—Senator Ludlum, were you just asking in relation to the plans for social housing, or for homelessness as well?

**Senator LUDLAM**—We are doing both at the same time.

**Senator PAYNE**—So you have asked for both?

**Senator LUDLAM**—In that case, just to clarify, do you want to go—

**Ms Winzar**—I can tell you that it is the intention to publish the plans for the homelessness partnership agreement.

**Senator PAYNE**—Thank you. Sorry, Senator Ludlum.

**Senator LUDLAM**—With regard to some of the questions that I put to you about location when we were asking about NRAS, are you able to provide, first of all, what your guidelines are for inner metro and outer metro? I forget what the other two categories were.

**Mr Leeper**—Provincial and rural.

**Senator LUDLAM**—What are your targets, if such targets exist, and how does it look at the moment for the proposals that you are getting?

**Mr Leeper**—In relation to which agreement?

**Senator LUDLAM**—Let us start with the social housing.

**Ms Winzar**—We do not have any targets by way of geographic distribution for the social housing partnership agreement.

**Mr Leeper**—The national target was, I think, to achieve 2,300 additional dwellings from the \$400 million investment. In fact, we are getting 2,630. Beyond that, we have not sought to describe where they might be

located. States will get their proportionate share of the funding on a population share basis. But beyond that we have not been prescriptive at all.

**Dr Harmer**—In the same way, in the past we did not prescribe in any way how the authorities would do public housing.

**Senator LUDLAM**—So the states and territories might have their own individual targets, but that is not something that you are prescribing.

**Dr Harmer**—In terms of location, yes.

**Mr Jagers**—I might just clarify a point. The social housing implementation plan has two distinct components. One is the social housing national partnership agreement funding that Ms Winzar is talking about. But, under that same implementation plan, there are also schedules for social housing initiative spending as well. Just so you understand the two parts. On the parts for the social housing initiative, there are schedules to that agreement, which we have also finalised. I also have some splits around the approvals for the social housing initiative spending around inner/outer metro.

**Senator LUDLAM**—Rather than reading those in, is that something you would be able to just table for us?

**Mr Jagers**—Yes, we can—

**Senator LUDLAM**—If you are able to provide that, it might be quite helpful. You would be aware that for the social housing there was a mandatory six-star sustainability criterion. The language was a little slippery—it was ‘where possible’—and it was a bit dependent on an agreement coming from COAG. Can you tell us, of the ones that you are aware of—that is, the one where the ribbon was cut, with or without a hard hat, in the last month or so—what kind of sustainability standard was reached?

**Mr Jagers**—The house that was completed in Yennora achieved a five-star energy rating. It did have some other energy efficiency features as well, such as a water tank, and the water tank had plumbing connections through to toilets and the laundry.

**Senator LUDLAM**—Great.

**Mr Jagers**—So there were some environmental features with that. That was one of the stage 1 construction houses where planned construction activity was brought forward. For stage 2 we have set out in our guidelines the requirements around energy ratings and energy efficiency measures for houses and all dwellings. So when proposals are received from states and territories, we are expecting a high level of compliance with those guidelines.

**Senator LUDLAM**—But that is not something that you are able to report on yet in aggregate?

**Mr Jagers**—I do have some indicative figures from stage 1. The data is not complete yet but we know, for instance, that of the 2,637 dwellings that were approved, 790 have solar hot water systems, 1,579 have water conservation features and 1,842 have insulation above standard.

**Senator LUDLAM**—So how is that stacking up in terms of a six-star rating? How close are we to the benchmark?

**Mr Jagers**—That was stage 1 when it was not a six-star requirement. For stage 2 we have received proposals from New South Wales, Victoria and Queensland. Those jurisdictions are looking for an early assessment of those proposals, and we are trying to do that so we can make some decisions before the 30 August deadline. We have made clear to states that those proposals will have to comply fairly highly for us to make an early decision on those applications. So we are expecting quite a high proportion of these early decisions to have a six-star energy rating.

**Senator LUDLAM**—So if a state or territory is not playing ball, they do not have any role in overriding the standards? They are putting proposals to which you can say, ‘It’s not up to scratch, so we’ll knock you back’?

**Mr Jagers**—We are receiving proposals from them and we will assess them and make a recommendation to the housing minister for her to make a decision. But certainly she can knock back proposals if she does not think they are achieving what the scheme is designed to achieve.

**Senator LUDLAM**—I am aware that it is not one-size-fits-all, particularly for energy ratings across the country. What you build in the Kimberley is very different to what you would put together in Tasmania. In rural and remote areas, where there is not much of a precedent and there are not going to be a lot of sustainable building companies out there yet, what are you doing or what can you do to provide additional support to

housing providers so that we are not getting a different standard in metro areas to what we would be in regional areas?

**Mr Jagers**—We are not doing anything specifically to support developers in those locations. We are applying a consistent standard to assessing the applications. The proposals need to identify what the energy efficiency rating on the property is. They have to use an accredited NatHERS system and they have to use accredited assessors as well in developing that energy rating. So I think we have made it pretty clear, through our guidelines and the information sessions that we have held around the country, that this is an important part of the program for us.

**Senator LUDLAM**—Are those models of a standard sensitive to different requirements for different climate regimes?

**Mr Jagers**—Yes, they are highly flexible and they will give a star rating for a particular location.

**Senator LUDLAM**—Are you able to table for us, to the degree to which you have managed to compile the data, what you have assessed so far as it relates to the sustainability criteria—that is, the numbers that you were just reading to me then? Is there a fuller document to quote from? Was that just a skim off the top or is that it?

**Mr Jagers**—That is pretty much it for stage 1. With stage 2 proposals, when they come in and once decisions are made, we will have quite detailed data about the features of those dwellings and what energy efficiency rating they achieve.

**Senator LUDLAM**—Do you have an approximate idea when that material will be available?

**Mr Jagers**—Decisions will need to be made by 30 August, so I would expect that the data would start to become available soon after that.

**Senator LUDLAM**—I do not know procedurally whether I can ask you to take on notice something that does not exist yet. Will you be reporting that material as a matter of course? Senator Siewert just said she has done it before, so it must be okay.

**Mr Leeper**—Perhaps if we could take that on notice. We understand what you want, but could we take the issue on notice—

**Senator LUDLAM**—If the material does not exist.

**Mr Leeper**—because, as Mr Jagers pointed out, the decisions have not been made yet.

**Senator LUDLAM**—That is right. So I will not ask you to table something that does not yet exist but, when it does, that would be great. How are you gauging public transport accessibility, particularly in parts of the country where there may not be any? How are you benchmarking? It is easier with the star rating for energy and water, but how do you do transport issues?

**Mr Jagers**—In the guidelines, one of the selection criteria goes specifically to this point. One of the seven selection criteria for proposals that are received is proximity to services. With the proposals that come in, states and territories need to provide details about proximity to central business districts and to public transport systems. They are being scored in two ways, against both of those criteria.

