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SENATE

COMMUNITY AFFAIRS LEGISLATION COMMITTEE

Estimates

THURSDAY, 2 JUNE 2011

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SENATE
COMMUNITY AFFAIRS LEGISLATION COMMITTEE
Thursday, 2 June 2011

Senators in attendance: Senators Adams, Bernardi, Boyce, Fierravanti-Wells, Fifield, Furner, McEwen, Moore, Siewert and Williams.

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

In Attendance

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

Senator McLucas, Parliamentary Secretary for Disabilities and Carers

Department of Families, Housing, Community Services and Indigenous Affairs

Mr Finn Pratt, Secretary

Ms Liza Carroll, Deputy Secretary

Ms Cath Halbert, Acting Deputy Secretary

Mr Bruce Hunter, Deputy Secretary and Chief Operating Officer

Mr Andrew Tongue, Deputy Secretary

Ms Serena Wilson, Deputy Secretary

Cross Outcomes

Ms Julia Burns, Group Manager, Corporate Support

Mr Anthony Field, Group Manager, Legal and Compliance

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

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

Mr Evan Lewis, Group Manager, Community Engagement and Development

Ms Donna Moody, Group Manager, Business Strategy and Change

Ms Peta Winzar, Group Manager, Social Policy

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

Ms Roslyn Baxter, Branch Manager, Indigenous Communication Project

Ms Tracey Bell, Branch Manager, Communications and Media

Mr Simon Crowther, Branch Manager, Compliance

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

Mr Ty Emerson, Branch Manager, Social Security Policy

Mr David Fintan, Branch Manager, Public Law

Ms Alanna Foster, Branch Manager, Seniors and Means Test

Mr Allan Groth, Branch Manager, Strategic Policy

Ms Yvonne Korn, Branch Manager, Program Frameworks

Mr Andrew Lander, Branch Manager, Audit

Ms Lynette MacLean, Branch Manager, People

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

Ms Marian Moss, Branch Manager, Commercial and Indigenous Law

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

Outcome 1—Families and children

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

Outcome 2—Housing

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

Outcome 3—Community capability and the vulnerable

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

Outcome 4—Seniors

Mr Evan Lewis, Group Manager, Community Engagement and Development

Ms Peta Winzar, Group Manager, Social Policy

Ms Jill Farrelly, Branch Manager, Community Investment

Ms Alanna Foster, Branch Manager, Seniors and Means Test

Ms Michalina Stawyskyj, Branch Manager, International

Outcome 5—Disability and Carers

Dr Nick Hartland, Group Manager, Disability and Carers

Mr Evan Lewis, Group Manager, Community Engagement and Development

Ms Peta Winzar, Group Manager, Social Policy

Ms Laura Angus, Branch Manager, Disability and Carers Programs

Ms Helen Bedford, Branch Manager, Disability and Carers Policy

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

Ms Sharon Rose, Branch Manager, Disability and Carers Payments

Ms Michalina Stawyskyj, Branch Manager, International

Ms Deborah Winkler, Branch Manager, Mental Health and Autism

Outcome 6—Women

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

Ms Mairi Steele, Branch Manager, Office for Women

Ms Fiona Smart, Branch Manager, Safety Taskforce

Equal Opportunity for Women in the Workplace

Ms Helen Conway, Director

Ms Vanessa Paterson, Program and Reporting Manager

Committee met at 08:31**Department of Families, Housing, Community Services and Indigenous Affairs**

CHAIR (Senator Moore): Good morning. We will start our second day of hearings. I declare open the hearing of the Senate Community Affairs Legislation Committee. We continue working with the Department of Families, Housing, Community Services and Indigenous Affairs. We welcome back the Minister, Senator Arbib; the departmental secretary, Mr Finn Pratt; and officers of the department. I will not go through the instructions again; you all know it. If you have any questions about the process, the secretariat are here to help you. We are going to continue now with the program as circulated, commencing with outcome 1, Families and children. I know Senator Fifield will be leading off with this one.

Mr Pratt: Madam Chair, with your agreement I have a little bit of comeback information for Senator Fifield on some matters which were raised at yesterday's morning session.

CHAIR: Senator Fifield, are you happy to have that first?

Senator FIFIELD: Sure, thank you.

CHAIR: Certainly, Mr Pratt.

Mr Pratt: There are two areas, Senator Fifield. Firstly, we were talking about the contract for the media manager to service the Expert Panel on Constitutional Recognition of Indigenous Australians. There were a couple of questions which we wanted to follow up on. One was whether or not it is a full-time position. We understand it is not a full-time position. There was also a question about the need for a confidentiality clause in the contract. It is to do with the fact that the successful service provider will have access to confidential discussions and information that is considered by the expert panel, and so the clause requires that the service provider not disclose those discussions.

Secondly, I undertook yesterday to check whether the department had, before my time, done any costings of Greens proposals. It turns out that the department has done costing of two Greens proposals earlier in the year. Also there was a question related to that around Independents' costings and there were two Independent proposals costed last year.

Senator FIFIELD: Are you able to tell us what the nature of those costings was? I am guessing that advice to Greens cannot be construed as advice to government?

Mr Pratt: No, although the costings request came through government; we did not deal directly with the Greens or the Independents. Would you mind if I took that on notice? I do not have the full team here with me and I do not have that detail.

Senator FIFIELD: Would I mind? Do I have a choice? Please take it on notice.

CHAIR: I think it was no to both those things.

Senator FIFIELD: I guess the answer that comes back will be interesting. Advice to government is often cited as a reason for non-disclosure, but whether advice intended for other parties, who are not government but for whom government just happens to be the postbox, will be a rationale for non-disclosure remains to be seen. The fact that government is simply a postbox for these I think probably indicates that this is not really advice for government. We will see what comes back.

Mr Pratt: Thank you.

Senator FIFIELD: We might start where we finished off in cross-portfolio yesterday, where I asked whether the reportage in the *Sunday Herald Sun* by Ms Maiden was correct where it was cited that there was a spreadsheet with updated numbers for the pause supplement option. You were not able to confirm absolutely yesterday, Mr Pratt, that there was indeed such a spreadsheet. Are you in a position to do so now?

Mr Pratt: We have the relevant officers here.

Mr Whitecross: There was a spreadsheet with modelling of the costing which was referred to in that email.

Senator FIFIELD: Did the modelling in that spreadsheet relate to a pause to freeze indexation for the supplement?

Mr Whitecross: Yes.

Senator FIFIELD: When was the request for that modelling work first received?

Mr Whitecross: The request which the email related to was received earlier that day to update CPI parameters to bring that costing up to date.

Senator FIFIELD: The request earlier in the morning of 19 July was not the initial request for the work; that was seeking an update on work which had already been requested. When was the initial request for that work?

Mr Whitecross: I am not actually sure when that spreadsheet was originated. The spreadsheet had been around for some time. That modelling work had been around for some time and it was out of date because CPI parameters had changed and that was why we were asked to update it.

Senator FIFIELD: When you say it had been around for some time, are we talking a matter of days, weeks or months?

Mr Lye: It is difficult to put a time frame on these things. In the nature of providing advice to government, these things go back and forth. It is hard to pinpoint a time at which a request like that originated.

Senator FIFIELD: I am sure sometimes it is hard and other times it is not hard. I know how fastidious good Commonwealth departments and agencies are when it comes to maintaining records of requests from ministers' offices. So I would imagine this is probably one of those cases where it would not be hard.

Mr Whitecross: All I can say at the moment is that I predated my time in the Family Payments Branch.

Senator FIFIELD: When did you join the Family Payments branch?

Mr Whitecross: January 2010.

Mr Pratt: What I am picking up from this, although it also predates my period with the department, is that material of this sort had been considered between the department and the minister's office over an extended period. There was an update of something which had gone back and forth, I imagine, many times over 2010 and potentially before then.

Senator FIFIELD: The original request for this work would have come from the minister's office?

Mr Whitecross: I am sorry; I could not say where the origins of this spreadsheet arose. All I can say is that it was already in existence when I joined the branch.

Senator FIFIELD: What about Mr Lye? Have you been with the branch earlier?

Mr Lye: No, I have been there less time than Mr Whitecross. I think I joined the group in June last year.

Senator BOYCE: Perhaps we should be asking some whole-of-portfolio questions around corporate memory.

Senator FIFIELD: If it could be taken on notice and if the answer comes to hand at some point today?

CHAIR: Can you just clarify exactly what you want on notice.

Senator FIFIELD: When the request was initiated by the minister's office for work to be undertaken on the pause to the annual supplement to the indexation pause.

Mr Pratt: Can I perhaps clarify that question just a fraction further. We do not actually know whether or not there was a request to produce the spreadsheet. In fact it may have been a spreadsheet which was developed by the department some years ago around these issues, in

which case perhaps we could take on notice to advise you when the spreadsheet was first created.

Senator FIFIELD: If you could do that, that would be good. As you say, we do not know if it was the minister's office who asked for it, so we have to have the question on those taken in two parts: (a) did the minister's office initiate and request it; and (b) if yes, when?

Mr Pratt: We already have a question on notice on that, it is deemed to cover that.

Senator FIFIELD: Thank you for that. Minister, it looks like this idea had actually been something that the government had under consideration for quite some time. It would seem there would have been ample opportunity for this fact to be shared with the voting public well before an election.

Senator Arbib: As you know, in the preparation of any election campaign, numerous ideas are floated. In relation to this idea you are talking about, there was no decision made during the election campaign to put this measure in place. The government, when providing all its commitments, also found savings and that is something that we have put on the record on a number of occasions. The measure was not required prior to the election and was not in any of our documents because it was not part of our election commitments, nor was it part of the savings required to meet those commitments. There was no intention for it to be there.

Senator FIFIELD: My point is that this is something that long predated the election period. This is clearly something the government had under consideration for quite some time, since its genesis would seem to be even prior to January 2010.

Senator Arbib: The pause on indexation has already happened. There had already been policy in place previously, which you yourselves, the opposition, had supported in the Senate. I do not think it is any surprise that a decision like that could be discussed. The government, when finalising its election commitments and its savings, found that it was not required and therefore did not put it in place.

Senator FIFIELD: It was not required then but it was required after?

Senator Arbib: As the Treasurer said yesterday and as has been made clear by the Prime Minister, the fiscal situation after the election, particularly after the natural disasters in Queensland, was severe. The effect on revenue was severe and at that stage the Treasurer did make it clear it was going to be a tough and difficult budget and that extra savings would have to be met. The government has made a commitment to get the budget back into surplus by 2012-13 and we therefore have to provide savings to make that happen. Can I say again that prior to the election there was no intention for this saving to be made.

Senator FIFIELD: Then why was the work done if there was no intention?

Senator Arbib: As I said, Senator Fifield, and as you would know having worked with the former Treasurer, there are a number of options that are considered, but in the end we took to the election costed commitments, unlike you, and that measure was not part of—

Senator FIFIELD: That is not true—

Senator Arbib: Okay, sorry; there was an \$11 billion hole in the coalition—

Senator FIFIELD: That is not true.

Senator Arbib: Oh, it is larger than an \$11 billion hole?

Senator FIFIELD: But, if we want to talk about fiscal responsibility, we can have that debate.

Senator Arbib: We costed our commitments, we provided the savings and this was not required.

Senator BOYCE: If you had had a surplus, the floods would not have been the problem that—

CHAIR: Minister, could you just cease. I know this is an interesting discussion, but in this committee we do not talk over other speakers. At the moment the minister has the call. The other senators here will get their chance to have a say, but not at the same time because of *Hansard* requirements and also because of pure good manners. Minister, you are still speaking and then we will go in and I will give any senator the call when they require it.

Senator Arbib: Thank you, Chair. Just to finish, yesterday's GDP figures show the acute stress on the economy from international economic factors, but also the natural disasters that hit our country. In the light of those experiences it was always going to be a difficult, tough budget, especially to get back on track for a surplus in 2012-13. Savings had to be found and this was a measure that was put in place by the government.

Senator FIFIELD: Thank you. The only comment I will make in passing in response is that the reason that this government is in such fiscal difficulty—the reason why it has never delivered a surplus budget and why all of its budgets have had a deficit result—is policy decisions by the government, not revenue write-downs. I just think it is important that that fact be on the record: that is, the overwhelming reason for this government's budget deficits is its policy decisions, not revenue shortfalls.

Senator Arbib: I am happy to answer that as a question, and we totally reject your analysis. The government was able to bring the country through the global financial crisis with a stimulus that kept people working; it kept people in work. At the same time as that, we provided critical infrastructure throughout the community.

Senator BOYCE: Using up the surplus so you did not have it when the natural disasters came.

Senator Arbib: At the same time as that, unlike you, Senator Fifield, we provided savings to offset the cost of our commitments. We are implementing our commitments and at the same time ensuring that we have savings to get back into surplus by 2012-13. It is a responsible thing to do and that is the way the government is responding to the global and natural disaster challenges.

Senator FIFIELD: We will agree to disagree, and that is probably a debate we should take to the economics estimates committee. Mr Pratt, the reportage and the FOI request itself has the communication from Mr Whitecross to Mr Batchelor at 4.59 pm on 19 July 2010. When did the caretaker provisions come into effect?

Mr Pratt: Five o'clock on that day.

Senator FIFIELD: Minister, this kind of has a bit of a 'mission impossible' feel to it, does it not—the fuse going across the bottom of the screen and the minutes counting down? We get to 4.59 pm, the button is pressed, and just in time the information comes through. With that degree of, I guess, precision delivery and with the follow up by Mr Batchelor in the morning,

one cannot help but have the sense that this was something that was under active and serious consideration. If, as you say there was no intention at that time for this particular measure to become government policy, then I am surprised that we have this urgency for delivery of this advice and the just-in-time delivery at one minute to midnight?

Senator Arbib: It may very well have been under consideration along with hundreds of other measures for savings, but also election commitments. A government will consider countless options, as you know; at one stage you worked for the Treasurer. It does not mean that the government had an intention to put it in place. Again, when the government released its election commitments and its election spending, it provided offsets and savings and this was not one of the savings that government put in place. Again, before the election it was not our intention to put this measure in place.

Senator FIFIELD: You said it may have been under consideration, which is an advance on where we were before.

Senator Arbib: I do not know firsthand. All I am saying to you is that, as you know, governments—and oppositions do it too, but not in your case—consider multiple options for savings and multiple options for spending. This may have been one of the options that were considered. At the same time as that, though, the government released a detailed policy document which outlined all its election commitments and all its election savings and offsets to match that. This was not part of that document. We had no intention prior to the election to put this into place after the election. Subsequent to the election and over the past 12 months we have seen acute pressure on the federal budget and acute pressure on our revenue resulting from natural disasters but also the collapse of company revenue, and further savings measures were required to ensure that we met our commitment to getting back into surplus by 2012-13. The Treasurer took decisions in the budget and this was one of them.

Senator FIFIELD: Do you think some voters might have cast their ballots differently had they known that the government was going to introduce a pause on indexation for the supplement?

Senator Arbib: I am not going to speculate on hypothetical situations like that. What I will say is that the government takes its fiscal responsibility seriously. We understand the need to get back into surplus as quickly as possible. When the economy hit the wall during the GFC, we stepped in to provide emergency support to the construction sector, to Australian business and to small businesses and, at the same time as that, to keep people working. Our economic response was lauded by all the major financial institutions internationally as being one of the best responses, if not the best response, to the financial crisis. What we have recognised is that, as the economy starts to improve and as economic growth starts to move into the positive, therefore government needs to take a step back. That is why we are so committed to getting the budget back into surplus; that is why we have taken these decisions.

Senator FIFIELD: Can you understand the cynicism in the community about this particular budget measure and what the government's intentions were before the election, when you consider it against the backdrop of the Prime Minister saying before the election, 'There will be no carbon tax under a government I lead'? Can you understand the cynicism that there is there in the public?

Senator Arbib: As I said, you mentioned intentions and there was no intention prior to the election for this measure to be in place.

Senator FIFIELD: Just as there was no intention for a carbon tax?

Senator Arbib: After the election, we have had a number of economic hardships and we have had to respond to that to ensure that the economy remains strong and also to get us back into surplus in 2012-13. This is something that both sides of politics agree on. The difference is that we provide the savings; we make the hard and tough decisions. On your side is a lot of talk but there are not too many savings. So maybe next time the Leader of the Opposition stands up in the chamber and gives his budget response it would be useful if he provided some savings so that we could hold him to account, rather than just rhetoric.

Senator FIFIELD: I would just point out that the previous government did leave the budget in surplus and did leave the Commonwealth with no net government debt. This government has never delivered a budget surplus—

Senator Arbib: The previous government did not spend on any infrastructure and did not spend on health funding, public education; it cut funding to infrastructure and cut funding to business.

Senator FIFIELD: Yours must be the most unlucky government in the history of Federation. Everything goes against it; nothing is ever its fault. There is always someone else to blame.

Senator Arbib: We did go through the global financial crisis, which you never had to confront.

CHAIR: Senators!

Senator Arbib: In fact, unemployment would be at record levels if you were in. No stimulus package, no jobs.

CHAIR: I am going to draw this to an end. Senator Fifield, we have had the wider political discussion and that is fine. Can you bring your questions back now to the estimates process? That would be good.

Senator FIFIELD: Certainly, Chair, I was just responding to the breadth of the minister's response.

CHAIR: I understand the nature of the discussion but, if we could keep going with the estimates and bring in the officers in, it might be useful.

Senator FIFIELD: I might just turn to the FOI request itself. Who was the decision maker for the FOI request from News Limited?

Mr Field: The department has an FOI coordinator that makes most of our FOI decisions. That person made the decision.

Senator FIFIELD: The FOI coordinator? The FOI coordinator as the decision maker has the sole discretion in relation to the making of the decision, do they not? They cannot be directed, for instance, by the secretary or another senior officer as to how they execute that role?

Mr Field: Certainly.

Senator FIFIELD: That is correct, is it not?

Mr Field: That is right.

Senator FIFIELD: Is that officer here with us today?

Mr Field: No, she is not.

Senator FIFIELD: Are you able to answer all questions on her behalf?

Mr Field: Indeed, and my colleague Mr Fintan will assist.

Senator FIFIELD: He was with us yesterday?

Mr Field: Yes.

Senator FIFIELD: The FOI document for the excluded parts, 47C, is the reason cited—deliberative material. That is correct?

Mr Fintan: That is correct.

Senator FIFIELD: Could you just take me through the justification when 47C is cited, in this particular case?

Mr Fintan: I can certainly explain the process. It has a number of steps. The first step is to determine whether any of the conditional exemptions applied. In this case the conditional exemption is because disclosure of the document would disclose deliberative matter. Once that has been decided, as I mentioned yesterday, there has been a public interest test that sits behind that. Even though the document is conditionally exempt, it must still be released unless disclosure would, on balance, be contrary to the public interest at that time. The FOI application then sets out in some detail the factors favouring disclosure that need to be considered and also some of the factors that are irrelevant to consider. It is then a balancing process.

Senator FIFIELD: The balance against public interest disclosure on this occasion was the decision of the decision maker. What was the rationale for the public interest being less significant than other factors?

Mr Fintan: I have a copy of the reasons for the decision which I could read, if that would assist.

Senator FIFIELD: Thank you.

Mr Fintan: I will not read all of the introductory paragraphs; I will go to the part that involves that balance.

Senator FIFIELD: Thank you.

Mr Fintan: The decision says:

Taking into account the above factors I am of the view that disclosure of these parts of the documents as noted on the documents are outweighed by the factors against disclosure. In particular, the disclosure of these parts of the documents as noted on the documents and in the schedule are contrary to the public interest because disclosure of options already considered and not adopted and other options under possible consideration could reasonably be expected to prejudice FaHCSIA's ability to develop effective policies. Some of these options were not developed or implemented while other considerations including recommendations were actively considered but not necessarily adopted prior to the development of policy. Consideration of policy and service delivery issues is enhanced by clear communication between the department and the minister with these responsibilities without those communications being scrutinised prematurely. I am satisfied that disclosure would impair the ability of the department to canvas issues surrounding family payment reform options and therefore impact

adversely on FaHCSIA's ability to provide full and frank advice. I am of the view that disclosure at this stage would not make any further contribution to any public debate. Therefore, I consider that the factors set out above against disclosure significantly outweigh the factors in favour of disclosure, and I consider, on balance, that disclosure of these documents at this time would be contrary to the public interest.

Senator FIFIELD: Those reasons referred to policy options examined but not adopted by government as being one of the reasons why the document should not be released. What about policy decisions considered that have been enacted by government?

Mr Field: The decision maker clearly has turned her mind to factors such as the way that policy works and the way that we put options up. Some are adopted, some are not. I consider, implicit in what the decision maker has said, that it is about the general process and the way that those processes work, rather than particular options that have been considered or not considered over time.

Senator FIFIELD: Would it be open to the decision maker to say things which have been considered but not adopted by government will be excluded from the FOI response, but those things which have been considered by government and adopted will be included?

Mr Field: The public interest test is quite broad. Each case will go on its own factors. The act sets out the matters that you have to take into account and matters that you are not to look at in deciding the public interest. Each decision maker will weigh those case by case. In this case, the decision maker has looked at that general process and has put weight on the process by which options go up; some are considered, some are adopted, some are not.

Senator FIFIELD: When it comes to the public interest test, if a particular policy that has been adopted by government is the subject of public debate and is being questioned along the lines that I was canvassing before as to whether government was keeping something secret from the public before an election only to implement it after an election, are those sorts of considerations ever taken into account when considering the public interest? Is the fact that there is public discussion, there is public interest, there is public dispute as to the origins of a policy ever taken into account as part of the public interest or does the legislation not permit consideration of those sorts of factors?

Mr Field: I have not got the FOI Act with me. I can read the exclusions, the matters that you are not allowed to take into account when you are considering the public interest. Again, it depends on the circumstances of each case and what each decision maker does, looking at the documents in front of them that they are considering and then looking at the public interest test. It is a fairly broad test, and there will be a lot of factors taken into account. It is decision by decision, and that is what the law requires; that you approach it that way.

Senator FIFIELD: If, subsequent to the response to an FOI request, the subject matter in that FOI becomes a matter of public debate or public interest and a subsequent FOI request is submitted, will the response necessarily be the same as it was when it was first submitted?

Mr Field: Again, it is case by case. You will note that in the reasons that Mr Fintan read out, the decision maker did note that she was of the view that disclosure at this stage would not further any contribution to public debate. So, matters such as future public debate are certainly relevant. Again, the scope of what might be taken into account is quite broad.

Senator FIFIELD: Given there is a current public debate and the release of these FOI documents have prompted further public debate, those factors may be taken into consideration if a subsequent FOI request for the same material was received?

Mr Field: Possibly.

Senator FIFIELD: As we have confirmed, there is a spreadsheet. Would it be possible for that spreadsheet to be tabled, Mr Pratt?

Mr Pratt: I will take that on notice. I have to say I think this is getting very much into the field of what sort of advice we are providing to government.

Senator FIFIELD: Numbers though? It depends how you constitute advice to government. Is a spreadsheet of numbers advice to government?

Mr Pratt: Conceivably.

Senator FIFIELD: Conceivably, but not necessarily?

Mr Pratt: I will take it on notice. We will have a look at the spreadsheet itself.

Senator FIFIELD: Can we just pursue advice to government for a moment because it is something that is cited a great deal. When you say advice to government do you mean recommendations to government; do you mean just any piece of paper that is provided to government? I just need a better handle on this so I can better frame my questions to you.

Mr Pratt: Without wanting to be difficult on this, successive governments have always felt that the nature and the content of discussions between departments and ministers and their officers around policy is deliberative in nature. That could take the form of material provided in a spreadsheet. It could take the form of formal briefings. It could take the form of emails. It could take the form of anything we discuss. This has always been the case. That is why, philosophically, successive governments have not entered into this space in these estimates hearings.

Senator FIFIELD: Philosophically, you said, Mr Pratt?

Mr Pratt: There is a strong view that it is not in the public interest to have the inner workings of the advice provided between the department and the executive disclosed because it is argued that that would result in a minimising of the range of options and the advice provided, and that is not in the public interest.

Senator FIFIELD: In that case, let me return to a process question in relation to the FOI request. When was the FOI request from Ms Maiden first received?

Mr Fintan: I will just double check that. I believe it was 8 February this year.

Senator FIFIELD: When was the FOI request responded to?

Mr Fintan: The request has been divided into two stages. The first stage was decided on 24 May.

Senator FIFIELD: And the second stage?

Mr Fintan: The second stage is still under consideration.

Senator FIFIELD: Given the request received on 8 February, what is the statutory time frame within which an FOI request needs to be responded to?

Mr Fintan: The statutory time frame can chop and change as certain parts of the process are done. For example, there is a process for giving notice of charges and then waiting for a decision about whether the charges will be accepted, et cetera. In this case there was some chopping and changing to work out the precise scope of the request. I think that was settled finally on 15 April. At that point the applicant made clear that if it meant she could get documents from 1 July 2010 sooner, she would be happy to receive the decision in two stages.

Senator FIFIELD: Did the clock start again on 15 April, is that what you are saying, in terms of the statutory time frame within which the response had to be finalised?

Mr Field: It gets to be complex because there was a—

Senator FIFIELD: I had a feeling it was going to.

Mr Field: The broad initial scope for the FOI request was then narrowed and broken into particular years. The original request, as I understand it, covered the financial years 2008, 2009, 2009-10 and 2010 to present so the scope was quite broad. It was narrowed in what was looked for. For example, the modelling was not pursued upon further reflection by the applicant, but documents referring to the outcome of that modelling were still sought. The scope was narrowed and the years were broken up to make it manageable to progress it quickly.

Senator FIFIELD: Let me ask a simpler question. What is the statutory time frame? Let us just assume you have got a simple FOI request, what is the time frame for the request in, answer given, no changes in the meantime?

Mr Fintan: I would just have to go back to the act to double check that. I can come back to you on that.

Senator FIFIELD: If you could do that now, thank you. While you are doing that I will ask Mr Field when does the clock start from?

Mr Field: It starts from when we receive the application but, as Mr Fintan said, there is quite a complex process. Would it assist if we took it on notice and gave you an indication of what those were and what it is for this particular occasion?

Senator FIFIELD: It would not assist me at this point in time to continue my questions, but it would overall in the fullness of time assist me. Your colleague might be able to shed some light on the question of the statutory time frame.

Mr Fintan: I will do my best to find that quickly but it might take a few minutes at least.

Senator FIFIELD: Do you work in the FOI area?

Mr Fintan: I work in the public law branch. FOI is one of the functions within that branch.

Senator FIFIELD: I guess we are impeded here by not having the FOI officer concerned, are we?

Mr Pratt: No, not really. Conventionally, we do not bring non-SES officers to estimates.

Mr Field: My understanding is that the basic time frame is 30 days but, as we have said, there are a number of things that can change that quite substantially. Some are driven by the applicant, some are driven by us. For example, we have applications where people choose not to pay the charges and therefore do not pursue applications. We have a number of applications

like this one where there is a process of narrowing it down so that it is a better scope for the applicant and more sensible in terms of the time and effort and the expense for the applicant. We work very carefully with applicants to make sure that we assist in the best way that we can. Those conversations impact on the time frame for the requests, as does, for example, once the documents are identified and the process of charges is worked through, if there is third party information, then you have to go out and consult third parties. That sends you into another time loop.

Senator FIFIELD: Thirty days is the statutory time frame?

Mr Field: That is my understanding.

Mr Fintan: That is correct. I have just found it.

Senator FIFIELD: Whenever the clock was started, it was 8 February or 15 April, the response to the FOI request was late?

Mr Field: We can check that. I am not sure. It will depend on the way that those times are gone through. If it will assist, we will get you a table with what has occurred in this case.

Senator FIFIELD: If you could. Certainly, the second part of the FOI request is late as a matter of logic. It would seem that the first part of the response was late, as a matter of logic, as well.

Mr Field: I am not trying to proffer excuses but as you will know there was a change to the FOI legislation in November and a further set of changes on 1 May, including new provisions in relation to disclosure logs and the way that we do FOI. There has been a lot of pressure on our FOI area lately and we have met all the challenges of that new regime, and met it on time. We have been putting a lot of effort in and, yes, we have had an increase in the number of FOI requests as well.

Senator FIFIELD: Mr Pratt, you said that the convention is you do not bring SES officers here. I assume you mean to the front table. Behind you I assume there are many people who are not SES officers, or do you only physically bring SES officers into the meeting?

Mr Pratt: No, there will certainly be some people in the room who are not SES officers.

Senator FIFIELD: I would have thought so. I did flag yesterday that we would be asking about this particular FOI request.

Mr Pratt: Yes. It is convention. It is not impossible to bring them along.

Senator FIFIELD: I am just a little surprised that the officer concerned is not in the room at the back, even if—

Senator Arbib: Senator, you did ask for a number of officials, and those officials are here. You did mention their names as well. If I recall, you mentioned Mr Lye and Mr Whitecross, who are both here.

Senator FIFIELD: That is correct. I did flag the FOI officers, but I did not realise that I actually had to give their AGS numbers, pay grades and all other details to make the requests with the relevant officers. I assumed that the department might take me saying that I will be raising this FOI request as sufficient to ensure that the relevant officers were here to answer those questions.

Mr Pratt: We have taken that seriously and I am fully confident in the capacity of the officers here to assist you.

Senator BOYCE: Unlike the minister.

Senator FIFIELD: We will return to this a little later. As I said before, Minister, you can appreciate the cynicism that there is about the growing democratic deficit when it comes to being up front with the voting public in this area. If further advice comes to hand, Mr Pratt, could that be shared during the course of the morning?

[09:15]

CHAIR: We are now in Outcome 1.2.

Senator BOYCE: At the risk of perhaps getting back onto the topic of spreadsheets, how did Finance calculate that freezing the indexation over five years would save \$803.2 million?

CHAIR: Perhaps that is a question for Finance.

Senator Arbib: I think that is probably a question for Finance.

CHAIR: If you can make the questions relevant to FaHCSIA work. By starting the question how did Finance—

Senator BOYCE: Sorry, I do apologise. How was that calculation made? What brought you to think that you were going to save \$803.2 million over five years?

CHAIR: Is that a question that FaHCSIA officers can respond to?

Senator BOYCE: As I said, perhaps we are getting back into the area of spreadsheets, but let us see what happens.

Ms Carroll: To give you an overall answer, one of the things that we do with any kind of costings, whether it is to think about the extension of the family tax benefits for 16 to 18-year-olds or for the pauses, is we understand what the current range of customer numbers are.

Senator BOYCE: That is what I am looking for.

Ms Carroll: We obviously have some evidence about what the incomes of the families are, how many children they have. So we understand the current population, and then we are able to make some estimates about taking into account the current population what we understand, for example—

Senator BOYCE: So can you put some figures around those statements, Ms Carroll? Some numbers?

Ms Carroll: In terms of?

Senator BOYCE: The savings. How did you get to \$803.2 million over five years?

Ms Carroll: In terms of that particular item, one of the things is you think about the number of customers affected and you take account of what pausing the indexation might do to that particular amount that those people would usually get.

Senator BOYCE: Yes, but can we have something that says well there is \$10,000 this year, \$5,000 that year? Those calculations must have been done to get to \$803.2 million. I realise there are assumptions here, but how did you get there?

Ms Carroll: I do not know that we have all that detail in front of us. There have been a number of things that have actually been in the announcements that have happened. For

example, the kind of number of customers that might be affected, the amounts that customers currently get and what components are affected or not. In terms of exactly what you are asking, we might need to take it on notice to get the detailed breakdown that you are asking for.

Senator BOYCE: If you could do that, perhaps overall and year by year as well, that would be good.

Ms Carroll: Yes.

Senator BOYCE: Why were the savings over five years rather than over four, the more normal estimates period? Why did you list the savings as being over five years rather than over four? Why did you do the calculation for five years not four years?

Mr Whitecross: The reference to five years includes the current year in order to take account of the costs of work by Centrelink to implement the measure. It is the four years of the forward estimates period and then work that has been done in anticipation of the measure as well.

Senator BOYCE: The five years in fact includes the previous 12 months, is that what you are saying?

Mr Whitecross: It includes 2010-11.

Mr Pratt: It includes this financial year. In other words to introduce this, Centrelink will need to undertake some work and it may do that during the course of this financial year, so the costs associated with that will need to get taken into account.

Senator BOYCE: What are the costs associated with that, or presumed costs?

Mr Whitecross: If you took the supplement pause, for instance, it starts on 1 July. Centrelink need to do work prior to 1 July to prepare for the measures starting on 1 July.

Senator BOYCE: What are you assuming that will cost, though? What have you allowed for as that cost?

Mr Pratt: Reprogramming the IT system, training of staff, scripts for people in the call centres, those sorts of things.

Senator BOYCE: What would the figure on that be, Mr Whitecross?

Mr Whitecross: On that specific measure?

Ms Carroll: With the detail of what it would cover, Centrelink would be able to answer that this afternoon.

Senator BOYCE: Are you not the ones paying them, Ms Carroll?

Ms Carroll: Yes. Mr Pratt gave you a broad outline of the kind of things that were covered, but if you were wanting a more detailed breakdown—

Mr Whitecross: For the pause in supplement measure the amount allocated in the budget is \$150,000 for 2010-11.

Senator BOYCE: All that would be for Centrelink?

Mr Whitecross: That is for Centrelink.

Senator BOYCE: Freezing the indexation on upper limits and income thresholds for two more years was going to save \$1.2 billion over four years. Again, can you tell me the figures that you used to get to that saving?

Mr Whitecross: To get to that savings figure we use a micro simulation model which is based on customer records. We use inflation projections and assumptions about wages growth, or if incomes grow by at least the inflation rate and the thresholds are paused, what would be the impact on payments to customers. That modelling is then used as a basis for developing a final costing, which takes account of things like population growth and other overall costing parameters.

Senator BOYCE: On notice, can you give me the numbers that those fields represent?

Mr Pratt: We will take it on notice to see whether we can do that, yes.

Senator BOYCE: Why might you not be able to do that?

Mr Pratt: It is a bit of a grey area. It is just another area where it could actually constitute policy advice to government.

Senator BOYCE: Surely it is just numerical assumptions?

Mr Pratt: As per my discussion before with Senator Fifield, advice can take many forms. I am not ruling it out. All I am saying is we will take it on notice to see if we can provide you with that.

CHAIR: Senator, that is standard practice in terms of—

Senator BOYCE: Yes, but it would seem to me that if the government is saying, based on what the department has told them, that they are going to save X amount over four years, then the public are entitled to know how you arrived at that figure, and even perhaps to critique that.

CHAIR: The officer has said he will take it on notice.

Senator BOYCE: Could you tell me what the latest figures for Australian families currently receiving family tax benefit A and B are? Is that a question better put to Centrelink?

Mr Pratt: We will see if we can answer that.

Mr Whitecross: There are around two million families receiving A and B.

Senator BOYCE: What is the exact figure there, if you have it?

Mr Whitecross: I have only 2.0 million; that is what I have here.

Senator BOYCE: That sounds pretty close to two million, does it not?

Mr Whitecross: Yes.

Senator BOYCE: Sorry, I always get confused about which way it goes but can you tell me how many are receiving just A?

Mr Whitecross: This is where it gets interesting. Receiving just A in instalments is around about 1.6 million at March this year.

Senator BOYCE: All these figures are end of March, are they?

Mr Whitecross: Yes, that is a point in time figure, but we expect over the course of the year the number of people receiving FTBA to be around about the 1.9 million mark over the financial year.

Senator BOYCE: So there is another 300,000 who have to get themselves organised to work out how much to get?

Mr Whitecross: There are people who will claim after March. There will be people who wait until the end of the year to claim. There are people who are not eligible anymore in March but were eligible earlier in the year.

Senator BOYCE: How many does that give us?

Mr Whitecross: 1.9 million.

Senator BOYCE: Are you able to break that down into family income brackets? Do you use the tax brackets? What do you use if you do not?

Mr Whitecross: We assess eligibility for family tax benefit part A using adjusted taxable income, which is taxable income with some things added back in that are not considered to be taxable income. The information is recorded at Centrelink basically to the dollar and tax brackets themselves are not relevant to the assessment of what the actual entitlements are.

Senator BOYCE: Because there is only the threshold?

Mr Whitecross: There is the low income threshold at which payments start to reduce, and then there is the high income threshold at which the base rate starts to reduce.

Senator BOYCE: I am just trying to work out what information you might be able to give me between the people who are at the low threshold and those who are at the high threshold. Just tell me what you can tell me about them.

Ms Carroll: One of the things that might be useful that Mr Whitecross will be able to describe is those different thresholds. We use the term maximum rate, which is the group of very low income people who receive the maximum rate. Then we refer to it as the broken rate, which is between the maximum rate and the base rate of family tax benefit part A. Then the taper rate is beyond that. Mr Whitecross may be able to explain those.

Mr Whitecross: The maximum rate group is around about 582,000 of the 1.6 million I was referring to earlier. About 527,500 receive an amount less than the maximum rate but more than the base rate, 405,900 receive the base rate, and 113,500 receive a reduced base rate. The 113,500 are those with incomes over the high income free area who have been reduced on the income test.

CHAIR: Mr Whitecross, in terms of the specific data, and I am sure there are more, is there a single document that has all these definitions on it that perhaps we could get? It is just that I am noticing senators are writing down figures and waiting for the *Hansard*. Is there a document that has these definitions of data?

Mr Lye: The Centrelink green book that we use provides all the threshold figures. It tells you at what point the family tax benefit is reduced. It is a helpful guide because it obviously varies by the number of children you have and the age of those children. Then we could possibly try and provide some figures in a table.

Senator BOYCE: If you could put those figures against that table, that would be quite useful.

CHAIR: Yes, that is the kind of thing we are after. We ask for that regularly, Mr Lye, just in terms of the kinds of subgroups that the senators are seeking. We will keep on in this

process, but at the break if you would not mind having a look as to whether there is a data set that lists these numbers that we could get on a table. It would just be a helpful tool.

Senator BOYCE: To turn that around and ask it the other way, could you tell me what you estimate the cost of those families with incomes between \$100,000 and \$110,000 will be because of the freezing on the indexation of the supplements?

Mr Whitecross: I do not think I have that calculation here. The calculation that you are asking for is the—

Senator BOYCE: What will families not get? We had picked three income brackets of \$100,000 to \$110,000, \$110,000 to \$120,000, \$120,000 to \$130,000, and \$130,000 to \$140,000. Could you tell us what families in each of those groups will not get because of the freeze?

Ms Carroll: I am not trying to be difficult but what you are asking for is more like a scenario. As we were just indicating it actually depends on the number of children that they have and the ages of those children. For example, do you want an average family with two children of certain ages? It makes a difference if you have one child or two children.

Senator BOYCE: We should probably do about 2.3, is that current rate?

Mr Lye: Also, family circumstances play a part. A family's circumstance might change, so it would not be a simple calculation.

Ms Carroll: If we said two children in those income groups, that would be okay?

Senator BOYCE: Yes, that would be good, thank you. Thank you very much, those are the questions I had about family tax benefits.

Senator SIEWERT: In terms of the figures you just gave us, does that include A and B?

Mr Whitecross: They were A figures.

Senator SIEWERT: I need B, please.

Mr Whitecross: The number of current instalment customers for FTB part B is 915,200 on maximum rate and 437,700 on the reduced rate.

Senator SIEWERT: These are families that get the supplement?

Mr Whitecross: That is right. All FTB A or B families that are eligible will receive part or all of the supplement as part of their payment. As I said in relation to FTBA earlier, there will be people who have not yet claimed B for the entitlement year.

Senator SIEWERT: On average how many do not claim B in instalments? You said earlier that for A you were expecting it to go up around 300,000, how many would you expect for B?

Mr Whitecross: Some of those people would be claiming it in instalments, they just have not claimed yet. I am not sure I know what the number of people claiming B at the end of the year is.

Senator SIEWERT: It is highly likely that sole parent families would be claiming through instalments, is it not?

Mr Whitecross: Yes, because it is not income tested and they are usually lower income people.

Senator SIEWERT: That is the point. How many of those are sole parent families?

Mr Whitecross: Single parents receiving B are 593,900.

Senator SIEWERT: So over half a million families?

Mr Whitecross: Yes, and all single parents receive the maximum rate.

Senator SIEWERT: Just so I have it absolutely correct, the indexation of their supplements will also be frozen?

Mr Whitecross: Yes.

Senator SIEWERT: Have you calculated at what cost that is going to be to those sole parent families?

Mr Whitecross: I do not know that I have a specific itemisation of the costs for sole parents.

Senator SIEWERT: So you have not done an impact assessment on sole parent families of freezing the indexation?

Mr Whitecross: The impact of the indexation pause in 2011-12 is about \$11 per family.

Senator SIEWERT: Have you extended that to 2012-13?

Mr Whitecross: It is about \$22.

Senator SIEWERT: Have you done a calculation for those families that are the grandfathered parents? I know I am moving into another area here, but I am assuming someone in FaHCSIA has done this. That grandfather group that has been moving from 16 to 12—

CHAIR: The DEEWR measure?

Senator SIEWERT: Yes, those moving from 16 to 12 that will be coming off parenting payment single onto Newstart; have you done a calculation of the impact of reduced income support with this layered on top of it?

Ms Carroll: We would not have done that calculation. We would not have that with us. We could take it on notice.

Senator SIEWERT: Would anybody in government have done it?

Mr Lye: It depends a bit on what happens in response to the DEEWR measure. There is a lead time. It depends on what happens with those families. I am not sure whether DEEWR was asked about what they expected parents to do as a result of—

Senator SIEWERT: We went through that in quite some length on Tuesday.

Mr Lye: I suppose to do that piece of analysis, as Ms Carroll says, you would need to look at what was happening there and then look at this measure.

Senator SIEWERT: Has anybody done that? Has anybody thought that here you are bringing in multiple changes and the most vulnerable, single parents—has anybody done that calculation about the multiple cuts? Has anybody across government done that calculation on single parent families?

Ms Carroll: We will take that on notice.

Senator SIEWERT: I appreciate that you are taking it on notice, but I would have thought somebody would have done that analysis and be able to tell me without having to take it on notice.

Ms Carroll: We will need to speak with our colleagues in DEEWR.

Senator SIEWERT: You are responsible for family policy.

Ms Carroll: However overall, across the government, what you are asking for is the interaction and we will need to speak to our colleagues.

Senator SIEWERT: Can you do that before we finish today?

Ms Carroll: We will try to do that for you.

Senator SIEWERT: Do you know what the number that are likely to come on for single parent families from March to the end of the financial year?

Mr Whitecross: I can get that for you. I do not know.

Senator SIEWERT: I am particularly interested in single parent families that are not included in the nearly 600,000.

Mr Whitecross: Yes, I will get that.

Senator SIEWERT: Just so that I am absolutely clear, the figures that you quoted us earlier—not the conversation that we have just had but the other figures—do not exclude B? The first lot of figures are just about A?

Mr Whitecross: That is right.

Senator SIEWERT: They are only A, and then you add the figures that I just got onto that; that is correct, is it not? Just so that we are all singing from the same song sheet?

Mr Whitecross: There are customers who are customers of both payments, so you cannot add them.

Ms Carroll: Some customers are customers of both and some are customers of one or the other.

Senator SIEWERT: Yes, exactly. How do we get an overall picture on both and those that are affected by B?

Mr Whitecross: Yes, we can get that. Between the two there are two million, but in a full financial year—

Senator SIEWERT: Can you disaggregate?

Ms Carroll: Effectively what we have given you is the total figure, the two million, and then we have given you the split up figure. What we can do is show you how they come together.

Senator SIEWERT: That would be appreciated, thank you.

[09:42]

CHAIR: We can confidently now move to 1.1.

Senator FIERRAVANTI-WELLS: Referring to page 197 of Budget Paper No. 2, the \$1.2 million over four years to establish 25 My Time for Grandparents peer support groups, and also to establish grandparent advisors, can you give me a breakdown of how much is for each of those?

Ms Stehr: That funding is for the peer support groups. I understand that Centrelink costs for the advisors are being absorbed within Centrelink.

Senator FIERRAVANTI-WELLS: What about the policy decisions surrounding extra advisors, is that within FaHCSIA or wholly within Centrelink?

Ms Carroll: The advisors would be something to ask Centrelink about the detail of.

Senator FIERRAVANTI-WELLS: They are just fully responsible for establishing them and all the policy surrounding it?

Ms Stehr: They were announced as part of the same election commitment, but are quite separate measures.

Senator FIERRAVANTI-WELLS: Can I just ask some statistics about grandparent carers? Do you have statistics on how many there are in Australia?

Ms Stehr: I do not have that with me. I am not sure whether we would have that analysis available.

Ms K Wilson: I will just turn to my brief.

Senator FIERRAVANTI-WELLS: While that is happening, can I just ask whereabouts in the organisation is this program dealt with? Is it in seniors? Could you assist me?

Ms Stehr: The family support program, of which I am branch manager, is managing the implementation of the peer support groups. There are policy responsibilities in other areas.

Senator FIERRAVANTI-WELLS: Okay. Ms Wilson?

Ms K Wilson: The number of informal carers is unknown, but the ABS have done estimates in the 2006 census, and they estimate that there are approximately 18,000 grandparents raising grandchildren in both formal and informal care arrangements.

Senator FIERRAVANTI-WELLS: These are the figures that you used to base policy decisions around this program?

Ms K Wilson: That is right.

Senator FIERRAVANTI-WELLS: Of course, you know where those are according to the ABS statistics, so you are able to break those down into areas?

Ms K Wilson: Into locations?

Senator FIERRAVANTI-WELLS: Yes.

Ms K Wilson: Yes, the ABS would be able to provide those estimates.

Senator FIERRAVANTI-WELLS: I would have to go to the ABS to get those statistics?

Ms K Wilson: I am sure we could ask them.

Senator FIERRAVANTI-WELLS: Would you mind taking that on notice? It is a good starting point for questions in the future.

Ms K Wilson: What sort of area breakdown are you interested in?

Senator FIERRAVANTI-WELLS: You obviously have 18,000 of them. It would be useful to know where the 18,000 are.

Ms K Wilson: By state and territory?

Senator FIERRAVANTI-WELLS: Yes, thank you. As part of the work that you have done in terms of this program, you have identified regions that have a higher need for service? To establish 25 you have obviously worked out 25 areas of need. What was the criteria for determining 25 peer support groups?

Ms Stehr: The 25 sites are not final yet, so that work is in process and due to be finalised very soon.

Senator FIERRAVANTI-WELLS: What criteria are you using to determine those 25?

