



COMMONWEALTH OF AUSTRALIA

Proof Committee Hansard

SENATE

COMMUNITY AFFAIRS LEGISLATION COMMITTEE

Estimates

(Public)

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SENATE

COMMUNITY AFFAIRS LEGISLATION COMMITTEE

Wednesday, 31 May 2017

Members in attendance: Senators Carol Brown, Di Natale, Dodson, Duniam, Gichuhi, Kakoschke-Moore, Lines, Polley, Pratt, Reynolds, Roberts, Siewert, Smith, Urquhart, Watt.

SOCIAL SERVICES PORTFOLIO

In Attendance

Senator Ryan, Minister Assisting the Prime Minister for Cabinet, Special Minister of State

Department of Human Services

Ms Kathryn Campbell CSC, Secretary

Outcome 1

Mr John Murphy, Deputy Secretary, Payments Reform Group

Mr Barry Jackson, Deputy Secretary, Service Delivery Operations Group

Ms Bridget Brill, General Manager, Channel Operations, Indigenous and Intensive Services Division

Mr Mark le Dieu, General Manager, Face to Face Services Division

Ms Kate Hay, Acting General Manager, Child Support Smart Centres Division

Mr Chris Horsley, General Manager, Service Strategy and Transformation Division

Mr Bill Volkers, General Manager, Smart Centres Division

Ms Malisa Golightly, Deputy Secretary, Integrity and Information Group

Ms Karen Harfield, General Manager, Information, Debt and Appeals Division

Mr Jason McNamara, General Manager, Integrity Modernisation Division

Mr Craig Storen, General Manager, Customer Compliance Division

Mr Mark Withnell, General Manager, Business Integrity Division

Ms Andrea Quinn, Assistant Commissioner, Taskforce Integrity

Dr Jill Charker, Deputy Secretary, Program Design Group

Ms Maree Bridger, General Manager, Child Support and Redress Division

Ms Janine Pitt, General Manager, Participation and Disability Division

Ms Melissa Ryan, General Manager, Older Australians Division

Mr George Thiveos, General Manager, Families Division

Ms Susan Cartwright, National Manager, Institutional Redress Branch

Mr Paul Creech, National Manager, Education and Job Seeker Contact Branch

Ms Laura Gannon, National Manager, Disability Branch

Ms Sue Kitchin, National Manager, Child Support System Redesign Branch

Mr Dennis Mahony, National Manager, Child Support Program Branch

Ms Joanna Stanion, National Manager, Working Age Programs and Compliance Branch

Ms Caroline Edwards, Deputy Secretary, Health and Aged Care Group

Ms Kirsty Faichney, General Manager, Health Programs Division

Ms Melissa McClusky, General Manager, Health Service Delivery Division

Ms Linda Young, Acting General Manager, Aged Care and Industry Programs Division

Mr Jonathan Hutson, Deputy Secretary, Enabling Services Group

Ms Annette Musolino, Chief Counsel, Legal Services Division

Ms Cathy Sear, General Manager, Communication Division

Ms Jenny Teece, General Manager, Whole of Government Coordination Division

Mr Kim Terrell, Acting Deputy Secretary, Shared Services Group

Ms Kylie Crane, Acting General Manager, Portfolio Project Office

Mr Robert Higgins, General Manager, Corporate Operations Division

Mr Adrian Hudson, General Manager, People Services Division

Mr Neal Mason, General Manager, People Strategy Division

Mr Gary Sterrenberg, Chief Information Officer

Mr Mark Jenkin, Chief Financial Officer

Mr Shane Bennett, General Manager, Service Strategy

Department of Social Services

Executive

Mr Finn Pratt, Secretary

Ms Barbara Bennett, Deputy Secretary, Families and Communities

Ms Felicity Hand, Deputy Secretary, Disability and Carers

Mr Michael Lye, Chief Operating Officer and Deputy Secretary, Corporate and Delivery