**Dr Harmer**—We require them to address that element in their application.

**Senator LUDLAM**—So in the material that you will report later, when we have substantial numbers of proposals and properties to assess, that will be filtered out separately; we will be able to get a sense of that?

**Mr Jagers**—Yes. All the approved dwellings will be able to provide details about their proximity to central business districts and to public transport.

**Senator LUDLAM**—Great. I look forward to seeing those. The budget says that staff at a departmental level are to increase from 197 to 209 people. Are you able to tell us in which area of the department the new staff are employed?

**Mr Jagers**—Specifically to Social Housing Initiative?

**Senator LUDLAM**—That is my question, I suppose, whether—

**Mr Leeper**—The department has a housing group, headed by Ms Winzar. For this exercise, for the stimulus plan we have also established an implementation group under Mr Jagers, who is the acting coordinator for housing in the department, and there are 12 staff associated with that function at the present time.

**Senator LUDLAM**—I just wonder whether you are able to give us an idea—I mean, it is a relatively modest increase given that funding of this magnitude did not exist 12 months ago, and now you are filtering \$6 or \$7 billion through in a relatively short period of time. Is this modest increase in staffing sufficient to meet the workload or are you all doing 18-hour days?

**Dr Harmer**—We are working pretty hard, Senator. But as is the case in all matters of initiatives like this, we negotiate with the department of finance for the staffing level and ultimately agree a level. As you would appreciate, there will be peaks and troughs in the assessment of the workload on this initiative. But, at the moment, we are managing.

**Senator LUDLAM**—I figure this would be the busiest the department has been on social housing spending in, probably, 20 years.

**Dr Harmer**—Indeed.

**Senator LUDLAM**—And you are getting by.

**Mr Leeper**—I think Mr Jagers and his team have already moved over a billion dollars out the door with the support of the states.

**Senator LUDLAM**—You make that sound so casual.

**Mr Leeper**—And they are doing an excellent job with just 12 people.

**Senator LUDLAM**—Thank you very much. That is all I have got on social housing. Thank you for your answers.

**CHAIR**—I take it that is the end of social housing. Not quite, you have got a couple more, Senator Payne.

**Senator PAYNE**—Just to go further on the points that Senator Ludlum was raising in relation to approvals and their matching of the requirements of being environmentally sustainable, close to transport et cetera, is it the case that all of those criterion will be clear out of the approvals process including the disability one which I raised earlier for stage 2?

**Mr Jagers**—Yes, Senator.

**Senator PAYNE**—Okay. So all of that information can be—

**Mr Jagers**—We will certainly be doing that analysis and making recommendations to the housing minister. And so, yes, we will have that information.

**Senator PAYNE**—I had some further questions around the NPA on homelessness and then some on the NAHA as well. I am just not sure where you want those done and where Senator Ludlum is going with his timing as well.

**CHAIR**—We have been trying desperately to get to homelessness for a while. So I think if we go there and then we can do the homelessness questions from Senators Payne, Ludlum, and, also, Senator Williams.

**Senator PAYNE**—I think you asked some question already on homelessness, Senator Ludlum.

**Senator LUDLAM**—I think the department—

**Senator PAYNE**—Yes, in relation to the construction. If we go back to the question of funding for 2009-10, as provided in the NPA, I think you said that notwithstanding the fact that three sets of implementation plans have not been provided, you still hope to have this finalised and ready to roll by the July start date?

**Ms Winzar**—On the homeless NPA, Senator?

**Senator PAYNE**—Yes.

**Ms Winzar**—Yes, that is correct.

**Senator PAYNE**—And will the funding still be allocated between the states and territories in the manner that the NPA outlined—that is, the share of homeless population as measured in the 2006 census?

**Ms Winzar**—That is right.

**Senator PAYNE**—Is there any equivocation around that by the states and territories in terms of, perhaps, changed circumstances? I mean, economically and socially the impact of the global financial crisis is a broad one, and I wonder whether the states and territories were advancing any arguments around that.

**Ms Winzar**—No, Senator. I think they were all reassured that splitting their share of the homeless population as a proportion was a better way than just to split across populations per se. A couple of them have

observed to us that their expectation is that homelessness might get worse in the short term as the economic crisis hits, but there is no reason to suggest that that would be more or less in any particular jurisdiction, I do not think.

**Senator PAYNE**—Really? So you think the pressures in New South Wales, broadly speaking, are the same as the pressures in Tasmania?

**Dr Harmer**—I think what Ms Winzar is saying, Senator, is—

**Senator PAYNE**—No, I was asking. I was not being critical. I was just interested in the analysis.

**Dr Harmer**—At the moment, states are not using their argument to argue for a greater share. They are accepting the original decision about the base for allocation.

**Senator PAYNE**—Yes, but Ms Winzar did advance then a further comment in relation to some conjecture amongst the states.

**Ms Winzar**—If we have a look at the concentration of homeless, say, per 10,000 of the population, then Western Australia, Northern Territory and Queensland are the three top-ranked states. They are well ahead of the others. That seems less a matter of economics than, perhaps, some other social dimensions.

**Senator PAYNE**—Yes, quite.

**Ms Winzar**—Including, perhaps, the service footprints across remote parts of those states. So I think there might be swings and roundabouts as to why some things might impact on some states but not on others. But, I think overall, if we look across the last couple of censuses, there is not too much that you can particularly point to by way of shift in the concentration of homelessness in any particular jurisdiction and say that you can explain that by way of the economic circumstances in that state.

**Senator PAYNE**—In view of the current economic circumstances that you have referred to, and I also raised, has there been any advancing by the states or territories of their concerns about not being able to meet their share of matching funding due to the impact of the crisis on their own budgets?

**Ms Gumley**—No. At this stage, all the states have provided us with information around matched funding and some of them are still going through their cabinet processes to do that.

**Senator PAYNE**—How many and which ones?

**Ms Gumley**—There are four which have not as yet submitted their plans to us in final form, and that is New South Wales, Tasmania, ACT and the Northern Territory.

**Senator PAYNE**—I thought it was only three before.

**Ms Gumley**—Yes, apologies; it is actually four—New South Wales, ACT, the NT and Tasmania. But we have seen early drafts of those and provided comments back to those jurisdictions. So it is just a matter of finalising them.

**Senator PAYNE**—Is there a time frame for the requirement of annual reports to be presented from the state and territory governments under the NPA?

**Ms Gumley**—It is annual reporting. I do not know that it is actually declared in the NP, but I would imagine it was within 12 weeks of the finalisation of the previous year.

**Senator PAYNE**—And does the delay in presenting implementation plans affect the timetable for the annual reporting process?

**Mr Leeper**—No.

**Ms Gumley**—No, Senator, because the funding flows from 1 July.

**Senator PAYNE**—Will it be 1 July next year when they are providing an annual report?

**Ms Gumley**—I expect there would be a couple of months after that to enable them to pull all of the information together from the end of the year. And, in fact, in the national partnership agreement it does say it is to be provided within 12 weeks of the end of the relevant period or as otherwise specified in the agreed implementation plan, Senator.