Ms Stehr: One of the criterion is the numbers, where we know where the formal carers are. We have also engaged a consultant who is working with stakeholders including grandparent groups and looking at Centrelink data as well.

Senator FIERRAVANTI-WELLS: That is a defined criteria. I went through criteria with GP Super Clinics, Ms Stehr, so if I am a little bit hung up on it you will know why because it took us a while to find out what the criteria was for the GP Super Clinics. Is it somewhere written or is it just something that is evolving?

Ms Stehr: We could provide that. I do not have the full criteria with me here.

Senator FIERRAVANTI-WELLS: That is fine, so long as you have got it right up front before you establish the 25. That was really the point.

Mr Lye: The primary consideration will be a concentration of informal and formal grandparent carers.

Senator FIERRAVANTI-WELLS: On informal carers, we do not know whether they are looking after one grandchild or more than one grandchild? We do not have that sort of statistics?

Ms K Wilson: No, we do not.

Senator SIEWERT: Is there a plan to actually look at how you coordinate these locations with the trial sites?

Mr Lye: Off the top of my head it may be that the concentration of this group might not correspond with the concentration for the other trials we were talking about yesterday. I could be wrong about that but they may be in slightly different locations. We expect an older demographic and a few other things.

Senator SIEWERT: In terms of informal care, are we confident that those figures reflect the degree of informal care that is going on?

Ms K Wilson: Those ABS estimates are based on a question in the 2006 census. It really depends on whether people self-declare at that time and answered that question. My advice from the ABS is that they are estimates so there is some data quality issues but it is the best data that we have available at this time.

Senator FIERRAVANTI-WELLS: What is the definition of a peer support group?

Ms Stehr: The model as announced was to be based on peer support groups that exist already for parents and carers of children with a disability and chronic medical condition which began in 2007. It is envisaged that these peer support groups would have a similar approach as those. Essentially it is both to give grandparents a place to go where they can

meet each other, hence the peer support, but also where they can be provided with information about services that are available to them in their local areas.

Senator BOYCE: How does that differ from the Centrelink grandparent advisers?

Ms Stehr: I would probably have to take that on notice.

Senator BOYCE: I am going to ask Centrelink about these tonight.

Ms Carroll: One of the things that the Centrelink grandparent advisers do is make sure that grandparents are accessing the full range of Commonwealth payments that they are eligible for. Grandparents and kinship carers are eligible for things like family tax benefit and child care benefit, the same as other families but often they do not know about them because the group of people that they associate with may not also be accessing these payments. One of the key differences is that the Centrelink advisers make sure that they are actually accessing the payments.

Senator BOYCE: You will be asking the Centrelink advisers along to the My Time meetings?

Ms Carroll: It might be that they can do some outreach; those sorts of things are certainly possible. The primary focus of the peer support groups is to get the grandparents together and the role of the Centrelink advisers is to make sure that they are aware especially of the payments that they are entitled to.

Senator FIERRAVANTI-WELLS: In terms of the advisers in the Centrelink offices, that decision was made in the department so is any extension or needs of those advisers a Centrelink decision?

Ms Carroll: Yes and, as Ms Stehr, said it would be questions of Centrelink about how they make those decisions.

Senator FIERRAVANTI-WELLS: Going back to the peer support groups, you have said there are 25 for now. Do you envisage that there may be more later and you are just starting with 25?

Ms Stehr: The funding has been made available for 25.

Senator FIERRAVANTI-WELLS: Then you will do an evaluation or does the funding include the evaluation?

Ms Stehr: Yes, there is funding for evaluation.

Senator FIERRAVANTI-WELLS: Where will these peer support groups meet?

Ms Stehr: That would depend on the locations. It may vary from community to community. They are very much about being able to be tailored to the local needs and the issues in the sites where they will be run.

Senator FIERRAVANTI-WELLS: Does this funding include provision for accommodation at the meetings, for logistical support?

Ms Stehr: The groups will be run by a facilitator. Essentially the funding will provide a facilitator for the grandparents to be able to come together.

Senator FIERRAVANTI-WELLS: That facilitator could be an individual or it could be an organisation, is that what you envisage?

Ms Stehr: It would always be an individual but, yes, they could be employed by an organisation.

Senator FIERRAVANTI-WELLS: Money is going to go to somebody. If you want to set up a group in say Campbelltown in western Sydney, will you put out a tender and call for tenders for the establishment of these groups? How will you logistically do it?

Ms Stehr: The department will fund service provider or providers to deliver those groups, much in the same way as we do for most of our family support and other services. They are delivered through non-government organisations.

Senator FIERRAVANTI-WELLS: Those providers will work the logistics?

Ms Stehr: That is right.

Senator FIERRAVANTI-WELLS: Will there be any specific training or that will just be part of whatever agreement you enter into with the provider?

Ms Stehr: We would be looking for providers who have the necessary skills.

Senator FIERRAVANTI-WELLS: You have got 25. Have you estimated how many grandparents you are likely to cater for?

Ms Stehr: The model estimated that around 12 families would be part of each peer support group.

Mr Lye: To be clear, that would be 12 families in like a fortnightly session at any one time. You would imagine that some grandparents might join a session and stay with that session for a long period of time and some might come once or twice, so that figure could turnover I suppose.

Senator FIERRAVANTI-WELLS: Relative to your starting point of around 18,000, how many of those carers do you think that this program will actually support? Do you have an idea?

Ms Stehr: I am not sure whether we have estimated that. I would have to check that.

Senator FIERRAVANTI-WELLS: I would have thought if you were setting up something for grandparents, you know there are about 18,000 of them out there, one would assume that you have taken that into account when you have calculated 25. At least if you are going to use those statistics, one would have thought that you would have thought that one through?

Ms Carroll: One of the things that obviously we are looking at is, as was indicated to start with, where there might be concentrations of grandparent carers. Things like the peer support groups are good where you have got a number of people living in a close area. Obviously all grandparents will not want to access this kind of group. We have taken a number, looked at what might be reasonable and established these peer support groups. We will evaluate them and obviously there will be the potential to consider how successful they were and what the flow of grandparents in and out of them were, for example, did grandparents want to stay for a year or for six months. We understand some of that, for example, the things we do with our supported playgroups, but that is with quite a different kind of parent and carer. Looking at things like the My Time groups will establish an evidence base for us about how they work. We would never anticipate that all of the grandparent carers would necessarily want to participate in these groups.

Senator FIERRAVANTI-WELLS: I appreciate that, Ms Carroll. You have picked a figure of 25. One would assume that you would envisage at least a range of the number of grandparents that you would be able to cater for with the \$1.2 billion and 25 centres that you have allocated. Have you thought through how many people you are going to attempt to or at least envisage to service?

Mr Lye: The 12 per session is what we are moving from. I know that you are asking a slightly different question but we are building a new model with the intention to try and have a reasonably sized group with a facilitator, and that would be 12 people per session, and we start from that.

Senator BOYCE: How many sessions?

Senator Arbib: Grandparents Australia Inc. advised us that 25 was a good number to start with. It came from there.

Senator FIERRAVANTI-WELLS: Did Grandparents Australia advise how many grandparents you would assist with this program?

Senator Arbib: I am not sure but you raised the issue of where the 25 came from. Grandparents Australia said that would be a good number to start with.

Ms Carroll: Again, it is a new program, so we are still establishing it. Thinking of the 12 per session, there are somewhere between 300 and 500 grandparent carers per year so that might be each year over the four years. But we would need to see if grandparents stay in it for more than a year or more than six months. They are all the things that we are still working through and we will certainly be watching that as we go forward.

Senator FIERRAVANTI-WELLS: Chances are you are talking of potentially 1,000 to 2,000 over a year. You are probably not talking more than that?

Ms Carroll: We will be finding that out as we go forward.

Senator BOYCE: What qualifications are you expecting that facilitators should have?

Ms Stehr: We have not set a qualification level to my knowledge.

Mr Lye: The organisations who tender for the service would demonstrate that they were going to put someone in with the requisite skills. It may be somebody with a bachelor degree qualification or indeed a TAFE qualification. I know in New South Wales where they have some home visiting programs they use grandparents themselves who have got experience in parenting and grandparenting and they are well equipped to do that role.

Senator BOYCE: I must admit I get concerned when I hear the term paid facilitator in a lot of instances. Do you have a strategy about building capacity within the people who are attending these programs rather than having them rely on a paid facilitator?

Ms Stehr: We are going through that process of selecting but we will be asking organisations to tell us what their model would be. We would envisage that successful organisations may well have people employed currently such as a counsellor who would be providing that. Certainly by the very nature of those groups, they will be building capacity amongst the parents.

Senator BOYCE: That is not necessarily my experience, Ms Stehr. How will you be assessing whether they are or not?

Ms Stehr: That will be part of the evaluation of the model.

Senator FIERRAVANTI-WELLS: Minister, you said that Grandparents Australia had advised 25 as a starting point. Have they advised where they should be or is that going to be a matter for government to determine?

Senator Arbib: I think the official has answered those questions already in terms of the process that they would be going through.

Senator FIERRAVANTI-WELLS: So you have not decided yet? Have they tendered?

Mr Lye: There has not been a tender yet.

Senator FIERRAVANTI-WELLS: No, but they would be eligible themselves?

Ms Stehr: That is possible, Senator. The process has not been finalised. Normal government processes would be likely to be what we call a restricted tender, which would be a number of organisations that have relevant skills to be able to deliver such a service.

Senator FIERRAVANTI-WELLS: What is the timing on this?

Ms Stehr: We would expect that the provider or providers would be announced in July this year.

Senator FIERRAVANTI-WELLS: Providers announced in July and when would they be operational?

Ms Stehr: They are to operate during school terms so we would expect they would be operational in that school term between July and September—depending on the different states, they have different terms—as soon as possible after the providers are selected in that school term.

Senator SIEWERT: I want to go back to my issue about the trial sites. The information that we were talking about earlier with Ms Wilson in terms of the ABS, have you actually looked at that and matched that up with the trial site locations?

Mr Lye: That is the work that we have the consultant doing in terms of My Time. They are looking at where the concentrations of grandparent carers are.

Senator SIEWERT: You are supposed to be making these trial sites work and this is something that could actually very significantly help because there is a correlation between kinship care and areas of great disadvantage, et cetera. I would have thought that would have been one of the criteria that would have been looked at for these trial sites.

Ms Carroll: Certainly we are in the process, as Mr Lye said. If there is an overlap and it is the right place to put it we certainly will be putting one of the support groups in any of those locations where there is a close match.

Senator BERNARDI: I have a question on the Teen Mothers pilot program. In Minister Macklin's release on Tuesday, 10 May detailing the Teen Mothers pilot program, it states that 10 disadvantaged communities across Australia were chosen for a trial. What criteria were used to select these 10 sites?

Ms Carroll: We had a bit of a discussion on that yesterday. I understand that DEEWR has also provided some response. Broadly, to give you a quick answer, the data that is being used is looking at the SEIFA—Socio-Economic Indexes for Areas—disadvantage index which shows where the high concentrations of disadvantaged are across Australia, and in particular,

lining up the key indicators such as disadvantaged, where teen parents are et cetera. We have taken on notice to bring as much detail as we can to provide for the committee.

Senator BERNARDI: You have put me in a difficult position now because I would hate to miss my opportunity to ask questions and yet I do not want to waste the committee's time, so if they have been covered before would you please excuse me because I was not here yesterday. I was in another very interesting committee. I will accept it if you tell me it has been covered previously or if you want to take them on notice, that would be fine. I am interested in the criteria used to select the sites. Was any ministerial direction or discretion advised in this or was it simply done on a factual basis?

Ms Carroll: Again, information was provided to government and then government made a decision.

Senator BERNARDI: The government chose these sites based on the information that was provided?

Ms Carroll: Based on advice from the Public Service.

Senator BERNARDI: How many sites were provided to the government to choose from?

Ms Carroll: We had this discussion yesterday about advice to government. We certainly have taken on notice to give the criteria, et cetera, for the choice of the sites.

Senator BERNARDI: Let me move to a different subject. Yesterday was there a discussion about the goals and measurements of the program? I know what the general goals are but in a quantifiable form, how many mothers are going to go through the program et cetera?

Ms Carroll: We did not have that specific discussion. It is a little bit difficult for senators to understand but we do not have primary carriage of the teen parents or the jobless families component of the place base within this portfolio. We certainly can talk about the Communities for Children site and the additional funding that DEEWR has, as they have the payments for parenting payment single and parenting payment partnered. They have the prime carriage of those components. I am not trying to be difficult, it is just that I cannot really answer questions about that.

Senator BERNARDI: No, I accept that. The cynical amongst us would suggest that the disparate nature of where these things are spread is to confuse senators so we do not know where to ask the question to get the right answer.

Senator Arbib: It is certainly not by intention.

Senator BERNARDI: I could persevere I guess and continue to meet with references to other things because in general I am interested in the measurement capacity, how things are chosen, what outcomes are expected, the reporting mechanisms and things of that nature. Are you telling me that that is not appropriate in this section?

Ms Carroll: No. We can give you some information. I cannot quite remember what we agreed yesterday without referring back to *Hansard* but we did agree that it is quite difficult because things are running across a range of committees and departments. We did envisage we would look at the best way we can provide information to the committee in a coordinated way. We did agree to go away and look at that. In terms of the measurement, as I said, we have taken on notice to come back with the sites and the kind of criteria that we used. We also

have had some discussion about the evaluation of the placed based measures. DEEWR has the funding for the broad evaluation. The idea of that evaluation is that it will evaluate the combination of measures within each of the sites and the outcomes. These are the kind of things that you are going to, looking at what the outcomes have been in those particular locations, not just looking at what happened with the Communities for Children or what happened with income management but looking at how the things came together as a whole and what the broad outcomes were as a whole.

Senator BERNARDI: There must be measurements though of particular programs. For example, the Teen Mothers pilot program is going to have to be measured about whether it is a success or not, is it not?

Ms Carroll: Absolutely. The way the evaluation is working is that each of the individual measures will have their own evaluative components but there was also money put aside to evaluate how things have come together in the location, how that set of measures have worked together in the different locations, how successful that has been and what the outcomes have been. There is an interdepartmental deputy secretaries group which runs across DEEWR, ourselves, Human Services, Treasury, Prime Minister and Cabinet, and Finance which are actually looking at how the measures are coming together as a whole as well as looking at each of the separate components. At a bureaucratic level we are trying to make sure that we cross over those boundaries and look at what the outcomes are going forward and how we are going to measure those things.

Senator BERNARDI: I appreciate your assistance. One of the concerns is that very few departments or governments admit that programs have not worked. They come up with motherhood statements about measuring success and things of that nature. There must be some key criteria about what the outcomes are expected to be?

Mr Lye: Obviously a key component of this measure for us is Communities for Children so we would hope to see that some of the families involved in the trials access Communities for Children services. The last evaluation of that program had a number of findings which we would say we would like to see happen in these trials.

The main findings of that previous evaluation were that fewer children in the areas where CfC was done were living in jobless households, parents reported less hostile or harsh parenting practices, parents felt more effective in their roles as parents, there was higher involvement in community service activities amongst parents in households with low incomes and households comprising mothers with year 10 education or less, and significant increases in coordination and collaboration between local services. I suppose that is what we found about the Communities for Children program and that is the ambition we have for it in these trial sites.

Senator BERNARDI: For the Teen Mothers pilot program?

Mr Lye: That is correct.

Senator BERNARDI: So it is just about how people feel in a sense rather than explicit data on how many people are going into the workforce?

Mr Lye: The DEEWR component is much more focused around seeing long-term participation gains, both parents returning to work or entering work and their children doing well at school and completing school and participating. On the FaHCSIA side of the fence,

we are saying that you need to provide families with a set of supports as they need them to be able to step up and do those things that DEEWR are interested in. Our part of the pie is to say what assistance, what services, parenting, playgroups, other forms of interventions might be useful in helping those families get control.

Ms Carroll: The measurement is on both. What we will be looking at is outcomes on both components as Mr Lye said, so outcomes for parents as parents and outcomes for their children. It will look at whether their parenting skills have increased, whether the children are attending preschool and having greater success at school, et cetera, and at the same time whether the parent themselves has been able to get year 12, get additional qualifications, pick up some part-time work, for example, as their children go to school, those sorts of things, get into the workforce and have those connections.

Senator BERNARDI: They are very distinct and measurable outcomes?

Ms Carroll: That is right.

Senator BERNARDI: You will be accounting for those?

Ms Carroll: Absolutely, across the totality of the measures we would be looking at all of those things.

Senator BERNARDI: You have taken on notice I understand from your earlier comments about how many mothers you are expecting to participate in these trials?

Mr Lye: For the teenage parents it is a DEEWR figure but I think it is 1,000 parents per year so 4,000 over four years.

Senator BERNARDI: In that respect, part of the program is to offer child care and availability for young women undertaking either study or the components of this. Are you responsible for the child care component?

Ms Carroll: Sorry, DEEWR has child care.

Senator BERNARDI: What about the penalties? The non-engagement with Centrelink is mentioned in the press release so that is going to the Centrelink offices, is it?

Ms Carroll: No. DEEWR is the policy agency and then Centrelink would implement on DEEWR's behalf.

Senator BERNARDI: I might put the rest of these on notice to DEEWR who will no doubt refer them back to another agency at some point, but I will do my best.

Senator SIEWERT: There is some information in *Hansard* because I asked next door earlier in the week and I know some of your colleagues asked for that too.

Senator BERNARDI: Thank you. We can put it together and get the answers.

Senator SIEWERT: Can I ask about Communities for Children and the specific increase in funding for the trial sites? Will the program now be available at 10 sites not just the five?

Ms Carroll: That is right.

Mr Lye: The program is available in 49 sites across the country.

Senator SIEWERT: Yes, I understand that.

Mr Lye: There is an enhancement in relation to the 10 sites in relation to jobless families and for teenage parents.

Senator SIEWERT: What is the level of funding that is specifically available for the 10 sites in addition to the current funding?

Ms Carroll: There are three sites that will actually be a new Communities for Children service which do not currently have communities for children. Those three sites are Rockhampton, Shepparton and Bankstown. There is not an even distribution in particular; we have to establish a service in three locations.

Senator SIEWERT: There will be new services in three locations. How much is available for that? I want to come back to the other sites in a minute.

Mr Lye: The breakdown we can give you is that for the jobless families in the 10 sites there is \$19.4 million and then in relation to the teenage measure it is \$4 million. The total comes to \$23.4 million, but as Ms Carroll says, it will not be an even distribution because you have got three locations where you do not currently have Communities for Children.

Senator SIEWERT: Are those figures available for all the sites or specifically for those three new sites? I must be a little bit dense.

Mr Lye: The money in total will go to the 10 sites and just the three will get an extra dollar component.

Senator SIEWERT: That is how I was interpreting it but I just thought I had better check. There will be establishment of new programs in those three centres, so they will get a larger allocation?

Mr Lye: Correct.

Senator SIEWERT: Then, if I am interpreting it right, the other seven centres will get enhanced support and the jobless families and the teenage mothers?

Mr Lye: Correct. To be complete, there is a third allocation of \$19.1 million which is going to be enhancing Communities for Children across the country.

Senator SIEWERT: I will come back to the trial sites in a moment. I will get distracted with this for a minute. How is that money then going to work? Will it go to existing services? When you are talking about enhancing them will it go to existing services or will there be new programs?

Mr Lye: We have not finalised the process but in some sense it would make sense to go to the existing Communities for Children. That would be the most probable way we would go about it.

Senator SIEWERT: When will you be working that one out?

Ms Stehr: We are working on it now. I would say over the next couple of months we would be a lot clearer. Certainly by next estimates we would be a lot clearer on the allocation process for that.

Senator SIEWERT: I suspect I am going to get the same answer but in terms of the process for enhancing the existing services in the seven trial sites, is that enhancing the current services or does the same apply, you are looking at how to do that?

Mr Lye: We would not want to be tied down but yes, it would be the same principle we would apply. You would look first probably to the current Communities for Children services.

Senator SIEWERT: In terms of the new sites you will use the usual process for establishing those?

Mr Lye: We are having a look at that. The teenage parents measure starts on 1 January next year. Normally we would have a fairly lengthy process in the establishment of a CfC site so we need to move quite quickly because we want a service to be available. We are working it through.

Senator SIEWERT: Because there is separate funding items for the jobless families and the teenage mothers, how will those services then work for those two streams?

Mr Lye: It is likely to come together. Obviously in the budget context it has been listed as separate but for our purposes it will probably come together because we will be in most cases enhancing an existing CfC service. I suppose the likely difference between the teenage parents and the jobless families might be that you would want to think about services that support a teenage parent who, after a period of time, is going to go back to school. There may be specific microservices underneath the umbrella of CfC that are required to make sure they are properly supported.

Ms Stehr: Senator, you would be aware that the Communities for Children model has a local implementation plan so we would also envisage them being able to pool the money and use it in the ways that were most appropriate for the needs of their local community. Of course we will be monitoring that and evaluating that through the process.

Senator SIEWERT: That is where I was going to next. I understand that for the trials there will be a process of local community consultation. Because these programs are being staggered, the different programs are rolling out on the different trial sites, how soon will that process of community engagement in terms of that local community involvement start and how you are going to progress the different initiatives because they are going to be rolling out on different time lines?

Ms Carroll: Obviously we are very keen for that process to start quite soon. We have got a bit of a layering of making sure people are engaged and, as I think we talked yesterday, we certainly are engaging with state governments. There has even been some discussion already with local government. We will be moving very quickly to establish a lead Commonwealth person on the ground to help that kind of local engagement.

In terms of the local advisory groups, there will be an intent to use the kind of mechanisms that already exist. I know that, for example, with Communities for Children, there are already local implementation groups, local advisory groups. If that is a group that is useful to use then that can be built on. It might be that the local council has a very good local advisory group that might be used. The intent is not to create another group in the community if possible but to actually build on existing groups within that local community where they already exist.

Senator SIEWERT: In terms of the lead Commonwealth person, which agency is that likely to be?

Ms Carroll: We believe it would be Human Services, so the designated Centrelink person on the ground.

Senator SIEWERT: That is what I was assuming but I just wanted to double check and I will chase that up obviously with Human Services this afternoon. I will put the rest of my questions on notice.

CHAIR: I think it would be a good place to break. When we come back we will still be in 1.1 because I know Senator Bernardi has more questions in this area. Thank you.

Proceedings suspended from 10:27 to 10:47

CHAIR: Thank you, we will reconvene. We are going back into 1.1.

Senator BERNARDI: I have some questions in relation to the amalgamated family relationship services programs between FaHCSIA and the Attorney-General's Department. Why was this decision made? Was it a decision researched by the department or was it just a decision of government?

Ms Carroll: That is the joint contracting of the family support program or the design of the new family support program? I just want to understand the question.

Senator BERNARDI: It is the uniting of the family relationship services between FaHCSIA and the Attorney-General's Department to bring them all together into a single family support program.

Ms Carroll: I can probably start and then hand over to my colleagues. Clearly one of the big issues for the service providers in the feedback that we have been given over a number of years across both departments was the fact that both departments were actually contracting the same service providers for a whole series of quite distinct, discrete programs. There was some advice from the service providers in terms of streamlining the way that the program would work to look at a kind of a more holistic program. I think a few Senate estimates ago we actually were describing what each of the distinct bits of the current model were before we moved to the new family support program. I cannot remember how many distinct programs there were, but it was a very large number of distinct programs. The idea is to make sure that we get the outputs and outcomes required, but go to as simplified a model as possible.

Senator BERNARDI: Okay, so with a move to a simplified model, you would expect some efficiencies attached to that; is that a reasonable assumption?

Ms Carroll: We certainly expect that it will reduce some red tape for service providers, but also that service providers will be able to respond more effectively to the demands of the clients. They will not have to say that they fit into this particular program group or that program group.

Senator BERNARDI: FaHCSIA has the primary responsibility for this united program, is that correct?

Mr Lye: In relation to one of the streams, the family law stream, A-G's have a policy responsibility and we have a service delivery responsibility, so we manage that appropriation.

Senator BERNARDI: But overall, the family support program is a FaHCSIA responsibility?

Mr Lye: Correct.

Senator BERNARDI: Is there an expectation that there will be a seamless transition of service delivery, and there will be no delays or impediments to service delivery through this amalgamation?

Ms Stehr: That is right, Senator. The decision was made to re-fund the existing service providers to maintain service continuity, and that process is in train now. Those service providers are being re-contracted at the moment for the next three years.

Senator BERNARDI: When you say re-fund, there was an agreement to terminate at mutual agreement existing contracts, and then reintegrate them or reinstate them?

Ms Stehr: Most of the contracts are due to expire on 30 June this year, so there was no termination of any contract.

Senator BERNARDI: Were there any penalties attached to this in the negotiation of contracts? You said most of the contracts were due to expire on 30 June?

Ms Stehr: Some of the contracts are not due to expire. For example, Communities for Children contracts are not due to expire on 30 June; they are on a slightly different funding cycle.

Senator BERNARDI: But no penalties have been incurred in the changes that are necessary?

Ms Stehr: No.

Senator BERNARDI: Is there a deadline in place for the amalgamation?

Mr Lye: I am not sure that services would experience it as an amalgamation as such. What they might experience, and Ms Stehr might correct me if I am wrong, is that when they go to renegotiate, instead of having multiple agreements or agreements with multiple subprogram elements, it might be a more streamlined process for them. They will see a difference in their contract but it will not impact in a large way on what they are currently doing in terms of service delivery.

Senator BERNARDI: What about within the department itself? Has this taken place now, or is it a work in transition and it is moving towards a particular date? Is this actually now happening?

Ms Carroll: This has been going on for a period of time. At the end of last calendar year, there was significant consultation and negotiations with the sector, and their input was given. The minister made some announcements towards the end of last year about the re-funding of service providers. From there, we have been going through the usual process of finalising what the contracts might look like and going into contract negotiations. So it has been an ongoing process.

Senator BERNARDI: But it is going to be completed at a particular time?

Ms Carroll: Absolutely.

Senator BERNARDI: The footnotes of the PBS indicate that it would be 2011-12.

Ms Carroll: That is right.

Senator BERNARDI: On 1 July this will be all ready to roll and you will have all of these things in place?

Ms Carroll: Yes.

Senator BERNARDI: I will give you a couple of quotes. At page 46 the FaHCSIA PBS states:

The change in program expenses across the forward years reflects the introduction of a single Family Support program which amalgamates the Family Relationship Services, Children and Parenting Services, part of the Community Investment program (Output 3.2) and separates Find and Connect Service.

The program expenses also reflect the impact of policy initiatives including the 2001-12 Budget measures for Family Support under the Building Australia's Future Workforce and the 2009-10 Budget measure Closing the Gap—Northern Territory Family Support Package.

Table 2.1.1 on that same page lists the family support expenses rising from \$208 million next year to \$218 million in 2014-15. I am interested in how much of this expenditure for the forward years is being spent on the introduction of the single family support program, and is any of it being used for the amalgamation of all programs?

Ms Stehr: The amalgamation of the program into a single program was to be done within the existing funding. The rises that you see there are due to, for example, the additional funding for the Communities for Children due to the participation measures, indexation and the like.

Senator BERNARDI: Thank you for clarifying that. I was really seeking in the end whether that addition could quantify the cost of the transition into this new amalgamated program—that is my terminology. Have you done an estimate, or are you aware of what it will cost to combine all of these programs, because there are lots of things in altering websites, stationery and communication materials?

Ms Carroll: The funding that you see here is the administered funding that goes to the providers. The same kind of whole quantum, apart from those additions that Ms Stehr indicated, of administered funding will be going out to providers. Effectively, that money is available for providers to use in the things that they are contracted to deliver by the department.

Senator BERNARDI: That is great. But the department still must have an understanding of an internal cost for the amalgamation of these various programs?

Mr Pratt: We have not received any additional funding to handle the amalgamation of these things. There is no additional cost in our estimation. We are able to deal with these within existing funding.

Senator BERNARDI: I know, and that was made very clear and I appreciate that. But, I am just interested in what it is going to cost the department to manage this transition, because there are things that will need to change, clearly. There will be some materials, there might be websites, maybe letterheads and things of that nature. I am interested in whether you know how much that is going to be, absorbed from your existing budget.

Mr Lye: Some of those functions will be things that we would do as part of our ordinary course of business, so refining the program guidelines and all of those things are things that we turn our attention to on a regular basis. It would not be really possible to disaggregate the two things. I think we would see this as part of good practice or good business to do.

Senator BERNARDI: When you were asked to find whatever costs there were from your existing budget, there was no, 'Oh gosh, how are we going to do that? We are already so lean and efficient.' It was more a business as usual approach, we can manage this?

Mr Pratt: That is right. We can use the existing resources for this purpose. These programs change from time to time anyway, so we are able to rededicate the existing resources to do that.

Senator BERNARDI: They do; it is very hard to keep up with.

Mr Pratt: Really, there are no material additional costs here, because there are pluses and minuses. Sure, there might be some changes to the website, but also there might be some savings associated with rationalising the number of contracting arrangements or something like that.

Senator BERNARDI: Suffice to say that you do not expect departmental resources to be strained through this transition?

Mr Pratt: Correct.

Senator BERNARDI: You have enough money, shall we get that on the record?

Mr Pratt: On this particular issue, Senator.

Mr Lye: Our staff work very hard.

Senator BERNARDI: Particularly you, is that right? I will pass that on to the minister.

Ms Carroll: Maybe if I can just explain it a little bit more. One of the things that we have done in moving to the family support program is we have aligned it with the end of the existing contracts. One of the things that always happens at the end of a contract period is you have an evaluative process and a process for re-contracting. To make best use of resources, we have actually combined those two things. We would be doing this work anyway. Even if the program had stayed the same we would have had to have evaluated how it had gone and made any appropriate changes, which is what Mr Lye was referring to. It is kind of part of our work. Those workload issues were taken into account in thinking about when we would go forward with this change.

Senator BERNARDI: Thank you for that.

Senator WILLIAMS: I refer to the family relationship centres. You were saying that the contract is being renewed now from 30 June for three years, is that correct?

Ms Stehr: Yes.

Senator WILLIAMS: Are there any additional conditions in those contracts, such as these family relationship centres taking on further roles?

Ms Stehr: There have been no additional functions or changes to the roles.

Senator WILLIAMS: Will it be a condition that they have to raise a certain amount of money in the new fee-for-service regime which starts on 1 July?

Ms Stehr: No, it is not a condition. I think you are probably referring to the budget measure from 2010 that the Attorney-General announced.

Senator WILLIAMS: Is that the charge of \$30 an hour after the first hour being free?

Ms Stehr: That is right. Part of those changes that were announced was that for people with incomes over \$50,000—and there are various exemptions to that; for example, people on healthcare cards and other concession cards—the first hour remains free and subsequent hours would have a fee charged. Most of those centres already had fees policies in place.

Senator WILLIAMS: What about the centres that do not have them? For example, everyone gets the first hour free. I am led to believe that, in one particular centre that will remain unnamed, most of their clients earn less than \$50,000, so they cannot bill them for the second or third hour at \$30 an hour. My concern is that the revenue will dry up for particular

centres, especially in the case where the majority of their clients are on the lower income scale, and hence they cannot charge the fee. Is that how it is?

CHAIR: Ms Stehr, is this a question for you or for the Attorney-General?

Ms Stehr: This whole policy area is a matter for the Attorney-General.

Senator WILLIAMS: I am just concerned over the budgeting of it. I will have to ask that in another forum, obviously.

CHAIR: Yes, or put it on notice.

Senator WILLIAMS: My advice to everyone I ever speak to is stay out of the courtroom. I have been to these family relationship centres, and I have seen the disputes. They have counselling, of course, and then if things fall apart, mediation. I have seen them where mum might drop the children off and dad goes and picks up the children 10 minutes later, or they come into separate rooms because there is unfortunately a very bitter separation. Surely that would have taken a lot of pressure off the family law courts, wouldn't it? If they can solve their disputes through mediation or whatever, that would take a lot of stress off the family law courts?

Mr Pratt: I think you are probably right, and I suspect this is part of the actual rationale for this service. It is a policy issue which the Attorney-General's Department can help you with.

Senator WILLIAMS: My concern is that these centres have a reduction in their funding because they simply cannot raise the funding, and if they reduce their services, will it not surely put more pressure back on to the family law courts in some cases?

Ms Stehr: We will be monitoring closely the impact of these changes on the services.

Senator WILLIAMS: When you say you will be monitoring, are you inferring to me that if they do happen to have their funding reduced and their services threatened, perhaps the government might top up that centre?

CHAIR: The officers cannot infer.

Mr Lye: We are unable to assist on that issue because it is a matter for the Attorney-General's Department. What Ms Stehr is referring to is that, in managing the service provision, we do monitor the performance and the services, and that information obviously flows back to the Attorney-General's Department. The question you are asking is probably one for them.

Senator WILLIAMS: You are saying that when you do monitor these services, if a problem arises, you will then forward that information on to the A-G's Department?

Mr Lye: We provide general information as part of our relationship with the Attorney-General's Department.

Senator WILLIAMS: If there was a problem, you would inform the Attorney-General's Department. Perhaps they might be able to look at some further funding or an increase in funding if that was the case. Obviously you cannot answer that.

Mr Lye: Although we do the service provision in the sense that we directly fund the services on their behalf, we do know that the Attorney-General's Department have their own mechanisms as well. They do keep closely in touch with their service providers.

Senator WILLIAMS: The last thing we want to see with the change of this budget in their income is a reduction in the services. There will probably be more demand on the services as the population grows. That was my concern.

[11:05]

CHAIR: Are there any other questions in 1.1? We will go to 1.3, and I know there are a number of questions, particularly on paid parental leave. But first we will deal with double orphan pension, in 1.2.

Senator BERNARDI: Has the government cut the amount to be expended on the double orphan pension?

Mr Whitecross: There has not been a policy change in relation to double orphan pension—is that what you are saying?

Senator BERNARDI: No, I am asking specifically, because in the PBS, on table 2.1.3, which is on page 49, there appears to be a cut of \$646,000 over the coming financial year, and the forward estimates to 2014.

Mr Whitecross: I am just making sure that I have the number to which you are referring.

Senator BERNARDI: My notes say, 'There appears to be a cut of \$646,000 over the upcoming financial year and the forward estimates to 2014'. There appears to be a downward revision in the revised budget for 2010-11 of \$195,000.

Mr Whitecross: The expenditure is projected to increase over the forward estimates for double orphan pension. I am not sure what you are comparing with that.

Senator BERNARDI: I have had double orphan pensions thrust upon me, so bear with me, I am sorry.

Mr Whitecross: The figures in 2.1.3 show that, for 2010-11, it was \$3.341 million, and it is projected to increase to \$3.848 million by 2014-15. It is an entitlement driven program, so it is a statutory entitlement program with a special appropriation. This is an estimate of expenditure, and the actual amount spent will depend on how many people meet the conditions for the payment and claim the payment.

Senator BERNARDI: I am clearly comparing two different figures here, and I think in the interests of not embarrassing myself and ensuring that the department is not embarrassed, I will seek some advice and maybe put it on notice.

CHAIR: I think that is fair.

Senator BERNARDI: I am pleased we could deal with that briefly and quickly.

[11:09]

CHAIR: At least the double orphan pension is now in *Hansard*, which is good. We will now move on to 1.3.

Senator CASH: I turn to the paid paternity leave implementation and the new start date. Why has the government deferred the implementation of paid paternity leave by six months?

Ms Evert: The new start date is really just allowing more time for consultation and to develop the draft legislation.

Senator CASH: So the legislation has not yet been prepared?

Ms Evert: No.

Senator CASH: Why did the government make an announcement about the payment and then have to make another announcement that it actually needs to be delayed?

CHAIR: That is a question for the minister.

Senator Arbib: I will have to seek information.

Senator CASH: Would you agree that making an announcement in relation to a scheme and then making a further announcement that the scheme is actually not going to commence until at least another six months is a fair announcement to make in terms of raising expectations?

Senator Arbib: The only information I have in front of me is that the new start date was to allow for adequate consultation for the new arrangements.

Senator CASH: So was inadequate consultation done prior to the first announcement?

Senator Arbib: It does not say that.

Senator CASH: Would that be a fair assessment?

Senator Arbib: It was to allow time for adequate consultation. In terms of any other information, I am happy to seek answers for you.

Senator CASH: Thank you very much. The Minister for Families, Housing, Community Services and Indigenous Affairs, Jenny Macklin, stated in the *Herald Sun* on 11 May 2011 that the delay was necessary to consult with businesses and families, as you have alluded to, Minister. What is the nature of the consultation that will be undertaken?

Ms Evert: That has not been finally decided yet, but we expect that it would run fairly much along the lines of the consultations that we undertook with the paid parental leave scheme, although probably not in as much detail, because that set of consultations was done as part of developing the Productivity Commission's report on paid parental leave, and then we did further consultations as a department to iron out the finer detail of the policy after it was announced. That was for a brand new scheme. This paid paternity leave is a smaller component, and we expect that, while there will be consultations, they will not be as intensive, probably, as those paid parental leave consultations.

Senator CASH: To date we have an announcement that there will be a paid paternity leave scheme. We then have a further announcement that the paid paternity leave scheme will have a new start date. The reason given for that new start date, or the delay, is that it is necessary to consult with businesses and families, but we do not know what the nature of the consultation will be at this stage?

Ms Evert: That is yet to be decided by the minister. We do have an implementation group for the paid parental leave scheme, and we know that we would certainly be consulting them as a start, and then how more broadly we would—

Senator CASH: Still to be determined; still up in the air?

Ms Evert: Yes.

Senator CASH: When did it become apparent that further consultation with business and families was necessary?

Ms Evert: I understand that the minister in the announcement of the election commitment undertook to consult employers.

Senator CASH: Is there any idea as to what business organisations will be consulted?

Ms Evert: On the implementation group, we have the Australian Chamber of Commerce and Industry, the Australian Industry Group, the Council of Small Business Organisations of Australia, as well as employee groups and community and family groups.

Senator CASH: They are on the consultation group at this particular point in time?

Ms Evert: They are on the implementation group.

Senator CASH: On the implementation group?

Ms Evert: Yes. In the previous consultations we have done, there have been wide-ranging consultations around the country. What I am just not sure of yet is whether we will be doing that—

Senator CASH: The nature of the consultations?

Ms Evert: Yes.

Senator CASH: Okay, because that is still up in the air. Is there any thinking around when these businesses are likely to be consulted?

Ms Evert: I would think it would be in the second half of this year.

Senator CASH: When you say the second half, is that July, August, September, or closer to October, November, December?

Ms Evert: I think that is yet to be determined.

CHAIR: I think the whole six months qualify as the second half.

Senator CASH: Yes, it does. I just wanted to get an idea in terms of the second half. Was it the earlier second half or the latter second half?

Ms Evert: Certainly the next meeting of the implementation group is I think scheduled for around August.

Senator CASH: Scheduled for around August, so there is no set date yet determined?

Ms Evert: Not yet.

Senator CASH: I was going to ask about the format of the consultations, but that is yet to be determined?

Mr Lye: Obviously the base plate that we have in relation to PPL is that implementation working group, and we are very much guided by that group in terms of consultation. They generally have a fairly good idea and give us fairly clear feedback about who we need to reach and how we need to do that. One of the things that we would do is get the advice of that group.

Senator CASH: When will you be seeking that advice? Is there a timeline in relation to that?

Mr Lye: As Ms Evert said, that group is scheduled to meet in August. We also have contact with that group on an ad hoc basis in between those meetings as required.

Senator CASH: My understanding is there was widespread support for the Family Assistance Office to administer the PPL payments. Is this something that will be discussed with the business community?

Ms Evert: To do with paid paternity leave?

Senator CASH: Yes.

Ms Evert: Yes, this is something that would be discussed, although as the payment is a two-week payment, there is probably much more likelihood that the Family Assistance Office will be paying most of it.

Senator CASH: It is more likely that it will be the Family Assistance Office; why is that?

Ms Evert: It is only a two-week payment. There are consultations to be had. At the moment if a husband takes on care of the child when his wife goes back to work, he can get the transfer of the parental leave pay from his partner. If he were getting more than eight weeks of that payment, he may be paid by his employer. If he were also in the future to get paid paternity leave, there is a possibility that that could be combined, but that is something that would be consulted upon.

Senator CASH: Again, there is no definition around any of this because we are still in that consultation phase?

Ms Evert: Yes.

Senator CASH: I turn now to paid parental leave. How many claims have been made since the system was rolled out in January?

Ms Evert: Actually claims have been able to be made since 1 October last year. Part of the scheme was building in a three-month time frame for parents to be able to claim ahead of the birth. That is not only for paid parental leave but it is a combined claim form for baby bonus, FTB, so the parents can do all of their business upfront. Since that time we have had 56,860 claimants for the scheme.

Senator CASH: To what date does that take us?

Ms Evert: Up until 20 May.

Senator CASH: What is the value of the claims to date throughout that period?

Ms Evert: I would have to take that on notice. We have the estimate.

Senator CASH: That is fine. What is the estimated value?

Ms Evert: What I could tell you, and we could probably do a pretty good calculation at the moment, is that we have 27,767 current recipients.

Senator CASH: So they are currently on parental leave?

Ms Evert: Yes. We have had 2,084 actually finish their paid parental leave period, their 18-week payment. If you add those together, you have nearly 30,000, and the 18-week payment before tax is \$10,260. That would give you a rough guide.

Senator CASH: In terms of the remaining to get up to the 56,000, what is the status of those people?

Ms Evert: There are 20,942 who are approved, and they are either awaiting the birth or the start date of their paid parental leave period, because they can take it at any time in the 12

months after the birth. There are 3,421 who are awaiting assessment. There are 2,646 who have had claims rejected, lapsed or cancelled.

Senator CASH: How is a claim rejected, lapsed or cancelled?

Ms Evert: Rejected is if the person does not fit the eligibility criteria. When first assessing the claim and the claim is rejected, it may not be an effective claim or the person does not meet the income test, for example. Lapsed and cancelled, it may be further information was requested and it has not been forthcoming or perhaps someone has just decided to take the baby bonus instead.

Senator CASH: I refer to QON 42 in the questions on notice from the February additional estimates. The question was asked: 'How many APS employees would be entitled to claim under both schemes?' We discussed this at the February estimates, being the new scheme and the EBA. The answer was as follows: 'It is not possible to accurately estimate the number of APS employees who will make a claim under the Paid Parental Leave scheme.' Why is it not possible to do that?

Ms Carroll: One of the things is obviously that we cannot determine whether someone would actually claim this paid parental leave or whether they would take the baby bonus. People have a choice.

Senator CASH: That was not the question. The question was, 'would be entitled', which is fundamentally different. Whether or not they ended up taking one or the other was not the question; the question was: how many would be entitled, regardless of what they may end up doing.

Ms Carroll: Across all of the Public Service?

Senator CASH: Yes.

Ms Petteit: That work has not been done. One of the issues would be that we would not know, without a great deal of work, who would be eligible and who would not be eligible.

Senator CASH: That was not what the answer stated. The answer stated, 'It is not possible to accurately estimate the number of APS employees'—not that the work had not been undertaken, not that there was a difference in whether or not they took the baby bonus, but, 'It is not possible to accurately estimate.' Are you telling me it is possible to accurately estimate, however, you just have not done the work?

Ms Petteit: No, sorry, it is not possible to accurately estimate.

Senator CASH: Why is it not possible? How many are entitled under the APS; how many are entitled under the EBA?

Ms Petteit: We can tell you if you like that, in 2009-10, 3,801 APS employees took paid maternity leave, so that might be helpful.

Senator CASH: But the question was, 'are entitled'. Did the government not actually work out how many may be entitled to actually claim under both schemes?

Ms Carroll: The issue is that we would not know what the income is of those particular individuals. To meet the eligibility criteria, the key one is the income. We can tell you, as has just been given, what is the total number of employees who have taken paid parental leave, but we then do not know what their income is, and if they met that income test. That is our difficulty.

Ms Petteit: I think basically with all payments, until somebody actually lodges an application and their eligibility is assessed, nobody can say whether they would be eligible or not.

Senator CASH: Is it possible for APS employees to claim under both schemes?

Ms Petteit: It is possible for all employees to claim paid parental leave, if they are eligible, and if they have employer funded entitlements, those as well.

Senator CASH: All employees are entitled to claim under both schemes?

Ms Petteit: Yes.

Senator CASH: I will place a further series of questions on notice in relation to some additional information.

Ms Carroll: Maybe if I can just explain, one of the key differences is that, while it might seem that we would understand what somebody's income is because we know what they are paid, what we do not know is what their personal income is. The paid parental leave from the Commonwealth is based on personal taxable income. We do not know what their other investments or business affairs are, so we would not actually understand, because that is their own personal understanding of what their income is. That is one reason why it is not possible for us to actually gather that information. It is actually the definition of what is income. While we might understand you are an APS6 in FaHCSIA, what we do not understand is that APS6 might actually have half a million dollars of personal investments.

Senator CASH: I can understand that.

Ms Carroll: That is one of the key difficulties. Obviously that is a private matter for that individual.

Senator CASH: I understand that. I will put a series of questions on notice to try to work through it, because we will not work through it today because the calculation has not been done. An issue has been raised with me where a woman who has taken up a permanent position in the department and is therefore working under the FaHCSIA collective agreement 2009-11 becomes pregnant in the first few months, causing her to give birth in less than one year from the date on which she started working. What is her entitlement to leave? It has been raised with me that she may actually not get any leave.

Ms MacLean: The employee would be entitled to maternity leave but it would be without pay, or they would be able to use any other sort of leave to which they have access within that 12 months. There is a 12-month eligibility criterion for paid maternity leave.

Senator CASH: What is the thinking around that? Why is it fundamentally different from the way that sick leave and annual leave accrue?

CHAIR: In terms of the process, this leave entitlement goes back for a very long time. Do you have the information from when that applied?

Ms MacLean: I was just going to add that if they had been in another government department, they would be eligible. It is the 12-month employment in the Public Service.

Senator CASH: In relation to a new person who came on under that particular agreement, it is the 12-month qualifying period?

Ms MacLean: That is right.

Senator CASH: That is not something that was just introduced?

Ms MacLean: No, that is part of the Maternity Leave (Commonwealth Employees) Act 1973.

Senator ADAMS: In order to meet the PPL work test, you are required to have worked for at least 10 of the 13 months prior. Could this potentially preclude a relief teacher who may have only worked eight or nine months due to the time not working over the summer break, as an example? This refers to a relief teacher, not a permanent teacher.