**Dr Harmer**—So, roughly, the end of October next year.

**Senator PAYNE**—Thanks, Dr Harmer. Now, in terms of actual construction of homelessness housing—if I can put it that way—can we identify specific new dwellings at this point?

**Ms Gumley**—Under the homelessness national partnership, states are able to put in either capital or recurrent funding for their contribution, and some states have got a portion of capital funding. But those agreements are still under consideration by Minister Plibersek and the implementation plans have not been agreed.

**Mr Leeper**—So we need to bear in mind, Senator, there are two threads there. One is the Commonwealth government's funding under the A Place to Call Home election initiative, which is \$150 million for additional stock. And then there is the money provided by the Commonwealth over five years, \$400 million, under the National Partnership Agreement on Homelessness to which, as Ms Gumley has pointed out, states are required to match, but that matching can be capital or recurrent in the nature of support services. So there are really three strands of funding here, potentially adding up to as much as \$950 million, a significant proportion of which will be capital.

**Senator PAYNE**—I do appreciate that we are dealing in a complex funding environment—three streams, as you say—and with large amount of dollars. But to bring it back to bite-size components for those of us trying to get across what your entire department is doing, when will we see a house built under this agreement?

**Ms Gumley**—There are already some houses built under this agreement. The A Place to Call Home measure was an election commitment and that commitment was rolled in to the national partnership on homelessness. So there was \$150 million provided by the Commonwealth and the states have agreed to match that. Under that measure, the states agreed to provide 600 houses but in fact will deliver 731, and there are 83 houses this financial year. We already have families in houses in Queensland and Victoria. New South Wales will open 25 this financial year.

**Senator PAYNE**—Before the end of this month?

**Ms Gumley**—Yes, as will WA and Northern Territory.

**Senator PAYNE**—Thank you for that. Let me leave homelessness there for a moment, Madam Chair, and go back to other Senators while—

**CHAIR**—Senator Williams, have you got your homelessness questions?

**Senator WILLIAMS**—I would like to go homelessness. In 2006, we have the statistics from the Australian Bureau of Statistics indicating that some 105,000 were classed as homeless and about 16½ thousand as living rough, if that is the way to put it. Do you think those statistics are accurate or do you just take it in good faith that they are accurate?

**Dr Harmer**—Senator, first of all, our period, again, is really irrelevant, but, generally, we would have a better basis for determining that. It is a particularly difficult figure to come up with.

**Senator WILLIAMS**—The reason I asked that opinion of yours, and I should not have asked it—I apologise—is that I live in a country town, Inverell, and the Inverell shire has been classed as having 85 homeless people in it which the mayor has said is quite laughable. I have been in touch with Captain Chris Millard, in charge of the Salvation Army in Inverell, and he says there would be six at the most.

The point I make is, if the ABS give you the figures that there are 85 in that one shire, and in the little country towns, of course, there is ample housing there—those towns are not booming with people moving in demanding houses every second day, if you know what I mean—to me, those figures would be flawed.

**Mr Leeper**—The ABS measures homelessness according to three dimensions, and it is a census, so on census night they would have done their best to enumerate everybody in the country. People counted as homeless in the 104,000 would come under one of three categories. There is primary homelessness, which are people with, literally, no roof over their heads at all. They are mainly the rough sleepers. Secondary homeless are people who are, say, couch surfing at friend's places. Have I got that in the right order?

**Ms Gumley**—Yes.

**Mr Leeper**—And, tertiary homeless are people living in established dwellings but do not have access to private facilities. For example, someone in a boarding house who has access to a shared bathroom will be counted technically as homeless because they are sharing facilities. It may be that that is why the number of 85 for Inverell seems unusually high. That is how the definition has been put together. If Ms Gumley wants to clarify that—

**Senator WILLIAMS**—So if people lived in a caravan park, for instance, and had community shower facilities there, would that be classed as homelessness? If they were in a caravan and they walked over to a central facility?

**Ms Gumley**—Could I just clarify? Tertiary homelessness is referring to people who live in boarding houses or without secure tenure. So if they have not got tenure of 13 weeks or longer, they would be determined as homeless on the night but, if you had long-term tenure with access to facilities, then you would be not counted.

**Senator WILLIAMS**—I find that quite confusing under the term of ‘homelessness’. As I said, it is alarming statistics in the country communities. I know Walgett was classified as having 139 and, once again, the mayor there said that is outrageous to think that that is the number. Under your qualification, obviously, that grading is misleading. To an average person in the street, homelessness would mean someone who does not have somewhere to sleep at night with a roof over their head.

**Mr Leeper**—These definitions have been adopted by the ABS, and it is based on work conducted by Chamberlain and MacKenzie, who have a very long background in considering homelessness issues, so it is not without, perhaps, sensitivity and not without controversy, but we are using definitions which are widely accepted, certainly within Australian and, I think, also probably internationally in this area.

**Senator WILLIAMS**—I am going to move to another area, talking about homelessness. For example, I know of one person, male, who is seeking some accommodation, is literally homeless, but they cannot find him any. For these country towns, do you think they need something like a male refuge centre, because we have a female refuge which is a place for accommodation in emergency situations? Do you think there is need for a male refuge centre in many of these country communities?

**Ms Winzar**—I think the issue is not even quite that straightforward, Senator. If we have a look at where a lot of those people are sleeping rough, who literally do not have a roof over their heads, if we look at where there are, then there are an awful lot of them outside the capital cities, and the services that are available to them are not necessarily consistent with their share of their population. So it is probably that rural areas of Australia do need more crisis response services, full stop, not just for men who are homeless, but also for women, and for families, particularly.

**Dr Harmer**—Senator, it is also the distribution. There are significant homeless men shelters in the big cities, but they are large centres run by Sydney City Mission and various other charities, and there are not very many of those sorts of facilities in the rural areas.

**Senator WILLIAMS**—Surely that would be something that the department, the minister, whoever, in the decision-making positions, would have to consider in the future, if the facilities are there in the urban communities but certainly lacking in the rural and regional communities?

**Ms Winzar**—Yes. That is right, Senator.

**Senator WILLIAMS**—I would appreciate if they could have a look at that because, as I said, we have a situation where we cannot find accommodation, the Salvation Army cannot find accommodation for the men, but, with the women, they do, fortunately, have the refuge centre.

The next problem I see and I hear about is that we actually have two or three people in our community, who, when placed in accommodation of whatever type simply will not stay there and insist on going back under the bridge, back of the shop or whatever. What can be done? Is there any cure for that sort of problem? They are taken down and they are put in accommodation, and they refuse to stay there. Some may have alcohol problems, various problems or whatever and they just refuse to stay there, and they go back and choose to live under the bridge.

**Dr Harmer**—There is not much either we or providers can do about a situation like that. You cannot lock them in.

**Mr Leeper**—The Queensland government had much the same experience. They basically took all of the people who were living rough under the Storey Bridge in Brisbane and found them all accommodation, but within six months the majority of them were back under the bridge, and when they asked, people basically said, ‘Well, where you put me was not where I like to be.’ It is not just about bricks and mortar. The response is really about support services.

Many people become homeless because they have a range of issues in their lives; other people become homeless for some random reason and then issues follow on from that. The bricks and mortar response will not be sufficient. That is why, in the white paper, in the A Place to Call Home implementation and in the

national partnership agreement we are stressing both additional accommodation and additional support services. Otherwise, we will put these people in houses and they will just drift away over time.

**Dr Harmer**—An improvement in services is likely to significantly improve the chances of them finding the accommodation acceptable, which is why there is significant emphasis on that part of the homelessness response.

**Senator WILLIAMS**—Could I just get back to that question about if people live in a caravan park and have the community facilities, are they regarded as homeless? They are under one of those categories? You have three categories, I believe.

**Ms Winzar**—I think the short answer is yes and no—and, no, I am not being clever. It is about the nature of their lease in the caravan park. If they are just there on a very short-term lease and they can be thrown out at any time, and they do not security, then, yes, they will be classed as homeless. If they have a long-term lease on their site, then they will be okay, they will not be counted as homeless.

**Senator WILLIAMS**—That is about all for me. Thank you, Chair.

**CHAIR**—Senator Adams, do you have things on homelessness?

**Senator ADAMS**—On that particular issue, because it is so confusing with the three categories, have you spoken to the media, because they will come out with this huge, great figure of homeless people and, yet, they are not really homeless because they do have a roof over their heads. I think, for the general public, it is highly confusing. I had no idea that those three categories existed—especially that someone living in a caravan park semi-permanently could be homeless; they have a roof over their head.

**Dr Harmer**—They would not be homeless, Senator, if they have, as Ms Winzar said, a long-term tenure of the site.

**Senator ADAMS**—I know, but I just said short-term, and people move from caravan park to caravan park chasing jobs and things. They might be somewhere for a month and then go on, but I really think that if we are confused then perhaps the general public will be confused and there could be some sort of communication with the media to explain what homelessness is all about.

**Ms Gumley**—Senator, the white paper includes quite a comprehensive chapter on background data and it does go through to explain the primary, secondary and tertiary homelessness and how they are categorised, and then also admits that there are some limitations in that and that we need to get better ways of defining and working with the ABS about counting homeless people.

**Dr Harmer**—I think the common understanding of homelessness is the 16,000 sleeping rough, which means no roof at all. They are under a bridge or under—but, genuinely, there are a lot of people that are in unsatisfactory housing where they have not got tenure, where they can be tossed out at any time or they are moving from one place to another. There are a lot of those as well and they make up the broad definition of homeless.

**Mr Leeper**—I would think if we were in the education committee, they would be saying to you that it is very hard to get a person to focus on education or training offers if the next thing they are worried about is where they are sleeping the next night, if they have to worry about that every single morning when they wake up. So, yes, for primary homeless people who are identifiable and very visible because they sleep rough in the streets that is an identifiable number, but those two other categories of people, the secondary and tertiary, do not have security of housing tenure and so it is extremely hard for them to make any enduring plans on what to do with the other parts of their life. That is where the exclusion and the social disadvantage comes from. It is not from just sleeping rough on the streets, it is not having security of tenure over a property which you can use as a springboard to go and do other things. I think that is why we measure all three of them and why the number is referred to as being 100,000 rather than just the rough sleeping proportion.

**Senator CAROL BROWN**—On that point when you were talking about the shortage of accommodation in rural and regional areas, what I wanted to ask is, it was my understanding that under the social housing programs that there was an aspect of low income housing being built in rural and regional areas. Is that right?

**Ms Winzar**—That is correct, Senator.

**Senator CAROL BROWN**—And that states were rolling out those programs, putting low income housing into areas that normally would not have low income housing.

**Dr Harmer**—Senator, we would expect that the significant additional allocation to social housing will, together with the specific initiatives on homelessness, significantly reduce the number of homeless over time. Part of the issue of distribution—states with a higher proportion of public housing do not tend to have quite as much homelessness. By improving the proportion of social housing, together with the capital injection for more houses and more services, we anticipate there will be a significant reduction in homelessness.

**Senator CAROL BROWN**—And, obviously, services for those more problematic issues that homeless people carry with them is very important.

**Mr Leeper**—Out of the stage 1 construction effort from the stimulus package slightly over 1,100 of those houses out of 2,600 will be built in provincial or rural areas. Those will be constructed with the express purpose of assisting those who are homeless or at risk of homelessness in those particular parts of the country. They are not particular areas but it is a classification, so 1,100 out of the 2,600 will be outside the big cities.

**Senator CAROL BROWN**—That is good.

**CHAIR**—Senator Williams?

**Senator WILLIAMS**—Mine was actually the point that was made then by Senator Brown, the point about the establishments in the rural areas.

**CHAIR**—Is there anything else on homelessness? Senator Ludlam?

**Senator LUDLAM**—I would just like to ask about the supported accommodation assistance program, which I understand has been absorbed into the National Affordable Housing Agreement. Just to pick one opinion out of many that I suppose has been expressed about that arrangement, WACOS—WA Council of Social Services—said there should be a harmonisation across both budgets, which is a bit difficult to read where the funding has gone from one program to another, so can I ask for some help on that? Before we go to detail, could you just tell us what has happened to SAAP in broad terms?

**Mr Leeper**—In relation to the affordable housing agreement, Senator, it replaces a number of agreements: the Commonwealth-State Housing Agreement, supported accommodation agreement, the Crisis Accommodation Program, the Aboriginal Rental Housing Program. There might be another one, I am not sure. Over the five years from 2008-09 onwards, the funding available under the National Affordable Housing Agreement will rise by \$46 million across the five years compared to the base funding of those respective agreements, and that is independent of all the stimulus measures. That is given to the states in a lump and they need to work out where to put that money within the housing space to get the best possible outcomes under the agreement. They cannot take the money and go and spend it in health or education, nor can those funding agreements come into the housing space, so there is that bit of a boundary around it. But within that envelope of money what a state chooses to do relative to its previous effort around CSHA, CAP, SAAP and Aboriginal Rental Housing Program is a matter for them to think about and to balance having regard to the five broad outcomes of the agreements. In some respects we have taken our hands off some of the micro controls, but the states need to protect Commonwealth funding in the area in which it has been given to them and they need to work out how to apply it to get the best outcomes that they can inside the five outcomes from the agreement.

**Senator LUDLAM**—Is it going to be possible to tell in future years how funding has shifted around relative to the old system, or is everything going to be called something else? I will give you one example. Demand for SAAP assistance, for example. Some of those figures were collected and published state by state. How are we going to evaluate whether demand has gone up, down or sideways under the new scheme?