Ms Evert: Potentially that could, if the pregnancy covered that period. The Productivity Commission, in looking at the work test and trying to make a work test that would be flexible enough for circumstances where people had casual or intermittent work, or for mothers having subsequent pregnancies and who were working in between, settled on working 330 hours in the 10-month period over the 13 months before the birth, allowing a break of up to eight weeks in that period for it still to be considered a continuous 10-month period.

Senator ADAMS: They would not be precluded then?

Ms Evert: We have had the odd representation. The six weeks normal school break was considered to be inside that eight weeks, but we found that it is potentially possible that relief teachers cannot get a day of work, say, in the last week of the school year or the first week of the next year. Potentially they can miss out, but everything was done to try to design something that would actually incorporate them. It depends, but the work test can also be met by being involved with more than one employer. One hour of work on a day counts as a day of work. There is a possibility that some other employment during the summer break would allow teachers in that particular circumstance to still qualify.

Senator ADAMS: Are they going to have to go through that sort of artificial qualification activity?

Ms Evert: If their work is irregular enough that they do not meet the work test, that is true, they would have to seek some other work if they wanted to meet the work test.

Ms Carroll: I think the key is that if they actually had regular relief work and they were working perhaps on a two-month contract or something that took them up to the end of the term period, and then again were working at the beginning of the next term period, they would meet the work test. The key is it is how much. Again, it is all individual circumstances, so it is how much work that particular relief teacher might get.

Senator ADAMS: As you have stated, the first week back or even the first three months back after the long break, often they do not have relief teachers because permanent staff stay there and they might decide after that time to leave. Anyway, it is just an interesting issue that has arisen.

Why was a decision made to exclude foster parents from PPL, particularly when quite often they have to foster a new-born child or a few months old, and they themselves need time to bond with the child? Are they completely excluded?

Ms Evert: That is correct. The Productivity Commission, in its report, suggested that, as foster carers receive allowances from the state government, they would not receive paid parental leave. However, informal carers who do not receive similar allowances, such as a

grandmother taking on the care of a child, should be able to be entitled to claim under the scheme.

Senator ADAMS: Has the issue of foster parents been raised with the department?

Ms Evert: It has, indeed. We have had a couple of representations. We have also had a representation through the implementation group as well. Not so much for foster carers who are short-term carers, but in the situations where someone may take on permanent care of a child.

Senator ADAMS: I will follow up on some of Senator Cash's question. Of the claims that have been made, when people come to the end of their leave, how many people have returned to work? Do you keep any statistics on whether they have actually gone back to work or they have continued to stay at home?

Ms Evert: It is early days in the scheme, and we are getting weekly data through. It is only in the last couple of weeks that we have actually had people finishing their paid parental leave period because it is an 18-week period. We have only just got to that point. We are now looking at the cancellation reasons and trying to work out whether some have returned to work or they have transferred part of their entitlement to their partner, for example. I cannot give you any particular figures on that at the moment, but that is something that we are certainly looking into.

Ms Petteit: There would also be people who have reached the end of their 18-week period, and they may be continuing on leave without pay, and we would not have that information.

Senator ADAMS: There is something else I would really like to know, and I will ask it in October if you cannot answer it now. What has been the average duration of people remaining on PPL? Have many of them gone back early and given up their entitlement?

Ms Evert: We cannot answer that question yet. We have only in the last couple of weeks had people finishing their periods of entitlement. What it does tell us, I guess, is that out of the people who are already receiving the payment, there were 2,000 at least who took the paid parental leave straight after the birth which could mean that they did not have any other paid leave to take, or it might mean that they are taking that prior to taking other paid leave. These are the sorts of things that we are going to find out more through the evaluation.

Senator ADAMS: When will you start your evaluation?

Ms Evert: The evaluation has already started. We have had the first stage where we have undertaken base line surveys of parents to find out from a group of parents who had children late in 2009, who had baby bonus but who would have been eligible for paid parental leave if it had existed at the time. We are looking at their circumstances to get an idea of what was the pattern of leave taking and what kind of paid leave or unpaid leave people were taking at that time, so we can see through later surveys comparisons as to whether there has been a longer period of leave taking, whether women are returning to their jobs, and that sort of thing.

Senator ADAMS: I will follow that up in October. What percentage of claims is currently being administered by the Family Assistance Office?

Ms Evert: Most of them are because, as you would be aware, this is the phase-in period where employers can opt into the scheme. We have actually had quite a few opt in. Basically,

we have 315 employers currently paying 514 employees. The rest of the nearly 30,000 are being paid by FAO at the moment.

Senator ADAMS: With respect to the employers that are paying the PPL, are they large businesses or small?

Ms Evert: There is a mixture. At the moment we actually have 2,901 employers who have opted into the scheme. We have had more than 6,200 register, but 2,900 have said they are ready to pay an employee if they have someone in that circumstance. Of those 2,901 employers who have opted in, 831 are small employers and 2,029 are medium or large employers. We are unaware of the size of the remaining 41 businesses.

Senator ADAMS: Does the Family Assistance Office monitor people on PPL who undertake the 'Keeping in touch with your workplace' arrangement whereby they can participate in workplace activities for up to 10 days from the birth or adoption of the child until the end of their paid parental leave?

Ms Petteit: There is no requirement for an employee or an employer to notify the Family Assistance Office unless they exceed the 10 days, in which case their parental leave pay would stop. While they are within that 10-day period, they are not required to notify that they are participating in the 'Keeping in touch' activity.

Senator ADAMS: How do you find out if they are not?

Ms Petteit: You would find out if they have exceeded the 10 days because that is required to be reported to the Family Assistance Office.

Senator ADAMS: From 1 July, when the Family Assistance Office ceases responsibility for paying PPL for employers, which payments will the Family Assistance Office continue to pay?

Ms Evert: The Family Assistance Office will continue to pay probably around 30 per cent of eligible recipients. We expect the other 70 per cent to be paid by their employers. The women who get paid by their employers are those who have been with their employer for 12 months or more and who are entitled to the 12 months unpaid leave under the National Employment Standards, and who also have a guarantee return to work.

Senator ADAMS: If you have someone that you are paying through the Family Assistance Office, on 1 July you do not actually drop them off but you keep paying them until the end of their 18 weeks?

Ms Evert: Yes, that is exactly right. The employer role in the scheme only applies to children born or adopted from 1 July this year. Anyone who has given birth or adopted a child prior to that will be paid by the Family Assistance Office, regardless of whether it goes across the 1 July date.

Senator ADAMS: How long will the Family Assistance Office remain in existence?

Mr Pratt: That is a question you would need to ask the Department of Human Services.

Senator ADAMS: I will add that one to my list for this evening.

Senator BERNARDI: With respect to foster carers, I had a constituent call the other day who made a statement that she and her partner had lost custody of their children and were not happy with the foster carers they were sent to, which struck me as unusual that a parent who

had lost custody of their children could object to the type of person that they had been fostered with. Is that a reasonable scenario?

Ms Evert: It is not in this area.

Ms Carroll: It could actually be a question you would need to ask of the state government, because they are responsible for the care and protection foster care system. It differs with each state.

Senator BERNARDI: I am not winning today, am I? My plane was delayed for an hour on the tarmac as well, which is why I am behind.

CHAIR: You are not even in the right jurisdiction this time.

Senator BERNARDI: Okay. I refer to double orphans. I made a mistake; I was looking at the wrong table. In this portfolio budget statement, which is on page 54, if I compare the figures in that table with last year's PBS, there does appear to be a reduction in the double orphan pension payment going forward. I was looking at the wrong table. Do you have last year's to compare?

Mr Whitecross: No.

Senator BERNARDI: In 2011-12, which is forward year one from last year, it was \$3.705 million, whereas this year, for 2011-12, in this PBS it is \$3.498 million. So it does appear there is less. Cumulatively over the course of time, this is where I got my \$646,000 from. I wonder how this came about. I note your comment which was that you are always guessing expectations. You did not say 'guessing', but you said that you are always forecasting expectations in this. Can you explain how there is this reduction?

Mr Whitecross: Forward estimates involve us trying to project how many customers we think we will get for the payment based on claims histories, so how many people have been getting the payment up to now, taking account of population growth and other factors, and what we think the value of the payment will be. It is an indexed payment, so that is linked to our expectations of how it will be indexed over the forward estimates period. There have not been any policy changes in relation to this payment. Any change to the estimate will be a change based on new experience about customer numbers or revised budget parameters leading to a slight modification of the numbers from one year to the next.

Senator BERNARDI: Okay, so it is a product of the number of people who are in receipt of it and expectations of indexation.

Mr Whitecross: Yes.

Senator BERNARDI: Can I make the presumption there is no indexation downward?

Mr Whitecross: No, you cannot get a downward variation in the value of the payment. It is indexed to the CPI.

Senator BERNARDI: Okay, that is fine. So it does basically come back to numbers. Would you be able to provide me either now or on notice the number of recipients of the double orphan pension?

Mr Whitecross: I can tell you that our estimate for this year is 1,390 customers, and our estimate for next year is 1,420. We are projecting it to grow to 1,510 by the end of the forward estimates period, which is 2014-15.

Senator BERNARDI: How have these figures changed from the year before?

Mr Whitecross: That is the thing I cannot tell you at the moment. They are the numbers that we have based the PBS on for this year, but I would have to go back and look at the previous PBS to see how the numbers have changed.

Senator BERNARDI: I would be interested in those numbers and what accounts for the revision going forward.

Mr Whitecross: A revision in the customer numbers is most likely to be based on experience with claims. If it turned out that the number of claims we had received was lower than we had expected, we would then adjust the forward numbers as well to reflect that lower number.

Senator BERNARDI: I understand. I am just interested in the numbers.

Mr Pratt: It is only an estimate because it is a demand driven program.

Senator BERNARDI: I understand. I appreciate your indulgence, Chair.

CHAIR: Senator Furner, and PPL.

Senator FURNER: I think the figure quoted was 56,860 applicants that have applied and been accepted on PPL. I take it that this would be a matter on notice, but is it possible to get a breakdown of the demographics of those workers in terms of full-time, part-time, seasonal, casual, contractor, and family business? Is that a possibility?

Ms Evert: I am not sure that we can do that demographic. We would need to take that on notice. We have it by stage at the moment, but we do not have anything finer than that with us.

Ms Petteit: We do have some categories of employees, but we would not have business type.

Senator FURNER: No, I am not interested in business types. I am only interested in the type of worker that has accessed the entitlement, basically, consistent with the provisions. How has the scheme been going?

Ms Evert: Very well. We have had very few ministerial correspondence. We have had very few inquiries to our paid parental leave mailbox where people can contact. Centrelink also advises that they deal with the employers directly through their dedicated business area. Most of the queries they have had are just about assistance with the registration process, if it is required, or that type of thing. They can give you more detail about that this afternoon. Certainly there are no major complaints at all.

Senator FURNER: With respect to the registration process, you indicated that 6,000 employers had registered. What is the process involved in that?

Ms Petteit: Centrelink would be best placed to answer that question.

Senator FURNER: You are telling me it has been an overall success. No issues or problems have been identified?

Ms Evert: No, not in the implementation of the scheme itself.

Senator FURNER: How is the scheme promoted? I remember when we inquired into the particular scheme, there was talk about online, fact sheets and those sorts of things. Are there other promotional mechanisms that have been utilised by the department?

Ms Petteit: There has been a communication campaign for the scheme. There has been activity since the second half of last year, 2010. That has involved advertising, online activity, intermediary activity and public relations type activities. Brochures have been produced. There has been quite a comprehensive communication campaign.

Mr Lye: There have been 215,186 hits on the site to the estimator which families can use to determine which payment to take. In terms of those registered employers, 1,714 of those are small business, 4,449 are medium or large business, and 41 are of unknown size. We expect another 719 to register within the next two weeks. We have had quite good engagement from employers.

Senator FURNER: Out of the 2,084 that had finished their period of paid parental leave, do you have any feedback from them at all? Is there any assessment process of their experiences?

Ms Evert: No, we have not at the moment. It is very tempting when you see that to sort of try to get a few numbers out of Centrelink and make a few calls just to see how people have gone. The next phase of the evaluation is actually looking at the implementation side of it, and there will actually be a survey of people who have received parental leave pay and asking them about their experience of claiming the payment, how they became aware of it and their negotiations with their employer around taking leave. We expect that that will be a very interesting insight into how the scheme was experienced first-hand.

Senator FURNER: The scheme provides for what I refer to as workplace engagement, but I think the scheme refers to it as 'Keeping in touch'. What sort of feedback are you getting on that? How has that been operating?

Ms Evert: We have not had any feedback on the 'Keeping in touch' arrangements at this stage.

Ms Carroll: I guess the key is it is quite early days, and we would be expecting, especially by next estimates, to be able to give a lot more information. As has been indicated, we have just had the first group finish their payments, and that has been really good to see that people have obviously, as soon as they were eligible, made the claims. We will certainly be gathering as much information as we can going forward.

Senator FURNER: I only started at this place in 2007, so I was not privy to what arrangements were prior to that. Was the previous government ever in a position where it advocated this type of scheme for paid parental leave? Were there any discussions with the government and the department during those 11 1/2 years of implementing a scheme such as this?

CHAIR: The officers cannot answer that question. It was a good try, though.

Senator ADAMS: What has been the average time frame between a person advising of their eligibility for PPL in instances where the baby has been born already, to the commencement of the PPL? You were saying that you had a terrific number of applications. What is the average time frame from the time they lodge to when they actually start?

Ms Petteit: When a person lodges their claim, they can lodge a pre-birth claim. The point at which their claim can be finalised is when they provide proof of birth, and that would obviously be at some point after the birth. Centrelink, or DHS this afternoon, will be able to give you some information about the timeliness of the claim processing.

Senator ADAMS: Another one for them. Looking into the future, what will happen in the instance where a business ceases trading due to insolvency and fails to pay the employee their full PPL entitlement? Will the Family Assistance Office provide the employee with that pay?

Ms Evert: Yes.

CHAIR: Any further questions on PPL?

Senator Arbib: Can I just respond to a question that Senator Cash raised with respect to consultation and implementation? I am advised that the issue of consultation was raised as an election commitment in 2010 by the government. The revised implementation time frame is similar to the lead time for paid parental leave following the announcement in the 2009-10 budget. Also, just in response to one of Senator Adams' questions previously about the work test, my understanding of our work test is that it is the same as the work test proposed by the Leader of the Opposition.

Senator BOYCE: The National Rural Health Alliance recently suggested that there was a need for an objective assessment criteria for child neglect, given that it is being used for a number of issues or payments, whatever. They made the point that what was considered normal in some communities would be considered quite abnormal in other communities, and therefore a worker working in that community might make quite subjective decisions around what constituted child neglect. Is there a tool that you are aware of? Is any work being done on a tool?

Ms Carroll: One of the pieces of work that is being done in the department with the organisation ARACY (Australian Research Alliance for Children and Youth) is looking at a common assessment and referral tool. I will pass to my colleagues to explain. It goes somewhat towards what you are asking about.

Ms McKenzie: Could you repeat the question?

Senator BOYCE: The National Rural Health Alliance said that they thought there was need for an objective assessment criteria for child neglect, given that what constituted child neglect in one community could be quite different from another, depending on what were the norms of that community. The assessment could therefore be made quite subjectively by someone who is in the community. What work, if any, are you doing around assessment tools in this field? What else can you tell me?

Ms McKenzie: I might begin, and Ms Wilson knows a lot more about this and can fill it in. When the National Framework for Protecting Australia's Children was agreed, the minister agreed to provide funding to ARACY to work with other organisations to develop what we call a common assessment tool. That common assessment tool has been designed so that professionals are able to identify children at risk and vulnerable families. Whether it is GPs or teachers or other people who work with families and children, they will be able to look at the various issues that are involved and work that through.

Senator BOYCE: Is that being used?

Ms McKenzie: It took quite some time to develop because one of the most important things was to ensure that it was not overlapping with other tools that were used, and also that it would be something that had a level of practical assistance and support. Recently the minister has agreed to test that tool and refine it over the next period. That is what we are doing at the moment.

Senator BOYCE: How are you doing that?

Ms K Wilson: We have provided funding to ARACY to take what is called the common assessment and referral system, which they developed in conjunction with a task force of experts across a number of different sectors. They are in the process at the moment of getting in proposals for trialling that tool in four locations. The funding that the minister announced was to trial the tool in four locations. That assessment process is currently under way, and should be finalised in the next month or so.

Senator BOYCE: Do you have the four locations decided?

Ms K Wilson: No. ARACY has gone out through its task force and through state and territory governments to ask for nominations. Nominations have been received, and now there is an assessment process occurring.

Senator BOYCE: Are you confident that this will cover that issue of having a basic common understanding of child neglect?

Ms K Wilson: The tool itself is designed for universal providers. It is not a risk assessment tool that child protection agencies use. It is more about universal providers—

Senator BOYCE: Knowing when to call the child protection agency?

Ms K Wilson: Trying to identify what a child and a young person's needs are. When a universal service provider, for example, a GP, sees a family and a child for a specific problem, the idea behind this tool is that they could use it to do a more holistic identification of needs and refer them off to the appropriate services. In some cases that might be into intensive family support services.

Senator BOYCE: Would it be possible to get a copy of the tool?

Ms K Wilson: Yes, it is on the ARACY website, and so is the report from the task force.

Senator BOYCE: Thanks, Chair.

CHAIR: When the four locations are determined, that will be on the website as well?

Ms K Wilson: Yes.

CHAIR: Thank you to officers in outcome 1. We will come back with Outcome 5.

Proceedings suspended from 11:59 to 13:47

CHAIR: Welcome, Senator McLucas and Senator Fifield. Yes, Mr Pratt.

Mr Pratt: With your permission, I have a couple of clarifications.

CHAIR: Absolutely.

Mr Pratt: Earlier today we were talking about FTBA and FTBB and the number of customers and we used the figure of 2.0 million. That was correct; this was the post-reconciliation figure for the period up to 20 March 2011 for the 2008-09 entitlement year. We should add that customers have until 30 June 2011 to lodge a claim or to reconcile their claim and receive an FTB supplement, and so the projected final number of customers for the 2008-09 entitlement year is 2.1 million. That is a projected extra 55,000 which makes the rounding go from 2.0 to 2.1. That was for Senator Boyce's benefit there.

Senator BOYCE: Thank you, Mr Pratt.

Ms S Wilson: I have an answer in response to a question that Senator Fifield had yesterday about our paralympian placement. I can provide some more information.

CHAIR: I think that was Senator Furner.

Ms S Wilson: I beg your pardon, Senator Furner, but anyway I will read it into the *Hansard* for him.

CHAIR: He is hanging on your answer.

Ms S Wilson: The paralympian is employed on a non-ongoing contract at the APS2 classification level in our Queensland state office. The person commenced last year in September 2010. It is a 12-month placement, so will be completed in September this year. This arose under an employment initiative that our previous Parliamentary Secretary for Disabilities and Children's Services, Bill Shorten, established through the work he was taking with the chief executive officer forum. The CEO forum developed and released a public statement of intent confirming a commitment to people with disability as employees and customers, and FaHCSIA is a signatory to that statement.

CHAIR: Thank you, Ms Wilson. Any further clarifications? Senator Fifield.

Senator FIFIELD: Thank you, Chair. I might just start with a clarification for the benefit of the committee of something we were discussing a moment before, that is Outcome 5.1, Targeted Community Care. What does that cover?

Ms S Wilson: That covers mental health, so we can change places with our colleagues if that is where you wish to start.

Senator FIFIELD: No, I am not asking for them. I am just wanting to make sure in my own mind and that of my colleagues that the questions that we have for 5.1—

Senator BOYCE: We were just trying to work out what the difference was between targeted community care, and support and services for people with disability.

Senator FIFIELD: So, targeted community care is essentially mental health?

Ms S Wilson: That is correct.

Senator FIFIELD: I will move to 5.2, if I may. I notice that—very much hot off the press—the *Characteristics of disability support pension recipients*, June 2010, hit the newsstands literally yesterday.

Ms S Wilson: Yes.

Senator FIFIELD: The last characteristics report was June 2008; I think that is right.

Dr Hartland: Yes, that is right. We put on the website two reports, one for 2008-09 and one for 2009-10.

Senator FIFIELD: They were both issued yesterday?

Dr Hartland: That is right.

Senator FIFIELD: When was the report as of June 2008 issued?

Dr Hartland: I believe it was late—we would have to take that on notice, but as we have discussed there has been a considerable period of time between the publication of the reports.

Ms Rose: Excuse me; 7 October 2009.

Senator FIFIELD: It has been a while between drinks, so to speak, in terms of the data in this form?

Dr Hartland: Yes.

Senator FIFIELD: Could you refresh my memory as to the reason for the long wait?

Ms S Wilson: We gave evidence at the last estimates that it was just essentially a question of priorities that the group and the department face. We had a number of commitments to implement arising out of the budget and we were not able to complete the compilation of the data and the preparation of the reports any earlier.

Senator FIFIELD: Mr Pratt, are you satisfied with the delay that there has been? I know it essentially predates your arrival as secretary, but is this data which you think should be more periodically available?

Mr Pratt: As a general rule, I certainly think we should have this sort of data available regularly and as often as possible, however I certainly do not wish to comment on the circumstances of the department prior to my taking over because I am not conscious of all of the competing pressures that it faced at the time.

Senator FIFIELD: I certainly appreciate that. I will ask you, in that case, what is the target for the release of the next characteristics document?

Mr Pratt: I will confer and find out.

Dr Hartland: We would be looking to publish the next report in the series later this year.

Senator FIFIELD: It will be a big year for characteristics reports; three in one year. Thank you for that. Could you please provide the latest figure on the number of Australians currently on the DSP?

Dr Hartland: Yes, Ms Rose will be able to provide that.

Senator FIFIELD: Thank you.

Ms Rose: As at March 2011, 812,790.

Senator FIFIELD: When did the number of DSP recipients pass the 800,000 mark?

Ms Rose: I do not have that off the top of my head, but I think it would have been towards the end of last calendar year.

Senator FIFIELD: Could you take that on notice? How many new applications for DSP have been processed in the financial year to date?

Ms S Wilson: I have not got the financial year to date. I believe for the period from March 2010 to March 2011 there have been 151,794 claims and 92,705 grants.

Senator FIFIELD: How does that compare with the same period of March 2009 to March 2010?

Ms S Wilson: No, I am sorry. I do not believe we have the historical claim and grant data, however we have some recent—I beg your pardon, we might have.

Dr Hartland: We do not quite have the details over that period, but we are seeing a reduction in the grant rate.

Ms S Wilson: I have got some historical data on claim and grant numbers. It does not quite match with the same period. Claims for the financial year 2009-10 were 142,529, and

the previous year, 2008-09, were 134,442. The corresponding grants in each of those years 2009-10 and 2008-09 were, respectively, 90,742 and 86,923, which evidences a decrease in the grant rate. To give you some more information about that, between July 2010 and 6 May this year, there has been a drop of more than six percentage points in the grant rate for DSP. So, it has fallen from 63.3 per cent to 56.8 per cent.

Ms Rose: There is a table on page 35 of the 2010 characteristics report that has some claims data.

Senator FIFIELD: I have got that here, 2006-07 to 2009-10.

Ms Rose: Yes.

Senator FIFIELD: If you have it for the year-to-date, or if not, March 2010 to March 2011, how many people have left the DSP?

Ms Rose: There have been 21,000 exits, including for death.

Senator FIFIELD: Is that March to March or year to date?

Ms Rose: March to March, yes. But 36,000 moved onto the age pension.

Senator FIFIELD: That 21,000 who have left; a subset of those would be people who left the DSP to go onto the age pension?

Ms Rose: No.

Ms S Wilson: No. You have to add the two together.

Senator FIFIELD: My question was how many have left the DSP. So, that is 21,000 who have left income support altogether, is it?

Dr Hartland: No. That is left DSP.

Senator FIFIELD: So, there are 36,000 who have left the DSP to go onto the age pension?

Dr Hartland: That is right.

Senator FIFIELD: There are 21,000 who have left the DSP?

Dr Hartland: They have left income support from the DSP, yes.

Senator FIFIELD: There are 21,000 who have left the DSP but have not gone onto any other income support?

Dr Hartland: That is right, yes.

Senator FIFIELD: That is what that figure is, including people who have died. Can you tell me how many of those are people who died?

Dr Hartland: We may be able to.

Senator FIFIELD: Are the 21,000 people who have actually gone to a job or died? Are there any other categories?

Ms S Wilson: There would be a range of reasons. It could include partners that have obtained a job and their income precludes payment. It could be that the recipient has taken up employment. It could be another reason that precludes them from eligibility, such as assets or something like that. There would be a range of reasons, but the two principal reasons would be the death of the recipient or obtaining employment.

Senator FIFIELD: I would appreciate if you could take that on notice if you do not have it to hand.

Ms Rose: Yes.

Dr Hartland: Of those who exited DSP there were 5.9 per cent that exited to employment.

Senator FIFIELD: Was that 5.9 per cent of that 21,000 people?

Dr Hartland: No, that is of the 57.

Senator FIFIELD: Of the 57?

Dr Hartland: Yes.

Senator FIFIELD: It is 5.9 per cent of the 57. Do you have a percentage of the 21,000? The 36,000 went to the agency.

Dr Hartland: Not unless your mental arithmetic is better than mine.

Senator FIFIELD: I severely doubt that. In fact, I do not doubt it at all; I know yours is better. Is the department able to provide a forecast on the number of Australians that it anticipates will be on the DSP in 12 months time?

Ms S Wilson: We do not generally provide future customer numbers. That is not something that is in the public arena. The portfolio budget statement provides projections for expenditure.

Senator FIFIELD: Is there a reason that those projections of recipient numbers are not something that is in the public arena, other than that it has not been the practice to do so?

Ms S Wilson: They are quite sensitive to what is happening with the economy and so on, so it is difficult to accurately predict. There is an ongoing estimating cycle for each of the payments. It is not something that is generally put into the public arena, whereas the expenditure is.

Mr Pratt: As discussed earlier today, with the actual estimates of expenditure on programs and payments which are demand driven, if the number exceeds what was projected then it is made available by the government.

Senator FIFIELD: Are predictions or forecasts of DSP recipients any less reliable than unemployment forecasts, for instance?

Ms S Wilson: Unemployment forecasts are based on an International Labour Organisation standard and compiled by the Australian Bureau of Statistics. Payment number forecasts use quite a different methodology and have a different cycle and basis for them. They interact with each other; as you would know from evidence in other places, for example forecasts on NewStart numbers are not the same thing as employment forecasts. The administrative data is quite different from labour market data.

Senator FIFIELD: Are forecasts which are not official ABS forecasts deemed to be administrative data if they are internal assumptions by departments?

Mr Pratt: That is a reasonable distinction between the two.

Ms S Wilson: That is probably fair to say.

Senator FIFIELD: I know it has not been the practice to provide that data, but is there any reason why it could not be provided?

Mr Pratt: I am not aware of the reasons for it not being supplied in the past. Perhaps we can take that on notice.

Senator FIFIELD: I would appreciate that. In relation to the budget measure to introduce work participation requirements for DSP pensioners under 35, what was the rationale for choosing the specific age of 35?

Ms S Wilson: The rationale goes to choosing a group who without assistance, intervention and contact might face a very long period on income support, on the pension. The government's decision was that choosing younger people was a good place to focus effort, given that without those interventions and expenditure those young people might otherwise stay on the disability support pension for a very long period.

Senator FIFIELD: Why is it the age of 35 as opposed to 30?

Mr Pratt: Ultimately, that is a government decision based on advice as to a combination of things such as how long they would stay on for, their prospects of getting employment because of the other recipients and that sort of thing.

Senator FIFIELD: Was 35 the working assumption in the work that was done on this policy?

Ms S Wilson: I do not believe that we can provide information about the range of advice that might have been given to government. Thirty-five is where the government chose to focus.

Senator FIFIELD: What is the total number of DSP pensioners aged 35 or under?

Ms Rose: Approximately 130,000.

Senator BOYCE: Is that 18 to 35?

Ms Rose: It is 16 to 35.

Senator FIFIELD: What is the cost of this measure?

Ms Rose: It is \$92.8 million.

Senator FIFIELD: Is that over four years?

Ms Rose: Yes.

Senator FIFIELD: What goes into making up that cost?

Ms Rose: DEEWR has \$30.4 million for services and Centrelink, Department of Human Services, has \$67.8 million.

Senator FIFIELD: What is the \$67.8 million for Centrelink to be expended on?

Ms Rose: That is for conducting the interviews with the clients and any systems changes that were required.

Senator FIFIELD: How many Australians were removed from the DSP in the financial year to date, or March to March if that is what you have? I am saying 'removed' as opposed to died, if that makes sense.

Dr Hartland: I do not believe that we have those figures with us.

Ms S Wilson: Can you unpack the question?

Senator FIFIELD: Disqualified.

Dr Hartland: As a result of an action by Centrelink?

Senator FIFIELD: Yes.

Dr Hartland: I would be fairly certain in saying that we do not have those figures with us, but Centrelink have an active compliance regime for all of the payments that it manages that results in people losing qualifications if they are found not to meet the requirements for the payment.

Ms S Wilson: We can take it on notice.

Dr Hartland: We can take it on notice. We do not have that with us at the moment.

Senator FIFIELD: For that March to March period, of those who left the DSP for whatever reason, how many of those people were 35 years or under?

Ms S Wilson: I believe we would have to take that on notice. We do not currently have data by age.

Senator FIFIELD: I would like to go back an earlier question about people who exited the DSP and the 21,000 figure, a subset of whom have gone to employment. Could you also take on notice the number of people who went to full-time employment?

Ms S Wilson: I am not sure that we could find that out. What disqualifies a person would be a combination of income or their hours. We can take on notice whether we can identify that, but I am not confident that we would be able to. It could be that their hourly income is so high that the means test took them off at a lower point than full time or it could be that they returned to a job of more than 30 hours a week for a long period. We will have to test whether we can unpack it in that way for you.

Senator FIFIELD: I appreciate that it is not necessarily a straightforward thing to do, but it is an important question to ask against the backdrop of welfare reform.

Ms S Wilson: Certainly.

Senator FIFIELD: One of the things that the public would be very interested in is about those people who have been on DSP who find themselves in full-time work.

Ms Rose: There are 12,000 people who are currently suspended from DSP which means that they are qualified, but they are earning, so they are no longer entitled to receive a part pension.

Senator FIFIELD: I am wanting to take the positive perspective.

Senator BOYCE: Is that a cohort that the changes would be targeting?

Ms S Wilson: We would like to see that number increase with this budget package. One of the other measures in the package is allowing disability support pensioners to work up to 30 hours a week without affecting their ongoing qualification for a period. That is to address the perceived risk for people who came on to DSP who have a work capacity that has been identified of between 15 and 29 hours. They have often expressed concern that if they take up a job of say 20 hours a week they would lose their DSP, their qualification, and if the job did not last then they would not be able to come back on to payments. We are hopeful that the number who are suspended due to employment will increase, and that is what that measure is

targeted at. We do see with those who are suspended that they tend to come back on to payment rather than stay off.

Dr Hartland: We need to go back a step. We hope that by allowing people to work more than 15 hours that it will encourage people to work more. In addition, for some of the people who are suspended at the moment, it will benefit them because they will be able to have a part rate of payment. Many of them are suspended because they have gone over their hour limit.

Senator FIFIELD: Suspended is a pejorative term.

Dr Hartland: Yes. If you draw Ms Wilson's and my answers together, we are hoping that the group of people working more than 15 hours that are on DSP will increase as a result of the 30 hours and one of the things that will happen, subject to other income and assets tests, is that a number of people who would otherwise have been suspended will be able to get a part rate of pension.

Ms S Wilson: To summarise that, we would anticipate or hope to see the proportion of people on DSP with earnings increase, which might include some of those in the currently suspended group retaining or coming back on to a part rate of DSP, as well as, hopefully over time, the proportion of people at any point in time who are suspended from DSP because of hours and earnings increasing. We are hoping it will work in both places.

Senator FIFIELD: What is the current total number of DSP recipients whose primary medical condition is listed as musculoskeletal?

Ms Rose: It is approximately 30 per cent.

Senator FIFIELD: It is the same as in the June 2010 report.

Ms Rose: To be precise, it is 28.5 per cent as at March 2011.

Senator FIFIELD: That is a bit of a reduction on earlier. What is the total number?

Ms Rose: It is 231,257.

Senator FIFIELD: You may have to take this on notice. How many or what proportion of that number are people who are 35 years or under?

Dr Hartland: I have a figure of 7,170.

Senator SIEWERT: Is that under 35?

Dr Hartland: Yes, it is under 35.

Senator FIFIELD: Can you also advise the number of people and the percentage of those people whose primary medical condition is listed as psychological/psychiatric?

Ms Rose: It is 29.3 per cent of the total DSP population.

Senator FIFIELD: What number of recipients is that?

Ms Rose: Is it 238,059.

Senator SIEWERT: I would like to clarify that the 29.3 per cent is the percentage of the whole and not the percentage that applies to under 35s?

Ms Rose: That is correct.

Senator SIEWERT: How much of that percentage is under 35?

Dr Hartland: The 7,000 figure, which is the under 35, is five per cent of the group who are under 35.

Senator SIEWERT: Thank you.

Senator FIFIELD: Is that for musculoskeletal?

Dr Hartland: Yes. You can clearly see that musculoskeletal correlates with age.

Senator FIFIELD: What is the percentage of the psychological and psychiatric primary medical condition below the age of 35?

Dr Hartland: The number below the age of 35 is 46,567. The percentage of the under 35 group is 35 per cent. These figures relate to when these disabilities manifest in relation to age.

Senator FIFIELD: What is the average length of time that someone is on the DSP?

Ms Rose: It is approximately nine years and it is typically followed by a couple of years on income support before that. It is an average of 11 years on income support.

Senator BOYCE: What is the median age, or average?

Ms Rose: Of DSP?

Dr Hartland: We would be hoping that it would be in the characteristics of the DSP report. If we are not able to find it today you might be able to find it off our website quite quickly.

Ms S Wilson: I do not believe that we have that in front of us, but we can get it for you.

Dr Hartland: We can shuffle it around and see if we can get it for you.

Ms S Wilson: We will get it for you during the course of the hearing.

Senator FIERRAVANTI-WELLS: In terms of the mentally ill cohort, you said the average is nine years followed by income support. What is the average for that 29.3 per cent with mental issues?

Ms Rose: I do not believe that I have that.

Senator FIERRAVANTI-WELLS: You could take that on notice.

Ms Rose: Yes.

Senator FIFIELD: Can you take on notice for musculoskeletal as well?

Ms Rose: Yes.

Senator FIFIELD: The nine years on DSP is the average length, but how does that compare historically? What is the trend?

Dr Hartland: It has been creeping upwards.

Senator FIFIELD: What time frames do you use to measure the average length of time?

Ms S Wilson: I do not have the data in front of me, but we have tended to look at trends since DSP was introduced in the early nineties. Over that period we have seen average duration increasing and a change in the composition of disability support pensions where there is a higher representation of women on the payment. Notably, what we have not seen is an increase in earnings or employment over that very long period amongst the DSP population.

Senator FIFIELD: Where are we at with the rewriting of the impairment tables?

Ms Rose: We have a set of draft tables that is being considered at the moment prior to undertaking some consultation with peak bodies.

Senator FIFIELD: I did know this, but please refresh my memory. What is the target date for implementing the impairment tables?

Ms Rose: It is January 2012.

Senator SIEWERT: I thought this was a new process to apply in September.

Ms S Wilson: That is the job capacity assessment change.

Senator SIEWERT: So that is the job capacity assessment change, not the impairment table?

Ms S Wilson: That is correct.

Senator FIFIELD: When were the job capacity assessment changes originally envisaged?

Ms Rose: January 2012.

Senator FIFIELD: So they were originally in alignment, but are no more?

Ms Rose: Yes.

Senator FIFIELD: How many staff are working on the impairment table project?

Ms Rose: The work of the section encompasses a lot of issues, but probably about five.

Senator FIFIELD: Are you able to share with us what is likely to happen to the point system?

Dr Hartland: Firstly, the 20 point qualification criteria will still be the eligibility for DSP. The tables are not about changing the 20 point qualification criteria, but the description of how to get to a certain level of points will obviously change with the rewrite of the impairment tables.

Senator FIFIELD: So the table is the same, but what is within that could be quite different?

Dr Hartland: It is being updated, yes.

Senator FIFIELD: We will have to stay tuned.

Senator SIEWERT: Can you go through that process? Will that new table apply to the under 35s?

Ms S Wilson: New tables will apply in respect of people who claim and are granted after January 2012.

Senator SIEWERT: So when you come up for reassessment the new tables will apply?

Ms S Wilson: The government has not decided in respect to that issue. It is part of the consideration of the impairment tables. You may be aware that we do not have a medical review process, as such, for DSP in terms of a cyclical medical review. We have what are called profiled reviews which are risk based, but one of the issues that will need to be considered is how the new tables, when determined and agreed by government, are implemented. That has not been decided as yet.

Senator SIEWERT: So it is implemented for all new applicants?

Dr Hartland: That is right.

Senator SIEWERT: That would be the intention.

Dr Hartland: That is not in terms of the 35s.

Senator SIEWERT: Not yet. So with the new process for the under 35s will they all go through a reassessment?

Ms S Wilson: No, they will not.

Senator SIEWERT: Will they go through a job capacity assessment?

Ms Rose: Not necessarily. This will apply only to people who do not have the work capacity of zero to seven. They will be excluded from this. People who are working in Australian disability enterprises will also be excluded, as will people working under the supported wage system. It is really targeted at people who have a potential work capacity of eight to 14. If somebody does not have an up-to-date current job capacity assessment we would be using the same assessment that we currently use for DSP volunteers, which is essentially an employment service assessment, so their qualification for DSP will not be at risk in determining which service can best help them.

Senator SIEWERT: I appreciate that clarification. You are probably aware that I asked quite a lot of questions to DEEWR a couple of days ago, but that bit was not clear, so thank you for that. In terms of the impairment tables and any reassessment, is there a potential that we will have the old and the new tables operating?

Ms S Wilson: There is the potential that you could have people who were granted under the old tables and then a new flow of more recent customers who have been granted under the new tables. I guess that happens through the course of a payment like disability support pension that you have a group who were granted under previous rules and then the rules change slightly. We already have that in respect of the disability support pension, not so much driven by the tables but driven by the hours criterion. You may recall that the Welfare to Work package changed the hours and therefore we have what we call the grandfathered group and the non-grandfathered group.

Senator SIEWERT: Yes.

Ms S Wilson: That happens with a payment like the Disability Support Pension over time.

Senator FIFIELD: Chair, I am keen to ask questions in other outcomes. I might yield to another colleague for the moment.

CHAIR: That is on 5.2.

Senator FIERRAVANTI-WELLS: I think mine are under 5.1.

Senator BOYCE: I have a question on disability support pension. There has been some reporting recently on the changes that were made in the UK to eligibility, and in fact about three-quarters of all new disability benefit claims in a period between October 2008 and August 2010 were rejected. Are you aware of that work?

Ms S Wilson: We try to keep in touch with other countries about their changes in policy and what their evaluations find. Australia is not alone in having this issue of high rates of disability pension receipt or equivalent, although I would note that we are a little below the OECD average in terms of benefit receipt, but we are also below the OECD average in terms of the employment of people with disability. There are both institutional and policy differences. We keep in touch through a couple of ways. One is through the OECD. We participate in OECD forums, attend meetings and participate in country reviews. We also have a group of the six English speaking countries of the OECD that gets together every

couple of years to share knowledge and policy reform experience with those countries. I guess we learn from each other. In a sense some of the work that we have done has been informed by experiences in other countries. Some of the things that other countries do is informed by our experience. The move to a job capacity assessment and an attempt to focus on ability is something that we did a bit earlier than some other countries. Their particular employment interventions differ from ours. We try to learn from each other.

Senator BOYCE: What would be a couple of examples of what we have learnt from others and incorporated here?

Ms S Wilson: The overall thing that we have learnt is the need to have what is called an active system. The OECD did a thematic review of disability and disability payments. They argued a couple of things. They argued that it is very important to try and invest in the capacity of people with disability when they first start claiming income support to see if they cannot be helped to return to work or increase their employment capacity before they go on to a disability pension, because once they are on a disability pension it is quite difficult in the experience of many countries to assist them back to work partly because of the risks that are perceived around losing entitlement to a pension and partly because of the uncertainty of what their employment outcomes would be. That is one finding from the OECD.

The other, which is where this recent budget package is particularly focusing, is trying to have an active focus within the income support system, including within disability payments, and to encourage and support people on those payments to take up employment assistance interventions, to think about work and to build their capacity for work. That is the other thing that this package is attempting to do.

On the employer front there is the need for interventions and supports like wage subsidies, like workplace modifications and adjustments; they are all part of what we are doing as well. I guess they are the key findings out of that OECD work.

Mental health is an area which many countries have been struggling with in terms of helping people with mental illness and mental health problems remain connected to the workforce and intervening early to help them to return to work or make a successful school-to-work transition for younger people. That is another shared learning out of the OECD work. We are participating in a project on mental health with the OECD currently. My colleague might wish to add something to that.

Senator BOYCE: Maybe you could just answer that in the next bit on mental health, because I have a couple of other questions on the disability support pension and how this is working. When you talk about active management, are you anticipating that there would be more inquiries from Centrelink to people on the DSP?

Ms S Wilson: I do not know that I used the term 'active management' but what I was talking about there was engaging and contacting people on the payment. DSP has sometimes been characterised as a 'set and forget' payment when somebody is granted the payment; there is not a lot of engagement that occurs once they are on the payment. With this under-35 group the initiative to call the customers in to an interview with Centrelink to talk about employment opportunities to see whether they need a job capacity assessment, to make sure they understand the supports that are available for them in employment, and what the impact

would be of any earnings on their income support are all part of encouraging that more active focus. I guess that is what I really meant.

Senator BOYCE: As someone who has spent a number of years filling in forms to declare that my daughter's Down syndrome had not been cured in the past 12 months or two years and having a number of similar of things to raise with Centrelink tonight, I would be very concerned that any management that is going to go on here is at least targeted towards the individuals to whom it is sent.

Ms S Wilson: It will be. As Ms Rose, my colleague, was saying, anyone who has a manifest entitlement to DSP would not be required to attend the quarterly interviews. I cannot comment on your daughter's circumstances here—

Senator BOYCE: I know that but I was not alone in being asked to report on the progress of a complaint when there was obviously never going to be any progress.

Ms S Wilson: Indeed. That is one of the very strong reasons why we moved away from that cycle of regular medical reviews because in a number of cases there was nothing that had changed and in fact it was a costly approach that did not yield any benefits.

[14:36]

CHAIR: As there are no further questions on 5.2, we will move to output 5.1, Targeted community care.

Senator FIERRAVANTI-WELLS: If I may pick up on that OECD point, if you could provide me with a link to where that is, that would be helpful.

Ms S Wilson: Certainly.

Senator FIERRAVANTI-WELLS: I would like to start by taking you back to the COAG initiatives. Of course, like a number of the programs in DoHA in relation to the three programs that FaHCSIA was responsible for in the 2006 to 2011 mental health package for COAG, you have three initiatives. As I understand it there were the PHaMs, respite and the community services—those three components.

Ms Carroll: Yes.

Senator FIERRAVANTI-WELLS: Quite a number of the programs in health ended on 30 June. That was the case with these ones as well?

Ms Winkler: We have a number of different funding cycles happening in the broader Targeted Community Care program at the moment. We had a number of services renewed last year. We have just recently renewed some and we are renewing the remainder of the services in the program going forward into the next funding cycle.

Senator FIERRAVANTI-WELLS: What I might do to make it easier is give you as part of my question on notice a table—

CHAIR: Do you have another one, Senator?

Senator FIERRAVANTI-WELLS: I have. It will make life easier even for FaHCSIA.

CHAIR: Tables are very useful. Are you going to provide one to this—

Senator FIERRAVANTI-WELLS: I am because it will save me going through it all and they can provide the information that I need rather than me sitting here trawling through it. If

you do not mind, I will email it to you so then you can send it back to me. It works with Health so I am sure it will work with you.

Ms Winkler: We have previously provided on notice a table with the funding over the duration of—

Senator FIERRAVANTI-WELLS: Of the COAG?

Ms Winkler: Yes. We have updated that in preparation so that we will be able to provide that to you.

Senator FIERRAVANTI-WELLS: Thank you kindly. Obviously the *Evaluation of the FaHCSIA targeted community care mental health initiatives*, this final report, covers very much those COAG initiatives. It is good to see that those Howard initiatives have had quite a lot of success. I just thought I would put that on the record. There are a number of issues that I will ask you about.

In the introduction about the role of FaHCSIA's mental health initiatives and the mental health effort there is a comment about the more coherent and cogent understanding. Could you elaborate on that for me? Also, what do you plan to do to address that? It is not a criticism but it is certain that more needs to be done.

Ms Winkler: Over the last couple of years we have been consulting extensively with our funded service providers. We have held three major forums with those providers across all of the service streams. The first one where we really brought all of the services together was in June 2010. We subsequently had a respite forum in August 2010. More recently we just had another forum with all of the service providers.

You are aware obviously that we have only recently released the evaluation. However, we have taken the themes and the issues identified in the early parts of the evaluation and used that as part of our consultation process with providers. We have gone out and got feedback from them about proposed changes to the broader guidelines for the program, and that is in response to issues specifically raised in the evaluation.

The different initiatives were rolled out in slightly different ways over the initial duration of the evaluation. A lot of the feedback—

Senator FIERRAVANTI-WELLS: The initial duration of the 2006 COAG?

Ms Winkler: Yes. So PHaMs measures were rolled out through particular selection processes, respite carer support through other processes and then the community based services through separate selection processes. The evaluation identifies that there are a number of commonalities across the types of activities and evidence based interventions that are used across those service streams. One of the critical things that we have looked to improve is the broader family focus in the program. We have been working with the stakeholders not to change the overall outcomes and broad objectives of the program but really to shape their flexibility to be able to respond to need in the new contracting arrangements.

Mr Lewis: The naming, as Senator Fifield asked earlier on, of Targeted Community Care and in fact the budget material go some way to respond to the evaluation comment that you have read out, which is that we need to have some sort of comprehensive messaging around the package. In fact what Ms Winkler is commenting on is that we have moved well down

that path in thinking about how there are commonalities and how they could better be spelt out.

Senator FIERRAVANTI-WELLS: It is not actually going to change the money component of it; it is just going to change the delivery, in a nutshell. Is that right?

Ms Winkler: Obviously there is some additional money coming into the program. There will be some further expansion of services but in terms of the current delivery on the ground the service providers will continue to offer similar types of services to what they are delivering now. Some of them, though, will have a bit more flexibility around dealing with other members of the family as part of that service.