**Ms Gumley**—The white paper makes a commitment that the SAAP data collection system will be maintained for two years. That is now being managed by the Australian Institute of Health and Welfare and so we will still be able to keep information going and have an understanding about what is going on with the supported accommodation services. States may well, though, take decisions about running those programs and services differently but, given that they are part of a national data collection, we are at the table with them having discussions around how that data system is to be improved, and so we would be there having those discussions with them.

**Senator LUDLAM**—It sounds like that has not actually really been bedded down; it is not really possible to answer at this stage whether there is going to be consistent record keeping, for example, as the system is in transition.

**Ms Winzar**—There is a broad agreement by the Commonwealth and the states and territories to maintain the current effort that goes in around data and reporting and analysis in the homelessness agreement, so I do

not think there is going to be any reduction. I hope we will be able to engineer some improvements in the way information is actually collected from services and, hopefully, we will be able to improve some of the reporting and analysis as well.

**Senator LUDLAM**—What would you hope to see, by way of example?

**Ms Winzar**—One of the things—I think I might have mentioned a little bit about this at the last estimates hearing—is that at the moment our data collection relies substantially on paper based forms being filled out by services who are pretty busy, so we do not quite get the return rates that we would like and we do not necessarily get the quality of data that lends itself to good analysis and feeds into good policy. So trying to get to a system where we can drop out some of those data items from the day-to-day work that the services are actually doing as opposed to giving them an extra impost through data collection and form filling would be a really good improvement.

**Senator LUDLAM**—Okay.

**Ms Gumley**—Can I add that in the National Affordable Housing Agreement, which is where the old SAAP funds are, there are performance indicators that all the states and territories have committed to and they will also be part of the data collection that Ms Winzar was talking about. The two indicators that are relevant there are the proportion of Australians who are homeless and the proportion of people experiencing repeat periods of homelessness, so that is where we would get that similar information that we do now with SAAP about cycling in and out of crisis services.

**Senator LUDLAM**—Will it be possible in 10 years time to be able to compare what the picture was before and after this transition in policy and that we are not going to be losing some kind of comparable indicators, I suppose, is what I am getting at.

**Ms Winzar**—Hopefully, in 10 years time we will be collecting from a lot more agencies. At the moment our primary source of service data is those that are funded under the SAAP agreement. Now, they only see about 15 per cent of homeless people.

**Senator LUDLAM**—Fifteen or 50?

**Ms Winzar**—Yes, 15, and there are a whole lot of services for homeless people that are funded through a mental health system or even through the standard hospital system or through community services or disability services that do some stuff with homeless people, but it is not actually captured in any of our current reports.

**Senator LUDLAM**—All right.

**Ms Winzar**—So in 10 years time we would be hoping for much better information.

**Senator LUDLAM**—That is helpful. Can I just give you two budget line items that look, at the outset, as though they have been cut quite significantly. Maybe you can tell us where they have gone in the budget. The two that I refer to: one is evaluation; one is program support. So evaluation has apparently dropped from \$3.4 million to \$187,000. Program support has fallen from \$90.3 million to \$28.47 million over the next four years.

**Dr Harmer**—Which page are you on?

**Senator LUDLAM**—I am on a cut-and-paste; that is not going to help you very much. If that is going to be too difficult to nail down, I will get that for you.

**Dr Harmer**—It will be difficult for us to give you an answer on that unless we can identify where you are.

**Senator LUDLAM**—Yes, that is fair enough. Just give us a moment on that, and I will track that one down. We will come back to it.

The last issue that I wanted to raise was—this is something of an anecdote; what I am trying to get a sense of is if you would track this across the country. Shelter WA report on the disappearance in Western Australia of boarding houses. So just in one inner-city area in Perth, boarding houses have traditionally been used to provide short and medium-term accommodation options for homeless people. These are the parts of the city, in Perth at least, that have been gentrified quite rapidly and so they are turning them into backpackers' at quite high rates, and other things. So just in the town of Vincent, Housing and Urban Research Institute of WA reported that of 22 properties that were licensed as lodging houses, only 15 of them are now, and the rest of them have been converted into backpackers'. Only seven lodging houses now exist in the town of Vincent, and I am just wondering whether this trend is occurring elsewhere and whether some other program is expanding to pick up that slack.

**Ms Gumley**—I think across Australia there are neighbourhoods changing in terms of the life cycle. Those in the inner-city areas and in the inner-middle ring, I suppose you would call it, are changing and becoming more valuable because of proximity. There are a couple of important developments, though, that were raised by Mr Jagers before, which was around making sure that the houses through the economic stimulus package and the social housing initiative are, where possible, placed in good proximity to locations. Also, some of those A Place to Call Home properties will also be taken in in those infill arrangements.

**Senator LUDLAM**—That is fine, and I think that is probably appropriate, but that sort of accommodation is very different to a boarding house, where, really, people are just looking for a room maybe just for a night or a couple of nights.

**Ms Gumley**—Yes.

**Senator LUDLAM**—Is that being provided separately somewhere, or are we really just looking at individual places for people?

**Ms Gumley**—The focus of the capital expenditure from the Commonwealth is on long-term permanent housing, so not on the boarding houses but on finding people permanent accommodation with secure tenure.

**Senator LUDLAM**—Is nothing specifically coming to mind, then, that is being used to pick up that absence as those boarding-type properties are being withdrawn?

**Ms Gumley**—There are probably a couple which might be useful. One to note is the Foyer model, which is accommodation for young people in education or training, and whilst they are in education, employment, or training, they are able to live in that communal arrangement. And some of those are actually being built under the A Place to Call Home model. The other one is the Common Ground model, which is being picked up in a few states and territories, and that is where chronic rough sleepers are being housed in an accommodation complex that is mixed in with affordable housing developments as well, and it also has concierge on-site 24/7 support, and really people who are homeless have a need for many other different sorts of support services. And so, through the Common Ground model, the concierge is able to bring in the necessary support or arrange that brokerage, and sometimes there are also on-site training support facilities provided there.

**Senator LUDLAM**—Great. That is not something that you have a particular target or a mandate for; that is just that some states and territories are using that model?

**Ms Gumley**—Some states and territories are. Minister Plibersek has been quite keen to see that development, and so many of the states have picked that up in their A Place to Call Home funding that has come through.

**Mr Leeper**—Senator Ludlam, you had a question about program support dollars?

**Senator LUDLAM**—I did.

**Mr Leeper**—In 2008-09, the department continued to make payments to Centrelink for the administration of payments to its clients. From 2009-10, that money will be paid direct to Centrelink from the budget. So in programs where we have got a significant amount of support for Centrelink through their administrative payments, that is, payments for staff and phones and desks and things, where that has come out, that support payment has dropped substantially. I could also take you to page 91 of the portfolio budget statement and show you the same thing, where income support for seniors apparently drops from \$346 million in 2008-09 to \$19.2 million in 2009-10. It is about how our accounting models attribute that expenditure. So in programs where there was a significant Centrelink presence, and there is one in rent assistance as there is in aged pension, the program support dollars have come down substantially. But it is fundamentally about that.