Senator FIERRAVANTI-WELLS: There are some comments in here about culturally and linguistically diverse, which I obviously have a particular interest in, and Indigenous being lower than hoped. As part of this revamping, what measures will help to address some of those needs?

Ms Carroll: In particular with the additional funding that has been provided through the recent budget measures, obviously as well as responding to what is in the evaluation and the areas of taking the program forward there is also additional funding going into community mental health. It will provide the opportunity as the additional funding is rolled out for there to be consideration to how best target some of that funding. Those decisions are yet to be made but certainly those are some of the things that could be considered going forward in response to the evaluation of the additional funding.

Ms Winkler: In terms of the current program, last year some of the PHaMs around four sites were rolled out and some of them had additional capacity for particular sites to target Indigenous, humanitarian and homeless. There were some new sites that had particular target groups. Obviously we have also got remote sites that can service anybody in those communities, but predominantly they are targeted to Indigenous in the personal helpers and mentors service stream. In our community services family mental health support type services, which we have only had 40-odd of to date, the percentages of Indigenous and CALD are extremely good. They were set up originally to have a more specific target around those particular groups. We would say our PHaMs Program targets above the population. There are about 11 per cent of the current participants who are Indigenous, as part of the program. We have undertaken specific training with PHaMs service providers around working with particular groups, CALD and Indigenous. At the new sites that were set up last year there were a couple of days of training for those in the more metro areas and an additional day for the remote sites. At those forums I mentioned earlier we have had specific best practice presentations from providers to share knowledge and information about how they are engaging more effectively with CALD and Indigenous communities. We have also got a range of our material translated into different languages. We provided to all of our service providers last year a resource guide that had been developed in conjunction with SNAICC or more broadly for the family support program, but it is a really helpful resource in terms of engagement strategies with Indigenous communities and we plan to continue to work with the stakeholders on those particular—

Senator FIERRAVANTI-WELLS: I will put more detailed questions on notice. Before I finish, in the portfolio budget statement, the yellow book, could you have a look at page 100 for me? Does that figure of \$49,000 encompass all three of those areas?

Ms Winkler: Yes. All of the initiatives are represented by that—

Senator FIERRAVANTI-WELLS: Does that cover the numbers going back to 2006, the families assisted by the 900 helpers, the families assisted through respite, the target being 15,000? It seems that those targets that were announced—

Ms Winkler: We have exceeded all of those targets.

Senator FIERRAVANTI-WELLS: by Mr Howard at the time have been exceeded. So that is the figure. Do I read that correctly? It is 19 per cent of the 49,000 that are five per cent Indigenous and 14 per cent of the 49,000 are the CALD background?

Ms Winkler: Five per cent for Indigenous?

Senator FIERRAVANTI-WELLS: Yes.

Ms Winkler: Yes.

Senator FIERRAVANTI-WELLS: Relative, yes. There is a little footnote here that says that 'registered participants' has been used as it covers both individuals affected and their carers who have a treatment or carer plan.

Ms Winkler: That also partly addresses issues raised in the evaluation, and that is about planned service delivery where—

Senator FIERRAVANTI-WELLS: That is planned within the context of—

Ms Winkler: The individual and their—

Senator FIERRAVANTI-WELLS: targeted rather than plans as in the DoHA and the definition under Better Access or any of those other plans that they need to have as a diagnosis.

Ms Winkler: Yes, but—

Senator FIERRAVANTI-WELLS: I just wanted to double-check that. Because we are dealing with mental illness I was not sure whether—

Ms Winkler: But we would see the plans that are developed for any of the participants in our program being linked to the broader coordinated care plans that will be developed.

Senator FIERRAVANTI-WELLS: There have been changes obviously and there is a lot of controversy out there about the changes to the Better Access program and potentially when we see some of those rolling out at the community level. Do you envisage that, as a consequence of those changes, you might have people who will not be able to access services currently available through their GP or allied health professionals—that you might find yourselves with an added stream of clientele? Is that something that you have contemplated as part of this?

Mr Lewis: Obviously those measures are DoHA measures, as you rightly point out, in terms of the Better Access changes, but there are other measures in the budget which talk about expanded care facilitation and care coordination activities which talk about Medicare Locals and a whole range of other things. Our providers will have the opportunity, as will others, to bid for that work, so there are mitigating circumstances that will apply for a range of potential customers.

Senator FIERRAVANTI-WELLS: We are only going to have 15 Medicare Locals. I think we all know what the issues with Medicare Locals are, so that is—

Mr Lewis: I am not commenting about Medicare Locals specifically other than to say—

Senator FIERRAVANTI-WELLS: I appreciate that there will be organisations, yes, but my point is about the consequence of people not being able to access Better Access programs that they were able to in the past. I wonder whether you have contemplated that or built that into your programs, because you may well find that you will have to increase, but time will tell whether that actually happens.

Ms Carroll: In the development of the entire package that was announced during the budget, the idea was that the package came with a complete set of measures, including the community measures that we have been talking about here today as well as a range of measures that sit within the Health and Ageing portfolio. They have been designed as a kind of integrated whole to go forward. Obviously we would always be reviewing and checking what any of the implications were of all the measures going forward collectively with our colleagues in the Department of Health and Ageing.

Senator FIERRAVANTI-WELLS: I will put a few more questions on notice in relation to that.

Senator FURNER: I have some questions resulting from the Queensland floods, particularly in mental illness areas.

Ms Carroll: Clearly one of the issues that occurs after a natural disaster is the impact on mental health. The Queensland government put forward a package of measures which have been supported by the Commonwealth to address some of those ongoing issues in Queensland, so there have been some quite specific things done in relation to mental health which my colleague might be able to give some more specificity about.

Ms Winkler: Following the floods, there was contact with all of the providers on the ground. Initially there were some providers that were impacted by the floods and not operating, but the more recent advice we have got from our Queensland state office which does the direct day-to-day funding agreement management with the providers is that all of our providers are up and functioning. We have seen some increase in numbers of participants, particularly in Queensland, so our at-capacity or near-capacity sites are at a higher percentage in Queensland than they are in the other states currently.

Senator FURNER: Is it possible to get some feedback on the numbers we are talking about?

Ms Winkler: The numbers of participants?

Senator FURNER: Yes.

Ms Winkler: We have on notice before provided a list of those sites, or within states the numbers that are at capacity.

Senator FURNER: What about Cyclone Yasi, which I guess was around the same time as well? I imagine you would have had some experiences up there in Far North Queensland.

Ms Winkler: There were different issues. In some parts of the state that were affected by the cyclones we do not necessarily have services physically on the ground in some of those localities. They tend to be in some of the larger centres, so certainly some of the providers have contacted about capacity to service clients from whatever geographical area—

Senator FURNER: Was that because of the remoteness of some of those communities?

Ms Winkler: It is not just to do with the remoteness; it is to do with the current coverage capacity within the overall funding of the program currently. With the additional funding we expect to see a broader service footprint in the future.

Ms Carroll: I am also aware of two other things in relation to this. The department of health works closely with the Queensland department of health on the clinical side of mental health support. They would certainly be able to provide more detail. But I know right from the beginning there was very close contact between the Commonwealth and the state about how to make sure there was clinical support. Also, it is not directly related, but our financial counselling and emergency relief providers were also provided with additional funds, and they have maintained their existing funding levels for the next two years in those flood affected locations. Again, this was recognition of trying to make sure we minimised hardship for people so that they can move forward. There have been a range of measures put in place.

Mr Lewis: We have actually seconded staff to work with Queensland up in Brisbane as part of the committee coordinating the flood recovery, and they are monitoring the mental health and other issues demand. As Ms Carroll has said, we have invested significantly in a range of ER and other support providers and will continue to do so.

Senator FURNER: How many staff are we talking about?

Mr Lewis: Four staff were seconded initially.

Senator FURNER: They were dealing with a whole host of counselling issues.

Mr Lewis: There is a whole lot of counselling work that has been announced by Prime Minister Gillard and the Premier in relation to funding from the Commonwealth in support of Queensland people.

Senator FURNER: What does that additional funding amount to for the counselling that you indicated?

Ms Carroll: For the emergency relief and financial counselling?

Senator FURNER: Yes.

Ms Carroll: I probably do not have it in this folder.

Mr Lewis: It was funding of \$15.7 million for emergency relief and financial counselling for flood affected areas across Australia. Four Queensland organisations received \$122,000 to provide additional free financial counselling to families. We dedicated some other money to Good Shepherd Youth and Family Services and \$465,000 went to assist local families and individuals in financial hardship.

Senator FURNER: No doubt the four counsellors that have been supplied to Queensland would be experienced in trauma counselling. Some of those cases up in the Lockyer Valley were certainly extreme.

Mr Lewis: Let me correct the record here. They are not counsellors specifically. They are staff to support the coordination of our work. There were four staff seconded to the department of regional Australia, DoRA; three staff seconded to the Queensland Department of Communities; and then five staff to the disaster unit within FaHCSIA for six weeks, so cumulatively there were a lot more staff than that. But that was just the four staff that we sent to help with regional Australia.

Senator FURNER: So eight in total?

Mr Lewis: Seven and five; 12.

Senator FURNER: Would the majority of those be based around South-East Queensland? Would that be correct?

Mr Lewis: Yes.

Senator FURNER: Are they providing regular feedback to the department as to how things are—

Mr Lewis: And our state manager in Queensland is also a member of the Queensland recovery committees.

[14:59]

CHAIR: We will move to 5.3, income support for carers.

Senator FIFIELD: I would like to refer to a campaign which is being run by the Leader News newspaper group in the south-eastern suburbs of Melbourne called the Save Our Children campaign, which is to change the eligibility rules for carers of children with type 1 diabetes, as relates to the carer allowance. Are you aware of that?

Ms S Wilson: I am aware of the issue.

Senator FIFIELD: As it goes to policy it is appropriate that I ask. I will be asking Centrelink about some of the contact between Centrelink and the parents concerned, but in terms of policy this is the appropriate place to ask?

Ms S Wilson: Certainly, yes.

Senator FIFIELD: Do you know how many carers to children between the ages of 10 and 18 who have type 1 diabetes receive the carer allowance?

Dr Hartland: We are not certain that we have the figures specifically on that. Given that Ms Rose is still looking, we are hopeful. No, I think we are about to declare defeat. My apologies, we will have to take that one on notice.

Senator FIFIELD: If you do not have that figure then you might not have the number of children who have been reassessed for eligibility for the carer allowance—or their parents reassessed, I should say—due to their child with type 1 diabetes turning 10.

Ms S Wilson: Did you have a particular question? We might be able to get there.

Senator FIFIELD: The question was: how many carers of children with type 1 diabetes have been reassessed for eligibility for carer allowance due to their child turning 10?

Dr Hartland: I do apologise. We can tell you how many children have qualified by the list of recognised disabilities, which would be diabetes type 1 under 10, in the period July to February 2010-11, and that is 210.

Senator FIFIELD: So, it is not a large number of people we are talking about here. It is not a large cohort. So, that is the carers of 210 children below the age of 10 who have qualified—

Dr Hartland: Qualified via the list of recognised disabilities. That is right.

Senator FIFIELD: Of that 210, do you know how many have type 1 diabetes?

Dr Hartland: That is people with type 1 diabetes.

Ms S Wilson: That is the number who have qualified via that list in that period.

Senator FIFIELD: What is the number for everyone?

Ms S Wilson: Is your question about what the number is—

Senator FIFIELD: My question was: what is the number of children below the age of 10 with type 1 diabetes whose parents have qualified for the carer allowance? That was my question. I thought you were giving me the total figure.

Dr Hartland: No, the 210 is the people below the age of 10.

Senator FIFIELD: That is a small number. Over that same period, do you know how many people ceased to be eligible as a result of their child turning 10 years of age?

Dr Hartland: I do not believe we have it in quite that form. We can tell you in that same period how many people qualified by the alternative route to carer allowance, which is the disability care load assessment. That was 15.

Senator FIFIELD: That was 15 who qualified by the alternative route whose children had type 1 diabetes?

Dr Hartland: Yes, that is right.

Senator FIFIELD: I have seen that the minister publicly has sought a review via the department about this cut-off.

Ms S Wilson: That is correct.

Senator FIFIELD: You appreciate that the background is that many of these children do require around-the-clock attention and that they do need their blood sugar levels to be tested several times during the night.

Ms S Wilson: The department has been requested to undertake a review of access to carer allowance (child) and carer allowance (child) healthcare card for carers to children aged 10 years or more who have got type 1 diabetes. That review will include an analysis of whether the introduction of the disability care load assessment tool in July last year had unintended consequences for access to carer allowance (child) and/or the healthcare card for carers of children aged 10 years or more with type 1 diabetes. It is also exploring the rationale for setting 10 as the age limit for automatically fast tracking a child with type 1 diabetes onto carer allowance (child). It is looking also at data relating to the outcome of milestone reviews of all children aged 13 years with type 1 diabetes, so do they have a different developmental outcome than children without type 1 diabetes, and options for redressing the relatively sharp decline in the number and proportion of carers of children with type 1 diabetes receiving carer allowance following the introduction of the new tool.

Senator FIFIELD: The new tool came in on 1 July 2010?

Ms S Wilson: That is correct.

Senator FIFIELD: What was the reduction in the numbers of parents claiming carer allowance whose children had type 1 diabetes? What was it before and what was it afterwards?

Dr Hartland: Prior to the disability care load assessment tool, we had a tool with the acronym of CDAT.

Ms S Wilson: Child disability assessment tool.

Dr Hartland: So, for an equivalent period in 2009-10 to the material I provided to you before, 93 people came onto carer allowance via that tool.

Senator FIFIELD: That is 93 people under the old tool in the preceding period came on?

Ms S Wilson: That is correct.

Dr Hartland: In July to February in 2009-10, 93 people qualified by the child disability assessment tool.

Ms S Wilson: And 221 via the list of recognised disabilities.

Dr Hartland: When we introduced the disability care load assessment, 15 people qualified via the disability care load assessment tool and 210 via the list of recognised disabilities. So, you can see that the list of recognised disabilities is producing a very similar outcome.

Ms S Wilson: So, it is the change in the tools that has resulted in a different outcome.

Senator FIFIELD: With the new tool that came in on 1 July 2010, was the 10-year age limit for having the allowance brought in at same time, or that was pre-existing?

Dr Hartland: The 10-year age limit in the list of recognised disabilities has been in place for some time.

Ms S Wilson: It has been in place since the list was introduced in—

Dr Hartland: In 2006.

Ms Rose: I think you were asking for some data before, which I may now have found.

Senator FIFIELD: Thank you.

Ms Rose: Did it relate to the total number of children who have qualified their carer in relation to diabetes?

Senator FIFIELD: Type 1, yes.

Ms Rose: As at 11 February, 5,556 children were on CA with insulin dependent type 1 diabetes. I can give you some further break-up.

Senator FIFIELD: Please.

Ms Rose: Some 1,920, that is 34.5 per cent, were aged zero to nine and qualified under the LORD; 1,660, 29.9 per cent, were aged 10 to 16 years; and 1,976, 35.6 per cent, qualified for a healthcare card only, and that was also for the 10 to 16 years age group.

Senator FIFIELD: When has the minister asked for the review to be completed by?

Ms Rose: The date is 17 June.

Ms S Wilson: She has asked us to do it very quickly, clearly because she is very concerned about the impact that the change in tools is having on this group.

Senator FIFIELD: There was one case which has been canvassed in the *Melbourne Age* of a Cranbourne 12-year-old, Tess Macartney, who was diagnosed with type 1 diabetes two years ago. The article says that Tess needs 24-hour care to manage the disease safely. The article goes on: 'But this year Centrelink—without giving a reason—told Ms Macartney that Tess was no longer entitled to a carer's allowance.' I will obviously be asking Centrelink about this, but are you able to shed any light as to what might be the background to that set of circumstance?

Ms S Wilson: We do not generally discuss individual cases in estimates hearings.

Senator FIFIELD: I appreciate that, but I am just citing this as an example and, without referring specifically to this example, somebody in that sort of circumstance—

Ms S Wilson: Ms Rose can talk to the process issue.

Ms Rose: Before the child is about to turn 10, Centrelink gets in touch with the carer and advises them that they will no longer qualify under the LORD because 10 is the milestone for qualification in that regard.

Ms S Wilson: That is our acronym for the list of recognised disabilities.

Ms Rose: Thank you.

Senator FIFIELD: Consult the LORD.

Ms Rose: Absolutely. Centrelink writes to the carer to say, 'You can now apply under general conditions for carer allowance and this is how you go about doing it.' So it is not that the person ceases to qualify per se, but they no longer qualify under LORD conditions and they are able to apply under the ordinary conditions for carer allowance. But we understand, after talking with our Centrelink colleagues, that perhaps these letters could be better framed so that there was a clearer understanding of process, and we have been working with them on that.

Senator FIFIELD: I should ask Centrelink for a copy of the letter that they send; I will do that. Was it 17 June that you are reporting back to the minister?

Ms Rose: Yes.

Senator FIFIELD: Has the department met with parents of children?

Ms S Wilson: For that review there are consultations being undertaken, including with the families and children with diabetes, including a number who wrote to the minister; the diabetes representative groups, so the Australian Diabetes Council, Diabetes Australia and the Juvenile Diabetes Research Foundation; with Carers Australia; with relevant health and medical professionals, including the Australian Psychological Society, the Paediatric Endocrine Group and the Australian Clinical Psychology Association; with our colleagues in the Department of Health and Ageing; and Centrelink. We have engaged an independent consultant, Jenny Pearson and Associates, to assist with those consultations. We have also set up a dedicated email box, so families can send in their input and part of that review is looking at research on experience with juvenile diabetes in other Commonwealth countries, so it is a pretty extensive review.

Senator FIFIELD: What is the situation with the healthcare card? Is there automatic entitlement to that if you are below the age of 10 for individuals in this circumstance?

Dr Hartland: Yes.

Senator FIFIELD: From nought to nine it is automatic. What about after the age of 10?

Dr Hartland: Again, after the age of 10 the current arrangement is you need to qualify through the child disability carer allowance. If you get carer allowance, then again a healthcare card follows. If you do not, you can get the healthcare card separately, and the equivalent figure for healthcare card only for that group that we were talking about before is 148 people.

Ms S Wilson: I should also have mentioned that, as part of the consultative process, Minister Macklin herself met with families whose circumstances were reported in the press, including I believe those in the newspaper that you mentioned.

Senator FIFIELD: Will the review be made available on 17 June or it will be submitted to the minister and it will be up to the minister—

Ms S Wilson: That is a matter for the minister, but I would anticipate the minister would wish to consider it and how to respond.

Senator FIFIELD: I look forward to that. Thank you.

[15:17]

CHAIR: We will move to 5.4, services and support for people with disabilities.

Senator SIEWERT: I made a list where to ask this question. I thought it might be here. It is about the indexation around the National Disability Advocacy program. Is that here?

Dr Hartland: Yes, 5.4.

Senator SIEWERT: Is it a correct understanding that there was no indexation for that program?

Dr Hartland: Not quite.

Senator SIEWERT: I might be happy to hear that.

Dr Hartland: For a number of years our approach to advocacy has been to provide them with wage cost 2 indexation, net of the efficiency dividend. This year wage cost 2 is projected to increase by 1.5 per cent and the efficiency dividend is 1.5 per cent, so we have offered them a constant price this year. But it is not as if there is no indexation; there was an indexation exercise undertaken.

Ms S Wilson: The way the program works is there is both an indexation factor and the efficiency dividend; the efficiency dividend cancelled out the indexation factor. That has been the case for a very, very long time for this program. The efficiency dividend has applied.

Senator SIEWERT: The efficiency dividend does not apply to all programs, though, does it?

Dr Hartland: It applies to the overall appropriation. The practice across the different programs funded with the appropriation has varied, but it has been consistent for advocacy. The approach to the price offered to them has been WCI2 net of the efficiency dividend.

Senator SIEWERT: How do you work out which programs that approach applies to and which it does not?

Dr Hartland: It reflects a mixture of the budgets for the budget bid that resulted in the program.

Senator SIEWERT: Sorry, I missed that.

Dr Hartland: It is a mixture of things. There is a lot of historical basis for this; where the program originated, where it came from and what the policy was at the time.

Ms S Wilson: It often dates back to when the program was established and what the new policy proposal that determined the funding for the program applied to in respect of what form of indexation and whether or not there was an efficiency dividend.

Senator SIEWERT: Do I interpret what you are saying is that depending when the program was started depends on whether you are subject to the dividend or not?

Dr Hartland: It is not exactly a time thing. It depends on the origins of the policy that was part of the original bid for the program, so it is not if you got in in 1963, you got a different deal to those in 1964.

Senator SIEWERT: I am even more confused, I am sorry, because that is how I interpreted what Ms Wilson said. Ms Wilson, did I misinterpret what you said?

Ms S Wilson: Not exactly.

Senator SIEWERT: I am not trying to catch you out here. I am just trying to understand.

Dr Hartland: We are not trying to—

Ms S Wilson: A lot of this is lost, to be frank, in the mists of time, but it relates to a range of programs as to when they were introduced and what the budget rules were at the time in respect of what wage cost index or indexation factor applied and whether or not there was an efficiency dividend. In the disability sector it has been longstanding for a range of these programs that there has been an efficiency dividend. There has been different practice in different areas of programs across the Commonwealth, but in this bundle of programs it has been longstanding practice that there is an efficiency dividend in the appropriation.

Senator SIEWERT: What rules apply now to the programs?

Dr Hartland: The current funding offer to advocacies as we described it is that effectively they have been offered the same price, but we are negotiating with them in relation to the contracts.

Senator SIEWERT: What do you mean ‘negotiating’?

Ms Angus: One of the things that we have asked services to provide us this time around which we have not in the past is performance targets for the number of clients they will see and we have been in negotiation with them about that. Just to take a step back, although there has not been indexation last year there was additional funding provided to those services that were funded for less than \$250,000, and that totalled \$439,000 for the 2010-11 year, and in addition to that there has been a one-off payment of \$7,000 to all NDAP services this year to cover the costs of some additional quality assurance work that we have asked them to undertake.

Senator SIEWERT: I appreciate what you have just told me. The problem there, without indexation, is increased wage costs. The services do not have a lot of fat to cut, so eventually that leads to a reduction in the amount of service they can provide. Do you take that into account when you are negotiating your performance indicators?

Ms Angus: We have undertaken to negotiate the number of the target that they set with them, and we have asked them to give us a figure as a starting point for that discussion, yes.

Senator SIEWERT: Where are you at in terms of those negotiations?

Ms Angus: A substantial number of the contracts have been signed, but not all of them.

Senator SIEWERT: Do you expect that to happen before the end of June?

Ms Angus: We would anticipate that that would be the case, yes.

Senator SIEWERT: When you are looking at funding and you are talking about those negotiations for performance indicators, do you also then include the current projections for the increased call on their services as well?

Ms Angus: We have the services themselves to identify the target for the next year, so we would assume that they would rely on information probably from previous years and what they might anticipate in the future as a formula, if you like, to indicate a number that they would like to start negotiating from, yes.

Senator SIEWERT: What figures do you use for the projection of the requirement for their services?

Ms Angus: Beg your pardon, sorry.

Senator SIEWERT: What figures do you use to look at what need is there out there? Do you look at that and the projection for increased services?

Ms Angus: We have not had a performance target in previous years, so this is effectively the beginning of collecting a baseline, if you like, for that, and we have asked the services themselves to identify those sorts of things. We have not overlaid anything on top of that.

Senator SIEWERT: So how do you then check whether they are underestimating or overestimating?

Ms Angus: In the first instance, we wanted to bring them to the table to start having the discussion with them. As it moves forward and we work with them to look at the quality assurance, the quality of services and the types of things that make up the costs that they deliver—which we will do as part of an ongoing evaluation—we will be able to have a more informed conversation about those issues.

Senator SIEWERT: Thank you. Do you want to go on?

Senator BOYCE: I had some questions around funding for advocacy programs. Have you covered those or not?

Senator SIEWERT: That was what I was just asking about, why it was not indexed.

Senator BOYCE: At all?

Senator SIEWERT: There is a complicated process that you go through. Maybe I should repeat it and show if I have learnt. Well, you see, it starts with the efficiency dividend. So, yes, I have asked about that.

Senator BOYCE: Okay.

Mr Pratt: Good news and bad.

Senator SIEWERT: Yes. The good news is they took account of the increase in wages. The bad news is they have a thing called the efficiency dividend that applies to this program.

Senator BOYCE: I do not know that that is how they understand it at the present time. The advocacy program has a lot less than other not-for-profits that received a \$7,000 top-up, I understand.

Ms Angus: It was the advocacy programs that received the one-off \$7,000 top-up.

Senator BOYCE: But others got percentage increases that were a lot more than that.

Ms Angus: But there is different rationale for the changes in funding, so the \$7,000—

Senator BOYCE: It has been perceived, of course, in the sector as simply picking on the advocacy sector, which has never been especially well funded.

Dr Hartland: It is certainly not the case. Between 2007 and 2011, there was a substantial injection of funds into advocacy by the government. The offer of a contract certainly was not made with the motivation to pick on the sector.

Senator BOYCE: Thank you.

Senator McLucas: Can I say that we very much value the role of advocacy that we fund and we are very keen to work with them to move to this new quality assurance system. That is why we allocated that \$7,000. I meet quarterly with DANA, the organisation that we have funded, so that we can air their concerns. I am troubled that there is a view that you are expressing that there is a view that we are picking on them. That is certainly not my view.

Senator BOYCE: I am not reflecting views.

Senator McLucas: No, thank you. I hope that is not widely felt.

Senator BOYCE: I am reflecting views of advocacy programs who make the point that they feel they have seen a real decrease in the level of funding that they have received.

Senator McLucas: It is not a decrease.

Senator BOYCE: I am not talking about this minute. If you do not get indexing, it is a decrease.

Senator McLucas: The investment by our government in the time that we have been in government has increased quite considerably—not massively, but considerably—with a new range of new services in New South Wales and Queensland, with NDAP services in 15 new regions and the move to this quality assurance system which I think will serve NDAP services very well.

Senator BOYCE: As an example, for instance, I am told that the advocacy organisation has got 0.6 per cent indexation in 2010-11, 0.63 per cent in 2009-10 and 0.63 per cent in 2008-09, so that hardly is seen to be keeping up with inflation.

Dr Hartland: But on top of that there was a \$9 million injection into the sector as a result of a government budget measure, so indexation is not the entire story around it.

Senator BOYCE: More funding; good. Maintaining the real value of the funding also needs to happen. I will stop there, Chair.

Senator SIEWERT: Has the issue of cognitive impairment and intellectual disabilities of prisoners crossed your radar at all?

Ms S Wilson: The issue has certainly crossed our radar. It is, in terms of policy responsibility, the province of the Attorney-General's Department, because the justice system and corrections is really their policy area.

Senator SIEWERT: I have asked the Human Rights Commission and put a series of questions on notice for them.

Dr Hartland: We are aware of the issue.

Senator SIEWERT: What role do you play?

Ms S Wilson: Our role is to understand the evidence and the data, but in terms of levers for addressing it, this is largely a state and territory issue. The policy responsibility at the

Commonwealth level is the Attorney-General's portfolio. We have ongoing engagement with the Attorney-General's Department and with the Australian Human Rights Commission about a range of disability issues and, clearly, with the states and territories, who are grappling with this issue.

Senator SIEWERT: Have you thought of any programs where you can assist A-G's?

Ms S Wilson: The most important strategy for addressing this issue is through the National Disability Strategy, which is looking at performance in a range of mainstream areas, including justice, corrections and rights protection. We have been developing indicators in respect of measuring progress, and I think there are some indicators relevant to that.

Senator BOYCE: I did an inquiry with A-G's last week around this topic, and they were going off to check, but they were not aware of any work they were doing in the area.

Ms S Wilson: I can only take that as a comment. I cannot comment on what work other departments are doing.

Senator BOYCE: I am just passing comment.

Ms Bedford: In terms of the rights protection, justice and legislation, an indicator would be around the proportion of complaints under the Disability Discrimination Act. There is also a proportion of people with disability in civic life, but they do not necessarily go to the particular situation that you are talking about. Focusing on outcomes for vulnerable people is certainly part of the National Disability Strategy.

Senator SIEWERT: Thank you.

Senator McLucas: I dare say I have probably met the same group of people that you have. It is an issue that I am contemplating. As Ms Wilson said, there is no simple solution, because of the interplay between levels of government and across portfolios.

Senator SIEWERT: I understand that. You are right; there is no simple solution. What happens with those problems that are complex is that they fall between the gaps. You know the story in Western Australia.

Senator BOYCE: And Queensland.

Senator SIEWERT: I am sure the most recent example from Western Australia has been highlighted over here as well. It is a complex one.

Senator McLucas: It is not off my radar because it is difficult.

Senator SIEWERT: We will keep following it up. We cannot allow this opportunity to pass without commenting on the Special Disability Trust.

Dr Hartland: We were very disappointed when we got to the end of 5.2.

Senator BOYCE: I thought I might leave it for another time, but off you go.

Senator SIEWERT: We were expecting a package like Senator Fifield got last night. I am sure there will be legislative changes required, so I presume that we will go through it in a bit more detail than. Can you tell us the time frame expected for the initiatives or the measures?

Senator McLucas: We probably cannot.

Senator SIEWERT: Should I ask next door?

Senator McLucas: The legislation will come from the Treasury. We are in discussions, of course.

Senator SIEWERT: What is your end date?

Senator McLucas: We would have to take that on notice.

Senator BOYCE: I have a small group of questions.

CHAIR: On the Special Disability Trust?

Senator BOYCE: No.

Senator SIEWERT: We will put some on notice for Treasury. I am just after a time frame.

Senator McLucas: We will assist you as best we can.

Senator SIEWERT: I just wanted to make sure you knew that we clocked it and we appreciate it.

Senator BOYCE: I am not sure what assistance you will be able to give me here, but you may be aware of the Jacana Centre for Brain Injury Rehabilitation and Residential Services based in Brisbane. Can you tell me how much the Commonwealth contributes through the National Disability Agreement to the funding of those centres?

Dr Hartland: The Commonwealth contributes around 20 per cent in total to the National Disability Agreement, but we do not regard that funding as being earmarked in any way for a specific centre, so we cannot tell you how much of our funding goes to those centres.

Senator BOYCE: Do you expect the states, as recipients of Commonwealth funding under the National Disability Agreement, to meet the objectives and outcomes of the National Disability Agreement and the National Disability Strategy?

Ms S Wilson: They are signatories to both of those. The National Disability Agreement and the National Disability Strategy were agreed by COAG, so they have signed up to the principles, objectives and outcomes.

Senator BOYCE: Would the fact that five people have lived at Jacana for more than 25 years each meet the objectives and outcomes of the National Disability Agreement?

Ms S Wilson: Without knowing anything about the service, I would not be in a position to comment. I understand, from what you have said, that the states operate the service. The Commonwealth provides funding to support the states and territories in their role in respect of accommodation for people with a disability, but I am unable to comment on a particular facility.

Senator BOYCE: You mentioned that the states and territories are signatories to meet those objectives and outcomes. Do you monitor that and, if so, how?

Ms S Wilson: The COAG Reform Council monitors against a range of performance indicators that are in the agreement and they provide an independent report to COAG annually.

Senator BOYCE: Would that include things like services that provide skills and supports to people with disability to enable them to live as independently as possible or services that assist people with disability to live in stable and sustainable living arrangements?

Dr Hartland: Yes. Those are the broad objectives of the agreement.

Senator BOYCE: Is there any way that you could respond to my request to ascertain whether those objectives are being met at Jacana?

Ms S Wilson: I do not believe that the Commonwealth can step into the outcomes in a particular facility when we provide a funding contribution towards the states' and territories' administration of those facilities.

Senator FIFIELD: I will not waste any time. I have three quick questions. Is the department aware of an organisation called Limbs for Life, which seeks to provide advice to amputees about how to make the transition to their new circumstances?

Ms Bedford: I have heard of Limbs for Life.

Senator FIFIELD: Has Limbs for Life made any application to the department for funding to support the work that they do?

Ms S Wilson: I will have to take that on notice.

Dr Hartland: The people at the table are not aware of an application, but it may be that it is with someone else in the organisation, so we would like to check.

Senator FIFIELD: If you could. They are a very impressive organisation who do a lot with very little. I am under the impression that they have made contact with the department.

Senator McLucas: They have spoken with me.

Senator FIFIELD: I am sure that you agree that they do a very good job.

Senator McLucas: They do.

Senator FIFIELD: Is the government considering any funding to support their work?

Senator McLucas: I have corresponded with the CEO.

Senator FIFIELD: Melissa Noonan?

Senator McLucas: That is right. There is no current funding available to assist them, as much as we would love to, like many organisations that come to talk to us. Currently there is no funding available to assist them.

Senator FIFIELD: I will pursue that inquiry further in other ways. If I have any further questions in that regard, I will put them on notice. I know that Ms Catherine Deveny is no longer a disabilities ambassador. Has there been any further contact between the department and her since she finished her role as an ambassador?

Dr Hartland: Yes.

Senator FIFIELD: What sort of contact has there been?

Dr Hartland: We had to reconcile some payments of cab charges. It was a minor administrative matter.

Senator FIFIELD: So, she was seeking reimbursement for taxi travel?

Dr Hartland: Yes, that is right.

Senator FIFIELD: Do you know the amount?

CHAIR: I am troubled a little bit by the nature of these questions in terms of personal entitlement. Can I get an idea of where you are going with it? We do not normally go into that kind of detail.

Senator FIFIELD: That is the final question. And could we see some of the material the department provided in answer to our question on notice.

Dr Hartland: I do not have that.

Senator FIFIELD: You can take it on notice.

Dr Hartland: I will take it on notice.

Senator FIFIELD: Has consideration for disability ambassadors for next year commenced?

Dr Hartland: We will be trying a different approach this year.

Senator FIFIELD: That does not surprise me.

Dr Hartland: We will be looking for leaders in the disability area. That process is underway, but I do not believe that the Commonwealth has announced who that will be.

Senator FIFIELD: I am sure Senator McLucas will be exercising appropriate due diligence on this occasion compared with her predecessor, whose suggestion Ms Deveny was. Finally, before I hand over to colleagues, I would like to ask about the Better Start initiative. I am sure that Senator McLucas, like me, has been receiving a great deal of correspondence from parents of children who are outside the particular categories, parents of children who have rare chromosomal conditions. I was going to share a number of extracts from correspondence from constituents who wanted to have their particular situations ventilated, some of which have already been provided to Senator McLucas, but I will provide the balance of them to the government in another way.

CHAIR: So, will all three of you be putting on notice those particular cases?

Senator SIEWERT: I was being a bit facetious. Senator Fifield said that he was not going to do it. I would prefer it if we could get an answer to the question of why those particular impairments are not included?

Senator FIFIELD: The question is: what is the rationale for not including those impairments which can affect the individuals in very similar ways?

Senator McLucas: The fact is that we have very strong evidence that early intervention for a child with cerebral palsy, Down syndrome, moderate to severe hearing and sight impairments and Fragile X syndrome will deliver a considerable benefit to that child. It is based on the fact that we have good evidence whereby we can make the case to Treasury that intervention to the value of \$12,000, which will supplement other state based state and territory based services, will improve the prospects of that young child. The difficulty for some of the smaller cohorts of rare chromosomal disorders, for example, is that the evidence is not as clear. However, I have asked the department to undertake some research into the range of presentations that have not been included and to do some analysis of research that may be available. And, along with the evaluation process that we are doing on the Helping Children with Autism program and the early evaluation that we will have around the Better Start program, we will have another discussion about what we may be able to do for these smaller cohorts of children.

Senator FIFIELD: Did you say that you had commissioned some research or that you were going to?

Senator McLucas: I have asked the department to provide advice.

Senator BOYCE: There are only six people in Australia with this particular disability, so when are you ever going to have evidence.

Senator McLucas: I accept that it is sometimes hard with such small cohorts of people that the research has not been done.

Senator BOYCE: The cost is not high as an add-on to something like this.

Senator McLucas: We have made the decision to support a very large number of families through the Better Start program. That has been well received by those families. There are a number of other families who have not been included to this point in time. There will be services for those families through the National Disability Agreement programs. A number of states have their own early intervention services. Our services are an adjunct to what is currently being provided in the states and territories. We have strong evidence to support our policy decision around those five presentations. We would like to see more evidence and we are certainly looking for it.

Senator SIEWERT: What is the time frame for your department to ask for investigations?

Senator McLucas: I have not given them an absolute time frame. I am very aware that I have put a lot of pressure on my department in the last little while, but I would like to see it in the next couple of months.

Senator FIFIELD: Senator McLucas, do you or the department have any idea of the sorts of numbers of children that we are talking about who have these rare chromosomal conditions?

Senator McLucas: That is part of the work. I can add another presentation, which is those that are undiagnosed—a child who has a development delay but has not got a label—which is another very difficult group of people.

Senator BOYCE: They have an awful time in every part of the system.

Senator McLucas: A range of services, because they do not have a label. It is very much on my radar. It is something that we are concerned about and we are doing work around.

Senator FIFIELD: Has it been communicated to those parents who have made contact with you and the department that research has been commissioned?

Senator McLucas: I have spoken with a number of groups around this question. I have written many letters to explain that circumstance to people who are rightfully feeling that they have been overlooked. That is where I have to sit because of the need to be able to prove that, if we invest this money, it will improve the lives of these children. Of course, people are disappointed, but that is something we are working on.

Senator SIEWERT: I would like to follow up on a series of questions that I was asking at the last estimates in terms of the time frames around the guidelines and so on. Without going back to *Hansard*, I seem to recall that at that stage you said you were on track for the end of this financial year. Are the guidelines for the whole of the program still on track?

Senator McLucas: Certainly they are on track.

Ms Winkler: I can say that we are on track for 1 July. We have contracted the registration and information service, which is Carers Australia, who come 1 July will be able to register children for the package. They will have staff located in a range of locations across the

country. We have a telephone service with a 1800 number that will operate over the next six months, and we will then review it. That is where families or service providers can ring and ask questions about the package.

Senator SIEWERT: Did you say Carers Australia?

Ms Winkler: Yes.

Senator SIEWERT: Did you say that they are in locations across the country?

Ms Winkler: They have currently nominated a range of service outlets that they are going to use, but because they have outlets in a broader range of regional centres, they may well use some more of those centres.

Senator SIEWERT: Are you able to give us a list of where they are going to be?

Ms Carroll: I can tell you where we currently understand they are going to be but, as Ms Winkler said, they might expand that. We can quickly let you know. For example, they will be in Holt in the ACT, Sydney, Coffs Harbour, Dubbo, Footscray, Brisbane, Bayview in the Northern Territory, Perth, Goodward in South Australia and North Hobart.

Senator SIEWERT: They are the initial contacts. So that is where the information will be available as well as the guidelines and applications?

Ms Winkler: Yes. Carers Australia is a national network and potentially they will have information available more broadly through all of their outlets, but obviously there is a full-time equivalent staffing establishment and they will be having to determine where they need to locate all of those staff.

Senator SIEWERT: Are the guidelines available yet?

Ms Winkler: We developed the guidelines in relation to getting the registration and information service up and operating. There is a lot of similarity in the guidelines between this package and the autism package.

Senator SIEWERT: So that is not quite—

Ms Winkler: We have guidelines.

Senator SIEWERT: Are they publicly available?

Ms Winkler: They are probably not publicly available.

Senator SIEWERT: Is that happening on 1 July?

Ms Winkler: Normally we would make the guidelines available via our—

Senator SIEWERT: On the internet?

Ms Winkler: Yes.

CHAIR: That is the last question. We will put the rest on notice. Congratulations and thank you to all staff members of FaHCSIA. We appreciate your answers. A large number of questions on notice will be supplied, as you know, and we will be in contact before the next estimates. Thank you very much.

Proceedings suspended from 15:54 to 16:10

HUMAN SERVICES PORTFOLIO

In Attendance

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

Department of Human Services

Ms Kathryn Campbell, Secretary

Corporate Operations and Enabling Services–Service Delivery Reform Coordination

Ms Kerri Hartland, Deputy Secretary, Service Delivery Reform Implementation

Mr David Trabinger, General Manager, Service Delivery Reform Strategy and Planning Division

Ms Melissa McClusky, General Manager, Service Delivery Reform Coordination Division

Mr Jeff Popple, Deputy Secretary, Executive Support and Legal

Mr Paul Menzies McVey, Chief Counsel

Ms Barbara Bennett, Deputy Secretary, Enabling Services

Mr Darren Box, Chief Financial Officer, Budgets and Financial Strategy

Mr Karel Havlat, Chief Financial Officer, Centrelink

Mr Allan Gaukroger, Chief Financial Officer, Medicare Australia and DHS

Ms Cindy Briscoe, General Manager, Corporate Operations

Mr Hank Jongen, General Manager, Portfolio Communications

Mr Rick Moloney, National Manager, External Communications

Ms Leanne Yannopolous, National Manager, Internal Audit

Mr John Wadeson, Deputy Chief Executive Officer, ICT Infrastructure

Mr Gary Dunn, Deputy Chief Executive Officer, Families, Employment and People

Ms Michelle Cornish, General Manager, People Capability

Ms Sue Chapman, General Manager, People Services

Mr Graham Carters, Deputy Secretary, Taskforce on Strengthening Government Service Delivery for Job Seekers

Outcome 1–Informed government decisions on, and access to social, health and child support services for Australians through policy development and advice, and the coordination and delivery of services.

1.1 Human services

Ms Moya Drayton, Acting Deputy Chief Executive Officer, Medicare, Rehabilitation and Compliance

Mr Carl Princehorn, Acting General Manager, Rehabilitation and Assessment Services

1.2 Child support

Ms Philippa Godwin, Deputy Secretary, Child Support Program

Ms Jennifer Cooke, General Manager, Program Management

Mr David Mole, General Manager, Business Strategy and Projects

Mr Geoff Mutton, General Manager, Operations

Medicare Australia

Ms Lynelle Briggs, Chief Executive Officer

Outcome 1—Access to government health and other payment and information services to the Australian public and providers through convenient and efficient service delivery.

1.1 Delivery of medical benefits and services

1.2 Delivery of pharmaceutical benefits and services

1.3 Delivery of other benefits and services

1.4 Medicare rebates—electronic claiming

Ms Malisa Golightly, Deputy Chief Executive Officer, Health and Older Australians

Ms Brenda Parkes, General Manager, Medicare and Specialist Services

Ms Jenny Thomson, Acting General Manager, Health Programs Division

Mr Doug Fawns, National Manager, Medicare and Veterans Affairs Processing Branch

Ms Fiona Knight, National Manager, Health Support Programs Branch

Ms Michelle Wilson, National Manager, Renewable Energy Branch

Mr Craig Boyd, National Manager, Government Business

Ms Sue Kruse, General Manager, Health eBusiness

Ms Vicki Beath, General Manager, Disability, Carers and Older Australians

Mr Barry Sandison, Deputy Chief Executive Officer, Customer Service Design

Ms Catherine Rule, General Manager, Service Strategy and Policy

Ms Eija Seittenranta, General Manager, Health and Older Australians Systems

Mr Colin Bridge, General Manager, Future Service Design

Mr Peter Qui, General Manager, Employment, Families and Child Support Systems

Ms Alaine King, General Manager, Business Solutions and Online

Centrelink

Ms Carolyn Hogg, Secretary

Ms Mellissa Lond, National Manager, Disability and Carers

Outcome 1—Self sufficiency for individuals and families through access to personalised assistance and coordinated delivery of payments and services on behalf of government.

1.1 Service delivery

Mr Mark Withnell, General Manager, Customer Compliance

Ms Rhonda Morris, Acting General Manager, Recovery, Health and Business Compliance

Ms Kate Hay, Acting General Manager, Participation

Mr Paul Cowan, General Manager, Families

Mr David Le Roy, Acting National Manager, Families and Child Care Program Branch

Mr Grant Tidswell, Deputy Chief Executive Officer, Customer Service Delivery
Mr Graham Maloney, General Manager, Access Services
Ms Sheryl Lewin, General Manager, Network Capability
Ms Roxanne Ramsey, General Manager, Indigenous, Regional and Remote Servicing
Ms Susan Cartwright, National Manager, Deduction and Confirmation Services
Ms Jenny Teece, National Manager, Channel Integration and Change Management Branch
[16:10]

CHAIR (Senator Moore): I declare open this hearing of the Senate Community Affairs Legislation Committee. The Senate has referred to the committee the particulars of proposed expenditure for 2011-12 and related documents for the Human Services Portfolio. The committee must report to the Senate on 21 June 2011, and has set Friday, 22 July 2011 as the date for the return of answers to questions taken on notice. Senators are reminded that any written questions on notice should be provided to the committee secretariat by the close of business Friday, 10 June 2011.

Officers and senators are familiar with the rules of the Senate governing estimates hearings, and if you need any assistance the secretariat has copies of these rules. I particularly draw attention to the Senate order of 13 May 2009 specifying the process by which a claim of public interest immunity should be raised and which I now incorporate in *Hansard*.

The extract read as follows—

Public interest immunity claims

That the Senate—

(a) notes that ministers and officers have continued to refuse to provide information to Senate committees without properly raising claims of public interest immunity as required by past resolutions of the Senate;

(b) reaffirms the principles of past resolutions of the Senate by this order, to provide ministers and officers with guidance as to the proper process for raising public interest immunity claims and to consolidate those past resolutions of the Senate;

(c) orders that the following operate as an order of continuing effect:

(1) If:

(a) a Senate committee, or a senator in the course of proceedings of a committee, requests information or a document from a Commonwealth department or agency; and

(b) an officer of the department or agency to whom the request is directed believes that it may not be in the public interest to disclose the information or document to the committee, the officer shall state to the committee the ground on which the officer believes that it may not be in the public interest to disclose the information or document to the committee, and specify the harm to the public interest that could result from the disclosure of the information or document.

(2) If, after receiving the officer's statement under paragraph (1), the committee or the senator requests the officer to refer the question of the disclosure of the information or document to a responsible minister, the officer shall refer that question to the minister.

(3) If a minister, on a reference by an officer under paragraph (2), concludes that it would not be in the public interest to disclose the information or document to the committee, the minister shall provide to the committee a statement of the ground for that conclusion, specifying the harm to the public interest that could result from the disclosure of the information or document.

(4) A minister, in a statement under paragraph (3), shall indicate whether the harm to the public interest that could result from the disclosure of the information or document to the committee could result only from the publication of the information or document by the committee, or could result, equally or in part, from the disclosure of the information or document to the committee as in camera evidence.