**Senator LUDLAM**—Is the same thing happening in the evaluation item? So it is not disappearing, it is just going sideways and it is not coming through this portfolio anymore?

**Dr Harmer**—That is certainly the case with program support.

**Ms Gumley**—For the special account—I think it is noted, that one—is that the item that you are talking about, under SAAP data and program evaluation? That is the funds that previously would have come in from states and territories as part of the SAAP agreement. It was a special account that was managed by the Commonwealth on behalf of the Commonwealth and states and territories, and that is the funds that we would have provided AHW for the SAAP data collection and reporting requirements, as well as some other research activities.

**Senator LUDLAM**—And that is all elsewhere now. Okay, thank you for that. I have got no other questions on that.

**CHAIR**—Is that the last questioning on homelessness?

**Senator PAYNE**—I wish to ask some questions around the National Affordable Housing Agreement, broadly speaking. Dr Harmer, before I go into these particular questions, I wonder, given the significant volume of programs and new work—implementation plans, approvals, processes, assessments and so on—that the department is undertaking, which really, as these estimates discussions have progressed over recent months, is becoming manifestly obvious, I think, to members of the committee sitting around here trying to understand the full gamut of what the department is doing; does the department, or do you, Dr Harmer, have a map, if you like, or a schematic which might show us in a physical sense where money is going to and from, where the state-Commonwealth relationships are, across the range of these which might assist the committee? And if it does not, is that a matter you could put in contemplation for us?

**Dr Harmer**—We can probably produce that. The diagram that the Chair liked this morning, from Mr Innis, will go part-way there. I think all we would need to do would be to put some numbers against each of them. That would probably go a long way to where you want to get to. We can probably do that, and then, if you have more questions, we can follow up for you.

**Senator PAYNE**—If that is something you could make a public document for us, I think that would be very helpful for the committee. And I do not want to put the department to unnecessary—

**Dr Harmer**—I do not think that would be very difficult.

**Senator PAYNE**—Thank you. I appreciate that. I wanted to ask some questions around the reporting outputs under the National Affordable Housing Agreement, which I understand are, broadly speaking, the responsibility of the COAG Reform Council. Is my understanding correct?

**Dr Harmer**—That is correct.

**Senator PAYNE**—Can you indicate to the committee how the Commonwealth and state governments go about providing information to the COAG Reform Council to enable it to make its reports in the first instance? Is it empirical data? Is it analysis of the programs? How does it actually operate?

**Ms Winzar**—The full technical glory of the COAG Reform Council—the questions are probably best directed to our colleagues in Treasury. The little I can tell you is that the COAG Reform Council has been charged with independently assessing the performance against the benchmarks and performance indicators that are set out on each of the SPPs and the partnership agreements, and they will presumably form their view using both quantitative and qualitative data. It will not necessarily be sourced from our portfolio.

**Senator PAYNE**—Okay.

**Ms Winzar**—They will draw their information from the state governments, in some cases the Bureau of Statistics information will be used to measure progress, or the Institute of Health and Welfare will also have a role.

**Dr Harmer**—Senator, there will be a range of sources, as Ms Winzar has said. If we just to take you through the performance indicators, you will be able to see from that the sorts of data that the COAG Reform Council will need to get and the variety of places they will need to get it from, much of which will be, as Ms Winzar said, survey or census information from ABS, information from Australian Institute of Health and Welfare surveys et cetera.

**Mr Leeper**—There are five main outcomes and an underpinning outcome against which the agreement is structured. Largely, it is around outcomes around homelessness, rental housing, affordable housing, efficient and responsive housing markets, reducing overcrowding in Indigenous communities—which is a particular objective—and, also, an underpinning one, which is that Indigenous people have the same housing opportunities as other Australians.

In support of those, the Council of Australian Governments will receive reports based on eight performance indicators and those go to what will be happening inside those five overarching outcomes and the underpinning one—that is, the proportion of low-income households in rental stress; the proportion of homes sold or built that are affordable by low- and moderate-income households; the proportion of Australians who are homeless; the proportion of people experiencing repeat periods of homelessness; the proportion of Australian households owning or purchasing a home; the proportion of Indigenous households owning or

purchasing a home; the proportion of Indigenous households living in overcrowded conditions; and the proportion of Indigenous households living in houses of an acceptable standard.

The reports to COAG will be based around those high-level indicators and there will be quite a bit of work done between ourselves and the states through various data working groups and, as Ms Winzar has indicated, through the Institute of Health and Welfare and the Bureau of Statistics. Our understanding is that will be coordinated by the COAG Reform Council and brought together for reports to COAG periodically—I think it might be annually at worst.

**Senator PAYNE**—Annually at worst.

**Mr Leeper**—As in, it could be more frequently than that. Annually at least, I should say, not at worst. I beg your pardon.

**Senator PAYNE**—Yes, I thought you would be keen to do more of them, Mr Leeper. On the eight indicators that you have just described there, does the department have base indicators for those? Do you have starting points? How do you make your assessments against the numbers?

**Dr Harmer**—In most cases we will have base information.

**Mr Leeper**—I would be confident we would have base information for all of them, at least—

**Senator PAYNE**—Is that information you can provide to the committee?

**Mr Leeper**—We would need to take that on notice, Senator, only because this is a broader COAG framework than just our department.

**Senator PAYNE**—I understand that.

**Mr Leeper**—But what I am saying is, from my quick read of these ones, the only one I would be thinking about is (h), which is the proportion of Indigenous households living in houses of an acceptable standard. I think we have got some survey data on that. We certainly would have baseline data on all of the others.

**Senator PAYNE**—Thank you; that would be helpful. As you have said, the NAHA has a number of specific responsibilities for the Commonwealth and the fourth of those, (d), is in relation to the financial sector regulations and Commonwealth taxation settings that influence housing affordability. Is it possible to indicate to the committee whether or not FaHCSIA provided input to the tax review that is currently being undertaken by the Secretary to the Treasury?

**Dr Harmer**—Is your question about our input into the tax review?

**Senator PAYNE**—Whether you provided input into the tax review.

**Dr Harmer**—We are quite heavily involved in the tax review. I am actually one of the five members of the review panel and I am supported by a team within my department, in large part because the review is actually a tax transfer review and a lot of the transfers are part of FaHCSIA's responsibility.

**Senator PAYNE**—Are you able to give the committee any further idea of the nature of the input, Dr Harmer?

**Dr Harmer**—No, Senator. Until the review comes out, we will not be able to do that.

**Senator PAYNE**—Thank you. In relation to the national partnership agreements—and I am really hoping they are part of the coloured diagrams so I can look carefully at where that all fits in—we have got the three that we have talked about today across a range of issues. Can you advise the committee whether there are any plans to develop any additional national partnership agreements that might assist in attaining the objectives of the NAHA in particular?