(5) If, after considering a statement by a minister provided under paragraph (3), the committee concludes that the statement does not sufficiently justify the withholding of the information or document from the committee, the committee shall report the matter to the Senate.

(6) A decision by a committee not to report a matter to the Senate under paragraph (5) does not prevent a senator from raising the matter in the Senate in accordance with other procedures of the Senate.

(7) A statement that information or a document is not published, or is confidential, or consists of advice to, or internal deliberations of, government, in the absence of specification of the harm to the public interest that could result from the disclosure of the information or document, is not a statement that meets the requirements of paragraph (1) or (4).

(8) If a minister concludes that a statement under paragraph (3) should more appropriately be made by the head of an agency, by reason of the independence of that agency from ministerial direction or control, the minister shall inform the committee of that conclusion and the reason for that conclusion, and shall refer the matter to the head of the agency, who shall then be required to provide a statement in accordance with paragraph (3).

(Extract, Senate Standing Orders, pp 124-125)

Department of Human Services

Ms Campbell, welcome, I believe this is your first estimates here in your capacity as Secretary of Human Services. Congratulations.

Ms Campbell: Thank you.

CHAIR: Minister, do you wish to make an opening statement?

Senator Arbib: No.

CHAIR: Do you wish to make an opening statement?

Ms Campbell: I would like to inform the committee that this Senate hearing will be the last hearing of the Chief Executive Officer of Centrelink, Ms Carolyn Hogg, before she retires, on 6 July. As the Centrelink CEO, Ms Hogg has been a dynamic leader. I know she has been here many times before and she has driven a lot of change within the organisation. Ms Hogg has been the chief executive since November 2009 and this followed a five-year term as the Deputy Chief Executive Officer. She has been in Centrelink for 15 years and has had a wide impact across the country. Ms Hogg has been with the Public Service since 1973, when she joined the Department of Social Security, and she has been in the senior executive service since 1991. So, she leaves us with a long list of achievements and I am sure she will miss appearing before the committee.

CHAIR: We fully intend to embarrass Ms Hogg when she comes to give evidence and make suitable laudatory comments about her, but I think it is important that we put on record our respect for her service, particularly her service to this community.

Senator Arbib: I will have comments to make later on behalf of the government.

CHAIR: I think it really should be done while Ms Hogg is there at the table so she can get the full embarrassment. I think that is extraordinarily important. I know she would have been prepared for that. Thank you very much, Ms Campbell. I think that is a really important way

to start these estimates. I asked a question at the last estimates and I think it is possible that I will ask in each of the elements of your network about the impact of the floods, cyclone and the fire in terms of your network. We did get a report back from the secretary at that time. I know each individual agency has its own issues about staffing and infrastructure, but is there anything that you wanted to put on record at this stage about the post disaster process that the whole of Human Services has been involved in?

Ms Campbell: I think it is probably best to ask Ms Hogg to talk about the impact on the network and—

CHAIR: And Medicare and Child Support.

Ms Campbell: Predominantly Centrelink, but that is true.

Senator ADAMS: I would like to talk about the Medicare access points and the community resource network.

CHAIR: Is that best for Medicare or—

Ms Campbell: It is best for Medicare.

Senator ADAMS: I can leave it until then. I was just told that it had to come in here.

Ms Campbell: Ms Briggs is available here to answer those questions if it is convenient.

Senator FIERRAVANTI-WELLS: I have just made inquiries and actually the gist of these questions is the corporate decision by Human Services in relation to these access points. We were told that it was going to be in Human Services, corporate operations and enabling services.

Ms Campbell: That is fine. I can ask Ms Briggs to come to the table.

CHAIR: Do you need to have the question repeated?

Ms Briggs: Yes, I was not sure there was a question.

Senator FIERRAVANTI-WELLS: When were these 840 remote access booths set up?

Ms Briggs: The Medicare access points were established in 1998 and they were introduced to provide some self-service payment options for Medicare to people who were living in rural and remote areas.

Senator FIERRAVANTI-WELLS: Have all 840 of them been operational since 1998?

Ms Briggs: We have had a reduction in some numbers since the original time.

Senator FIERRAVANTI-WELLS: Are there now 840?

Mr Bridge: The numbers were progressively set up. They peaked at around about 1,300 and they have declined to around the 800-830 mark. That decline was as a result of the hosts requesting us to remove them.

Senator FIERRAVANTI-WELLS: But now this is a decision by you to shut down all 840 of them?

Ms Briggs: The original decision to close the remainder was taken some years ago when the then government decided to proceed with Medicare Easyclaim on the basis that alternatives were available that could provide the same or better levels of servicing. We moved to implement these decisions this year following clear indications after we have

increased the range of options available to the community to claim for Medicare, in particular our new online claiming services, but also phone services and so on.

Senator FIERRAVANTI-WELLS: What is the time frame for the closure of them?

Mr Bridge: They will be progressively closed over the next few years. We are working from the least used up to high used as we try to continue to transition people to the more convenient methods that are available.

Senator FIERRAVANTI-WELLS: Has there been any consultation with those communities where they are going to lose their points?

Mr Bridge: In most of the cases we are looking at the very low usage ones. The usage level of a lot of these is zero or less than one a month. At this point what we are doing is making sure that the particular hosts have the details about the closure and that we are making clear what other alternatives are available in those communities.

Senator FIERRAVANTI-WELLS: I have a letter that has gone out on 18 April that I would like to ask about in relation to two areas in the federal electorates of Flynn and in Parkes. I know Senator Adams has some examples in Western Australia. The correspondence that I have is dated 18 April. It basically writes to a provider where a point is and it tells them, 'We are going to shut down your shopfront.' They do not know the date of removal. They have to wait to be told. The letter does not tell them the notice date and the period that they have between the time that they are notified and when they will be shut down. This one is in relation to the Wowan licensed post office in a town called Wowan. Then it says, 'It is your responsibility to notify all the customers who intend to use the access point that it will no longer be available.' The decision is made by the Commonwealth and then it is up to the shopfront owner to tell the little old ladies in the town that the service will no longer be available.

Mr Bridge: There are a couple of things in relation to that. The agreement that we entered into with those host providers was that when the service would be withdrawn it would be the responsibility of the host at that time to notify immediate users. The reason that we are working along those lines is that the number of people who are using it are so few that the best point at which we can provide that advice is at that point where they were coming for the service. Some of these are down to one person every few weeks or months coming in to use these particular services.

Senator FIERRAVANTI-WELLS: Some of these services cost as little as \$200 a year?

Mr Bridge: No. We pay a nominal figure to the particular host. It is \$385 a year. Plus, we also have our own costs in relation to servicing those centres and that can be a range depending on the use.

Senator FIERRAVANTI-WELLS: You are flogging set-top boxes for about the same price as this little service for older people in regional Australia. That is really the gist of my comments. I will go through some of the concerns of Mr O'Dowd, the member for Flynn, and Mr Coulton, the member for Parkes. These are little towns. What about people who do not have access to the internet? What about people who do not have access to telephone?

Mr Bridge: The usage of these things is so low it does not suggest—

Senator FIERRAVANTI-WELLS: So we do not care about it? Is that the case?

Mr Bridge: No, we have already provided and there are now currently in place—

Senator FIERRAVANTI-WELLS: For every single user?

CHAIR: I am going to remind you again to wait for the officer to complete his answer before you jump in.

Senator FIERRAVANTI-WELLS: I will wait for Mr Bridge to answer. Go on.

Mr Bridge: Currently, right now, any person can use the phone 24 hours a day, seven days a week to make this claim. The usage of these map services is making it clear that the community have moved away from them. We have been decommissioning primarily at this point on the basis of being requested to do so by the hosts, and we are currently in a situation where the community is not taking up these offers. We are taking the lowest usage ones out first as we progressively make the rest of the community aware of the alternative means. Perhaps if I just explain what these things are. These are just a stand with a telephone on them that are located in perhaps a pharmacy or a post office where someone picks up the phone and talks to a Medicare officer. There is no other service there. They can now do that not in a public arena, in the open area of a retail area, but on the phone in the convenience of their own home and in their own privacy to use the exact same service.

Senator FIERRAVANTI-WELLS: Yes, but what about people who do not have a phone? We are talking about small little areas. I am raising it because it has been raised by members of parliament who have concerns about these things. There are people who are concerned about this. Just dismissing them as—

CHAIR: I will step in there, as I did the other day. There was nothing in the officer's response to indicate a dismissal of the issue.

Senator FIERRAVANTI-WELLS: I will withdraw that.

CHAIR: Now you have it on record.

Senator FIERRAVANTI-WELLS: What about people with translation difficulties and people who do not understand English? What is their situation?

Mr Bridge: They would face that problem today with the Medicare access point. It is a phone connection. There is no difference in that sense. They can now make that call from the privacy of their home or from any phone in the country. At the moment if they are using a Medicare access point they are restricted to the business hours of a particular establishment and they have to face the same issues in terms of translation and getting the message across. Nothing is changing in that context.

Senator FIERRAVANTI-WELLS: What about the concerns that have been raised, for example, by Mr Coulton? Mr Coulton tells me that closures are occurring in various little towns/communities in his electorate that he says are already disadvantaged. He asserts that Medicare has failed to consult with the public and failed to provide a viable alternative for people in these communities to claim. He has been contacted by the Gulargambone rural transaction centre, who have lost their booth, and now the Centrelink service hours have been reduced from 7.5 hours to five hours a week. Obviously there is an alternative arrangement where they are supposed to go to Centrelink. What is the connection there with Centrelink?

Mr Bridge: As part of the amalgamation of the portfolio, where we do have a Centrelink agent we are making available at those particular locations the opportunity for people to make

their claim. That adds an extra layer. People can make a phone call on a 24 hour a day, seven day a week service. There are some locations where there is a Centrelink agent where they can visit and get their claim made there. They can still of course do mail claiming, which has always been in place. They could visit a Medicare or a Centrelink office. At the moment we are working on a program expanding opportunities for people to get their claims by bringing the Medicare services into Centrelink sites. In addition, there is the Easyclaim service, and many doctors' surgeries make this available, and where we now have some online claiming available. There is a fairly broad suite of opportunities.

Senator FIERRAVANTI-WELLS: What about the assertion that Mr Coulton makes in respect of regional rural transaction centres—and obviously many of these are contained in rural transaction centres—that the funds they receive from hosting the Medicare booth in the Centrelink office are vital to keeping their doors open?

Mr Bridge: In terms of these access points, it is a \$385 payment. That is a token payment, which is meant to represent the rental impact and cleaning of the booth. That is it.

Senator FIERRAVANTI-WELLS: Presumably all these booths and the furniture and the assets that you have there will just be disposed of?

Mr Bridge: Most of it is very old. For example, as Ms Briggs said, some of this is 13 years old.

Senator FIERRAVANTI-WELLS: Could you tell me where the savings measure is here? How much are you saving as a consequence of shutting down these 840 booths?

Mr Bridge: The figure in our budget for this is around \$9 million a year.

Senator FIERRAVANTI-WELLS: I am sorry, where is this?

Mr Bridge: That is not in the current budget papers. This is earlier. As Ms Briggs worked through this—

Senator FIERRAVANTI-WELLS: Senator Arbib, as a government you have spent billions of dollars on school halls and all sorts of things. You have wasted so much money, but now for the convenience of people in regional and rural areas—and there are clearly people who are very concerned about this—it seems a trifling amount—

Senator Arbib: Is there a question here?

Senator FIERRAVANTI-WELLS: There is. I would like to understand the justification. For a lot of these older Australians and people living in these small towns who are suddenly going to lose this service, is it justified?

Senator Arbib: As the officials have outlined, Medicare and Human Services have been improving the service to customers. In terms of access now, of course, there is online claiming, there is the Easyclaim and there is also access at doctors' surgeries. In terms of the communities that you have raised today, at all the places that Mr Coulton raised residents can access the same service via Centrelink access points or their agent or their customer service centres.

Just so we get some of the figures into some sort of context, you raised the community of Wowan and you said that they had lost their service. We have the figures on Wowan. It was used by an average of 0.3 people a month over the last 21 months. It is pretty clear that customers have gone from these points on to other services. The government has been doing

its best to ensure there is access through other mechanisms. In terms of savings, of course, as we have said in the past, there have had to have been savings across government in terms of the budget and at the same time the service still remains.

Senator FIERRAVANTI-WELLS: If you had not wasted so much money, you would not be cutting back on these sorts of services to rural Australia—

CHAIR: Senator Fierravanti-Wells, again, the minister had not concluded his comments when you spoke over him. Minister, have you concluded your comments or are there more issues you wish to raise?

Senator Arbib: I think that is fine, Chair.

Senator FIERRAVANTI-WELLS: I think Senator Adams had some other examples in Western Australia.

Senator ADAMS: Turning to the access points in the community resource networks, of which you would be fully aware. We have 49 altogether. That is the old O'Connor boundary, which you were probably working on when you first started in the O'Connor electorate.

Mr Bridge: Can you repeat that?

Senator ADAMS: I have the map with all the ones that are going to be removed. All of the 49 centres exist in what was the old federal electorate of O'Connor.

Ms Briggs: I appreciate your question. I am sorry, I did not understand it. No, we have not taken any decisions about how we are phasing this by electorates at all.

Senator ADAMS: I am the patron senator for O'Connor; I have lived in O'Connor for 38 years. I am very aware of all of these little towns. Coming from a community of under 2,000 and having been on the telecentre, as they were called before—on their committee—I am very familiar with the services that are offered. Unfortunately, most of these towns do not have public transport. There is no access for people to get to a Centrelink office or to a Medicare claiming area. Also, most of the doctors, if they have one, do not bulkbill. A lot of elderly people are resident in these communities and a number of them have no access whatsoever to broadband. My dial-up service, unless I can get wireless, is hopeless. That is the situation.

I am putting a plea out to the agency to consider looking at the people who are living in these towns. As I said, they are elderly. A lot of them need help. They cannot go to number 1, number 2 or number 3. Some of their phones do not even have that on it, and that is if they have a phone. A lot of them do not use a mobile phone because there is no mobile service. Also, they have given up with the landline because they cannot cope, whereas if they go to the community resource network area and they have someone there to help them. We have a number of migrant people throughout that area and they are assisted by the person working in the centre to do their claims. This is what we are looking at. It may not be a lot of people, but a lot of tourists, when you look at the places around the coast, use these facilities. It is only a small amount of money and I would like to see them retained.

I have two newspaper articles which I have had photocopied, if they could be handed out? One, from the *Narrogin Observer*, is headed 'Medicare shuts off personal contact'. The *Narrogin Observer* covers a huge area and a terrific lot of these small towns. The other one is the *Great Southern Herald*, which is based in Katanning, south of Narrogin: 'Medicare service gets the axe'. There has been a lot of community angst about this, and as I do a lot of

work in the rural areas my constituents have certainly brought it home to me at both my offices. I have an office in Albany, which has had a terrific lot of calls about the outlying areas that are going to lose the service. I would just like to give you the practical issues of small communities.

Senator Arbib: Can we respond, Chair?

CHAIR: I think that was a statement, and then we will see whether the officers can respond—

Senator ADAMS: The actual question was going to be: will the agency reconsider their decision?

Mr Bridge: I am aware of the 49 locations that you are talking about and I can tell you that, at this point in time, 36 of those locations have a Centrelink agent. We have made arrangements so that the Medicare claiming can still be done in those community services through the Centrelink agent. I am also aware that those centres have phone access, and they are also providing web services for their customers. So, in those community centres they can make a phone call and/or use the web service to do their online claiming. They can use the services without this booth.

Senator ADAMS: Did you say 36?

Mr Bridge: Yes, 36.

Senator ADAMS: Can we have a list of those?

Mr Bridge: I will take that on notice. I do not have the exact 36 with me.

Senator FURNER: I would like to jump in and ask for a full listing of all those alternative spots that you have indicated?

CHAIR: Can we get that on notice?

Mr Bridge: Yes, we can do that.

Senator Arbib: I have been informed by Minister Plibersek's office that if any member or senator is concerned about their local community her office is very happy to sit down with them and discuss the circumstances around each community, assisting them in informing their communities and ensuring that the communities understand what alternative options are available.

Mr Bridge: In relation to the 49, we have deferred the removal so that we can work through and assist those locations to be aware of what the alternatives are for their customers. We are giving them a bit more time to be able to adjust to that process and to understand how easy it is to do the normal telephone service and/or use the online services in those locations.

The other thing that I would mention is that we understand that those centres provide support and advice. That is not part of the arrangement; they do that off their own bat. Indeed, there would be some concerns, from our perspective, about that. The phone line provides fully trained and experienced service officers to be able to assist customers with those claims, so we would prefer that they made those calls and did that with our experienced officers.

Senator ADAMS: They do that. It is not the people working in the centre. They assist them when they are on the phone and if they have a problem then they help them. These are

elderly people that really and truly need help to talk to the Medicare people and to get organised.

Mr Bridge: Again, they can still make that phone call.

Senator Arbib: Overall there has been a big decline in the amount of people using this service. Ninety-nine per cent of customers across-the-board are not using access points anymore. It is only a very small proportion of Australians, or the customer base of Medicare, that are actually using these sites. Services have been improved and rolled out using the technology, but there is also the phone. I think this is a reasonable and balanced position. In response to what Senator Fierravanti-Wells has said, we are responding to the needs of regional and remote communities—

Senator FIERRAVANTI-WELLS: You are responding by shutting their services down.

CHAIR: I did not hear any of the minister's comments and neither did Hansard, so I will remind senators that everyone will get their chance to make comments and to interact. If we have one person speaking at a time then it would make it a lot easier. Senator Arbib?

Senator Arbib: I was going to run through the technology changes and the service, but that is fine.

Senator FIERRAVANTI-WELLS: I would like to raise one other area. I am happy to provide a copy of this article as well. Senator Adams has a couple of articles that have been handed up. This is from Lightning Ridge's *The Ridge News*. It states that pharmacist, Rhonda White, said she received a letter to say Medicare had terminated its agreement and was coming to collect the booth. Further, she said, 'I had no choice on its staying and had no idea why Medicare would phase these booths out as the cost of having it in the pharmacy was \$200 per annum and the cost of a phone line.' The article says that this will be missed by the elderly and people with English as a second speaking language as the staff help so many people organise their application.

The article continued by saying that Rhonda has no idea how these people will manage on their own: 'Medicare says you can apply for your refund at the doctors, but speaking to the Ridge Medical Centre all they can do is give you a Medicare form. So that is not a replacement for the direct line to Medicare'. The article states that the other alternative is to apply online, but not all elderly have computers so many people were helped by the staff at the pharmacy. Rhonda does not know how these people will manage with a mobile phone or if they do not have a computer to do it online.

Of course, you may be in a place where you do not get good internet service. This is another example. Clearly, there is an issue. I would appreciate it if you could give us the list of all 840 sites, including the time line and what you propose to do. Can you tell me the consultation process that you have undertaken? Clearly, you have not had any consultation with Ms White. You just unilaterally terminated the agreement. Yes, that is probably written in the fine print of the agreement, but we are dealing with small communities. We are dealing with humanity out in rural areas. These are areas which are often isolated and people have issues about social isolation. For all the wastage going on at the moment, this sort of amount, even for the small number that you are seeking to reduce it down to, will have a social impact. You need to look seriously at the way that you have gone about it.

Mr Bridge: We will take the list on notice. I also make the comment that we are not unilaterally removing these things. We have contacted each post by phone, explained what we are doing and followed that up subsequently with a letter to explain what we are doing and to provide them with material to put on the booth so that they can explain to customers what the alternatives are. Then some time after that we are removing them. In fact, in most instances the minimum time from our first point of contact to the time that the booth had been removed was five weeks at least, and it ranges from five to 11 weeks.

Senator FIERRAVANTI-WELLS: I am happy for you to provide that on notice, but clearly Ms White has had a problem. If Ms White at Lightning Ridge has had a problem then chances are that other people have had problems. I am happy for you to provide that information to us on notice in relation to each of the booths that you propose to close down. Can you also explain to me the process that you have undertaken in relation to consultation with the shopfront and any consultation that you have had with the communities in those areas, or whether you are just leaving it up to the poor unfortunate pharmacist or shopfront owner to explain what the government is doing to their community?

Senator FURNER: I am wondering whether there has been any media advice about the changes relating to these 18 May stories that have been circulated?

Mr Bridge: I am sorry, I am not sure whether I understood your question.

Senator FURNER: I would like to know whether there has been any feedback with respect to the stories that have been in circulation since 18 May?

Mr Bridge: To the particular individuals?

Senator FURNER: That is right.

Mr Bridge: In relation to all the issues that have been raised with us, we are contacting the parties involved, such as local members, to explain exactly what is happening in their locations, what the alternatives are and making it very clear to people. We are progressively working through any issues that are raised with us.

Senator FURNER: So, you are making direct contact with their offices?

Mr Bridge: That is right.

Senator FURNER: And you are explaining what the situation is with respect to these articles?

Mr Bridge: That is correct. These are often followed up with a letter from the member as well, and we are responding to those.

Senator FURNER: How many of the members are responding to your correspondence?

Mr Bridge: I do not think that we have had that many subsequent pieces of correspondence after we have provided information and explained what is actually happening in each of the locations.

Senator FURNER: So, most likely they are satisfied with your response and therefore they are not—

Mr Bridge: That is the general gist of it. Even when we have made the phone calls to the host providers, in the main they have quite easily understood exactly where we are at. They can see that the lack of usage does not warrant the process. In the main, we have not had a lot

of issues with particular hosts. There have been a few sites, as you have seen in these locations and we are prepared to look at each individual one to make sure that there is no loss of service and that people understand what the wide range of alternatives is that they can claim on.

Senator FURNER: Other than those exhibits that have been tabled today, are you familiar with any other examples that have been raised throughout the country?

Mr Bridge: There have been a couple of consultations. There are the ones in Western Australia that the senator mentioned earlier. We have had some correspondence from a couple of those. There was another media article today, which I do not think is one of these, that raised a number of locations. There have been a few, but again, in small pockets. Often what we have found is that the complaints that we have received have been more from the hosts in the first instance not understanding the alternative offers available to customers.

Senator FURNER: Thank you.

Senator ADAMS: I would like to say that out of the 49 of ours in Western Australia my staff and I have contacted 39 and there are only three that feel that the service may go and it will not really worry them. With the rest of them, I could go through a number of comments where they are really angry about this. A number of centres have written to Medicare saying, 'Keep the \$500', which is obviously the fee that is being paid to Pingelly and, 'Let us keep the booth', because it is used two to three times per day. They have elderly, disabled and partially sighted people who need assistance with forms, as well as a substantial portion of people who are illiterate and who require assistance. There is quite a large Aboriginal community in that particular area. The alternative for these people is to use the public phone booth on the highway, because they do not have phones. The community is very angry about it. There are 700 people there. Despite the fact that it will never have a really heavy usage, it is depriving people in their community of being able to have assistance. That is just one of them.

Overall, every person that we spoke to, as well as one of the community resource centres, were very concerned about it and they were not happy about the communication. They received a letter or the email from Deb Rowlings, Manager Portfolio Co-Location saying, 'I understand you may have had a call from Medicare in the past two weeks to discuss the Medicare booth at your community resource centre and the decision to arrange for its collection'.

It came like a bolt out of the blue to these people. It may have been in the department's area for two or three years, but I am not happy about the communication and consultation. I have put my case and, as I said, the question is: can it be reconsidered? Can you do a survey of these communities to see what can be done about it?

Senator Arbib: I would urge you and the member to contact Minister Plibersik's office to have a discussion with her and her staff about what options there are in terms of communicating, but also what other options there are on the ground for residents. Again, in terms of that community, I think you said 36 Centrelink—

Senator ADAMS: I have 49.

Mr Bridge: There are 49 centres, of which there were 36.

Senator Arbib: There are 36 Centrelink points at the moment where they can get the same service.

Mr Bridge: In the same location.

Senator Arbib: In relation to the others, I think it is worthwhile catching up with Minister Plibersek's office and having a discussion.

Senator FURNER: What is the department doing about broadband in these areas?

Senator ADAMS: You have to be joking! They will not get it. It will be nowhere near—

Senator FIERRAVANTI-WELLS: Oh, yes! Stephen Conroy's twilight zone!

Senator FURNER: Excuse me, put your manners back in and wait for your turn. What is the department doing about broadband in these areas, given they invested \$10 million?

Senator ADAMS: Not under these areas, unfortunately.

Ms Chapman: We are working with the Department of Broadband, Communications and the Digital Economy on which of the services we provide that would really benefit from broadband services. Clearly, services of this nature would benefit from access to the broadband network.

Senator FIERRAVANTI-WELLS: Yes, somewhere in the future.

Senator Arbib: The program that you are talking about is a FaHCSIA program, which is Broadband to Seniors. They provide kiosks for seniors. In many of these areas there would be kiosks. I think the program is \$10 million over four years. The government has been rolling out services to communities in regional areas and we take into account the views of local residents.

Senator FIERRAVANTI-WELLS: Not in these sorts of areas.

Senator SIEWERT: Mr Bridge, you made a comment that you had delayed the process in Western Australia. How long have you delayed it for?

Mr Bridge: We have delayed it until the end of June at the earliest.

Senator SIEWERT: So that is 30 days?

Mr Bridge: It started when we notified those organisations back in March, so the process has been rolling on and we are working on alternatives. For example, as of today 36 have the Centrelink agents, so they can do their services there. We are working with the remainder to make sure they are aware and they can understand the different alternatives that are available that continue to provide service at that location.

Senator SIEWERT: Is it possible to further delay the 13 that are not covered—the difference between the 49 and 36—that do not have any alternatives?

Mr Bridge: We will work with those 13 to make sure that they have the alternatives available and that they understand what they are doing. I do not see that we necessarily have to make it hard cut, but we have delayed it at this stage so that our contractors are not out there removing them. We can look at and continue to work with those organisations. There is scope for us to give them more time to enable their customers to make that transition.

Senator SIEWERT: Thank you.

CHAIR: I thank the officers. We will move to questions on Corporate Operations and Enabling Services.

Senator FIFIELD: I have some questions of a more corporate nature. How many DHS staff accessed paid parental leave in 2010-11?

Ms Campbell: I will ask Ms Chapman to provide that detail.

Ms Chapman: We have those numbers, but we will need to take it on notice. We had them for the last estimates and we have put them on the record, but I do not have the most up-to-date numbers with me tonight.

Senator FIFIELD: What about the amount of money that DHS spends on research in 2010-11? Are you able to separately identify the money that is spent on research?

Ms Campbell: We probably do not have an actual figure for 2010-11, given the financial year is not over.

Senator FIFIELD: Yes, we are not quite done yet.

Ms Campbell: I do not have that. We can take on notice how much we have spent to date.

Senator FIFIELD: Thank you. Can you supply 2008-09 and 2009-10 as well?

Ms Campbell: Given that from 1 July DHS will include Centrelink and Medicare will you be looking for the entire portfolio or just the Department of Human Services?

Senator FIFIELD: I was just thinking of the core department, but can you also provide it for those other entities?

Ms Campbell: Yes.

Senator FIFIELD: Also, can you advise the nature of the research that has been undertaken, who conducted it and who requested it?

Ms Campbell: Yes.

Senator FIFIELD: Are you able to indicate how much DHS has spent on legal costs for the year to date?

Ms Campbell: Mr Popple will be able to answer that.

Mr Popple: Are you after 2010-11?

Senator FIFIELD: Yes. Firstly, on external legal counsel.

Ms Campbell: We may not have 2010-11. Can we start with 2009-10?

Senator FIFIELD: Yes.

Mr Popple: For the 2009-10 the portfolio spent \$15,200,000 on external legal services.

Senator FIFIELD: Do you also have it for 2008-09?

Mr Popple: No.

Senator FIFIELD: Can you take that on notice?

Mr Popple: Yes.

Senator FIFIELD: So, you do not have 2010-11, for the year to date?

Ms Campbell: No, but we can take that on notice.

Senator FIFIELD: Are you able to indicate—although you cannot advise the figure for the year to date—the nature of the legal work?

Mr Popple: It covers a wide range of matters, including advice on policy matters or on service reform through to advice on procurement matters and also litigation, where we get involved in particular cases.

Senator FIFIELD: Can you take on notice the nature of the work and the purpose for which external counsel is sought?

Mr Popple: Yes.

Senator FIFIELD: Is the department presently engaged in any legal proceedings?

Mr Popple: The department is always engaged in a range of legal proceedings, usually around cases relating to the various programs, under Centrelink and child support in particular.

Senator FIFIELD: I know Centrelink and child support are always engaged in legal proceedings in a variety of matters, but I was thinking of the core department as we currently know it. I know the nature of the core department is changing because it is absorbing everything else.

Mr Popple: For the past year our legal services have been combined into one entity within the core department, so we have been operating out of there on behalf of the whole portfolio. Within the core department, of course, we have the Child Support Program. The bulk of our expenditure on cases would be involved through the Child Support Program.

Senator FIFIELD: So, excluding the Child Support Program, Centrelink and Medicare, would the core department have engaged any external legal counsel?

Mr Popple: The core department would mainly engage external legal counsel in respect of matters like advice on privacy and issues like that, but we are not involved in any particular cases at the moment on behalf of the core department that I can recall.

Senator FIFIELD: I will ask the same questions of Centrelink. My questions were focused on the core department as it previously was. What is DHS's advertising expenditure year to date?

Ms Campbell: We will ask Ms Bennett to come to the table for advertising expenditure.

Senator FIFIELD: I guess in posing the question now that Medicare and Centrelink are becoming part of DHS I should really ask for that to be divided according to your main entities.

Ms Bennett: The information that I have at the moment is split between the two agencies that expended funding on advertising. I will approach Centrelink first. There was a range of business-as-usual non-campaign advertising, such as recruitment advertising, which they did across the portfolio. Centrelink advertising included financial information services, Indigenous services, mobile offices, public notices and tenders. The total expenditure for this financial year to 30 November through the Australian government master advertising agency, Adcorp, was \$1,254,088.

Medicare Australia advertising, also business-as-usual and non-campaign, includes advising Medicare, office openings and relocations, information to providers, industry publications and also recruitment advertising. To date, Medicare has spent \$529,447 inclusive of GST.

Senator FIFIELD: Do you have the figures for the previous financial year as well?

Ms Bennett: I do not have them with me.

Senator FIFIELD: Can you take those on notice, and for the year before that as well?

Ms Bennett: Can I clarify that? Is that for 2008-09 and 2009-10?

Senator FIFIELD: That is correct. You have just given me 2010-11.

Ms Bennett: Up to date?

Senator FIFIELD: Yes, to today. Does the DHS itself, as opposed to those entities, have any advertising expenditure?

Ms Bennett: My understanding is—and I can confirm this—that for this financial year DHS did not conduct any of those activities, but I did explain that the advertising of recruitment was covered within Centrelink for this transition year to date.

Senator FIFIELD: Can you also take on notice a breakdown of those costs that you gave me for the different elements of the program?

Ms Bennett: The nature of them?

Ms Campbell: Such as recruitment?

Senator FIFIELD: Yes. I note the department has been allocated \$38.7 million in the 2011-12 budget to complete the transition to a single portfolio website and phone number. At first blush that sounds like a lot of money to set up a single website and a common phone number.

Ms Campbell: I will ask Ms Hartland to come to the table to go through the detail. It is worth noting that we exist, at the moment, on three separate IT systems and three separate telephone systems, and there are quite large changes that are required to standardise that across the portfolio. Some of the hardware we use now is legacy hardware, which is quite mature and would need to be upgraded.

Ms Hartland: Thank you. As Ms Campbell has said, basically the transition is not just about forming the single phone and website; it is actually about all of the content that comes together. The strategy is basically to be looking at a series of life events on the websites.

Senator FIFIELD: A series of?

Ms Hartland: What we call life events.

Senator FIFIELD: Sorry, I was distracted by the House of Representatives clocking off at 5 o'clock—lazy people.

Ms Hartland: For things like the birth of a child or death of a partner—those sorts of the things—at the moment you would see that under the website things are done based on three different agencies. What this initiative is about is trying to make it easier for people when they have certain things that are happening in their lives to be able to then look at that one-stop shop, if you like, in terms of the website. So, it is not about simply flicking on the switch to have one website or one phone number. We have been transitioning to that, but it really is around the content and the capability underneath that for people to navigate.

Senator FIFIELD: The description to complete the transition to a single portfolio, website and phone number, is not really an accurate descriptor of what is being undertaken?

Ms Hartland: It is about that, but it is about the content and bringing that information together in a way that makes it easy and simple for people to find the information in one spot

rather than across the three or more different areas in the organisations. It is a lot richer, I guess, than the title might say.

Senator FIFIELD: Was consideration given to having a central page and linking the other websites to that?

Ms Hartland: We have done a lot of work in terms of focus groups and with the community about what customers actually want. As you probably appreciate, customers actually do not think about things in a programmatic way.

Senator FIFIELD: It is just all the government to them.

Ms Hartland: I guess the answer to your question is, no, it was not really. We did not think it was the right way to go when customers were saying to us, no, if they were having a child or if there was a death of a partner—those sorts of activities—they wanted to be able to see in one place all of the things and all of the assistance that could be provided and what they could do rather than having to go and link into three different places.

Senator FIFIELD: Is this work being undertaken by an organisation that has won a tender or are you doing this internally and engaging consultants as need be? How is that actually being done?

Mr Tidswell: This is one of the pieces of work that I have responsibility for through service delivery reform. I think as Ms Hartland has outlined, it is a mammoth undertaking. We already have a single portfolio website set up and a single portfolio telephone number. We have used it successfully for the last two budget rounds in terms of informing people about what is going on, but the transition to move to a fully integrated departmental capability is an enormous undertaking. We probably have in excess of 100 telephone numbers. The approach of trying to transition those telephone numbers into a single telephone line is an enormous undertaking that will take us some years. So, in answer to your question, we have a mix of internal people and contractors doing work for us across a whole range of the things that we need to do as we navigate our way forward in this area.

Senator FIFIELD: You say there is a common phone number already.

Mr Tidswell: We built a single portfolio telephone number.

Senator FIFIELD: It is not one of those horrible 13 numbers, is it?

Mr Tidswell: 13 2468.

Senator FIFIELD: Dear, oh dear. Do you have to push buttons?

Mr Tidswell: You can talk into it and it will understand and it will route you to some information.

Senator FIFIELD: I do not like being routed.

Mr Tidswell: It will find you in the best possible way the information you need. What we have discovered is it is a great avenue to provide people with information so they do not need to talk to an operator. We are getting great feedback from it and we are keen to see how we can use that further.

Senator FIFIELD: Are you monitoring clients? How do you describe the people who interact with your unit?

Mr Tidswell: Customers.

Senator FIFIELD: The terminology is always changing.

Ms Campbell: We are standardising across portfolios.

Senator FIFIELD: Are you undertaking surveys of—

Mr Tidswell: We have good information from the last two budgets, and the feedback about how people have used the service and like the service, particularly how many people have been satisfied with getting their information either through the telephone number and hearing the information or through finding their way to the website and getting their information needs met. We can provide on notice how successful that has been.

Senator FIFIELD: Thank you. If you could also provide on notice a breakdown of how the funds, the \$38.7 million, are being spent on this project, including any subcontractors and so on, that would be great. This is not on IT anymore. Has the union representing DHS staff sought right of entry to DHS premises?

Mr Dunn: The union has sought right of entry to DHS premises.

Senator FIFIELD: On how many occasions?

Mr Dunn: I might ask Ms Chapman.

Ms Chapman: Over what period?

Senator FIFIELD: The financial year to date.

Ms Chapman: I cannot tell you exactly the number. This happens at a range of levels. We do a lot of stuff at a local level, so if there is a local issue in a local office the local union delegate or organiser can ask if they can be there to talk to the staff. If it is a more formal thing where, for example, they want to attend a range of premises to hand out notices at breakfast-time or something, they frequently ask us for right of entry to do that as a job lot. So, this happens probably regularly, maybe once a week, but at varying levels of, I guess, complexity. Sometimes it is a small issue that gets done locally and then sometimes it is a larger issue.

Senator FIFIELD: Where is that request lodged by the union?

Ms Chapman: If it is a local issue, it is just lodged with the local manager and if it is a more significant or national issue, it is lodge with the workplace relations branch.

Senator FIFIELD: Could you take on notice the details year-to-date of the right of entry requests that have been made?

Ms Chapman: I can take it on notice, but I guess what I would be saying is that the stuff that comes centrally we certainly have a record of; the requests that go locally are just dealt with locally.

Senator FIFIELD: A right of entry is a formal legal request, is it not?

Ms Chapman: Yes.

Senator FIFIELD: So, what happens locally? Is that a formal legal request or is it more just, 'Hey, do you mind if I pop around for a tick?'

Ms Chapman: They do it both ways, and if it is a formal request it goes to the local manager formally and they deal with it at that level. I can certainly get you the central requests.

Senator FIFIELD: It is really, I guess, the formal requests that I am interested in. You would be aware that there has been a bit of coverage, I think particularly in the Canberra media, of threats by federal public servants to take industrial action. Are DHS staff involved in any of those threatened industrial actions? Does DHS have any contingency plans in place? I guess what I am driving at is, is it perceived as something that is likely to happen and, if so, does DHS have any contingencies in place?

Mr Dunn: We are currently in the middle of negotiating our new enterprise agreement and we are actually bringing together a range of enterprise agreements into one. The protected industrial action would not be able to commence for our portfolio until January next year.

Senator FIFIELD: So, you are not concerned that there will be any action that is not protected before then?

Ms Campbell: I am advised that in the past when there has been action it has not generally impacted on customers' benefits being paid.

Senator FIFIELD: DHS staff would, as a matter of course, I guess, be issued with guidelines in relation to the appropriate use of social media at the workplace?

Ms Campbell: Yes.

Senator FIFIELD: Have any staff been disciplined as a result of inappropriate use of social media such as Facebook or Twitter?

Ms Briggs: Not that I am aware of, no.

Senator FIFIELD: If you could take on notice if there have been.

Ms Briggs: Of course. I will let the committee know within the week.

Senator FIFIELD: Thank you. Do staff receive any training in the use of social media services other than the guidelines mentioned?

Ms Chapman: As far as I am aware, we do not have specific training on the use of social media—how to use Facebook or Twitter.

Senator FIFIELD: I mean what is appropriate and inappropriate in a work context.

Ms Chapman: Yes, we do. We do have training on that. We also have information that goes to all staff regularly on what is appropriate use of the internet and so on. People are required, when they log on every day, to acknowledge that they are going to use it appropriately.

Ms Briggs: I quite recently put out an all-staff notice just reminding people of their responsibilities to behave properly in this regard. Ms Cornish has joined us at the table and she may wish to add to the answer already given.

Ms Cornish: There is a whole range of strategies that we are putting together to launch with the new department on 1 July, and one of those is an ethics toolkit. We are doing a lot of work around making sure that our employees are aware of their obligations.

Senator FIFIELD: Do any DHS staff monitor, as a regular part of their duties, the websites of political parties, shadow ministers or other party spokespeople?

Ms Campbell: We will ask Mr Jongen to talk on the media monitoring functions of the department.

Senator FIFIELD: Thank you.

Mr Jongen: No, we do not engage in any of that sort of monitoring. As you can appreciate, the monitoring that we undertake relates to the payments and services that are provided by the portfolio, and that includes online blogs.

Senator FIFIELD: Sorry, the payments and services?

Mr Jongen: Provided by the portfolio.

Senator FIFIELD: I do not follow you there. What is the monitoring?

Mr Jongen: Any media that relates to—

Senator FIFIELD: The payments and services provided, okay.

Mr Jongen: any of the organisations, for example, Medicare and Centrelink.

Senator FIFIELD: Thank you for that. How does DHS monitor the activities of staff who have access to sensitive information? I guess DHS in its augmented form has access to some of the most sensitive information about individuals.

Ms Campbell: We have a range of compliance measures in place. Ms Chapman will start answering that and we will look for someone else who can give more detail on some of those mechanisms.

Ms Chapman: One of the things that we do do, because we understand we have sensitive information available, is proactively monitor access to customer records. So, for example, we can check at any point in time who is accessing what information electronically.

Senator FIFIELD: Do you have a hot list of high-profile people that alarm bells or flags would go up if there was access to information about them? I know some departments and agencies do.

Mr Wadson: As Ms Chapman said, we can track any action on any record and we keep logs. We know who has been looking at what and, yes, many organisations in this business noticed when people were in the press for some reason there was a jump. This is pretty well monitored now and it has been some years, I think, since we did issue something, but I have a recollection that some years ago we actually reminded people that if you do these things you are going to get caught, because it is very easy for us to see it.

Senator FIFIELD: Do you have any flags against the records of some people who you keep information on; because of their profile they may be more of a temptation for people to access their details?

Mr Wadson: There are various reasons we flag records and limit access. Some of them are because we protect records. There may be a particular reason. So, there are various reasons we do that. I do not think it is so much because they are a celebrity as such in one way or another.

Mr Box: We might take it on notice to give you a complete answer, but the short answer is Medicare Australia does monitor celebrities. As to access to well-known celebrities, politicians, people of note, even people in the media—there are flags on them and if their records are accessed inappropriately that is detected and action is appropriately taken.

Senator FIFIELD: Have there been any instances where flags have gone up or you might consider that there had been privacy breaches in the year to date?

Mr Box: The year to date I would have to take it on notice for you. There are briefs around I think that might answer the question. Historically there have been; in the year to date I will have to take on notice.

Ms Campbell: There have been some instances which are referred for investigation and those officers who have breached privacy are considered under the code of conduct, and determinations under the code of conduct on how those officers are dealt with.

Senator FIFIELD: Have there been any this financial year?

Ms Campbell: There have been this financial year, yes. I do not have the details with me and there may be things about the privacy of individuals we would have to consider. We do monitor this very closely and constantly remind staff of the privacy of those individuals and the records they deal with.

Senator FIFIELD: Obviously we would not want to compromise the privacy of individuals, but if you could take on notice the number of instances and the nature of those instances for the year to date that would be good.

Ms Campbell: We can do that, yes.

Senator FIFIELD: And also for the previous financial year. Have any staff been formally disciplined in the year to date?

Ms Campbell: I do not have the details. Ms Chapman may have those details with us on those who have been investigated.

Ms Chapman: I have the details for the misconduct investigations during this financial year to date. This is not just specifically around privacy breaches; it is under the code of conduct, which can cover a range of things. This is across Centrelink, Medicare and DHS. We have had a total of 84 investigations in browsing, that is, where you suspect that someone is looking at records that they should not need to look at; that there is no business need for.

Senator FIFIELD: 'Browsing' is an interesting euphemism.

Ms Chapman: It is the term that is used in these matters. The other one is the improper use of the internet or email, which can involve a range of things—sending off spam email and that kind of thing. We have had 25 cases of that across Centrelink, DHS and Medicare to 31 March.

Senator FIFIELD: That is emails and internet use. Any other categories?

Ms Chapman: There is a range of categories to do with misconduct more generally, but not relating to the use of the internet or access to records.

Senator FIFIELD: What are the other categories of misconduct?

Ms Chapman: The other categories are improper use of resources; inappropriate behaviour, which excludes harassment and bullying as they are a separate category; unauthorised disclosure of information; theft; the behaviour of an employee outside of work; misuse of drugs or alcohol; conflict of interest; improper use of position or status of the individual public servant.

Ms Campbell: It is worth noting that they are investigations—they are not proven—and that we have a portfolio of over 38,000 staff throughout Australia.

Senator FIFIELD: It is a large organisations containing people with all the human foibles. So, 84 investigations for browsing. How many of those investigations have been concluded?

Ms Chapman: I cannot give you that number. I have a total number of investigations across the code of conduct that have been finalised this financial year, but it is not broken down into the specific categories.

Senator FIFIELD: Could you take that on notice and break it down by the specific categories, what the result was, and if it was concluded and everything was clear or there was disciplinary action, that would be useful.

Ms Campbell: We do take this very seriously. We continue to provide staff with education on this and note that this is not acceptable behaviour. We remind them of the privacy obligations staff have and that is a continual part of the education program throughout the organisation.

Senator FIFIELD: Thank you for that. Under cross-portfolio I can ask general questions about particular programs in the PBS. I turn to the reform of community development employment projects program in the Torres Strait. It is really just a query about where it is. It was in the 2010-11 PBS. You probably do not have the 2010-11 PBS there.

Ms Campbell: No.

Mr Sandison: No.

Senator FIFIELD: That is okay. Anyway, it was in the 2010-11 PBS. Are you aware of the program I am referring to? It is headed 'Reform of community development employment projects in the Torres Strait'.

Mr Sandison: Not to the specific one you are referring to. We are obviously of the CDEP changes that are in this year's PBS, but not specifically to the Torres Strait Islander reform. Or did it have a direct implication for this portfolio?

Ms Campbell: We are just searching for a PBS from last year.

Senator FIFIELD: Thank you. I think it is on page 50, table 1.2.

Ms Campbell: We will see if we can find the relevant officer while we are continuing.

Senator FIFIELD: Have you found the page there?

Ms Campbell: Yes, we have it.

Senator FIFIELD: My query was just that it is there and it is in the forward estimates, but it does not appear in this year's.

Ms Campbell: Those amounts are rolled into the baseline of the department. The amount of money would be a continuing or either an ongoing or a lapsing program. That would just form the baseline appropriation.

Senator FIFIELD: Thank you for that.

CHAIR: Do you have a question for Child Support? Senator Cash does.

Senator FIFIELD: I have a few.

CHAIR: This segment is due to finish at 5.45 pm, and I was allocating the last 15 minutes to Child Support.

Senator FIFIELD: I will conclude on cross-portfolio so we can get to Child Support.

CHAIR: So, you are happy with anything else being on notice?

Senator FIFIELD: That is fine. I will put everything else on notice.

Child Support Agency

[17:26]

CHAIR: We will move to the Child Support Agency. Senator Cash.

Senator CASH: Thank you very much. This is the department?

Ms Campbell: Child Support is an area within the department and Ms Godwin is the deputy secretary responsible for the Child Support Program.

Senator CASH: Ms Godwin, I am going to be referring to an article that appeared in the *Sydney Morning Herald* on 4 September 2010 titled 'Labor MPs help with travel ban on Kazal'. I did ask the secretariat to notify you of this earlier this morning. So, you are aware of the article? Thank you very much. I do appreciate that. The article alleges that in December 2007 then New South Wales parliamentary secretary Mr Tony Stewart and the federal member for Werriwa, Mr Chris Hayes, lobbied the Child Support Agency to overturn a travel ban on Mr Charif Kazal, who had been banned from travelling after failing to meet child support payments. The lobbying was to allow Mr Kazal to travel overseas with the then New South Wales tourism minister, Matt Brown. Was there a travel ban on Mr Charif Kazal?