**Mr Leeper**—I am not aware of any others, Senator. There is social housing, homelessness, remote Indigenous housing and the first home owners boost as well.

**Senator PAYNE**—Is that a partnership agreement, the first home owners boost?

**Mr Leeper**—I think it is, yes. But I am not aware of any other agreements being considered. That would be a matter for government, though.

**Senator PAYNE**—In addition to the National Affordable Housing Agreement itself, can you advise the committee whether there are any separate bilateral agreements signed between the Commonwealth and any state or territory governments under the NPAs, particularly the one for social housing?

**Mr Leeper**—Nothing at this stage called a bilateral agreement, but the implementation plans are effectively bilateral agreements.

**Senator PAYNE**—If my terminology is incorrect, please do not hold me up on that.

**Mr Leeper**—No, I am not being pedantic. The Commonwealth-state space has been littered with bilateral agreements.

**Senator PAYNE**—Yes.

**Mr Leeper**—We have got an overarching National Affordable Housing Agreement. Under that we have got a number of national partnership agreements, and each of those has an implementation plan between the Commonwealth and the relevant state or territory, so those would be in the nature of bilateral agreements, yes.

**Dr Harmer**—So it is the implementation plans that would be bilateral under the broad agreement.

**Senator PAYNE**—And on my plan with the arrows that goes in a reasonably straight line, I would have thought. Are there any separate agreements other than those than you can advise the committee of?

**Ms Winzar**—The other suite of agreements that we have with the states and territories is around the eDA component of the housing affordability fund, the electronic development application process, where we have got a series of bilateral agreements in place there. And the other subtlety around the homelessness partnership agreement is, of course, that we had already signed up a couple of jurisdictions with bilateral agreements under A Place to Call Home.

**Senator PAYNE**—Yes.

**Ms Winzar**—Those agreements will be terminated and rolled into—

**Senator PAYNE**—Because you have rolled in those?

**Ms Winzar**—Yes.

**Senator PAYNE**—Madam Chair, in view of the time, I will leave my questions on the NAHA there because I suspect Senator Ludlam may have some as well.

**CHAIR**—Do you have some, Senator Ludlam?

**Senator LUDLAM**—I have just got one. Are we going to get time to go to Commonwealth Rent Assistance—is that still planned?

**CHAIR**—We will make time, Senator Ludlam.

**Senator LUDLAM**—I know you said you were hoping we would finish at about three.

**CHAIR**—That was my goal.

**Senator LUDLAM**—The only general NAHA question that I have relates to the COAG Reform Council. If you are able, can you provide us some very high level overview detail of who is on that council.

**Dr Harmer**—We could get that for you, but the COAG Reform Council is a construct from Treasury.

**Senator LUDLAM**—Yes.

**Dr Harmer**—Mr Leeper has just corrected me. It is actually Prime Minister and Cabinet, so it would be appropriate to ask them. But I do not think it would be very difficult for us to get you that membership, so we will take that on notice.

**Mr Leeper**—I would appreciate that, and whether their reports are made public.

**Dr Harmer**—I am pretty confident that their reports will be made public. I will just check that, but I am pretty that is the case.

**Senator LUDLAM**—All right. That is fine. I will leave that there.

**CHAIR**—Anyone else with questions on the affordable housing scheme? No. On another topic, Senator Ludlum, you can lead off on this one.

**Senator LUDLAM**—I will lead off straight into the CRA. I have just got a couple of questions on this, and I think Senator Siewert has one or two as well on this.

**CHAIR**—On the same topic?

**Senator LUDLAM**—Yes, on the CRA. On my reading of the figures in the budget, the total cash forecast for this program rose from \$2.6 billion to \$2.84 billion, but then in the same budget they are predicting

employment to rise to a million people. Have you got any projections from the department's point of view of how many people you think might be requiring Commonwealth rental assistance? Are there projections out there? Is that being modelled?

**Ms Wall**—I think we will have to take that on notice.

**Senator LUDLAM**—If you could, and I guess you can get the general thrust of what I am after.

**Mr Leeper**—Senator, this is the first time we have reported rent assistance separately, and you can see from the table on page 65 that it incorporates two FaHCSIA acts, two DEEWR acts and also the Veterans' Affairs Department. Just to put this information together was a coordinating exercise, so any further questions would require us to do that as well.

**Senator LUDLAM**—All right. That is helpful.

**Dr Harmer**—For example, Senator, we are responsible for the estimates for the family tax benefit people and those on the disability support pension and the aged, but the Department of Education, Employment and Workplace Relations will be responsible for estimates for Newstart and parenting payment people, and they get rent assistance as well.

**Senator LUDLAM**—What I am after, I suppose, is, is somebody plugging in projected unemployment figures over the next financial year, and is that how the figure for the CRA has been arrived at? It does not seem like a very big jump, I suppose, given the projected future unemployment rate.

**Mr Leeper**—The way the estimates are built up, Senator, is that if there was an assumption of an increased number of Newstart recipients, for example, then that would show up as high rent assistance payments, and I think it does that in that chart: it is up by \$52 million. I would not attribute all of that to changes in underlying beneficiary numbers. There is indexation and other factors in there. But the way these estimates are produced, they would be based on forecasts of customer numbers and average rates of entitlements going out into the future. I would expect that if we tested this with the education and employment department, as we have done with our own, we would find they would be based on some assumptions of customer numbers and also average rates of payment.

**Dr Harmer**—So the most likely growth in numbers, Senator, would be from the Newstart income support payment, and that would be a matter for DEEWR, not us.

**Senator LUDLAM**—Is that official departmental terminology to refer to unemployed people as 'customers'?

**Mr Leeper**—I was just using my own terminology, Senator.

**Senator LUDLAM**—That is all right. I am not taking a shot; I am just surprised to hear that term. Should I actually direct those questions to them?

**Dr Harmer**—Yes.

**Senator LUDLAM**—We might have missed that opportunity.

**Mr Leeper**—In relation to Newstart; parenting payment, single and partnered; partner allowance; sickness allowance; widow and youth allowances, yes, those are all DEEWR payments. FaHCSIA is responsible for family tax benefit, age pension, carer and disability pension. Those are the main ones.

**Dr Harmer**—And the growth in those numbers, as you would expect, Senator, is more predictable over the next 12 months, at least.

**Senator LUDLAM**—Yes, more predictable than unemployment. Just going directly to Commonwealth Rent Assistance, one of the key performance indicators under that item is the proportion of recipients in rental stress before and after receiving the rental assistance, and also the proportion receiving the maximum amount. So I wonder if we could just deal with those two separately. Are you able to tell us the proportion of rent assistance recipients in rental stress before and after receiving CRA in the last financial year?

**Ms Wall**—Yes, we can. Without rent assistance, there would be 66 per cent in housing stress—as in paying more than 30 per cent of their income on rent. With rent assistance, it drops to 36 per cent. That is as at March 2009.

**Senator LUDLAM**—So, half of the people that this form of assistance applies to are not in rental stress after the application of that funding, according to your measures?

**Ms Wall**—That is about right, yes.

**Senator LUDLAM**—Thank you. How does that compare for the last 10 years? That proportion of roughly half, is that a fairly static indicator?

**Ms Wall**—We can use the figures for, say, June 1997. We have figures for each year but for June 1997, for example, there were 77 per cent who were in housing stress before rent assistance and 39 per cent afterwards.

**Dr Harmer**—So the proportion is—

**Senator LUDLAM**—It is roughly half, yes. Can you tell us what proportion of the people receiving this benefit receives it at the maximum amount?

**Ms Wall**—Yes, that is 71 per cent.

**Senator LUDLAM**—Have we covered this already?

**Mr Leeper**—Yes.

**Senator LUDLAM**—You did, okay. Is that an indicator that the amount being paid is not enough? If three-quarters of that benefit is being paid out at the maximum that you are able to, is that telling us that we are not paying enough?

**Dr Harmer**—I do not you could necessarily conclude that. It would be a value judgment about what is enough. Some people are fortunate enough to be in situations where they are paying low rents, because they are renting from family or whatever and they therefore get part rent assistance because their rent payments are low. Others get the maximum even though their rent payments are slightly higher. It is a difficult thing to generalise about.

**Senator LUDLAM**—But we have just heard that, at least for the last 10 years, after the application of this funding half of the people who were getting it are still living under conditions of rental stress.

**Dr Harmer**—That is using a broad definition of ‘rental stress’: about 30 per cent of income. We use that for comparative purposes. But there would be a lot of debate about exactly what proportion represents rental stress, and it may vary according to household size, the number of children, et cetera. It is difficult to be very definitive about that.

**Senator LUDLAM**—Has the Commonwealth Rent Assistance been pegged to the median rental increases occurring in Australia? You would obviously be well aware that rents have risen by about 200 per cent in the last seven years. What percentage of CRA payments have risen over that same period of time?

**Mr Leeper**—Senator, rent assistance is indexed by the consumer price index—the all-basket measure; the general CPI.

**Senator LUDLAM**—So if we were to graph that, we would see rents tearing away from the amount that is being paid under the CRA?

**Mr Leeper**—I am not sure I would say ‘tearing away’, Senator. There may be a difference over time; I do not think I have seen a chart of that. But certainly rents are rising in real terms, is what industry analysts are telling us well, but your question is: how do we index CRA? It is indexed by the consumer price index.

**Senator LUDLAM**—Do you have an idea—I could probably go to the ABS for this—to what degree increases in rent have outpaced increases in the CPI?

**Ms Wall**—In most recent years, the rent component of the CPI has certainly been above the average component for all of the CPI. Five years ago it was quite different: it was the opposite, almost. So over 10 years it has been less obvious that there has been a significant increase in rent above general consumer price index.

**Senator LUDLAM**—Can you just describe for us what forms of evaluation the CRA is subjected to within the department? Is it evaluated in an ongoing sense, as to whether it is meeting its targets and that sort of thing?

**Ms Wall**—As discussed previously, we collect a lot of information from rent assistance recipients and we have performance indicators, including those included in the report, where we actually measure who is getting rent assistance and, as you say, how many of the people are still in rental stress before and after rent assistance, how many are on maximum rate. We take those sorts of figures. We look at the geographical breakdown of rent assistance recipients and those sorts of figures across different geographical areas.

**Senator LUDLAM**—So that is all compiled. I have just got two more questions and then I will finish up.

**Dr Harmer**—Senator, if I could just add to that.

**Senator LUDLAM**—Yes, please.

**Dr Harmer**—The government has initiatives around the significant boost to social housing, the additional money in the first home owner boost, the National Rental Affordability Scheme. There are a range of measures that have been made available which should substantially add to the stock of lower and medium cost rental housing, which should take quite a bit of pressure off the people in the private rental market who are paying a high proportion of their income in rent. We will be looking at where we land on that before we start doing too much more on rent assistance for the moment.

**Senator LUDLAM**—I am just wondering whether, in the process of changing over to quite a different system, the CRA was reviewed internally or externally, or whether it is currently being reviewed, or is it just left alone?

**Mr Leeper**—From time to time, Senator, we consider how programs might be made more effective. The budget process generally asks us to think from time to time about that. There is nothing that I would consider to be a formal evaluation of rent assistance going at the present time. But it is a matter that comes up from time to time in discussions with the state governments as well, in relation to the National Affordable Housing Agreement, so that is something we consider when we are looking at it.

**Senator LUDLAM**—Are you exploring alternatives to this model of funding rental assistance?

**Dr Harmer**—Senator, I think we are getting into the territory of advice to government and work that we are doing. I do not think it would be helpful to speculate on that.

**Senator LUDLAM**—It might be very helpful.

**Dr Harmer**—It might be very helpful to you, Senator. But I do not think it would be wise for us.

**Senator SIEWERT**—Can I just follow that up with one question?

**CHAIR**—Sure.

**Senator SIEWERT**—The proportion of people that are getting full rental assistance is 71 per cent. Is 71 per cent made up of those that are on income support, so the other 29 per cent of those that are on low income are low-income families? Are you able to provide a breakdown of that 71 per cent?

**Ms Wall**—We could get that information, but I do not have it in front of me.

**Senator SIEWERT**—If you could, that would be much appreciated.

[3.04 pm]

**CHAIR**—The committee will now move to outcome 6, Women.

**Senator BOYCE**—I will start off with general questions and then go to EOWA. I want to start with the women's leadership and development programs that you have been running. Last year's budget allowed for 33 of these to be funded. Can you tell me how many actually happened and what they were, please?

**Ms Moyle**—We have a list of those that were granted, and they are proceeding.

**Senator BOYCE**—But there appear to be only 25 on that list. Is that right?

**Ms Moyle**—I would have to cross-reference to the 32. We might need to take that one on notice.

**Senator BOYCE**—Perhaps you could tell me how much you have spent on the programs that you have—

**Ms Burns**—Across 2007-08 and 2008-09 approximately \$1.9 million was spent on women's leadership and development grants.

**Senator BOYCE**—As I understand it, we had a budget last year of \$3.8 million for them, so you have spent half. Is that correct?

**Ms Burns**—No. The \$3.8 million for the Women's Leadership and Development Program in fact covers almost all of the operations of the Office for Women, except for those aspects related to safety.

**Senator BOYCE**—Can you explain the difference between the women in leadership development programs and the grants?

**Ms Burns**—The grants are a subset of the overall Women's Leadership and Development Program.

**Senator BOYCE**—How much was available for grants for 2008-09?