Ms Godwin: I clearly cannot discuss the individual circumstances of an individual case due to privacy and secrecy provisions in the legislation. I can talk in general terms about how the DPO process works. If DPO has been issued in relation to an individual it can be lifted either by being removed entirely or a person can apply for what is called a departure authorisation certificate.

Senator CASH: What does DPO actually stand for?

Ms Godwin: Departure prohibition order. That is a legislative instrument we can issue, and a DAC is a departure authorisation certificate. A person with a DPO can apply for a departure authorisation certificate. A departure authorisation certificate is required to be issued if the person makes satisfactory payment arrangements, or is prepared to offer security against their travel, if we have reason to believe that they will return, or if they have a humanitarian or public interest reason for travelling. So, for example, someone travelling overseas because relatives are ill or because they are part of a delegation or something of that sort we would need to consider.

Generally speaking, a DPO is removed if we are satisfied that the person has either paid their child support arrears or is entering into a satisfactory payment arrangement. Providing that is in place and the person is making appropriate arrangements to pay, then the DPO would be lifted in its entirety.

Senator CASH: I appreciate you obviously are not going to comment on Mr Kazal's personal case, which does raise some difficulties in relation to my questions because they actually are based on what has been put into the article in the *Sydney Morning Herald*. I am assuming the *Sydney Morning Herald* must have done an FOI application, because the department did not comment on the individual circumstances of Mr Kazal's case?

Ms Godwin: I have no knowledge of what information the newspaper had.

Senator CASH: Would there ever be a ban lifted as a result of political lobbying?

Ms Godwin: I assume that sometimes representations are made. They might be made regularly but the circumstances in which a DPO is issued and the circumstances in which we are required to issue a departure authorisation certificate or lift the DPO are set out in the legislation. The delegates for these matters are senior officers in the non-compliance business line of the program, so that is a band 1 officer or an EL2 officer. They would document their reasons so, almost regardless of whether someone has made representations, there has to be a reason consistent with the legislation—for example, the payment of a security or entering into payment arrangements.

Senator CASH: What section of the legislation are you referring to so I can go and have a look at the particular conditions that are set out. So, for the DPO order to be lifted in a particular case, there has to be the meeting of one or more of the requirements that are set out in the legislation.

Ms Godwin: Indeed, that is correct. It is Part VA, departure prohibition orders, 72D and following. You will find it there.

Senator CASH: I will put a question to you and if you cannot answer it, you cannot answer it. Was Mr Kazal's travel ban overturned?

Ms Godwin: As I have said, I am really not in a position—

Senator CASH: That is fine, you are not able to comment on a particular situation. I will put the rest of these questions on notice because a lot of them will have to be reworked.

Senator FIFIELD: I asked earlier about DHS staff who had accessed paid parental leave. When I put that request before would that also cover the CSA?

Ms Campbell: Yes, it would.

Senator FIFIELD: Also, when I posed questions about unions seeking right of access, again that would cover the CSA?

Ms Campbell: Yes, we have started integrating and HR services is one of those elements we have integrated across the organisations.

Senator FIFIELD: Questions on research would be the same.

Ms Campbell: The same.

Senator FIFIELD: Legal counsel would be the same?

Ms Campbell: Yes.

Senator FIFIELD: Going now to more core CSA responsibilities, how many clients may have received overpayments in 2010-11?

Ms Godwin: What is your definition of an overpayment in that context?

Senator FIFIELD: I guess someone who is a payee rather than a payer who may have received more money than they should have according to what has been agreed?

Ms Godwin: I will just check my notes here. I am not sure that I have actually got numbers on the number of overpayments which can occur in a variety of circumstances. I am sorry, I do not have actual statistics. Can we take it on notice? I am not sure if we are able to answer it because of course an overpayment can appear and disappear as a result of a reassessment. An assessment that reduces the paying parent's liability may result in an

overpayment. If the receiving parent then challenges that reassessment and the assessment reverts back to—

Senator FIFIELD: It can get netted out.

Ms Godwin: As I say, if I could take it on notice, but I am not sure precisely what we might be able to give you in that respect.

Senator FIFIELD: How many clients have been charged or deemed to have a CSA debt and then in the year to date have had that overturned on appeal?

Ms Godwin: Debts are not overturned on appeal in that sense. There may be small numbers in litigation where a reassessment might result in a remit—

Senator FIFIELD: Reassessment is the more appropriate term to use.

Ms Godwin: Yes, and again it is a complex issue because assessments can be varied throughout the year for a variety of reasons and someone may have a debt. That debt may be brought up to date at some point or a reassessment might reduce their liability and therefore reduce their debt or even remove it. It is very much a movable feast. I can give you figures on the numbers of people who have currently got a child support debt but the churn in that, the number of people who move in and out of having a debt or not having a debt, I think would be harder to provide.

Senator FIFIELD: If you can, give me the figure for those who have a debt at the moment?

Ms Godwin: We work this on the basis of paying parents. For the total number of paying parents at the end of March—I think I am looking at the right line—it was 767,169 paying parents, of whom 232,333 had a debt, so that is 69.72 per cent without a debt, 30.2 per cent with a debt. That takes into account ended with arrears cases, so I think it is roughly 45,000, nearly 46,000, of those are in fact ended cases where the case ended with arrears. It also takes into account the international case load, so that is the total case load.

Senator FIFIELD: What are the main methods of debt collection currently used by the CSA?

Ms Godwin: The most important issue for us is to try to get a paying parent to pay in full and on time, and pleasingly we are seeing an increase in people who are paying in full and on time. If they do not pay in full and on time then we will first of all start with what we call our early intervention approach. We contact people to say, 'Look, you have missed a payment. Can we get you back on track?' If that does not result in payment we will try to enter into a payment arrangement and we are also seeing increases in the number of parents, even if they have got a debt, entering into a payment arrangement with us. Although they have not paid their child support in full they are starting to pay back their arrears and meet their current liabilities.

If that does not work we will move into stricter territory, if you like, where we start to actually identify assets and try to access them. We have an active program of what we call TRIPs, tax refund intercept program. The paying parent with a debt can have their tax refund intercepted and applied against their child support debt. We also have an active program of seeking information about other income or assets that people may have, including for example checking bank balances and accessing bank amounts. We also have an active program of

putting people on employer withholding so we can garnishee wages, although interestingly some paying parents voluntarily seek that service because it is a more convenient way to pay. Of course if we are unsuccessful in all of those aspects then we will litigate. We will sometimes put liens over property to stop property being sold and we will sometimes seize property. Obviously those are very much at the difficult end and we would only use those measures in very limited circumstances. We have already talked about departure prohibition orders, which we use as well.

Senator FIFIELD: How many complaints has the CSA received in the year to date relating to debt enforcement issues?

Ms Godwin: I would have to take on notice the number relating to debt enforcement issues, although I should note that we are seeing a steady decline in escalated complaints and that would cover both paying parents and receiving parents. We are making a concerted effort to try to improve our service at the front end so people do not have to complain.

Senator FIFIELD: Could you also take that on notice the previous two financial years? Do you break that down by categories of complaint?

Ms Godwin: We do break it down by categories of complaint but I would need to see whether we can break it into the categories that you talk about. People commonly complain for example if we have not taken what they regard as sufficient action to get their child support. We used to see complaints about service officer behaviour, although pleasingly that has dropped right down the list of the sources of complaint. We would need to see whether we could break it into specific complaints about enforcement action.

Senator FIFIELD: Have any staff in the year to date been disciplined in relation to matters arising from complaints about debt enforcement?

Ms Godwin: Not that I am specifically aware of.

Senator FIFIELD: I think in 2009 there were some clients of the CSA who received letters or statements which incorrectly indicated that some people had overdue child support. Are you aware of that?

Ms Godwin: I am not specifically aware of it.

Senator FIFIELD: I might put the details of this particular case on notice. It was really just to check if there were any ICT problems.

Ms Godwin: I should clarify that there was one issue around the time that I started in the program which I think was the result of a data issue in the system and which was fairly quickly corrected, but that may have some bearing on the case that you—

Senator FIFIELD: But there are no outstanding ICT issues?

Ms Godwin: Like all ICT systems there are—

Senator FIFIELD: There are always bugs, yes. But there are no systemic problems that you are aware of?

Ms Godwin: Not of that sort.

CHAIR: Thank you to the officers from child support.

Medicare Australia

[17:45]

Senator BACK: I want to ask, if I may, some questions with regard to Professional Services Review and note that Medicare is capable of referring cases to the Director of Professional Services Review. Could you tell me on what basis the CEO of Medicare determines which cases should be referred for further review by the PSR?

Mr Bridge: There is a range of potential issues from which we might decide to refer a case to Professional Services Review. Professional Services Review is focused on what is called inappropriate practice. It is based on assessing that as a peer review process; that is what the PSR is about. We do not have a role to make that assessment merely to identify potential concerns that might go to that territory. We do that in a number of ways. The primary one is to look at the claiming profiles of medical practitioners and we are able to monitor all of the claiming profiles of medical practitioners. Where it would appear that those profiles are substantially different to a peer group, that raises potential concerns.

Senator BACK: So it is some form of statistical matrix?

Mr Bridge: That is a starting point for it. Obviously the statistical analysis is not conclusive. The process that we then go through is quite an extensive one where we will contact that particular provider. We will meet with them. We will provide the information we have. We will talk about the circumstances of their claiming to see if we can satisfy those concerns, and in many cases we do.

Senator BACK: Do you have different matrices for different forms of practice, for example rural practice versus city GPs, versus specialist or, in the case of medicine, the nature of the actual consultancy? Do you have different matrices for different aspects or is it all in the one barrel?

Ms Godwin: It is all in the one barrel, but there are many different parameters that we are able to apply so that we can get an analysis for a particular practitioner which is relevant to their practice.

Senator BACK: Is there ever an instance, or does it commonly happen, that you may receive advice either from a disaffected patient, from another practitioner or somebody from an allied health profession? Does that come to Medicare and is that something in which you would deal?

Mr Bridge: We do get those kinds of advices and they can go across a wide range of issues, some of which might be matters of inappropriate practice. Others might be more directly around incorrect claiming and those kinds of possibilities. Sometimes they go to the quality of health care. Those our outside our purview and we would pass them onto appropriate parties.

Senator BACK: Those that are to do with health care you would pass on but others might just be some spurious allegation from one practitioner against another—

Mr Bridge: That is right.

Senator BACK: Would Medicare itself investigate those?

Mr Bridge: We assess them. In the vast majority of cases in those circumstances you can see where they are spurious. We are looking for those circumstances where there would be

some prima facie indication that there is a problem in relation to the claiming process that we need to investigate.

Senator BACK: Could you tell me or take on notice how many cases Medicare has investigated and how many cases—is ‘investigate’ the word?

Mr Bridge: We have a range of—

Senator BACK: you have passed onto the PSR in each year? If you could provide that on notice I would appreciate it.

Mr Bridge: We can do that.

Senator BACK: I understand the latest National Compliance Program report revealed that health professionals incorrectly or fraudulently claimed more than \$10 million in MBS PBS rebates in 2009-10. Is that an accurate estimate or recollection of the report?

Mr Bridge: The \$10 million figure would be the amount that we had identified for recovery from practitioners who made incorrect claims, yes.

Senator BACK: Were those the ones that you believe, were those the ones that you went chasing or were those the ones that with a 100 per cent success rate you would have actually got that \$10 million back? I just do not understand what the actual figure is.

Mr Bridge: Those are the cases where as a result of our audit activity or investigation we have identified an actual incorrect claim and we have sought and gained recovery from those practitioners.

Senator BACK: On that basis then would you be looking to widen the scope of items that would trigger an assessment of possible referral to PSR?

Mr Bridge: Yes, in fact we have done that. But perhaps I should explain, the PSR process and our general program are quite distinct in that our role here goes to the correctness of the payments and the claims that have been made. The PSR goes to whether the practice itself was appropriate in the first place. We run a parallel review of those practitioners. If matters go to that the practitioner has claimed incorrectly, in an administrative sense, we act. That will be an audit, investigation or review by Medicare Australia and that is where the \$10 million would come from. If it appears that it is a matter which goes to inappropriate practice we refer it to the PSR and they run their own separate process.

Senator BACK: Can you tell me what the process or the mechanism is that you have within Medicare to deal with practice managers, practitioners or other health professionals who feel as though they are being unfairly discriminated against or unfairly targeted? What is the mechanism that you have within the agency to deal with that?

Mr Bridge: In terms of the audit or if our scrutiny is unfair?

Senator BACK: That is correct. If someone gets in touch with you and says: ‘Heaven’s above, this is the fourth time this year, why us? Why are you targeting us?’ I am just asking what the process is?

Mr Bridge: There are a number of avenues that are available to us. We run an internal review process so that if that issue is raised we will get parties separate to the original decision to review whether or not it is appropriate for that particular action to take place, for example.

Senator BACK: Is that a common process? Are the medical and allied professions confident enough of you to actually put their hand up and say exactly that or is there a sense that they would rather not draw attention to themselves?

Mr Bridge: We do not get a huge number of people who make those complaints. In fact we are very cautious and concerned to make sure that we have a very professional approach in relation to our audit programs. One of the things we do is provide an exit survey to people who have been subject to our audits to give them the opportunity to comment on the quality of that audit in terms of the timeliness, fair and reasonable treatment et cetera. The outcomes of those surveys are quite substantially high. In fact across five indicators the lowest we would get is an 85 per cent satisfaction rate. That is quite significant in the context of what you are involved in.

Senator BACK: Are they reported annually in your annual report?

Mr Bridge: They are, in the program that you mentioned before we do refer to that annually, yes.

Senator BACK: In terms of referral, I recall in the act I think that the CEO of Medicare writes to the director of the PSR advising that they want a particular case to be reviewed, and laid out in that documentation is the nature of the purpose for the review. Is that correct?

Mr Bridge: That is correct. It is at a request. The CEO is required to request—

Senator BACK: Is the CEO of Medicare also obliged under the act to communicate that to the person who will be the subject of review?

Mr Bridge: That is correct.

Senator BACK: In that is also contained the nature of the matters that they want the director to undertake to review?

Mr Bridge: Correct. As I said, that takes place only after we have already had direct contact with that particular provider and worked through those issues so they are given the information, time to understand the review and a face-to-face discussion.

Senator BACK: Once the director decides that it is a matter that is worthily the subject of review, what is the capacity for that review to in fact be extended beyond the nature for which it was originally intended as a result of examination of records or whatever?

Mr Bridge: The director is not restricted to the issues to which we refer in our raising concerns and request.

Senator BACK: In the event that the director determines that they are going to extend it, what is the process for the person under review through equity and other purposes, what is the mechanism by which the director conveys to that party—

Mr Bridge: You are going to matters inside the Professional Services Review. I would suggest—

Senator BACK: Could I ask it again? You will have an interest in this, I would have thought. Presumably the director would be reviewing patient records?

Mr Bridge: The director has the power to obtain—

Senator BACK: From a security and confidentiality point of view would the patient or patients about whose medical information is being reviewed be informed of this?

Mr Bridge: Again, you are going to things inside the Professional Service Review and it is a completely separate and independent agency from Medicare Australia. We are not privy to the direct procedures that take place inside the agency.

CHAIR: Those questions were asked of them the other night; were they not?

Senator BACK: Not this particular one regarding patient confidentiality, but thank you. What comes to mind there is that in the event that a person did have occasion to be concerned about a breach of confidentiality, surely appealing to the director would be like appealing to your mother-in-law about your wife. Would there not be a role for your agency to actually be a second path of appeal? If you had a person who was dissatisfied with the director's adjudication to whom would they turn?

Mr Bridge: There would be opportunities for them to deal with, for example, the privacy inspector and those kinds of processes. We have no right or role to participate in that process.

Senator BACK: I understand the PSR panels have been formally suspended about six months ago; is that correct?

Mr Bridge: That is correct. But again, the details and issues of that kind we are not aware of. Our role explicitly ends at the point when we refer the matter to the PSR, who are a completely independent party.

Senator BACK: Given the fact that the process has been abandoned, can I ask you what is Medicare doing? Is there developing now a great backlog of cases that you would otherwise be referring to the director?

Mr Bridge: We are continuing to refer our cases as appropriate, so the matters are being referred and it is up to the director now in terms of the next steps they take in relation to those matters.

Senator BACK: Once the review is concluded there could be a long backlog in fact.

Mr Bridge: Potentially, but again there are alternative processes available to the director and it would be more appropriate for those questions to be referred—

Senator BACK: Who is it that actually appoints the director of the PSR?

Ms Golightly: Medicare have that—

Mr Bridge: Again, they are outside of our purview.

Ms Briggs: The Professional Services Review is in the health portfolio and the legislation would either be through the health minister or the health secretary.

Senator BACK: Basically then any reference to disputation from health practitioners in terms of MBS and other claims would not be an area in which you would have any interest?

Mr Bridge: Again, it really depends on the nature. If it is going to a matter that relates to the claiming of Medicare benefits and that we have been involved in, that would be a matter which we would deal with. If it goes to the issue of what is known as inappropriate practice that is a matter for the Professional Services Review.

Senator BACK: Let me ask you this and you can give me guidance. This is obviously from health practitioners and I will quote them in a moment. There have been concerns expressed by health practitioners about the lack of any accountability where neither Medicare

Australia nor the PSR can provide binding advice on matters relating to clinical relevance of MBS items. Is this something that you are in a position to take questions on?

Mr Bridge: Again, I would suggest that really is a matter for the department of health.

Senator BACK: Only that I am about to quote from the director of Medicare Integrity Section, Medicare Benefits Branch of Medicare, so that was something that I thought might be in your remit.

Mr Bridge: It certainly would but I—

CHAIR: It is going across the portfolio but if you have a quote that relates to Medicare maybe you can share the quote with the officer.

Senator BACK: If I could. It was a quote that was recorded in the *Australian* newspaper on 11 December 2010 from a Queensland doctor, Scott Masters. He was asking Medicare for definition of certain consultations. What I am quoting now is from a Ms Rose Ross, Director of the Integrity Section who replied to this inquiry saying:

As I have indicated previously it is up to the practitioner rendering the services to determine what MBS item applies. Neither the department nor Medicare Australia can provide binding evidence on matters relating to the clinical relevance of the service. This is a matter for your peers.

That is the general body of GPs. Masters then goes back to the director of PSR to seek advice only to learn that he can only give advice on the PSR scheme and therefore cannot provide further comment on administration of MBS. Masters's claim is—and I think it is relevant for me to ask it—

Senator Arbib: We are really going to need to get a copy of this.

Senator BACK: I can certainly provide that.

CHAIR: The officers should read the copy before they can actually answer because this is quite an extensive discussion from this article. Is this all from the media article?

Senator BACK: That particular quotation was from the media article of 11 December 2010, yes.

Mr Bridge: Ms Ross is actually an employee from the department of health. That advice is provided by the department of health. I can confirm that Medicare Australia is not in a position to provide any advice on clinical relevance. That is outside the purview of Medicare Australia.

Senator BACK: That is outside the purview of your agency, so would that be properly a health department question?

Mr Bridge: It would be a health department question.

Senator BACK: What it goes to is—

CHAIR: Again, if there are complex questions arising from what is on a piece of paper this officer should see it. Where is your next question going to? Is it related to that or is it a general question?

Senator BACK: It has a relationship to it and that is confusion by the professions in terms of what is and what is not, in effect, legal practice for them, but I can understand that these officers may not be able to provide that. The other questions I have relate to PSR, so that probably concludes my questions of the officers.

Senator FIFIELD: I have a query about the back-end merge of the various DHS entities and how that will affect Medicare. Will the areas of Medicare such as fraud prevention and investigation be merged with DHS or Centrelink's fraud investigation and prevention areas?

Ms Campbell: There will be a fraud and compliance area established with the department where best practice will be shared but which will be very conscious of the legislative responsibilities and the privacy requirements under each of the pieces of legislation.

Senator FIFIELD: How much did Medicare spend on fraud prevention and fraud detection in the financial year to date?

Mr Bridge: I do not have the exact figure with me, so I will take it on notice. Medicare spends around \$30 million per annum on its compliance program, which includes fraud investigations, our reviews for the PSR and our general audit programs. That has been fairly consistent for a number of years.

Senator FIFIELD: Similar amounts in previous years. How many staff are directly deployed on those roles at the moment in Medicare?

Mr Bridge: Again, that is around 300.

Senator FIFIELD: How many cases of fraud have been detected in the year to date?

Mr Bridge: By way of explanation, there is fraud in the criminal sense and more directly in incorrect claims. By far the majority of the work that we do is around the incorrect claims rather than outright criminal fraud. In the programs we undertake we tend to find very small instances of outright criminal fraud, which is largely due to the nature of the programs and how they work together. On average, we would take on board around 3,500 cases per annum. That is the both the professional services review beforehand and general audit cases.

Senator FIFIELD: How many of those would you deem to be fraud as opposed to errors?

Mr Bridge: The number varies dramatically all the time. I can take on notice the actual number of cases out of the work to date and our actual audits. For example, I can give you the 2009-10 figure.

Senator FIFIELD: Thank you.

Mr Bridge: It was 3,594 across all of our programs. That includes health professionals, pharmacists and members of the public. That is the number audited. In those different groups there are different levels of the number of cases where we have found incorrect claims. I can give you a detailed breakdown of that on notice.

Senator FIFIELD: On notice is fine. How many successful prosecutions of fraud have there been?

Mr Bridge: Again, it is a very small number. For the 2010-11 year to date it is 10, of which nine were members of the public and one was a medical professional.

Senator FIFIELD: How many tip-offs has Medicare received year to date in relation to fraud?

Mr Bridge: It is around 2,500. Again, that number is reasonably steady over the years.

Senator FIFIELD: Can you break those up between medical professionals and customers?

Mr Bridge: I will take that on notice.

Senator FIFIELD: Of those 2,500 tip-offs, how many ended up being substantiated?

Mr Bridge: Again, that 2,500 is all forms of tip-offs that we might get, so it could be potential PSR cases, as we said before, and fraud investigations. I will take that on notice to give you actual detailed data around the numbers.

Senator FIFIELD: Are there any external contractors engaged by Medicare for fraud prevention or detection?

Mr Bridge: No. It is all within the agency.

Senator FIFIELD: I will move to something happier. How many staff in Medicare are engaged in communications, media, public affairs and public relations?

Ms Campbell: The communication function has been integrated into the Department of Human Services; we have one division.

Senator FIFIELD: What sort of personal information does Medicare hold electronically about individuals? Is it just the name, age, address, birth date and history of claiming?

Ms Golightly: Yes. It is claiming information and details which identify the individual.

Senator FIFIELD: We were talking about DHS, in general, and unauthorised access to personal information, so the figures that were given before would also have covered Medicare?

Ms Campbell: That is correct, yes.

Senator FIFIELD: Can you provide an update on the issue of healthcare identifiers?

Ms Golightly: Yes. The service is operating and identifiers have been issued to individuals and also healthcare providers. That is the general update. It is ticking along.

Senator FIFIELD: With no particular problems?

Ms Golightly: No.

Senator FIFIELD: Is that healthcare identifiers for providers?

Ms Briggs: I could assist you there. Approximately 44,000 health provider identifiers have been assigned to health professionals as at 31 March this year and 26 healthcare provider identifiers have been assigned to organisations.

Senator FIFIELD: I know Senator Fierravanti-Wells has some questions for Medicare.

CHAIR: Is that the end of your questions?

Senator FIFIELD: I have some more.

CHAIR: We will go to Senator Fierravanti-Wells who has a couple and if we have time left then we will come back to you.

Senator FIERRAVANTI-WELLS: I wanted to ask some questions in relation to the Better Access initiative, that is payments made under a series of items that you are familiar with, which are paid to GPs and allied health professionals. Through the DoHA estimates they advised me of the progress reports. We had a look at some of the progress reports that DoHA prepare on a bi-monthly basis in relation to the COAG initiatives of 2006-2011. It is an attachment to that document which is entitled *Better access MBS uptake*. I am happy to give you a copy. It provides me with a list of the various item numbers, the description—which you are familiar with—and it gives me the number of claims nationally. You are able to track

the number of claims on a bi-monthly basis. I just assumed that information came from Medicare. Is that the case?

Ms Golightly: Some of that information comes from us. I would have to see exactly what it is, but we have that information. It is provided to the department of health on their reports.

Senator FIERRAVANTI-WELLS: So there is information both sides of the fence that both of you know about.

Ms Golightly: Yes.

Senator FIERRAVANTI-WELLS: In your portfolio budget statement I have worked out that it all goes into one, which accounts for why it is so thin. I would like to take you to page 26, which is part of table 1.2. I take it that is the additional moneys. Under the National Mental Health Reform part it talks about health and wellbeing checks for three-year-olds. I gather that is the \$43,000 extra funds coming to Medicare to process the shift from the four-year-olds to the three-year olds?

Ms Golightly: That is correct.

Senator FIERRAVANTI-WELLS: Underneath that it has Better Access initiative, rationalisation, allied health treatment sessions and what appear to be savings over the forward estimates. Is that correct?

Ms Golightly: Yes.

Senator FIERRAVANTI-WELLS: Can you explain that?

Ms Golightly: That is work that we will not need to do anymore. It is still all part of the mental health package.

Senator FIERRAVANTI-WELLS: Is the reason that you will not need to do that work because of the fact that the government is cutting back on the Better Access initiative and therefore there will not be as many claims to process?

Ms Golightly: I will check into that for you, but most of the money that we get is to put items on to the MBS or take items off the MBS. From memory, I think this one is taking items off, but I will check on that and get back to you.

Ms Thomson: With regard to that measure, you are correct. There is a reduction in the number of allied mental health services available under this particular item. There has been a reduction.

Senator FIERRAVANTI-WELLS: So to come to that figure, which is almost \$1 million over the forward estimates, how have you assessed that \$1 million? Do you work out that there are X-number less claims that you will need to process? Do you work it on a per claims basis or do you work it out as a global fee?

Ms Thomson: Some of those assumptions around that particular budget measure have been developed with our colleagues at the Department of Health and Ageing. There is a number of individual services that are offered underneath the initiative, as well as group therapy sessions. Under this particular measure, the number of individual sessions, which is currently up to 18, will be reduced to 10 and the number of group sessions are currently at 12 and they will be reduced to 10, so there has been a slight reduction.

Senator FIERRAVANTI-WELLS: That is my point. To get to the \$1 million you must have worked out how many fewer claims you are going to process, so my question to you is: how many fewer claims will you be processing?

Ms Golightly: We will have to take that on notice. It is all part of the methodology behind it.

Senator FIERRAVANTI-WELLS: I appreciate that. I also appreciate the assumptions and the basis upon which it is done. I understand that is done primarily with DoHA as the lead and you are executing instructions.

Ms Golightly: Yes. We will get you that detail.

Senator FIERRAVANTI-WELLS: Because of that there have been reductions in relation to GP rebates as well so, without going into all the different tiers and that sort of thing, there will also be a reduction in the amount of claims, probably in the amount that is claimed and the number of claims that GPs will make. That is a nod.

Ms Golightly: Correct.

Senator FIERRAVANTI-WELLS: Where is that saving in the statement?

Ms Golightly: That particular measure involves us changing some of the conditions around the items, so there is a cost involved in that as well.

Senator FIERRAVANTI-WELLS: Does that account for what is at the bottom of page 25 when you say, 'Medicare new and revised listings'? Does that mean that you take some out, put some in and that is the net figure?

Ms Golightly: Yes.

Senator FIERRAVANTI-WELLS: So, therefore, any reductions to GP services and the number of claims that you may process in relation to the reduction of GP claims is contained in that calculation?

Ms Golightly: As part of the calculation, yes. There are a lot of ons and offs in their simplest form. It is not just relating to that measure.

Senator FIERRAVANTI-WELLS: I appreciate that. Could you take on notice the ons and offs in relation to GP related Better Access items?

Ms Golightly: Certainly.

CHAIR: We will be coming back to Medicare after dinner.

Senator FIERRAVANTI-WELLS: That is fine, I am almost finished. You have all the items. Can you list the items and the item description for me which correlates with this table?

Ms Golightly: Yes.

Senator FIERRAVANTI-WELLS: I do not have any further questions.

CHAIR: Senator Boyce.

Senator FIERRAVANTI-WELLS: I just have one further question. In relation to the proposed changes to the private health insurance and the changes to the rebates, as part of your budget will that affect you in any way and are there any calculations that are inserted in your budget over the forward estimates similar to the Better Access where there will possibly be an increase? Do you understand what I am getting at?

Ms Golightly: Yes, I do. I just need to check something because the legislation has not gone through. I will take your question on notice.

Senator FIERRAVANTI-WELLS: Is it the same methodology that you used for the Better Access?

Ms Golightly: Yes.

Senator FIERRAVANTI-WELLS: Could you also provide me with the assumptions that underlie that?

Ms Golightly: Yes.

Senator FIERRAVANTI-WELLS: Where would that be if it was in this table? I would have thought it would be under Health and Ageing.

Ms Campbell: It may not have been in this table because this has been a government proposal for some time and would have been inserted in the budget documents the first time the government put it forward.

Senator FIERRAVANTI-WELLS: So it will be in the one where it was first proposed as the \$1.9 billion package?

Ms Campbell: It is 2008-09. That is likely, yes. I do not have that with me, but we would have updated our estimates as the legislation did not pass. We will take those questions on notice.

Senator FIERRAVANTI-WELLS: I understand from questions that I asked in DoHA that figures are being revised.

Ms Campbell: They are.

Senator FIERRAVANTI-WELLS: I assume that your figures will be revised so if you could provide me with both sets?

Ms Golightly: Yes.

Senator BOYCE: I have one question in the Medicare area. My questions are more for Centrelink. I wanted to go back, if we can and the right people are still here, to the Medicare kiosks that are being closed down.

CHAIR: Is this a new area of questioning?

Senator ADAMS: She was not here when we did this earlier.

Senator BOYCE: I did hear some of the statistics about the people who came or did not come to the kiosk. Did you do any surveying of users of the kiosks?

Mr Bridge: We cannot identify the actual users. We can only count the number of usages. We do not keep a record of the name of the customer who might come in, so we cannot go directly to them.

Senator BOYCE: The kiosks would have a sense.

Mr Bridge: No, not at all. Perhaps I can explain. These kiosks are simply a desk, if you like, with a phone on them, a Medicare sign and a slot for you to put your receipts in. There is no staffing and no other information. It is a passive process. You pick the phone up and you talk to a Medicare officer, lodge your claim and put your receipts into the slot. The provider would collect those at a later point in time, put them in the mail, send them off to us and then

we would process the claim. It is not a service counter. There is no manned officer there or any additional things.

Senator BOYCE: So you have no way of distinguishing how those claims came to you?

Mr Bridge: We are able to identify the number of transactions that have taken place by that phone, but we do not identify the individual patients.

Senator BOYCE: So when the claim arrives it is indistinguishable from other mailed claims.

Mr Bridge: That is correct.

Senator BOYCE: Could you have put some feedback forms in the kiosks for people to tell you what their views on a change of service would be?

Mr Bridge: We are looking at the actual usage. We have a whole range of these things. With the numbers attending, the raw numbers are so low that you would anticipate that you might get one person in the entire month who is using it. The numbers are that low. The ones we are removing at this point in time are where the actual numbers of claims that we have been able to record are less than 20 a month, less than one a day. We did a 21-month review of the actual claiming.

Senator BOYCE: I heard some of those figures earlier.

Mr Bridge: It is very small, with some not even having a person a month coming in.

Senator BOYCE: One assumes that the people using those are possibly not terribly technology literate and perhaps quite vulnerable people or they would not be using that system.

Mr Bridge: There are probably a whole host of reasons that people might use them—for example, they have come to the chemist and it just happens to be there. In addition to that, to use this you have to be able to use a telephone, so to use this map you need to be at least literate enough to use a telephone.

Senator BOYCE: I said technologically literate.

Mr Bridge: That is right, to use a telephone.

Senator BOYCE: I think that is quite different from expecting people to do online claiming.

Mr Bridge: The primary alternative thing available right now is that people can make their claims by phone 24 hours a day seven days a week. They can get exactly the same service.

Senator BOYCE: If they have a touch tone phone.

Mr Bridge: No. The service at the other end is a live officer. It is not a touch tone. All you need to do is dial the number. You talk to a fully qualified, experienced Medicare officer who will assist you to do the claim, take the details and be able to put that into the processing system. That is exactly what happens on the Medicare access point. Instead of being restricted to going to one of these points which is in a facility somewhere like a chemist and being limited to the hours of the day that facility is open or out in the open public—often these things are between—

Senator BOYCE: I heard that earlier.

Mr Bridge: You can do the exact same thing on the telephone.

Senator BOYCE: It would not appear to have been an issue to the people who were using it, or they did not have an option.

Mr Bridge: The question is whether they understood what those options were, and that is what we have been working on.

Senator BOYCE: To use your home phone?

Mr Bridge: Yes, to use your home phone.

Senator BOYCE: That would seem to be an option that would not be too hard to understand.

Ms Campbell: It is about us providing more information so those customers are aware of it. They may not have been aware of it and that is why the posters are going up around the centres.

Senator BOYCE: Or you are worried that perhaps they do not have a home phone. They may not have a home. Thank you.

CHAIR: The officers are going to provide a heap of stuff on notice about options and things, so you can possibly restate this discussion. Senator Fierravanti-Wells.

Senator FIERRAVANTI-WELLS: I wanted to ask some questions in relation to compliance. We have asked these questions in the past, so this is one of those regular updates. First of all, have the registration issues that we have spent some time over in recent months settled down? How is that going?

Ms Golightly: Are you talking about AHPRA?

Senator FIERRAVANTI-WELLS: Yes, I am.

Ms Golightly: We gave evidence in December and then in the recent Senate inquiry. We have not seen an increase at all in the December figures. Any increase in the deregistrations had not been showing up in our figures, which I think was your question at the time.

Senator FIERRAVANTI-WELLS: Yes.

Ms Golightly: We have seen a slight increase in February. This is showing that the point-in-time figures are not being necessarily reflective of what has been happening over the year because they are influenced by the different processes that the registration bodies have, including AHPRA, or when they re-register or other particular parts of the profession. Towards the end of the year we will have a look over the year at what differences, if any, there have been. In terms of the processes, we are working closely with AHPRA and the evidence that we gave about informing doctors and that sort of thing is still the case. That is all working quite smoothly.

Senator FIERRAVANTI-WELLS: One of the other issues raised was in relation to people who would turn up and who may want a rebate, but of course, because of the status of their practitioner, there has been an issue. How has that been going? Have you been dealing with those? Given the assurances that we received from AHPRA that they were doing things, one of the areas where we probably see a measure of improvement would have to be at the Medicare coalface.

Ms Kruse: We keep records of the reasons that people do not receive benefits, but it is a very broad category so sometimes it is very difficult to know whether it is because the doctor that they were seeing did not have a registration at the time, whether the item number that is actually on the receipt is not claimable or whether that item has been claimed before. We do not drill down every reason right the way through, so it is difficult.

Senator FIERRAVANTI-WELLS: I am conscious of the time. I have questions in two other categories.

CHAIR: We can come back after the break.

Senator FIERRAVANTI-WELLS: This would be a convenient time.

CHAIR: And then you will come back after dinner.

Senator FIERRAVANTI-WELLS: Yes.

CHAIR: We will now suspend for the dinner break.

Ms Campbell: I would like to determine if there are any questions for the Commonwealth Rehabilitation Service, CRS?

CHAIR: We did not call them.

Proceedings suspended from 18:30 to 19:32

Senator FIERRAVANTI-WELLS: Do you have any data on the number of services that are billed by practitioners in public hospitals, such as outpatient services?

Ms Golightly: I do not have it here.

Senator FIERRAVANTI-WELLS: No. Probably most of what I will ask you now is to be taken on notice.

Ms Golightly: Okay.

Senator FIERRAVANTI-WELLS: Could you provide me with the latest data on the number of services and the value of the benefits provided?

Ms Golightly: Yes.

Senator FIERRAVANTI-WELLS: I would assume that you probably have data on services that have been billed to Medicare by private providers, but on referral from a practitioner located in a public hospital or outpatient setting?

Ms Golightly: I would think so. If there is a billing to Medicare, we will have data on it.

Senator FIERRAVANTI-WELLS: Has there been any investigation of practitioners for improper billing located in a public hospital or outpatients' service?

Ms Golightly: Yes.

Senator FIERRAVANTI-WELLS: Is that the sort of investigation you undertake?

Ms Golightly: We do get complaints from time to time on the tip-off or other lines that Mr Bridge was talking about earlier. Where we get those complaints, we do look into them.

Senator FIERRAVANTI-WELLS: Do you have some statistics on the numbers of practitioners that have been investigated and how many have been directed to make a repayment, say, over recent years? I will leave that to whatever statistics you have.

Ms Golightly: Sure.

Senator FIERRAVANTI-WELLS: I will provide you with some copies of an article in the *Age* from the end of 2009 in relation to two Melbourne hospitals, Northern Hospital and Ballarat Health Service. The article states, 'Sources within those hospitals say public outpatients are being sent to private clinics for scans or pathology tests.' The article is about the investigation, and obviously the Commonwealth spokesperson has made a comment, the inference being that there would be some investigation of the matter. Could you take this question on notice? I would appreciate it if you did undertake an investigation and provide details of the outcome of that investigation in relation to any reported action as opposed to what may be referred to in the article?

Ms Golightly: Yes.

Senator FIERRAVANTI-WELLS: Are there hospitals or health services that have been investigated for improper Medicare billing, and what was the outcome of those investigations? Clearly, this article is about cost shifting to the Commonwealth. Is that the sort of thing that you have investigated? Again, if you have some statistics in terms of the years and the statistics that you may have, could you provide those?

Mr Bridge: The actual task of looking at whether or not there might have been a cost shifting, as it is called, goes to issues between the federal-state agreement, and those are matters for the department of health. If we get information in that sense, we refer those matters for the department of health to consider.

Senator FIERRAVANTI-WELLS: I see. If you discover evidence of this, in relation to any of those investigations, you inform the department of health and the Department of Human Services?

Ms Golightly: The department of health.

Senator FIERRAVANTI-WELLS: Do you go only to the department of health?

Ms Golightly: The department of health.

Senator FIERRAVANTI-WELLS: In relation to any of those investigations, what action has been taken with respect to recovering any funds, or is that a matter for DoHA?

Mr Bridge: That is a matter for the department when it is specific to those issues.

Senator FIERRAVANTI-WELLS: I have some questions in relation to Medicare compliance. How many medical practitioners have been audited in relation to Medicare billing in the previous 12 months?

Mr Bridge: I can give you a breakdown for the 2009-10 year. This actually provides some more detail that was raised earlier. Some 2,365 audits of health professionals, which includes allied health professionals, specialist and GPs, were conducted in the 2009-10 financial year. That would be fraud investigations, practice reviews, possible PSR audits, the whole gamut.

Senator FIERRAVANTI-WELLS: Was that figure for GPs and allied health?

Mr Bridge: All health professionals.

Senator FIERRAVANTI-WELLS: Could you take on notice and provide me with a breakdown of the various categories, if you do not mind?

Mr Bridge: Yes.

Senator FIERRAVANTI-WELLS: How many have been found to have billed improperly or made repayments? It is basically just looking at the nature of those audits. If any of them do relate to billing issues, could you provide whether those moneys were paid? Please take that on notice.

Ms Golightly: Yes.

Senator FIERRAVANTI-WELLS: What compliance measures are in place to ensure services accessed under the Medicare chronic disease dental scheme meet the intent of the program and eligibility requirements?

Mr Bridge: We are running an audit program in relation to the chronic disease dental scheme specifically. We have been looking to identify whether or not the payments meet all of the requirements of that scheme.

Senator FIERRAVANTI-WELLS: Is that audit over a particular period of time?

Mr Bridge: Yes, we have been auditing over roughly the last 18 months. Prior to that, we were seeking more information and education, looking at what was happening, a bit of research, but specifically audits in that time frame.

Senator FIERRAVANTI-WELLS: Will that identify any instances of improper billing that may have been detected?

Mr Bridge: Yes, of the cases we have. These are fairly complex audits. We have to often reconstruct the affairs. I can actually give you some details about those. For example, at the moment we have completed 49 cases in relation to that period of time and have identified in the order of \$20 million of claims that do not meet the requirements.

Senator FIERRAVANTI-WELLS: What action will you be taking in relation to those instances of billing? Are they both practitioners and patients?

Mr Bridge: No, they are practitioners.

Senator FIERRAVANTI-WELLS: What about in relation to patients?

Mr Bridge: We have not actually seen any significant issues that have come to our attention. The reason they are mainly in relation to the practitioners is the specific requirements that they are required to fulfil for the eligibility of the service.

Senator FIERRAVANTI-WELLS: You have \$20 million. I take it that some of those will repay and on some you might have to take recovery action?

Mr Bridge: Correct.

Senator FIERRAVANTI-WELLS: Again, are they actions that DoHA takes?

Mr Bridge: No, we do that. We will be pursuing all of that \$20 million in relation to those particular cases, and further cases as we complete them.

Senator FIERRAVANTI-WELLS: When will that audit be completed?

Mr Bridge: We have actually just recently increased the size of our audit activity in this territory. We currently have I think 156 active cases, and potentially several hundred more that may be subject to audit. I would anticipate that that work will continue for some period of time.

Senator FIERRAVANTI-WELLS: Perhaps if you could take that on notice and give me a time frame? With respect to this audit you are doing in relation to the dental scheme, when do you anticipate that that will be completed?

Ms Golightly: As Mr Bridge has mentioned, as we get more knowledge about it we are actually finding more cases. At the moment there is no end date. We know there are quite a few that we need to finish, and they are complex cases.

Senator FIERRAVANTI-WELLS: All right, but you will provide me some more information on notice?

Ms Golightly: Yes.

Senator FIERRAVANTI-WELLS: Thank you. I do not have any more questions on that.

CHAIR: Thank you to the officers from Medicare. We appreciate your time and your answers. I know that you have many answers to provide on notice.

Centrelink

[19:42]

Senator FIFIELD: I make reference to an article in the *Cranbourne Leader* newspaper from 6 April, and the *Berwick Leader* from 13 April in Melbourne with regard to alleged intimidating phone calls made to parents involved in the Leader newspapers' Save our Children campaign to do with children with type 1 diabetes and their parents who had the carers allowance and subsequently did not. Are you aware of those articles?

Ms Hogg: Yes.

CHAIR: In what detail will you be using the media release? If it is standard questions about the issue and the officers know the issue, that is fine. Will the media release be important for them to see?

Senator Arbib: I think we would request a copy of the articles that Senator Fifield has quoted from.

Senator FIFIELD: Sure. Ms Hogg indicated that she was aware of the article.

CHAIR: While you are doing that, perhaps I will ask a question about the infrastructure and Centrelink, and that will give us some time.

Senator FIFIELD: Certainly.

CHAIR: Ms Hogg, I am interested, as you may have heard earlier, in finding out about whether there is an update on Centrelink infrastructure and personnel post the floods. I would expect other senators will ask questions about the specific work you did as your officers were very much involved across the country. Could I have an update on offices, infrastructure, those kinds of things that were impacted, and also your knowledge of the impact on staff?

Ms Hogg: I will kick off and Grant Tidswell, who was the daily manager of the issues, can help me with some of the answers. We certainly had our office at Goodna completely destroyed. I visited the office not very long after, when it was absolutely completely refurbished and back up and running. It was not out of action for very long. It was a matter of two weeks or something before the whole place was operational again. The staff were very grateful that they ended up actually in the end having a brand new office out of the whole thing. Apart from that, infrastructure wise, I do not think there are any other lingering issues.

As to staffing, it is interesting that, after the mammoth effort, because we had about 2,500 business-as-usual staff, if you want to call them that, moved on to the flood response, and of course there were some very long hours, overtime, weekends and all of that sort of stuff. We have noticed that there has been an increase in unplanned leave as we have wound down from that. Our unplanned leave statistics are looking a bit higher this year, and we have worked it back through to people perhaps putting things off that they might have attended to during that period. I have to say that the staff are enormously proud of the response that they have had from the Australian community and, I guess, the respect through their efforts that the organisation has achieved in the first half of this year. I think that has been unprecedented. We have shared with them all of the feedback that we have had from various parts of the community. I think they have come out of it generally very well.

From the previous national emergencies where we have been involved, we learned our lesson that we do not just ask for volunteers during these periods because I think a lot of staff are keen to be involved, but obviously they are confronted with some very distressing situations. We have learned from that that we look very carefully at the ability of the staff to handle some of these confronting situations. We have now this reserve, as we call it, and we keep them very skilled and trained through our social workers in terms of their ability to deal with things. We are not expecting, as we had, say, in the fires, that people will really be affected by this overall, because now, obviously as any employer should, we make sure that our staff are prepared for these situations. While the unplanned leave has gone up, I do not think that we are seeing any ongoing trauma that we saw potentially in some of the other incidents, particularly the fires in Victoria, where we were actually taking phone calls on behalf of the Victorian government, as you would know. They were at the first line in that event of talking to people while they were experiencing that tragedy.

Mr Tidswell: The three months that we were intensively involved in this, virtually from New Year's Eve through to the end of March, was an extraordinary period of time. With the work that we had to put to one side to devote the effort and focus and energy, it has made it hard for us to recover some of the targets and key performance indicators, particularly in our call centres, where we had to divert so much effort to answering the many hundreds of thousands of calls. It has been a difficult time to get back into the business-as-usual saddle and deliver on all the things we had to do. But we were able to get out messages to our customers and explain the difficulties. I think, by and large, people accepted that. Our customer satisfaction levels held pretty steady, so that said to us our base customers were happy with how things were travelling.

CHAIR: The acknowledgments were very great, and you saw that; it was very impressive. I know that the staff received a lot of that. Are you aware of staff members who were personally affected, particularly those around the Brisbane area, where there was so much impact? I have lesser knowledge of around the New South Wales and Victorian areas. In terms of internal impact, has there been a process of support for those people?

Mr Tidswell: Absolutely. We have had staff profoundly affected by these tragedies, so we have done whatever we can do to assist and support and ensure their wellbeing is looked after.

CHAIR: Thank you very much.

Senator FIFIELD: Do you have those articles in front of you?

Ms Hogg: Yes.

Senator FIFIELD: You will note that the article from the *Cranbourne Leader* states that mothers who were involved in the Leader newspapers' campaign to win back the carers allowance for parents of children with type 1 diabetes were allegedly called by a Centrelink staff member. One particular parent was effectively told that she was, to quote from the newspaper article, 'going about things the wrong way by talking to the media'. First, are you aware if any Centrelink officers were directed to place calls to these mothers?

Ms Beath: It is not uncommon practice for us that, when we see customers reporting their distressed circumstances in the paper, we ring them to make sure that they understand the decision made about their situation, what appeal rights they have and any other assistance that we can offer them.

Senator FIFIELD: Were these staff directed to make these calls by senior officers of the department?

Ms Beath: They were asked to make them, that is correct.

Senator FIFIELD: According to the Leader newspapers, one of the Centrelink employees told parents involved that he was ringing on behalf of Minister Macklin to file a report. Do you know if that is correct?

Ms Beath: Some of these matters are actually also before the Administrative Appeals Tribunal at the moment, so I am a bit uncomfortable talking directly about that particular case.

Senator FIFIELD: I appreciate that. Is it usual practice, then, for the minister or her office to instruct Centrelink staff to telephone people who are in dispute with the department and who have made public comment?

Ms Beath: Not in the way you put that, not that way. As I said before, it is quite common for us to ring those customers to find out more about their situation. Sometimes that does involve explaining the policy that applies to them in their circumstances. I know that we have a very close relationship with our policy departments, and they really ask us to make sure that people understand that the policy has been applied correctly in those cases.

Senator FIFIELD: Would it be an unusual thing for the minister or her office to ask for someone from Centrelink to phone—

Ms Hogg: In the past, I guess if there is an issue about particular administration, various ministers in discussing the best way to provide good customer service around these issues—and it often happens in relation to where we might have made an error—that the strategy around recovery of those things basically is to contact the customer directly. I cannot tell you whether this was actually done in this case, but it certainly is usually considered when we know that customers are particularly distressed about a thing. As I said, particularly where we think we have not provided good service, we will consider ringing the customer directly.

Senator Arbib: I can tell you first-hand, as the minister involved in the homelessness sector, I do it all the time. I ask Centrelink to make contact.

Senator FIFIELD: The matter that is before the AAT, just so I am careful here, relates to the fact that the carers allowance is no longer paid and the circumstances around that; is that correct?

Ms Beath: Yes.

Senator FIFIELD: The matter before the AAT does not go to the contact between Centrelink and the parents involved, and whether that contact related to advice as to whether or not it was appropriate to talk to the media; that would not be a matter which is before the AAT?

Ms Beath: There is a matter before it. The customer has raised that issue and that could be considered by the AAT.

Ms Golightly: The AAT looks at how we handle things in whatever case they have in front of them.

Senator FIFIELD: Including media advice to customers; is that a matter that is usually within the AAT's jurisdiction?

Ms Golightly: I am not sure what you mean by media advice.

Senator FIFIELD: I am just referring to the article which—

Senator Arbib: You are now getting to details of a matter that may be in front of the tribunal, so I would ask that that question be withdrawn.

Senator FIFIELD: I am being very careful in how I put it.

CHAIR: I know that you are being careful, and so far I think you have been fine. It is just in terms of differentiating the particular case which is on public record. I think it can be mentioned, because it is on public record, but the detail of what was said would be unable to be discussed because it could impact on the general consideration. A general question about the style, what training, all of those things, would be appropriate, but I do not think that we can go down to he said, I said details in the Senate estimates whilst it is subject to appeal.

Senator FIFIELD: Except other than to say that I am sure the AAT would not be looking at whether or not a customer was advised, allegedly, that they were going about things the wrong way by talking to the media.

Senator Arbib: We do not know what they are looking at or what they would be interested in. All we are saying is, as the officials have said, proceedings are taking place and they would not like to prejudice those proceedings, and therefore do not want to talk about the issue.

Senator FIFIELD: Let me approach it another way. Has Centrelink undertaken any kind of investigation or inquiry into the allegation that is in the newspapers about the phone call from Centrelink to the customer concerned?

Ms Beath: Yes, we have talked with the person who made the phone call and we have quite a bit of background to that. It is our view that that was not a correct reporting of the conversation, but once again, I do not want to go much further than that.

Senator FIFIELD: Okay, thank you for that.

CHAIR: I just put on notice that, perhaps after the Administrative Appeals Tribunal process has gone through, you may wish to follow this up again.

Senator FIFIELD: Thank you, Chair. Could you advise how many complaints have been lodged against Centrelink staff in the year to date?

Ms Hogg: I can tell you how many in general terms. This could involve the information that has been given by the staff. Up to March, we have had 35,459 general complaints. For the same period last year, it was 37,938.

Senator FIFIELD: I was going to ask if 35,000 means it represents a good year, and it would seem to be that it is.

Ms Hogg: Certainly the complaints went up during the flood crisis, because people could not get through on the phone or they had an extraordinarily long wait to get through on the phone. That, of course, immediately impacts the offices, because people then go in. So they had to wait longer in the office. Given that they did spike during that period, I think yes, it has come down well.

Senator FIFIELD: That is 35,000-odd for the year to date, and 37,000-odd for the previous financial year—

Ms Hogg: To March.

Senator FIFIELD: March to March in both cases, and for the previous period, March to March, do you have that figure as well?

Ms Hogg: Yes, exactly the same period.

Senator FIFIELD: I am asking for the previous period, March to March. You have given me March to March for 2010-11; what about March to March for 2009-10?

Ms Hogg: I have given you a point in time.

Senator FIFIELD: Sorry, I am completely confused now. Let us start again.

Ms Hogg: For March 2011, it was 35,459.

Senator FIFIELD: Yes, March 2011, that is year to date, or is that March to March?

Mr Tidswell: That is from July to March.

Senator FIFIELD: So financial year to date, okay.

Ms Hogg: The other figure is the same period for the previous year.

Senator FIFIELD: July to March, okay. In that case, do you have July to March for the previous period as well?

Ms Hogg: Not here, no. We will take that on notice.

Mr Tidswell: But they have been dropping.

Senator FIFIELD: Yes. I was just after the same period to see if that was a spike, but it is dropping. Have any staff been formally disciplined this financial year to date as a result of complaints relating to customer service?

Ms Hogg: I can tell you the procedure that we go through while we are getting that figure. If there is a complain that specifically refers to the way a staff member has handled either a phone call or any general service, that complaint is immediately referred to a senior officer, either in the area who manages the officers and/or the call centre, and the senior officer then contacts the customer, particularly if there is a complaint about the attitude of the staff, and apologise, no matter what the perception is, take the details and if there is validity in the complaint, that senior officer contacts and deals with the staff member directly.

Senator FIFIELD: Okay, thanks for that.

Mr Tidswell: We do not have the figure here with us. What we can say out of those figures that we have provided to you up to 31 March 2011 is that 24 per cent of those complaints were about employee knowledge and practice, 20 per cent were about access to a call centre, so that explains the very busy time that we had over the floods and emergencies, and 11 per cent, which is probably the figure you are looking at, is the employee attitude. That is more likely to be the situation where employee attitudes are the sort of thing you are after, 11 per cent of those 35,000 complaints.

Senator FIFIELD: They were about employee attitudes and service. Have any staff been formally counselled?

Mr Tidswell: I do not have those figures.

Senator FIFIELD: If you could take that on notice, that would be great.

Mr Tidswell: Okay, yes.

Senator FIFIELD: Have there been any disruptions to Centrelink's hotline within the last 12 months?

Mr Tidswell: The Customer Relation Unit hotline?

Senator FIFIELD: Yes?

Mr Tidswell: Not that I am aware of, other than problems maybe with outages, telecommunications that go down from time to time, as happens. I do not have any specific details of outages.

Ms Lewin: I have a hazy recollection of a short-term outage some months ago.

Senator FIFIELD: What constitutes a short-term outage—half an hour, an hour, a day?

Ms Lewin: Probably a couple of hours.

Senator FIFIELD: Could you take on notice if there have been others, and what the duration was? Have there been any disruptions to the deposit of Centrelink client payments in the last 12 months?

Ms Hogg: There has been interruption to customers accessing their payments through their banks.

Senator FIFIELD: Which is a problem that the banks have had.

Ms Hogg: I am not aware that there has been any disruption to our delivering the payments to the banks.

Senator FIFIELD: If there was, you would know, I am sure.

Ms Hogg: Yes.

Senator FIFIELD: The Commonwealth Ombudsman's annual report of 2009-10 stated that Centrelink remains the agency about which the Commonwealth Ombudsman receives the most complaints, which I guess for obvious reasons would not necessarily be surprising. Are you familiar with those findings?

Ms Hogg: I am, but I am also familiar with the significant drop in the complaints to the Ombudsman of a level of about 25 to 28 per cent, from memory, from the previous year.

Senator FIFIELD: The Ombudsman cites the issue of procedural fairness as being a particular concern to complainants, particularly the issue of payments being suspended or

debts being raised on the basis of wrong information. Is there any particular action that Centrelink is taking to address those findings?

Ms Hogg: If a customer is unhappy with the decision that Centrelink has made, the appeal process or the review process usually takes two parts. This is simply because we want to be able to address the customer's concerns as quickly as possible. The first line of review for a customer is for the original decision maker to review the decision and basically to ask the customer if there is any further information and/or if there is any information that we are holding that is incorrect. We try to do that review as quickly as possible. If there is nothing in there basically that we can change for the customer at that point, it then goes through to formal appeal. The Ombudsman has concerns around the perception of conflict of interest by the original decision maker actually looking at that case again. Successive Ombudsmen have had a concern about it. What we have agreed to do now is to actually run a different process, again a two-tiered approach, and this is mainly because of the costs of a full appeal approach for every case, when we could probably fix it up quite quickly if there is a genuine error on our part. We are running a different model now in conjunction with the Ombudsman to move that first line of review to what we call a senior practitioner. A senior practitioner is the technically experienced person closest to where the customer is who will do that first line of review as opposed to the original decision maker. The Ombudsman is quite happy to work with us on that approach. We are running that in a trial now to see how that pans out.

Senator FIFIELD: Could you advise the committee how many incorrect or duplicate payments have been made in the year to date?

Ms Hogg: The best information I could probably give you is the quality assurance program that we run. This is one where we review on a random basis the decisions that we have made. We have a performance target around this, which is a 95 per cent accuracy rate. We do the first line of checking on that, and there is a second line of checking where a sample of those cases is then checked by officers not in the area that made the first decision. There is a third line of checking where a sample of those cases goes back to the policy department who owns the policy, and they check the cases. The best figure I could give you would be that accuracy figure.

Senator FIFIELD: So it is sort of 95 per cent?

Ms Hogg: It is about 96 per cent accuracy at the moment.

Senator FIFIELD: Of those incorrect payments which have been identified through that approach, how many of them have been rectified through repayment?

Ms Hogg: I would have to take that on notice.

Senator FIFIELD: If you could.

Mr Withnell: I might be able to help you with that one. Through our review program that we do annually, as you may recall we do about 3.5 million reviews of various types. For the year 2009-10, of that review program, there were 575,715 reductions of payments. In a number of instances people may have had several reductions of payments, particularly in the fortnightly reporting arrangements where income can vary.

Senator FIFIELD: So a reduction of payments in a circumstance where someone had been overpaid, their subsequent payments were reduced to net that out?

Mr Withnell: Correct.

Senator FIFIELD: Would that 575,000 people or instances comprise both those who had been overpaid through an error of Centrelink and also those who had been overpaid because of changed circumstances or incorrect information which they have provided to Centrelink?

Mr Withnell: That is correct.

Senator FIFIELD: Is it possible to break that figure down to those that are because of Centrelink error and those because of customer error or misinformation?

Mr Withnell: Probably not. I am happy to have a look at it, but I think the way we actually characterise the reviews, it probably does not capture that level of detail in these particular activities. In terms of estimated savings to future outlays, on the current model it is about \$92 million a fortnight that is saved by those activities.

Senator FIFIELD: If we were looking at a figure for 2009-10 of those people who had incurred a Centrelink debt, would that be the same number?

Mr Withnell: No. That would be a proportion of the Centrelink debt. The Centrelink debt has a number of components to it. It would also include people with FTB reconciliation, for example. It would also include sometimes when there are deeming changes and then debts are waived automatically, things like that. It would be a much bigger number.

Senator FIFIELD: I refer to ANAO report 33 of 2010-11 concerning the protection and security of electronic information held by Australian government agencies. Does Centrelink use the same data security system as Medicare Australia? I know that things are in the process of being mashed together, but is that the case at the moment?

Ms Hogg: We are just trying to find someone who might be able to answer your question. We do not seem to have anyone here at the moment who is able to do that.

Mr Wadson: The actual audit itself was a generic look across a number of departments at the way electronic records were being kept and made. I think it is fair to say that most of the big agencies dealing with personal information do store it in broadly similar ways, and there is a lot of sharing of the technology that particularly monitors and protects it.

Senator FIFIELD: Centrelink and Medicare use similar systems and they will be even more similar soon?

Mr Wadson: Yes. As to the best practice side of it, we will be trying to work out the best ways to do that. There is generally a higher level of protection in the eHealth space, which is kept quite separately. But in terms of the normal customer record, personal customer information such as name, address and that sort of stuff, it is fairly generic.

Senator FIFIELD: You would be aware of ANAO's finding that agency passwords, including administrator and service camp passwords, are particularly vulnerable to brute force cyberattacks, which is actually a phrase I had not previously heard? I had visions of someone sort of bashing the keyboard until the thing submitted, but I understand that that is not the case, but that it involves flooding things with a range of generated passwords which are likely to tick on through. The report found that 20 per cent of passwords in each agency were compromised by the brute force test. What is the relevance of that for Centrelink?

Mr Wadeson: We work closely with DSD in this space. We are always upgrading and working on ways of countermeasures to these sorts of attacks. DSD has the view that we do everything that is appropriate for the security threats that we face.

Senator FIFIELD: I think there was a particular concern in the report about Medicare's vulnerability. Have you examined whether there is a vulnerability for Centrelink in light of the ANAO report and the brute force test?

Mr Wadeson: We have done a number of exercises with DSD against these sorts of threats. We will have to keep moving, because these threats keep moving and improving. I have found that generally the advice we get enables us to keep ahead of what generally is regarded as the current state of that sort of malpractice. It is a very complex and technical area, but the way in which it is organised through government is quite strong.

Senator FIFIELD: You have heeded whatever lessons there are from the ANAO report in general for those who hold sensitive information?

Mr Wadeson: Yes.

Senator FIFIELD: So we can be confident that Centrelink has robust defences against a brute force cyberattack?

Mr Wadeson: The way they put it is that we are sufficient for the sort of attack that might reasonably be expected to be launched at us. Of course, they have various classifications around those sorts of things, as you would expect. There is other work going on in government generally, such as the reduction in the number of internet gateways and those sorts of projects that are generally aimed at improving the resilience against these sorts of possibilities.

Senator FIFIELD: Reducing internet gateways?

Mr Wadeson: Yes. In human services, we will be hosting something like 16 or 17 agencies all on one gateway. That way you have much more control over what is coming in and out of networks and so on. There are a whole lot of these sorts of things that go on that are just generally aimed at stopping these sorts of attacks.

Senator FIFIELD: Thank you for that. I might just move to fraud. According to answers provided to questions on notice from last estimates, Centrelink is appointing two specialist investigator advisory staff who were due to commence in mid-April. What classification are these staff members?

Mr Withnell: They are executive level 1.

Senator FIFIELD: What will be their duties and responsibilities?

Mr Withnell: Their primary role is to provide advice to other investigators, particularly on complex cases. They are experienced in the sort of work we do. As you know, we have Federal Police agents with our teams as well who provide advice. This is over and above that, with people who have a very particular knowledge of the sorts of work that we do as opposed to perhaps broader law enforcement activity.

Senator FIFIELD: What necessitated the appointment of these staff?

Mr Withnell: We felt that they would enhance our investigation capability, particularly as we have moved more into complex kinds of cases as a result of the budget measure last year.

Senator FIFIELD: Do these staff bring a skill set which was not present in the unit previously?

Mr Withnell: We already had quite skilled investigators. We wanted some people who did not have a particular caseload but could provide an external view, and provide advice in that context.

Senator FIFIELD: What is the phrase, they provide a helicopter view, is that it?

Mr Withnell: Yes.

Senator FIFIELD: According to the answers provided, these staff will be responsible for the implementation of new procedures that will ensure national consistency in service delivery. Will these procedures comply with the Australian Government Investigations Standards?

Mr Withnell: Yes.

Senator FIFIELD: How much has Centrelink spent on fraud prevention and fraud detection in the financial year to date?

Mr Withnell: I do not have that figure for year to date. I will take that on notice.

Senator FIFIELD: Given the bringing together of the various organisations, are you now responsible for fraud prevention and detection for human services as a whole?

Mr Withnell: Not at this time.

Senator FIFIELD: Are the fraud units still separate, or is there someone now who has overall charge in human services?

Ms Drayton: The fraud and compliance operations within Centrelink and Medicare are still operating within the requirements of the organisations. They both work in the group that I manage, but they are handled within the requirements of the separate organisations at this point in time.

Senator FIFIELD: Subject to change possibly. How many Centrelink staff are directly employed in roles where their main function is related to fraud prevention and detection?

Mr Withnell: The number can vary, but it is approximately 450.

Senator FIFIELD: They are people who are essentially dedicated to those tasks?

Mr Withnell: Most of them would be. Some are intelligence, some are analysts, some are investigators, some do reviews, so there is a range of different functions.

Senator FIFIELD: What is the number of dedicated investigators that you have?

Mr Withnell: The figure at the moment—and this is off the top of my head—is about 330.

Senator FIFIELD: Intelligence staff?

Mr Withnell: Including all of the analysts and intelligence specifically in fraud, it is approximately 80.

Senator FIFIELD: About 80 analysts and intelligence staff?

Mr Withnell: Yes.

Senator FIFIELD: Besides the two specialist investigatory staff that have been added, have there been any additions to the complement of the fraud staff?

Mr Withnell: Since when?

Senator FIFIELD: In the financial year to date.

Mr Withnell: The budget measure that started at the beginning of this year led to the creation of an additional team with a focus on particular organised fraud activity. That team currently has, I think, 25 staff.

Senator FIFIELD: How many cases of fraud have been detected in the year to date?

Mr Withnell: As you would know, we have sometimes issues with our definition of fraud, and we have had those discussions before. I will try to give you a figure that is helpful. At this stage, those that we would consider have been potentially fraud total 12,500. If you want an exact figure, at 31 March there were 12,463 completed cases. There will be a number under consideration.

Senator FIFIELD: How many tip-offs were received from the public in the year to date in relation to fraud?

Mr Withnell: In the year to date, I have a figure of 81,419 instances. That is to 31 March.

Senator FIFIELD: How many of those were substantiated?

Mr Withnell: Of those, 22,395 to date have had a completed review.

Senator FIFIELD: Does that mean substantiated?

Mr Withnell: It means they were finalised. Some would have been substantiated as tip-offs, so there would be some reductions. Some may not have been reductions. The payment reductions at this stage out of that group total 3,412. Debts raised total \$21.7 million, and estimated fortnightly savings are \$1.2 million as a result of that activity. Just for completeness, 60 have been referred to the DPP for possible prosecution.

Senator FIFIELD: How much money has Centrelink recovered as a result of fraud investigations and prosecutions in the year to date?

Mr Withnell: As to the figure year to date, we record it in terms of total annualised savings. At 31 March, it is \$48,149,569.

Senator FIFIELD: I have some more questions in other areas, but colleagues might have questions in this same area.

Senator HUMPHRIES: I want to ask about specific fraud investigations with respect to AGDRP payments made since the beginning of the summer of crises. How many fraud investigations or cases have been raised in respect of those payments?

Ms Drayton: A total of 10,448 cases were reviewed and investigated as potential fraud cases. We have completed 5,672 of those. Of that group, we are considering referring 65 to the CDPP, and we have actually referred seven of them at this point in time.

Senator HUMPHRIES: When you say they have been reviewed, have they been reviewed as some sort of automatic process or because of a complaint from the public, some suspicion aroused by an officer of Centrelink?

Mr Withnell: We have two mechanisms primarily. The first is through tip-offs from the public or other entities. The second is through risk profiles that we develop which allow us to identify particular risk factors for payments of this type and others which then flag a particular file or a particular claim that we may want to look at more closely.

Senator HUMPHRIES: Of that 10,500 approximately, can you give me some idea of what proportion would be, as it were, initiated by your processes and what proportion by tip-offs from the public?

Mr Withnell: Of the 10,000 that went through, I can give you an approximate figure.

Senator HUMPHRIES: That is fine.

Mr Withnell: Of the tip-offs, approximately 3,000 of those, and the remainder would have been through our process.

Senator HUMPHRIES: Typically, what do people do when they tip off Centrelink? Do they ring Centrelink anonymously? Do they send an email? Do they call in?

Mr Withnell: Phone calls to the fraud hotline are the predominant way, but people can write in, and people will go through local members. In some instances, we have had institutions provide tip-offs, particularly in relation to the floods. So it can be any mechanism. A phone call is the predominant one.

Senator HUMPHRIES: Do other agencies such as police or non-government organisations refer matters that they consider could be fraud?

Mr Withnell: If they think they are of interest or have some relation to our activities, yes.

Senator HUMPHRIES: So 65 have been considered for referral to the DPP. Have any debts been recovered so far? I do not mean with respect to those referred to the DPP but debts overall.

Mr Withnell: Of the cases completed, of the number that was indicated earlier, approximately 6,000 have been completed, and the debts raised for those activities is \$3.9 million.

Senator HUMPHRIES: \$3.9 million in debts have been raised. This is since the beginning of the flood and fire episodes in December?

Mr Withnell: All of this year's disasters.

Senator HUMPHRIES: All disaster issues?

Mr Withnell: Yes.

Senator HUMPHRIES: Can you tell me how many claims that represents?

Ms Drayton: Some 2,888 debts have been raised.

Senator HUMPHRIES: That seems like a very large number.

Mr Tidswell: In the context of the number of claims that were made, over 720,000 AGDRP claims, in that sense, have been paid. So, it is a small number in comparison with the total amount that we paid.

Senator HUMPHRIES: I accept that. Of course, the number of cases where debts have been raised might be said to be a fraction of the number of cases where people have, in fact, made a fraudulent claim for some kind of payment.

Mr Tidswell: The experience overall with these emergencies is we actually get fairly low levels of debt and fraud. People are genuinely honest. We have good processes to catch people. We put those processes in place from day 1 and we work hard at making sure that the integrity of the payment goes to the right people.

Senator HUMPHRIES: The fact that you have 2,888 debts raised but only 65 referrals to the DPP are being considered at the present time, although you still have quite a few matters yet to review, would suggest that you consider a large proportion of these cases to have been a mistake—people have claimed by mistake or in exonerating circumstances?

Mr Withnell: That is right. People may have had some misunderstanding of the criteria, particularly very early on, or people may have felt their circumstances warranted it but on closer reflection it did not. There can be a range of reasons.

Senator HUMPHRIES: You said there were 65 cases you were considering referring to the DPP and a further seven cases, you said, had actually been successfully prosecuted?

Ms Drayton: No, they have been accepted by the DPP.

Senator HUMPHRIES: Where have such matters—

Ms Drayton: Sorry. Seven cases have been referred to the CDPP for their consideration. I think two have been accepted.

Senator HUMPHRIES: Where is a debt like that, or a fraud claim, generally prosecuted?

Mr Withnell: It is largely based on the level of intent rather than the level of debt. The level of debt may be an indicator of seriousness, but it is not determinative in that case. So, if the person has, for example, stolen someone's identity and got a payment of \$2,000, we would still see that as a serious matter and would go forward with the prosecution. So, it can be a low level of debt that would lead you down that path if the nature of the offence is such.

Senator HUMPHRIES: So, generally in magistrates courts or in equivalent courts?

Mr Withnell: By and large, yes.

Senator HUMPHRIES: Are there any specific anti-fraud measures Centrelink has put in place with respect to the floods and fires of last summer?

Mr Withnell: There are, but it is difficult for us to talk about those because it may compromise them.

Senator HUMPHRIES: What is the figure to date for the number of payments made and the total dollar amount of the payments?

Mr Tidswell: As I said earlier, 712,000 Australian Government Disaster Recovery Payments have been granted as of 27 May and paid about \$820 million in Australian Government Disaster Recovery Payments.

Senator HUMPHRIES: What number of payments did you say?

Mr Tidswell: There have been 712,000 granted.

Senator HUMPHRIES: I asked a question last time about what the figure was at that point in time, and I was told that the gross dollar figure that had been paid was \$739,515,199.99. I asked, when there were payments for \$400 or \$1,000, how we got \$99.99 cents. I was told in answer to that question that it was derived from manual coding error. What does that mean? Was someone putting in the wrong amount?

Mr Tidswell: You are right. The 99c issue related to a manual coding error when processing a \$400 payment, which was to apply to three children. It is \$400 per child. The manual coding error mistakenly divided that \$400 by three. We got \$133.33 by three, which came to \$399.99. That was the reason for that maverick 99c.

Senator HUMPHRIES: But that would have been corrected since then.

Mr Tidswell: That is my understanding.

Senator HUMPHRIES: They are three cheques for four, or a cheque for three times \$400.

CHAIR: How did you find that?

Mr Tidswell: It is a long story.

CHAIR: I am sure it is. I am just fascinated how you found that. Sorry, Senator.

Senator FIERRAVANTI-WELLS: It was not like the one where somebody rang Ray Hadley on 2GB, the last time we discussed this?

Senator HUMPHRIES: When we were last here, in February, of course there was still some immediacy with the floods and we were told there were a number of staff deployed into the field in affected communities to assist with education about what was available, to process payments and so on. I assume all of those special deployments are finished now?

Mr Tidswell: By and large, although we still have some social work staff and some other staff that are across those affected areas. Particularly the more profoundly affected areas where there were fatalities.

Senator HUMPHRIES: When I was in Queensland around Emerald, I was told that the people there were quite agitated by the fact that they understood that at one point some AGDRP cheques had been delivered to people on a flooded farm by helicopter. Do you know whether that would have been the case?

Mr Tidswell: I have no recollection at all of the distribution of Australian Government Disaster Recovery Payments by cheque. Our standard practice is delivery to people's bank accounts. We certainly were active in the field and we were choppered in to some places, but I have no recollections. There might have been state government people out there and they often deliver direct payments to individuals and families, so they may have done that, but I have no information to suggest that we did that. But our people would have been choppered in to areas, we would have provided people with assistance, taken claims, and by and large we were able to transmit those payments pretty quickly to people's bank accounts.

Senator HUMPHRIES: You told me last time that payments are always made into bank accounts.

Mr Tidswell: That is correct. I have no evidence before me to suggest there was one cheque payment for any disaster recovery payments in all the things we did through those three months, and we continue to do that.

Senator HUMPHRIES: I am not criticising. I think delivering a cheque by helicopter is very good service, but given there were not any banks available on a flooded farm to cash the cheque it probably was not a particularly good idea anyway if it did happen.

Senator FIERRAVANTI-WELLS: I want to follow up on my questioning this morning about grandparents advisers. I was told that I would have to come here to ask questions. In Budget Paper No. 2, page 197, there is provision for grandparents peer support groups, \$1.2 million over four years to establish 25 MyTime for Grandparents, and also it says 'establish dedicated grandparents advisers in selected Centrelink offices'. Can you provide for me the definition and job description of what a grandparent adviser is, and what they do at the

moment? Will that vary with the establishment of the 25 MyTime for Grandparents peer groups and will there be interaction between the two of them?

Mr Tidswell: Since November 2010 we have been trialling this approach. This is something we have been doing in an ad hoc way across the country for many years. It is a very tricky issue for grandparents who are carers for children. I think you know the issue well. Since November 2010, we have had staff doing work out of Caboolture, Caringbah, Penrith, Oakley and in Perth, and we also have an existing service operating out of Adelaide. Generally, these are staff working with individuals and groups of grandparents assisting them with the sorts of services we are able to provide. Often this is a tricky issue. The natural parent may not be in good shape—drugs, alcohol, what have you—and so by default the grandparents become the carers but not the custodians. It is a tricky issue for us to work with. It is largely working with grandparents in that area and looking at other ways of connecting them to services and provision and support, so it is a good initiative. What I am not aware of is how it connects in with the, as I understand it, FaHCSIA funded initiative mentioned in the budget papers, but we would be happy to take that on notice to work through how that particular initiative was going to work.

Senator FIERRAVANTI-WELLS: They do work with community support groups now. There was some evidence given this morning which led me to think there might be some interaction between the two. Perhaps if you might look at that evidence and I am happy for you to elaborate, if you want, on notice.

Mr Tidswell: Yes.

Senator FIERRAVANTI-WELLS: Are these six grandparent advisers full time or part time?

Mr Tidswell: Most of them are full time and some are part time. We have been trialling this as an approach and we would like to do more of it, but there is a limited amount of resources that we can provide.

Senator FIERRAVANTI-WELLS: Could you just take on notice which ones are part time and which are full time?

Mr Tidswell: Absolutely.

Senator FIERRAVANTI-WELLS: Do they have defined areas that they cover or they are just located in that Centrelink office and whoever can access them from around does so?

Mr Tidswell: Generally how we operate our service model is that, whilst they might be located in an office, as I have outlined in those particular offices, they generally try to provide a footprint across a regional area, and that would be the norm when we have specialist staff doing this work. So, they might do outreach to places where—

Senator FIERRAVANTI-WELLS: Like Penrith might do outreach out past the Blue Mountains and those sorts of surrounding areas?

Mr Tidswell: Correct, yes. I will get some further information to give a sense of the extent of where they go.

Senator FIERRAVANTI-WELLS: This morning we had evidence that we are working off ABS 2006 statistics.

Mr Tidswell: That is my understanding of where we located the workers.

Senator FIERRAVANTI-WELLS: So, you use that data to decide where you put the officers?

Mr Tidswell: That is my understanding, but I will take that on notice for you and confirm that.

Senator FIERRAVANTI-WELLS: They are full-time employees of Centrelink?

Mr Tidswell: Yes.

Senator FIERRAVANTI-WELLS: So, they have the same guidelines as other staff at Centrelink. The budget alludes to establishing grandparent advisers. Are there more envisaged?

Mr Tidswell: Not at this stage.

Senator FIERRAVANTI-WELLS: Why then, Minister, in the budget papers does it say, 'The government will also establish dedicated grandparent advisers in selected Centrelink offices'?

Mr Tidswell: We have been trialling it. It is working, so we are going to make sure it continues.

Senator FIERRAVANTI-WELLS: So, all you are doing is moving from a trial to full-time established; is that what that means?

Mr Tidswell: Yes.

Senator FIERRAVANTI-WELLS: It is not very clear, but okay. So, there is no actual additional grandparent advisers?

Mr Tidswell: We are funding this from within our allocation.

Senator FIERRAVANTI-WELLS: The reason I asked is because the wording used in the budget papers seems to allude to the fact that there are going to be more of them. That is why I am asking the question, because my next question was going to be about where they are going to go and what criteria are you going to use to allocate the new ones, but you have answered my question. There are no extra grandparent advisers to be established.

Mr Tidswell: Basically, we are taking a test of the arrangement and we are now putting it in place.

Senator ABETZ: I am sure everybody is thinking I am going to ask about the freight equalisation scheme, and you are wrong. I am going to ask, just for a change tonight, about participation reports that are provided by the JobSearch providers. Who can assist in that area for us, please?

Ms Hogg: Ms Drayton will be able to answer questions on that issue.

Senator ABETZ: Thank you, Ms Drayton. I have been getting reports from some of the JobSearch providers as I go around the country that they have to fill out the participation reports and so on, but then a high percentage of them get knocked back by Centrelink. I was wondering whether you have a percentage that you are able to share with us where the job search provider makes a suggestion or recommendation in relation to—what is the term—suspension?

Ms Drayton: A failure.

Senator ABETZ: Thank you. Then Centrelink, if you like, overrides it, countermands it, or comes to a different decision. What is the percentage?

Ms Drayton: As at the end of March, the applied rate of failures overall is 42 per cent. I would start by saying that it is fair to say at the beginning when the compliance framework was first put in, as people were getting used to it, the applied rate was lower. We have an applied rate now that is higher than at any time that we have ever had in the compliance framework. So, there is a number of cases—

Senator ABETZ: What does an ‘applied rate’ mean? Does that mean that you agree with the JobSearch provider?

Ms Drayton: We accept that there was a failure, yes.

Senator ABETZ: And that is currently at 42 per cent?

Ms Drayton: It is.

Senator ABETZ: Which means you reject 58 per cent; is that right?

Ms Drayton: It is. I will just go a bit more into that, if I could. There is a number of cases where Centrelink has no choice but to reject. Examples of that would be when the job seeker is no longer on an income support payment or there has been a change in their circumstances. So, if we take out those, what we call, discretionary cases, the applied rate is at about 57 per cent. That is where we look at the cases where Centrelink actually has to make a decision.

Senator ABETZ: So, in fact, it is only one per cent?

Ms Drayton: It is only—sorry?

Senator ABETZ: With 42 per cent you agreed with the JobSearch provider; with 57 per cent you have no—

Ms Drayton: No, sorry, I may not have been making myself as clear. If we take out the cases where we cannot make a decision on them because the job seeker is no longer on a payment, for example, and we look at all of the applied rate, taking that into account, it actually goes up to 57 per cent.

Senator ABETZ: It goes up to 57 per cent. Therefore, you are exercising a discretion on 43 per cent.

Ms Drayton: Correct.

Senator ABETZ: I have got it. Are you able to provide me with a snapshot as to why there is a relatively high discrepancy between that which the JobSearch provider would be suggesting to you and the decision that the Centrelink staff make?

Ms Drayton: There is probably a number of reasons. We might have some additional information about the jobseeker that the provider may not have had at the time that they submitted the report.

Senator ABETZ: Can I quickly interrupt? Do you then share that information with the JobSearch provider?

Ms Drayton: We always put the reason why we reject a report on it.

Senator ABETZ: Excellent, thank you. Sorry to interrupt.

Ms Drayton: That would be possibly some of the reasons. There are vulnerability indicators that Centrelink takes into account when looking at the capacity of the job seeker to meet their requirements. As I have said earlier, in some cases people are getting jobs and they are going off payments, so by the time the report comes across to Centrelink they are no longer part of that compliance framework. They would probably be some of the main reasons why there would be that gap.

Senator ABETZ: Have you had feedback from whatever the job service provider representative body is about this relatively high rate of rejections?

Ms Drayton: We have had lots of meetings with NESAs, if that is the body that you are referring to. We regularly meet with NESAs, and we work very closely with the department and NESAs in a tripartite sense to work through some of the issues that get raised through those forums. We have done lots of joint work recently in respect of training and making sure providers and Centrelink staff are operating off the same approach to the compliance framework. As I said a bit earlier, when the framework was first brought in in 2009, it was a more fluid environment. As the framework has settled down and everyone has got more familiar with it, those representations have certainly decreased.

Senator ABETZ: Thank you for that, and we will look forward to some statistics next time around. Thank you very much.

Ms Drayton: I am happy to help.

CHAIR: I am just going to get a sense of how many further questions we have, because we are due to go to a break, but if we are getting close to ending it does seem dumb to go for a break. Who has further questions on Centrelink?

Senator FIFIELD: Yes.

CHAIR: Can you give me some ideas?

Senator FIFIELD: Maybe 20 minutes.

Senator HUMPHRIES: I have one question to put on notice.

CHAIR: You can do that now while I am doing the rest of this. You just put your question there.

Senator HUMPHRIES: Thank you. Can I ask that you give us a breakdown of the daily number of AGDRP claims received from 1 January to today, please?

Mr Tidswell: We have provided a lot of information to the committee. I have it here. We gave a daily breakdown by LGA for Australian Government Disaster Recovery Payments. I forget exactly when we gave that up to you. We gave that to a question that Senator Abetz asked at the last estimates.

CHAIR: Have you seen that?

Senator HUMPHRIES: No, I have not seen that.

Mr Tidswell: It is a pretty comprehensive document.

Senator HUMPHRIES: Does that give a total for each day?

Mr Tidswell: It does, by LGA.

Senator HUMPHRIES: That is fine. In that case, I will refer to that.

CHAIR: So, you will get that information and, if you have further questions, you will put them on notice. I believe there is at least another hour of questions, so I think we will take the break at this stage.

Proceedings suspended from 20:53 to 21:06

CHAIR: We will reconvene. We will return to general questions of Centrelink.

Senator FIFIELD: Could you advise what is the total number of staff engaged in marketing, publications, media, communications and events management for Centrelink?

Ms Campbell: Communications and risk management have been integrated into the Department of Human Services.

Senator FIFIELD: What about for the whole kit and caboodle then?

Ms Campbell: I will see whether Ms Bennett can give us some staff numbers.

Ms Bennett: What was the question, again?

Senator FIFIELD: What is the total number of staff engaged in marketing, publications, communications, events—basically the public affairs staff?

Ms Bennett: I do not have the staff numbers. I have the breakdown of staff costs so I will need to take that on notice.

Senator FIFIELD: What are the staff costs, since you have those?

Ms Bennett: You were asking about media?

Senator FIFIELD: Media, communications, public relations.

Ms Bennett: The communications division is broken into four areas. One is called corporate communications. The staffing costs for that are \$2.827 million. External communications, which are those areas, for example, that are involved in publications and preparing things like *Senior News*, is \$5,602,189. Online communications is \$4,448,568, and media network and corporate communications is \$4,986,504.

Senator FIFIELD: What is the total of all of those?

Ms Bennett: \$18,350,000.

Ms Campbell: It is about eighteen and a half million.

Senator FIFIELD: Is that just staff costs?

Ms Bennett: It is about eight members of staff on average per million, but I have not got the precise numbers for that.

Senator FIFIELD: Is it about eight members of staff per million?

Ms Bennett: Yes.

Ms Campbell: We are looking at about 180 staff or so—if we said it was about 10 staff per million I think it works out to be about 180 staff.

Senator FIFIELD: It is about 180 staff, okay. The staff ratio is about 18 million.

Ms Campbell: That is across the whole organisation. That is Medicare, child support, DHS, CRS—

Senator FIFIELD: I would hope so.

Ms Campbell: It includes external communications like *Seniors News* and all those types of publications.

Ms Bennett: Annual reports.

Senator FIFIELD: What is Centrelink's total spend on marketing, publications, media, excluding staff? Not Centrelink—wash my mouth out—DHA?

Ms Bennett: It is a combination of elements, but the administrative costs that are spent, which are for the price of something that is externally printed or internally printed, or something like that. This is in addition to the earlier question you asked about where we might use advertising costs. It is estimated at about \$13,200,000.

Senator FIFIELD: Who heads the communications department?

Ms Bennett: Mr Jongen.

Senator FIFIELD: Who was the star again of *Today Tonight* tonight, I understand.

Ms Campbell: I did not see it.

Senator FIFIELD: I am just advising he was.

Senator Arbib: What was it in relation to?

Senator FIFIELD: The usual, I guess. I am assuming. I am not sure, but I am happy with the media monitoring for DHS.

Ms Bennett: Can I clarify that those figures are up to the year to date—three-quarters of the year.

Senator FIFIELD: I am just trying to get a handle on Mr Jongen's exact role. His role is clearly not an internal one. It is very much externally focused. I guess he would take his instructions from your as secretary?

Ms Campbell: Mr Jongen works closely with the minister's office as well.

Senator FIFIELD: Would he also take direction from the minister's office at all?

Ms Campbell: When you say 'direction', we work with the minister's office on some media issues. Clearly when media organisations look for comment we determine where it is most appropriate to make that comment, whether it be of a procedural nature, which can be a departmental answer, or sometimes more of a political answer, which is best left to the minister.

Senator FIFIELD: It might be that the minister's office from time to time thinks that Mr Jongen is the man for the job depending on the subject matter?

Ms Campbell: And some of these are very detailed questions of a procedural nature, which Mr Jongen is very able to answer.

Senator FIFIELD: Is Mr Jongen's Twitter profile @HankJongen a professional account, a DHS account?

Ms Campbell: It is a DHS account.

Senator FIFIELD: Does he have sole autonomy over who he chooses to follow on Twitter or does he receive advice on that from Centrelink officials?

Ms Bennett: We have a social media framework for engaging with customers and monitoring issues in relation to the portfolio interest. He participates in that using both his

blog and his Facebook page, where he has many friends, and his tweets are within the framework of social media guidelines that have been accepted within the portfolio.

Senator FIFIELD: The framework would include those whom he follows?

Senator Arbib: He obviously does not follow you.

Senator FIFIELD: I am not on Twitter.

Senator Arbib: Facebook?

Senator FIFIELD: No, not Facebook either.

Ms Campbell: We might need to take that one on notice. What we try to achieve through the social media is to look at different methods of communicating with customers, being able to understand where customers are coming from and understanding some of their concerns. Often there will be an issue that is raised using social media that it is important that we are able to clarify very quickly, with respect to payments to customers or a general policy matter.

Senator FIFIELD: Would you be able to hazard a guess as to which of Mr Jongen's official duties with regard to his Twitter account would necessitate his following Marieke Hardy?

Ms Campbell: I think we would have to take that on notice.

Senator FIFIELD: Marieke Hardy is often on, was it, the *First Tuesday Book Club* on ABC hosted by Jennifer Byrne? She is an author and social commentator who came to prominence a little while back over some offensive comments attacking the shadow minister.

Ms Bennett: There are three Twitter accounts and three Facebook accounts. The student update account, which is both a Twitter and a Facebook account, is about Centrelink and Medicare support for students and young people with a specific focus. There is Grads for Human Services, which is a portfolio graduate recruitment Facebook and Twitter account sharing information with future employees about application processes and working with us. Then there is the Hank Facebook and Twitter account, which are aimed at sharing announcement and portfolio messages about the business and the connection with customers. As the secretary said, they are very much focused on sharing information in a media that works for the audience or the nature of that customer. There is quite a specific role for them and analysis about how they are the best way to get in touch with that group of customers.

Senator FIFIELD: Could you take on notice what the connection is between Marieke Hardy and the work of Centrelink?

Ms Campbell: I do know that Mr Jongen does monitor those social media to see whether there is something out there about Centrelink or Human Services services and payments as a way for us to very quickly determine whether there might be some misinformation in the community that we are able to clarify.

Senator FIFIELD: I will be interested in the advice that comes to hand on that. Is the department aware of the website called hankjongen.com, which is not an official Centrelink website? It is not an official Hank Jongen website. I think it is an unauthorised website by a private organisation that allows people to comment on Centrelink service delivery. Are you aware of that?

Ms Campbell: I am not aware of it, but we can check with our communications division and get back to you on that.

Senator FIFIELD: The reason I raise it is because the site uses the Australian coat of arms and also the department's logo in its banner headline. I know there are particular protocols that apply to the use of the coat of arms and also the department's logo. I draw that to your attention. Could you take on notice whether there has been any action to ensure that the logo and the coat of arms are not used inappropriately by another organisation that is not authorised to do so?

Ms Campbell: Was it hankjongen.com?

Senator FIFIELD: It was hankjongen.com apparently.

Senator Arbib: It is an offensive site, obviously.

Senator FIFIELD: I thought I should draw that to the department's attention. As I said, I think it is a site that has the purpose of allowing people to comment on Centrelink services. If you could take on notice whether that is something that Centrelink has monitored that would be appreciated. I do have some other questions, but I will yield to another colleague for the moment.

Senator SIEWERT: I would like to go to the new processes that will be part of the new trial sites, if that is possible. During estimates I have been following up on the new welfare reform processes and the new trial sites.

Ms Campbell: The place based locations, senator?

Senator SIEWERT: Yes.

Ms Campbell: Mr Sandison will be able to assist with this one.

Senator SIEWERT: I understand there has been quite a lot of money allocated to Centrelink for some extra staff, particularly social workers and people to work in these 10 locations?

Mr Sandison: That is correct.

Senator SIEWERT: In terms of the amount of resources that you have been given for these 10 sites, are you able to break that down? Have you broken it down per site yet?

Mr Sandison: I can talk you through some of that. Obviously there is a range of the national initiatives and the local based ones in the 10 locations—

Senator SIEWERT: Yes, I understand the five and five.

Mr Sandison: But the national initiatives will cover off resource changes for our portfolio and they will also be in those 10 locations. In terms of the specifics, there was the \$38 million that was provided for the 10 locations that was in this portfolio's budget statements, and that is to cover the community innovation through collaboration, I think is the one you would be referring to. Within that it is funding that provides for 10 Commonwealth coordinators, and they would be public servants employed by this portfolio. There is funding for community facilitators and that would be used flexibly, but again it would be funding for approximately 10 and they would be in the community.

Senator SIEWERT: Ten communities facilities.

Mr Sandison: The critical issue is that will depend on the needs of the local organisations and the local communities. As you would be aware, there are a lot of other organisations, networks, advisory bodies already out there. One such example would be Communities for

Children in the FaHCSIA space. They have very strong local networks already. One of the critical things was not to go over the top of what is already there. The funding is there for those 10 facilitators, but we would have to engage with communities to work out what their needs are on the ground. They are the first two.

Senator SIEWERT: As to community facilitators, when you say they are going to be in the community do you mean based in a community—

Mr Sandison: Employed by a community organisation, yes.

Senator SIEWERT: Will you tender those out?

Mr Sandison: We have not established a mechanism by which it would actually identify which organisation might be the one where we would employ them, because again it depends on what is happening in that local area. There might already be a pre-established organisation. There is nothing set in concrete so that we can respond to community need.

Senator SIEWERT: Will the Commonwealth coordinators be located in Centrelink offices?

Mr Sandison: That is correct; in one of the portfolio offices within those areas.

Senator SIEWERT: I am sorry, I interrupted you.

Mr Sandison: Then the final part is the \$25 million, which is the innovation fund. Obviously that is not staff related. That is to go to communities. That is \$25 million over the four years of the estimates. Then separately across the different initiatives there are resources built into the various things—teen parents, jobless families and income management—that will require staff across the network. Some will be in those locations. Others will be not necessarily in specific locations, but it might be helped with other parts of our services, but with the aim of looking after the processes required of us by the policy departments.

Senator SIEWERT: Have you a figure for those resources?

Mr Sandison: I do not think we have a figure across-the-board. They are across the 15 to 20 different initiatives and then there is support staff and others. There might be a figure for the totality, but it is in effect against our budget figures, which is right across all of the budget initiatives for this year in our PBS.

Senator SIEWERT: As I understand it, there is both the team program, the jobless families program, for example. Both are going to require—and the DSP initiatives for that matter—extra contact with Centrelink. As I understand it, you are putting on new, for example, social workers in those locations for those initiatives; is that right?

Mr Sandison: For any of those we do costings where there is a high level of engagement. For example, the teen parents, the jobless families where they are required to come in for those more regular engagements right through, and that is a cost to our network in terms of the number of staff needed for those engagements. That is additional staffing to those two groups of 10 that I spoke about.

Senator SIEWERT: To the officers in each of those two groups of 10 locations?

Mr Sandison: Yes.

Senator SIEWERT: Over the number of initiatives, how many additional staff will you be putting into those 10 locations to deal with these initiatives?

Mr Sandison: I think we would have to take it on notice, because I would not want to bet that they will be in those locations, because they are responding to a range of issues. As you know, everything feeds through. If there is higher engagement there are different reviews, social workers, there might be appeals processes, and so everything is a distribution of resources. It could not be a statement that in each location there would be another 3.3 people just to look after teen parents. If there were that amount of staffing it would be distributed by the organisation in the different areas of effort needed by call centre staff. There would be an effort in call centre to respond to the calls from different groups that are engaged.

Senator SIEWERT: I appreciate what you are saying. What I want to know—

Mr Sandison: To the extent that we can as to what is in the local area, we can try to find that out for you.

Senator SIEWERT: If you could. I am interested to know how many people are going to be frontline people that will be assisting with the particular qualifications that are needed to deal with the sorts of barriers that we are talking about, because we are talking about significant barriers to disadvantage. I want to know about the qualifications, the quality of the people that you are going to be getting to actually make a difference if this is going to work.

Mr Sandison: To the level of detail that we have we can take that on notice.

Senator SIEWERT: We had a bit of a discussion, which I am sure you have at least heard some of yesterday, with FaHCSIA around vulnerability criteria, because you are going to have to be operating this process now.

Mr Sandison: Yes.

Senator SIEWERT: I want to go into examples of the vulnerability process being used in the Northern Territory and how it is going to operate now in these other trial sites?

Mr Sandison: Are you talking about the income management component and the vulnerability as to what are the three issues that would trigger the income management?

Senator SIEWERT: Yes, because presumably there is now going to be not only through the teen parents initiative or teen mum's initiative and the jobless families initiative but also through this process there is going to be increased contact with those identified as vulnerable. How do you envisage that process happening?

Mr Sandison: I can ask my colleague. My understanding is that the income management will start with the same premise as the vulnerability indicator used in the Northern Territory.

Senator SIEWERT: I understand there is consideration of a risk of homelessness?

Mr Sandison: Yes, there was one specific one. The three were the voluntary income management, as you know, the vulnerability one and the child protection. The specific one mentioned in relation to vulnerability in some of the documentation was about a link to state housing, and a reference to vulnerability through housing or instability in the housing area. That was a specific one that was referenced. The others were the general issues that a Centrelink officer would deem to be a vulnerability, and I believe that is in line with the Northern Territory.

Senator SIEWERT: Which is where I want to go to for examples. For those that have now been identified as vulnerable in the Northern Territory how has that occurred in terms of identifying the people that you think are vulnerable already? I will have to go to my list,

because I cannot remember off the top of my head how many are identified now. I think it was the day before yesterday that we were doing that. Was it only yesterday? As to vulnerable, we have around 220. How did you go through the process of identifying those vulnerable income support recipients and how do you see that process now operating in these new locations?

Mr Tidswell: In order to assess whether a customer should be placed on to income management for vulnerability, a Centrelink social worker considers the following—

Senator SIEWERT: I know the list. I want to know how you arrive at the list.

Mr Tidswell: So, we would apply a similar sort of approach.

Senator SIEWERT: If I am on income support and I live in one of these locations, are you going to bring everybody in and have an interview with them?

Mr Tidswell: As you know, and we have been through this a lot of times—

Senator SIEWERT: We have been through this in the Northern Territory.

Mr Tidswell: Correct.

Senator SIEWERT: You were rolling it out on 76 already, moving it out from 73—

Mr Tidswell: And in Western Australia and—

Senator SIEWERT: You do not do vulnerable in Western Australia. That is what I am asking about—

Mr Tidswell: But it is a similar process by which we go forward in terms of assessing vulnerability. The factors that are in play in terms of financial hardship, financial exploitation, failure to maintain personal wellbeing, the sense of not being able to meet priority needs, et cetera—they are the sorts of factors that we would consider and we are still working through those factors as you know with FaHCSIA.

Senator SIEWERT: With all due respect, you did not answer my question. In the Northern Territory most of the people in vulnerable are those transitioned from NTER communities, where you already had them on income management and you had to bring them in to transition them. How are going to do it? You have got less than 20 vulnerable customers that are not in the Northern Territory that were not transitioned customers.

Mr Tidswell: I think the approach that we have used is, as you say, interviewing people, assessing their circumstances.

Senator SIEWERT: You will be bringing everybody on income support in those areas in for an interview?

Mr Tidswell: There is a process here still being worked through to determine who is in the mix for the various initiatives that Mr Sandison has talked about, and then we would apply a similar approach to testing vulnerability. We do that already. I think we have already said it here in this committee previously, about the work we generally do for people who are vulnerable, whether it is income management or not income management. Our social work staff and other staff often do a lot of this work and look at payments, services and supports for people right across the country. This is not like something brand-new for us. Obviously income management outside of the territory and outside other places is different. But we built up this approach over many years.

Senator SIEWERT: You have not built it up over many years, because you have not had this initiative other than now.

Mr Tidswell: But we were often involved in providing people with extra support and extra guidance, talking to non-government service providers, looking at a range of options and opportunities for people.

Senator SIEWERT: How will you know whether someone is under financial hardship?

Mr Tidswell: We will talk to them and we will assess. We might talk to third parties.

Senator SIEWERT: If I think I am going to be income managed I am not going to tell you because you will be taking half my income. It is not going to take long to get around the community that is what is going to happen so why would I go to you and tell you that I am in financial hardship?

Mr Tidswell: These are the sorts of things we would work through. In the early days as you know in the year zero with income management in the territory we did not know how to do it. Then bit by bit we worked our way through. We have probably had more conversations in this committee on this topic than on just about anything else.

Senator SIEWERT: In the early days of income management you did not have to work through it because everybody was on it.

Mr Tidswell: The process of putting people on income management and working out the circumstances, working out how much money will go here and how much money would go there.

Senator SIEWERT: That is not what I am interested in at the moment. We have been through that a lot. You are exactly right. What I am interested in is what process are you going to use to identify vulnerable people in these communities?

Mr Sandison: I think you are talking about the engagement model rather than the principle of the actual assessment process. Because of the target groups that are in there, there are still elements to be worked out with FaHCSIA as the policy agency to guide us. But I think the starting principle would be that it is not the wholesale as you were aware from the Northern Territory where everyone had to be reviewed. This is as and when people engage with the organisation across our different offices that there would be a consideration about vulnerability. Separately is obviously the child protection issue. The assessment of vulnerability would be as and when they engage with us. That is all we would be able to do, but because of the target groups of jobless families and teen parents obviously their level of engagement is going to be very different from a family that had no need to engage with us because they are on income support and/or family tax benefit. They do not come in nearly as often. The engagement will be when they are required to come to us or when they have a need of our services that consideration would take place.

Senator SIEWERT: Under the new process it is all automatic now that there will be an extra level of engagement, isn't there?

Mr Sandison: That is correct. With teen parents and jobless families there is far more of a call to come in and discuss the—

Senator SIEWERT: Is it every 12 months for jobless families, six months for teen parents?

Mr Sandison: Teen parents is more often.

Ms Hay: Depending on the age of the child. In the early stages when a child is, say, one under the teen parents it is 12-monthly. Then as the child gets older that frequency increases to six-monthly and it is the same with the jobless families.

Senator SIEWERT: Is it anticipated that jobless families will therefore qualify for vulnerability?

Mr Sandison: We are not anticipating anything. There will be the consideration by the officers on the ground, local circumstances, engagement with local organisations to actually make that determination. We are not working on an expectation for any particular group.

Senator SIEWERT: I note that for the teen parents initiative it is a bit more difficult. But presumably you have an idea through the process you have undertaken to identify these areas through the various datasets that you have how many additional Centrelink staff in terms of the social workers you will need in each of these areas?

Mr Sandison: That is correct. We had to make a judgement call when the policy was being developed about the level of staffing across different levels. It is not all social workers. We have a very experienced staff obviously that are not social workers that will be able to manage a lot of this work, but it is a spread across different levels for different purposes.

Senator SIEWERT: We did touch on this somewhat yesterday, but I thought it was more appropriate to ask most of the questions here. How quickly will you be able to roll out the BasicsCard infrastructure in these areas?

Mr Tidswell: We have had experience as you all know in doing this. We will be establishing a project plan as we speak, working that through to the implementation date of July 2012. My sense would be this will be a little easier in some respects than in a remote community setting in terms of the ability to engage with providers and ensure that we put up the capability and look at all of the other things we have done in terms of kiosks, support, training and so on. We have a good lead time. We are confident. We know what we have to do. It is a big job but we will get there.

Senator SIEWERT: Will you be doing the same thing that you are doing in some of the other communities about being able to access your balance, when you are talking about your kiosks?

Mr Tidswell: Yes, exactly.

Senator SIEWERT: Will you have them in easily accessible areas?

Mr Tidswell: I think we have plans for 20-odd kiosks. We are planning and thinking about where they will go and how we will position those exactly for that purpose.

Ms Ramsey: We currently have just over 4,700 merchants already in the system spread throughout Australia, and Coles and Woolworths are now registered nationally. We have got a good start. But we have 12 months and staff will be employed within the next several months to start working with third-party organisations and merchants to make sure that in the five sites we have a decent number of merchants going and it grows over time. In terms of the balance, we are using the same mechanisms, as Mr Tidswell said, with 20 extra kiosks that will be in major shopping centres. Again, as we move through the system we are getting better at being able to provide balances for customers.

Senator SIEWERT: You have IGA on board too, haven't you?

Ms Ramsey: Yes, IGA as well.

Senator SIEWERT: Will they be rolled out in those locations as well?

Ms Ramsey: We are working on that nationally, but we will be focusing on those five locations as a priority.

Senator SIEWERT: Can I go back to the community innovation fund. I understand that the process has not been finalised, but will that be open for community organisations to apply for?

Mr Sandison: No, not that it will not be but there is no decision. One of the issues is with each of those 10 locations it is getting back to the basics, trying to do it from the ground up rather than us making determinations about the best way to do it. We will try to make it that it is a local advisory group that understands the local issues. They would work out potentially and provide suggestions of the best way for the funding to be allocated. If that were done by a grants round that might be a suggestion. If that were done by a decision of an advisory group suggesting something then there is no need for grant round. We did not want to assume a mechanism.

Senator SIEWERT: I apologise, I did not mean to suggest that it would necessarily be a grants round. The point there is that it would be up to the community to decide.

Mr Sandison: There will be guidelines done of course to make sure there is an appropriate focus, because it is in line with the package that the government has decided. But within that there will be a set of guidelines and then advice from that advisory group.

Senator SIEWERT: In terms of that process, do I understand that the 10 Commonwealth coordinators are the coordinators across the whole of the trial site?

Mr Sandison: The aim is that they will be that key contact point. Obviously each department has a range of initiatives and we would be accountable for them. But in terms of trying to bring together a Commonwealth focus and to deal with issues on behalf of organisations where there might be problems in terms of the red tape, understanding some of the bureaucracy or the issues, that is the person who is the go-to point to work through things. That gives the responsibility then to say that the Commonwealth has a single point of contact when needed, but we do not want to overuse that where you have to go through it, given there are a lot of other organisations in there.

Senator SIEWERT: I am sorry to harp on this, but I really want to clearly understand it. They will be the contact in DHS—

Mr Sandison: DHS, yes.

Senator SIEWERT: whom the other agencies will coordinate with that position?

Mr Sandison: Correct.

Senator SIEWERT: The community facilitators will be part of that coordination with that team but will work with the community?

Mr Sandison: They will be employed by and be in the community. In a community organisation, in the third sector. There might already be somebody serving that purpose in some of those community for children sites or similar. They would work together so that we

actually have a community organisation. Often the discussion has been that they do not have time from frontline work to be involved in trying to look at the systemic issues in an area. This is the opportunity to make sure that somebody is actually devoted to that purpose.

Senator SIEWERT: I am the community facilitator and I identify that something is not working with this particular approach, people are having a hard time at Centrelink, people are having a hard time with some other barrier, the community facilitator can then talk about that? Or if people from the community are bringing that to me, I can then raise that in the advisory forum?

Mr Sandison: A combination. We would expect in a day-to-day stuff to actually raise it with the Commonwealth coordinator. If it were a DEEWR program, a FaHCSIA program, obviously we would hope that the first port of call would be to discuss it with them, but raise it with the Commonwealth coordinator and also the local advisory group. The issue is to make sure that as soon as things arise there can be a response so that it can be raised and a consideration can be made. Obviously if things escalate or there are bigger issues, one of the main points is to try and find leverage to change the way things work for that local area, because most systems are built for state based or Commonwealth overview. It is about trying to find the local solutions. That is why it was linked to the innovation fund as well.

Senator SIEWERT: Can I ask a few questions about the DSP initiatives. Is the Health Professional Advice Unit in Centrelink a new initiative?

Ms Beath: It has been in place for a little while now. It was brought in to assist Centrelink staff and JobSearch staff and doctors with complications in some of the assessments they have to look at.

Senator SIEWERT: I thought there was new funding. I am sorry, I have so many bits of paper here.

Ms Beath: There has been some additional funding in the budget to do a series of audits of new DSP claims and to have a detailed look at about one per cent, or 1,600, new claims. That was what the additional funding in this current budget was for.

Senator SIEWERT: I am sorry, could you just say that again?

Ms Beath: It is to look at 1,600 new claims.

Senator SIEWERT: How does that work?

Ms Beath: There will be a sampling approach to some of the new claims. What they are really looking for is are there any issues in those new claims particularly related to medical and other assessments?

Senator SIEWERT: I am sorry, I am having trouble understanding the point. It is to verifying whether the claims are—

Ms Beath: It is to look for any ways we can improve, particularly as we roll out some of the new assessments. It is to look at the way that people are perhaps interpreting some medical evidence. Is there anything more that we could have done? It is working in partnership with the Department of Families, Housing, Community Services and Indigenous Affairs.

Senator SIEWERT: When you say 'looking at the claims', is it to see if they should not have been approved?

Ms Beath: Not so much that. It is more about the quality and how the medical assessments are assessed.

Senator SIEWERT: Do we have a similar sort of review of job capacity assessments?

Ms Beath: There are quality assurance processes currently with job capacity assessments.

Senator SIEWERT: Is this a quality assurance process?

Ms Beath: Yes.

Senator SIEWERT: Is there funding for 1,600 new ones?

Ms Beath: Yes.

Senator SIEWERT: What was the old figure?

Ms Beath: It is part of the existing role of the HPAU to do some of this work, so it is a redirection of their work towards these audits.

Senator SIEWERT: They were not doing them before?

Ms Beath: No.

Senator SIEWERT: What is the ultimate outcome that you envisage?

Ms Beath: We are working with FaHCSIA. This is about quality assurance. It may be to improve process, but it may also be that if we come across some policy or other issues that may need to be reflected back to the policy department.

Senator SIEWERT: Does that mean in case the new impairment tables are not functioning?

Ms Beath: That will be rolled out over a similar time frame. That could be something that came up when they did their quality assurance, but it may not.

Senator SIEWERT: Is it 1,600 for next year?

Ms Beath: No, it is from 1 July 2012 to 20 June 2013. That is the time frame to do those.

Senator SIEWERT: So, it is 12 months?

Ms Beath: Yes.

Senator SIEWERT: I just got the 12-month period wrong. Then is it to be assessed again or is it just a one-off?

Ms Beath: At this stage it is a one-off, but FaHCSIA will consider the outcomes.

Senator SIEWERT: In terms of disability, are you able to tell me about numbers?

Ms Beath: I think we have some data. FaHCSIA provided quite a bit of data earlier today on those numbers. We have those same numbers.

Senator SIEWERT: So, you do not have the new ones. I will not ask for them. In terms of how the new under-35 process will work, I just want to clarify this a bit more. I know we went through it a bit in DEEWR. Everybody is going to be interviewed again in the new under-35 process, who are already on DSP. I am a bit unclear still whether they are all going to be interviewed. They are all going to be interviewed again, are they not? They will all come in for interviews?

Ms Lond: Not all of the DSP customers under age 35 will need to be interviewed. There are a number of exclusions for people with very severe disabilities and people who have

variable work capacity. Also some customers who are employed in Australian Disability Enterprises and under the supported wage system will not be impacted.

Senator SIEWERT: But everybody else will be?

Ms Lond: There will be an assessment by Centrelink as to which customers do need to proceed with the participation requirements based on those various criteria.

Senator SIEWERT: Based on those exceptions, that is two exceptions, basically everybody else has to?

Ms Lond: It will be under 35-year-olds who have eight hours or more work capacity, so not the very severe disability cases.

Senator SIEWERT: I will not go through what I asked DEEWR the other day. For all those who have over eight hours capacity, if you are already on DSP you stay on DSP still, do you not?

Ms Lond: Yes, this measure is for DSP customers who have eight hours or more work capacity.

Senator SIEWERT: Yes, but in future new people will not be going on DSP if they have eight hours? They will be going on to Newstart, will they not? I still do not have it clear in my head.

Ms Golightly: Not necessarily. It will depend on the assessment against things like the impairment tables and their work capacity and things like that. It is still an assessment about their eligibility for DSP, the new ones.

Senator SIEWERT: You can see I still have not got this right.

Ms Beath: The changes from September will see the new claimants have to provide more evidence that they have actually tried or been through vocational rehab or had some retraining. Until they have either provided evidence or in some cases been through those programs they will not go on to Disability Support Pension. I do not know if that is what you are after.

Senator SIEWERT: This is where I am struggling. My understanding from the discussion I had with DEEWR was that for new people if you are assessed to have eight hours capacity you do not go on to DSP, you have to go on to Newstart and go through what you have just said. But my understanding from our discussion was that you actually never come off it, because you are just keeping on trying to get employment.

Ms Golightly: I think it is the difference between whether you are applying to go on or whether you are already on DSP. I think that is the difference.

Senator SIEWERT: I want to refine it to just the new people. From what I was told—because I kept trying to find the way you get off—how do you then get assessed for DSP because you just cannot find work or you cannot maintain work? I am finding it really hard to understand where this evidence line is.

Ms Golightly: Could I just clarify when you say 'how do you get off'?

Senator SIEWERT: Off the cycle is what I am talking about.

Ms Golightly: I thought you meant off DSP, I am sorry.

Senator SIEWERT: It would be wonderful if we could get people off DSP and off Newstart and into jobs, but when you have greater than eight hours capacity that is—

Ms Golightly: My understanding is that for new people they are still assessed against the impairment tables and all their medical evidence and all the normal things, but if they are assessed to have eight hours capacity then they will need also to show that they have evidence that they have been through those programs to no avail.

Senator SIEWERT: That is where I want to know where the line is where they go, 'Okay. We have put you through the wringer.'

Ms Golightly: If they can show that they have been through the appropriate support, that gets taken into account in the new assessment.

Senator SIEWERT: What do you mean by the 'appropriate support', sorry?

Ms Golightly: This is—

Senator SIEWERT: Do you mean the adjoining pathways and all that sort of thing?

Ms Beath: This work is being undertaken with FaHCSIA and DEEWR at the moment to actually crystallise what that evidence is and how we, in Centrelink, will be able to assess the new rounds.

Ms Campbell: FaHCSIA and DEEWR would probably have a much greater ability to answer them than we will—

Senator SIEWERT: They told me to come to you.

Ms Campbell: Once we are able to finalise the policy we will work out how we are going to implement it, but we will continue to work with DEEWR and FaHCSIA on these types of issues.

Senator SIEWERT: Is there an end point? What I understood from DEEWR was that you just keep trying and you just keep trying.

Ms Campbell: DEEWR is in the best place to talk to the committee about the policy implementation. We are the best people to talk about how once those policies are finalised we will implement that policy.

Senator SIEWERT: I will put some more questions on notice for DEEWR then.

Senator BOYCE: It is concerning though that a system that users already find very opaque appears to be going to become even more opaque and complicated.

Senator SIEWERT: I understand what you are trying to do. I just disagree with how you are doing it. But all this time they are on the lower payment on Newstart and those that have a fairly low capacity to work I am not convinced are going to find it easier to get work, even with all the new programs, particularly at the beginning. I understand all the new support programs that are going in. I suppose I just sceptical that they are not going to overcome those barriers very quickly.

Senator Arbib: I think the right course is, as you said, to put those questions on notice to DEEWR, because they are policy questions.

Senator SIEWERT: They did not answer them the other day.

Senator FIFIELD: This may have been covered in discussion of the BasicsCard when I was out of the committee room. There was an article in *Australian* newspaper on 13 April headed 'Remote rort pays for alcohol'.

Ms Campbell: I do not think we have the article.

Senator FIFIELD: Should we wait while you find it.

Ms Campbell: Unless you have another question.

Senator FIFIELD: I do on the age pension. Can I ask about that while we are waiting.

Ms Campbell: Certainly.

Senator FIFIELD: This is a scenario brought to my attention by the member for Higgins, Ms O'Dwyer, and it relates to the circumstance of an age pensioner who received a one-off payment of \$390.97 to assist the Australian Electoral Commission on election day. The person concerned notified Centrelink of the payment and I think the person does not have any other form of income other than the pension and that AEC money, yet they were advised by Centrelink that their fortnightly payments would be reduced by \$50 a week as a result of the one-off payment. They were advised that it was due to transitional rules. Would that scenario make sense as I have presented it there?

Ms Beath: It is a little difficult without the details of the exact situation, but there are quite complex rules around the changes to age pension and retrieval of income. Some of those rules have been changed from 1 July when we are going to have a different way of assessing payments like that, which will assist that customer. It is probably one on which we would probably have to get some details on and come back to.

Senator FIFIELD: Would it strike you as odd if a one-off payment such as that did reduce someone's pension by \$50 a week? Can you envisage a scenario where that might be the case?

Ms Campbell: We might be talking about the provisions for age pensioners being able to have some seasonal income.

Ms Beath: There is a change from 1 July. At the moment that income could affect someone's ongoing payment depending on the amount of income and when it was received. From 1 July, people will be able to build up, if you like, a work bonus, a way by which they can have one-off payments like that that will not affect their pension. That will increase the income-free area for those sorts of casual payments. Things are going to change. Not knowing the other circumstances of the case that you cite, it is unlikely that person would lose \$50 in that circumstance. But there are other rules that might apply, so it is very difficult to say anything without knowing that person's circumstances. You mentioned transitional circumstances.

Ms Golightly: The new changes that Ms Beath is talking about come in on 1 July.

Ms Campbell: But those changes are meant to deal with seasonal workers, and pensioners who perform duties as a Santa Claus around Christmas-time as well.

Senator FIFIELD: The Santa Claus clause. I am sure you have. But that will not help this person in retrospect?

Ms Campbell: No.

Senator FIFIELD: There was a letter in response to representations made for this person, which was not from your minister. It was from the FaHCSIA minister. It stated, 'I understand your concerns that the pension has been reduced.' The person was paid age pension under the transitional rules until transferred to the new rules because this resulted in a higher rate of pension. When pension commences to be paid under new rules the person no longer has access to transitional rules. Does that add anything?

Ms Golightly: It is sounding like a case where we would need a lot more detail before we could answer it.

Senator FIFIELD: I just thought you might be able to shed some light. That article has been circulated.

Mr Tidswell: We have reviewed the article and I can remember the story. We asked at that time. Ever since this was put in place in 2007 we have been all over this like a rash to make sure that where we get these sorts of examples or stories we investigate them fully. We have no evidence of this sort of activity being widespread. We conduct compliance reviews. We will conduct 300 reviews this financial year for providers expressly in their conditions, so no cash withdrawals and no cash refunds. If we are tipped off about this we would investigate fully and completely to that effect. The Territory, in particular, is a place of big stories. There is always a lot of rumour and innuendo. We face this right through the whole process in this place.

Senator FIFIELD: Has this particular allegation been investigated?

Mr Tidswell: Yes.

Senator FIFIELD: What was the result?

Mr Tidswell: It is my understanding we have not found non-compliance from the provider. We have five taxi drivers that we have excluded from using BasicsCard. In terms of the majority of store providers, the big and the small, they abide by the conditions that are put in place. They are stringent conditions and we conduct regular checks. We follow up every allegation, innuendo and suggestion.

Senator FIFIELD: Although in this case, as you have said, there has been no confirmation of what was reported. Has it, nonetheless, led to any changes in the administration to make such an event less likely?

Mr Tidswell: The fabric that we put in place is a thorough training program with providers. Where we have issues, problems or hiccups we get out there and reconfirm what they need to do and how they need to conform to those sorts of recommendations. We will take action accordingly if people are not going to do the right thing.

Ms Ramsey: The stores are visited on a regular basis by the agents who support this particular part of the BasicsCard. As Mr Tidswell said, we receive reports and follow them up. Quite often it is where people have seen something happen and have not quite understood what has happened. They have watched a green card being used which might not be the BasicsCard. There was one example of that where someone saw a transaction with a green card and assumed it was a BasicsCard. We follow that up, but unless they are directly reported to us we cannot guarantee it is not happening. We depend on tip-offs and the regular follow-up.

Senator FIFIELD: In this particular situation was the Northern Territory Coordinator-General spoken to?

Ms Ramsey: We have regular contact with Mr Beadman around a range of issues, yes.

Senator FIFIELD: Upon discussion was there anything to substantiate what was in the—

Ms Ramsey: I cannot confirm. I would have to take on notice to talk to the staff who spoke to him about this particular instance, but I can say that I have regular conversations with Mr Beadman myself, but not on this particular instance.

Senator FIFIELD: But your staff have on this particular instance?

Ms Ramsey: Yes. I need to take that on notice and confirm that in this particular instance they have gotten back to him.

Senator FIFIELD: This being the particular instance that I am specifically asking about.

Mr Tidswell: In each and every circumstance the CEO and I ask the question virtually as soon as it appears in the media. We are conscious of the public scrutiny and the importance of making sure that this does not occur. We do not sit on our hands. We look into it. What we cannot confirm is that Mr Beadman was directly spoken to and provided further information.

Senator FIFIELD: Could you take that on notice?

Ms Ramsey: Yes.

Senator FIFIELD: It is useful to raise these sorts of articles in this forum. I do so not in any accusatory sort of way, but to provide the opportunity for officers to put their thoughts and the results of their inquiries in the public domain. Thank you.

Senator BOYCE: How does Centrelink go about processing complaints about the siting of Centrelink offices?

Mr Tidswell: The siting?

Ms Hogg: Is there a particular issue?

Senator BOYCE: Generally disruption by Centrelink clients around the site of older people walking in the streets and so on. I would like to know how many of those sorts of complaints that you get.

Ms Hogg: I would say that complaints about siting of our offices usually occur at the stage where we are going to move an office, relocate or actually build a new office. In general I am not aware that we get complaints about existing offices. Mr Tidswell may have another view. If we were to get them we would deal directly with the area manager involved. We would investigate it appropriately and put in measures to stop it.

Senator BOYCE: If the complaints are about the way Centrelink clients are behaving before or after they have been to Centrelink would you know about them?

Ms Hogg: Yes, we would hear that and, if there were such complaints about disturbances to the public, generally we would involve the local police.

Senator BOYCE: This specific inquiry comes in relation to the Centrelink office in Nundah Village in Brisbane. The person who has brought this to my attention says that, in fact, the girls from the local girls high school no longer come to Nundah Village or even catch the train. They have to use Toombul station, which is more inconvenient for them but not in

the shopping village, because of 'unwelcome people coming and selling drugs, getting drunk and trying to rob our shops'. Are you or anyone at Centrelink aware of this?

Ms Hogg: I am certainly not aware of it. I will check with the officer who works with the area managers.

Senator BOYCE: Do you acknowledge that there could be an issue in some areas with Centrelink clients causing disruption in the streets before or after going to Centrelink?

Ms Hogg: There has been in the past. From my experience, there have been particular issues around the price of drugs and the availability of drugs in terms of selling them on the streets. This is over a period of years. When we noticed that is actually taking place, in other words people trying to sell drugs to our customers close to our premises, we immediately involve the police.

Ms Campbell: These are local policing matters.

Senator BOYCE: I realise that, but the issue as it has been put to me is that this congregating group that needs policing would not be happening if that was not where the Centrelink office was located.

Senator Arbib: Do we know if they have raised it with the Centrelink office?

Senator BOYCE: No, I do not know that. I would imagine they would have.

Senator Arbib: Or with the police?

Senator BOYCE: The point that they are making is that this disruption is not happening in Centrelink, it is happening near Centrelink. I would emphasise that this is a minority of Centrelink clients.

Ms Campbell: Clearly, the location of our offices is very important. We look at a number of factors, such as access for customers, and talking with the local authorities, including the police, but it is important that we are able to provide our customers with the services that they require.

Senator BOYCE: I appreciate that. I think it is probably quite a vexed issue if the information that I have is reflecting how the local shopkeepers and others feel.

Senator FURNER: What sort of liaison do you have with the Queensland police force given this is a Queensland police matter? Do you have constant liaison with them about these sorts of activities and anything else that confronts you in your workplace?

Senator BOYCE: I would not have raised it here if it was just a straight police matter.

Senator FURNER: I do not know why you are raising it here, because it is a Queensland police matter.

CHAIR: You have a question about the liaison with police?

Ms Campbell: Our customer service centre managers deal with the police on an as required basis. There are a number of mechanisms in place. We see the reports when that incident occurs, which requires the police being called out. We see those instances; they are reported to us as well. Our customer service centre managers work with the police on those sorts of things that they see. If it were to happen outside, where we are not involved, we may not be aware of those activities.

Senator BOYCE: Would they get involved with the local shopkeepers groups or progress associations?

Mr Tidswell: We will often do that. We are obviously part of the community and we want to be a good citizen in that community. If there are things that are going on—people congregating in the car park afterwards—we will get involved with the local council, police and shopkeepers to work with people. Nundah has not been on my radar as a site where we would have concerns. We will take this off line from here, make some inquiries and see what we can do.

Senator BOYCE: I would appreciate, when you have made your inquiries, if you could respond to me.

Mr Tidswell: Certainly.

Senator BOYCE: I asked questions yesterday and I think some of them echoed what Senator Siewert was talking about here in terms of people on disability support pensions and how the checking up and so forth is going on. It was pointed out that in the past there had often been, in my experience, a lot of unnecessary inquiries from Centrelink because it was a general inquiry rather than an inquiry that was suited to the specific situation. I gave as an example the fact that people with Down's syndrome were generally asked once every year or two years if they had recovered from their condition.

I wanted to raise with you a particular case in Townsville, which I imagine, like Senator Fifield, you will have to take on notice, of a man who is caring for his wife who has a degenerative condition. She requires full-time nursing care. She is currently in a nursing home, but she cannot communicate at all except with him. She needs to be fed and no-one at the nursing home has time to do that. He has already been taken off Carers Allowance and put on Unemployment Allowance. He was then told that that would be how it would rest. He was not going to be required to go job hunting because of the fact that she is probably not going to live very long and he is the only person who can communicate with her. He then received a letter saying that he would have to go and have a job interview within the following week. He rang Centrelink and could not get the manager. He spoke to someone else who said that his exemption would be ongoing 'even though the letter says that I have to start job hunting on 14 June'. The Centrelink person on the phone 'told me that I had an interview due even though I had a letter in front of me exempting me until June 14', and that the 'stand-in manager told me to ignore the letter and to go for the interview'. The next day he spoke to the Centrelink manager who said she had 'flagged my file to be exempted time after time' and that 'any forms I was getting are auto generated and not to take them too seriously'.

Senator Arbib: I can say that I am sure the officials would be very happy to do this offline. If we could do this privately we might be able to better resolve the issue.

Senator BOYCE: I was intending to stop there. I am giving you an example of the sort of thing that continues to happen where the system and the people do not gel or do not sync. I would appreciate your assistance in this particular case. Maybe the police think everybody is a potential criminal because they spend their lives with criminals, but from where I sit Centrelink continues to not be particularly sensitive to the needs of clients.

Ms Campbell: We are happy to take this example on notice and determine what the issue is. We are happy on any occasion that we are presented with information like this to look into

the case. I am not sure that we consider that this is a systemic problem. We work very hard to make sure that we are sensitive to customer needs and customer circumstances, but we are more than happy to look at this situation and get back to you.

Senator BOYCE: My concern is whether your systems are sufficient to tell you if you have a systemic problem.

Ms Campbell: We talked earlier about our customer complaints line. We talked about different mechanisms of sampling and customer satisfaction as well. We often do customer satisfaction surveys of the services we provide. We are not detecting anything that is indicating that we have significant problems in this area. I accept that sometimes there will be an occasion where something may go wrong, but we are very keen to have a look at those situations where we consider, like the example that you have, there could be an issue and try to resolve that as quickly as possible.

Senator BOYCE: I understand that the Centrelink office in Dubbo is being relocated in Wingewarra Street.

Ms Campbell: Yes.

Senator BOYCE: Could you tell me what the cost of relocating will be?

Ms Campbell: I will ask Ms Bennett, who looks after properties, to see whether she has that data with her tonight.

Ms Bennett: The cost of relocation is slightly more complex, because the proposed space is larger.

Senator BOYCE: How much larger? Perhaps you could tell me the size of the two sites.

Ms Bennett: The current space that we have at the moment is \$336 per square metres and the new space will be \$435 per square metre.

Senator BOYCE: Is that dollars?

Ms Bennett: Dollars per square metre. It is an increased space of 166 square metres. That additional cost reflects that it will be a new building, better fitted out for our needs and that larger space has placed it at a higher rental leasing cost.

Senator BOYCE: Will it be 166 square metres bigger?

Ms Bennett: It is 166 square metres bigger.

Senator BOYCE: Is it correct that the office is moving 400 metres?

Ms Bennett: Yes.

Senator BOYCE: Will Centrelink be occupying that whole building?

Ms Bennett: Yes.

Senator BOYCE: Is Medicare going to be a tenant in the same building?

Ms Bennett: That decision has not been made yet.

Senator BOYCE: Will there be any empty space in the building when Centrelink moves in?

Ms Campbell: Our contract is for the entire building.

Senator BOYCE: Can you tell me what the new building is? How big is it and how many floors?

Ms Bennett: The new building provides 1,725 square metres of ground floor space and will give us the capacity, at a point in time, where services across the portfolio could be provided there, such as Medicare or Child Support. The arrangement is to accommodate the people that we have that are both front office and processing people.

Senator BOYCE: So, you have some spare space there?

Ms Bennett: Yes.

Senator BOYCE: Why are you moving now?

Ms Bennett: We have not moved yet; it is being constructed, as you know. The lease on the current building expires on 31 May.

Senator BOYCE: You mean it has expired?

Ms Bennett: Next year. It is 31 May 2012. There were no further lease options available for renewal. We went out to the market tender in Dubbo and this building became available. We are not building it. The successful tenderer is providing an office space that gives us some larger space and us some flexibility and options for the integrated services that the portfolio will be providing.

Senator BOYCE: What is the rent on the new premises in Wingewarra Street going to be and when will you start paying that?

Ms Bennett: I will have to take that on notice. To be honest, we obviously would not be paying that until we have occupied the building, but we have entered into a commitment subject to the developers being able to build that building and obtaining council approval for all of the full dimensions of that—the size, the space and all of those issues.

Senator BOYCE: That was going to be my question. There must be some sort of precommitment to the develop from Centrelink to occupy the building.

Ms Bennett: Yes. We have a commitment. We went out to tender, as I explained. It was an open market test for a lease for the premises. That seven-year precommitment lease, subject to those provisions that I have mentioned, is with Stirloch Developments.

Senator BOYCE: Stirloch, is it?

Ms Bennett: Stirloch Developments Pty Ltd.

Senator BOYCE: Presumably that precommitment has at least an indicative rent in it.

Ms Bennett: It would.

Ms Campbell: We can get back to you on that.

Senator BOYCE: Can you give me that and when you would begin to pay that, presuming that they met the other conditions? I imagine that would also be in the precommitment?

Ms Campbell: That would normally be the case.

Senator BOYCE: What is the rent on the current premises in Wingewarra Street?

Ms Campbell: I do not have that material.

Ms Bennett: I have the annual rent arrangements. As I explained, the current rent at Dubbo is \$523,753 annually and the rent of the new building will be \$751,328.

Ms Campbell: The larger size of the building will allow the capacity for some Medicare services to be provided from there, as well as those that are currently provided in Macquarie Street in Dubbo.

Senator BOYCE: So there would be two Medicare offices?

Ms Campbell: It is not necessarily an office.

Senator BOYCE: Two Medicare operations?

Ms Campbell: Yes. It is part of our service delivery reform about providing services in offices to offer flexibility for customers so that they can come in and do their Centrelink and Medicare business at the same place. For those where there may be mobility issues, if they are already in Centrelink it makes it easier for them to be able to transact their Medicare business as well.

Senator BOYCE: I thought I heard Ms Campbell or Ms Bennett say that there was no decision yet as to whether Medicare was going to move in.

Ms Campbell: I think Ms Bennett said that, and while she has been talking I have been able to read the briefing notes which state that it is proposed that the Medicare facility that is currently in Macquarie Street will remain there whilst allowing Medicare services to be provided as well in this new facility. That is what we are trying to do with many of our new fit-outs. We are having a look at how we can provide a greater range of services to customers in the one location so that they are able to do all their business with government, where possible, in that one location.

Senator BOYCE: Do you know what the population increase annually in Dubbo would be over the last couple of years?

CHAIR: That will need to be taken on notice.

Ms Bennett: I will take that on notice.

Senator BOYCE: Yes. Did you tell me how many years the current spot in Wingewarra had to run?

Ms Bennett: The lease expires on 31 May 2012.

Senator BOYCE: Are you obliged to pay that lease out through to 31 May 2012?

Ms Campbell: I was in Dubbo about a month ago and the construction work has not commenced on the site yet.

Senator BOYCE: So, you might have to be asking the old landlord for a month-by-month deal?

Ms Campbell: I am very hopeful that the building will be constructed in time to allow us to transition from one location to the other.

Senator BOYCE: The GP superclinics do not give me any faith in that happening. Thank you.

CHAIR: Senator Adams, you have some questions on paid parental leave.

Senator ADAMS: I would like to continue on the co-location. Ms Hogg, last time I was talking about the rent in Western Australia with the co-location of Medicare and Centrelink offices. I asked whether you had a list of offices that were going to be co-located and you were going to ask the minister if it was appropriate to provide the list. I do not have it yet.

Ms Hogg: I will follow that up immediately.

Senator ADAMS: Thank you. Secondly, have you co-located any yet and how are they going?

Ms Hogg: In Australia?

Senator ADAMS: I suppose you could do Australia.

Senator BOYCE: Absolutely Australia; it is far more interesting.

Senator ADAMS: I was thinking about regional Western Australia, because I was more interested in those.

Mr Tidswell: Since December 2009, when then Minister Bowen and the Department of Human Services announced service delivery reform we have joined up our services in 42 locations across the country. We have another 12 or so planned before the end of this financial year. Over the next three years or so we are well on target to pretty much expand our service offer and footprint across 500 sites across the country.

In respect of Western Australia, I do not have any figures here for regional Western Australia. We have St Georges Terrace. As you well know, this is a longstanding policy of joining up services of the previous government. I do not have those figures with me of what we have done. We are moving forward into Kalgoorlie, which is one of the sites, but we will come back to you to give you some specific information about our plans for regional Western Australia.

Ms Hogg: The other place that I was at recently was Joondalup. It appears that with the leasing arrangements, particularly for the Medicare office at Joondalup, we could do something there at the beginning of next year.

Senator ADAMS: The reason I ask is that I travel around rural Western Australia a lot and I thought that if there was one already co-located I would go and ask how it was going and have a talk to the staff about what was going on.

Mr Tidswell: I was in the St Georges Terrace not so long ago, where you will find Centrelink, Child Support and Medicare in one site. That is a really good example.

Senator ADAMS: I could go and talk to them. I was interested in the regional areas. Thank you for that. I would like to finish off with the paid parental leave. I had some questions that I asked earlier mainly about the Family Assistance Office and I was told to direct them here. I will not be long, because I know everyone wants to go home. Do I have the right people?

Mr Cowan: Yes.

Senator ADAMS: How many staff within the Family Assistance Office are currently responsible for the administration of the PPL?

Mr Cowan: One hundred staff.

Senator ADAMS: Is that at the moment?

Mr Cowan: Yes.

Senator ADAMS: How many staff currently employed by the Family Assistance Office in administering PPL will be surplus to requirements from 1 July 2011?

Mr Cowan: None. There is no expectation that the number will reduce.

Senator ADAMS: But their role reduces and changes?

Mr Cowan: No. Do you mean with respect to the role of the employers?

Senator ADAMS: That is right.

Mr Cowan: No. They will still be carrying out the same functions in assessing people's entitlements and processing claims. After 1 July the funds will be channelled through employers to customers rather than directly through this program.

Senator ADAMS: So, the office will stay the same with the same number of staff and they will just do the assessment. Will you be paying a few people?

Mr Cowan: There will be some, yes.

Senator ADAMS: Therefore, the 100 staff are going to be gainfully employed and the office will not close?

Mr Cowan: No. The functions will still continue. The expectation is that it is the same staff. There is no expectation that the number will reduce.

Senator ADAMS: What has been the average time frame? I know that we only have the first lot of people going through with their 18 weeks paid leave, but when they come and advise of their eligibility for PPL for the babies that have been born already when can they commence on the PPL? How long does it take for them to come and say, 'I've just had a baby. I want to put an application in'?

Mr Cowan: The customers are able to claim three months in advance of the expected date.

Senator ADAMS: I realise that.

Mr Cowan: They can nominate the date that they want PPL to start, which can be the date of birth, and then when they come in and provide us with proof of birth we can start the processing. The payments will effectively start from the day they nominate, which will be the date of birth of the child.

Senator ADAMS: That is for someone who has given you notice three months in advance that they are having a baby. What will be the gap for somebody that has had a baby and has decided that they should apply? Would they start straightaway?

Mr Cowan: Yes, they can start straightaway. Clearly, if we have not done the processing of a claim in advance then it will take a little bit more time than normal, but the date of effect will remain the same and we will ensure payments are made from that date, but retrospectively. If we are processing the claim their first payment will take into account any back pay to the day that they have nominated as the start date.

Senator ADAMS: Have you had any complaints received to date regarding eligibility for PPL? Are people coming along and saying that they are eligible and you are saying that they do not meet the criteria?

Mr Cowan: I am not aware of any complaints. There were some figures presented this morning where there had been decisions taken that people were not eligible, but I have not seen any complaints raised with respect to that.

Senator ADAMS: Have you had any problems with the payment of PPL such as delays in payment getting to a person?

Mr Cowan: No, we have had no problems. Mr Tisdwell mentioned earlier today that as a result of the natural disasters the organisation has been swamped with claims, and so we are in the process of remedying that and catching up with some delays in processing. The vast majority are being actioned within a fortnight. Normally the first payment makes a retrospective payment as well back to the date of the claim.

Senator ADAMS: Has the Family Assistance Office received many calls from businesses concerned about their obligations to administer the PPL from 1 July?

Mr Cowan: We have had 9,000 calls of all natures to our Centrelink business hotline from businesses. We have put an enormous amount of effort into dealing with business, both small and large, and their representatives, industry associations, in making sure that we put a system in place which is as simple and easy as possible for them to operate. It is very simple for them. The most recent example of that is where we ran two webcasts over the last two weeks. One was for customers and the other for employers. We had several hundred employers log in and several hundred employers send questions in. It was an interactive webcast, which was very positive. We got a lot of very positive feedback from the employers involved.

Senator ADAMS: How do you monitor to make sure people are getting paid when this starts? Do you have a monitoring line in case there are hiccups?

Mr Cowan: We have a relatively light touch compliance regime in this program. We are ensuring the validity of claims, the identity of employers and customers and then we start making the payments. We will be doing some engagement as time goes on, but we are relying upon the customers to inform us if payments are not being forwarded, for example, through employers to them. I think that is a reasonably safe bet. We will act immediately upon that if there is an issue where payments that we have made to employers are not going through to their employees.

Senator ADAMS: I will ask a few more questions in October about whether there have been any problems. Thank you.

CHAIR: I believe there are no further questions in this area. Just before we adjourn, Minister, are you wishing to make some comments about Ms Hogg and also Mr John Wadeson? I believe it is going to be your final estimates tonight as well, Mr Wadeson.

Senator Arbib: In relation to Ms Hogg, on behalf of the government, I thank her for all the work she has done in Centrelink over many years as the Chief Executive Officer, but also as the deputy over a number of years, with a long-term career in the Australian Public Service. In my interactions with Centrelink over the past three years I have seen enormous changes in the way that Centrelink operates and enormous improvements, particularly in the area of homelessness. With 90 homelessness officers Centrelink is leading the way in that aspect of fighting social disadvantage. On behalf of the Australian government, we wish you all the best for the future and thank you for all the hard work you have done for many disadvantaged people. We really appreciate it; thank you.

CHAIR: Ms Hogg and Mr Wadeson, on behalf of the committee I would like to thank you for your work for Senate estimates and also on numerous Senate inquiries, audit inquiries and legislation committees. Thank you so much for your patience, your professionalism and your ability to get back to senators, some of whom are asking their very first questions, which is very difficult. I am in a particular position because I have worked with both Ms Hogg and Mr

Wadeson in the past. I think they have both been my bosses at different times in the past as well, so it has been of particular interest to sit here in the Senate process. All of us want to pay tribute to your work and also to the ongoing growth and professionalism of Centrelink. Thank you very much.

Senator Arbib: Mr Wadeson, I was not aware that it was your last night. On behalf of the government I would like to thank you very much for all the work that you have done over many years. We really do appreciate it.

Senator ADAMS: Ms Hogg, I know that we have had a few little issues over the time that I have been here, but thank you very much. Do not go away before you find that list for me! You have done a wonderful job. Thank you very much and good luck.

CHAIR: That brings this particular session of estimates to a close. I thank all the officers for their answers and their appearance at the estimates. To the secretariat, as always thank you very much, and we thank Hansard. We now stand adjourned until tomorrow at 9.00 am.

Committee adjourned at 22:41