Ms Serena Wilson, Deputy Secretary, Social Security

Cross Outcomes

Mr Scott Dilley, Chief Finance Officer and Group Manager, Finance and Services

Mr Paul McBride, Group Manager, Welfare and Housing Reform

Mr Philip Brown, Acting Group Manager, Policy Office

Mr Peter Qui, Group Manager, Information Management and Technology

Ms Janean Richards, Chief Legal Counsel and Group Manager, Corporate Services

Mr Iain Scott, Group Manager, Community Grants Hub

Mr Richard Baumgart, Branch Manager, Program Strategy

Ms Tracey Bell, Branch Manager, Communication Services

Ms Tiffany Blight, Branch Manager, People Services

Mrs Christine Bruce, Branch Manager, Program Relationships and Design

Ms Tracey Carroll, Branch Manager, Budget Development

Mrs Tracy Creech, Branch Manager, Selections and Establishment

Mr Tim Crozier, Acting Branch Manager, Policy Strategy

Mr David Dennis, Branch Manager, Policy Evidence

Mr Michael Gately, Branch Manager, Corporate and Data Services

Mr Alan Grinsell-Jones, Branch Manager, Legal Services

Ms Tracy Hobden, Branch Manager, Financial Management and Procurement

Mr Greg Keen, Branch Manager, Whole of Government Grants Coordination

Mr Murray Kimber, Branch Manager, Investment Approach Taskforce

Ms Kathryn Mandla, Branch Manager, Policy Systems

Ms Lyn Murphy, Branch Manager, Property Security and Business Continuity

Ms Jillian Moses, Branch Manager, Social Security Analytics

Ms Marian Moss, Branch Manager, Government and Executive Services

Ms Carolyn Paterson, Acting Branch Manager, Organisation Strategy Services

Mr Warren Pearson, Acting National Manager, Delivery Strategy and Operations

Mr Matthew Roper, Branch Manager, Assurance and Performance

Mr Adam Rowland, Executive Manager, National Centre for Longitudinal Data

Mr Stephen Sheehan, Branch Manager, Financial Accounting

Mr Robert Stedman, Branch Manager, Program Systems and Support

Outcome 1

Mr Philip Brown, Acting Group Manager, Policy Office

Mr Scott Dilley, Chief Finance Officer and Group Manager, Finance and Services

Ms Cath Halbert, Group Manager, Payments Policy

Mr Evan Lewis, Group Manager, Multicultural, Settlement Services and Communities

Mr Paul McBride, Group Manager, Welfare and Housing Reform

Ms Janean Richards, Chief Legal Counsel and Group Manager, Corporate Services
Ms Tracey Bell, Branch Manager, Communication Services
Ms Tracey Carroll, Branch Manager, Budget Development
Mr Tim Crozier, Acting Branch Manager, Policy Strategy
Ms Anita Davis, Acting Branch Manager, International and Means Test Policy
Mr Russell de Burgh, Branch Manager, Pensions and Integrity
Mr David Dennis, Branch Manager, Policy Evidence
Mr Alan Grinsell-Jones, Branch Manager, Legal Services
Mr Matthew Hardy, Branch Manager, Family Payments and Child Support Policy
Mr Murray Kimber, Branch Manager, Investment Approach Taskforce
Ms Kathryn Mandla, Branch Manager, Policy Systems
Ms Emma Kate McGuirk, Branch Manager, Work and Study Payments
Ms Mary McLarty, Branch Manager, Eligibility and Participation Policy
Ms Jillian Moses, Branch Manager, Social Security Analytics
Mr Sidesh Naikar, Branch Manager, Housing Policy
Ms Yvette Sims, Branch Manager, Multicultural and Communities
Mr Andrew Whitecross, Branch Manager, Rates and Means Testing Policy

Outcome 2

Dr Roslyn Baxter, Group Manager, Families
Mr Scott Dilley, Chief Finance Officer and Group Manager, Finance and Services
Mr Evan Lewis, Group Manager, Multicultural, Settlement Services and Communities
Ms Janean Richards, Chief Legal Counsel and Group Manager, Corporate Services
Mr Iain Scott, Group Manager, Community Grants Hub
Ms Sharon Bailey, Branch Manager, Settlement Policy
Mr Richard Baumgart, Branch Manager, Program Strategy
Ms Tracey Bell, Branch Manager, Communication Services
Ms Flora Carapellucci, Principal Advisor, Families
Ms Tracey Carroll, Branch Manager, Budget Development
Mr Alan Grinsell-Jones, Branch Manager, Legal Services
Ms Brooke Hartigan, Acting Branch Manager, Redress Taskforce
Mr Mathew Johnston, Branch Manager, Redress Taskforce
Ms Kris Cala, Branch Manager, Children's Policy
Mr Leo Kennedy, Branch Manager, Settlement Support
Ms Kathryn Mandla, Branch Manager, Policy Systems
Mr Chris Mitchell, Executive Manager, Humanitarian Settlement Program Taskforce
Mr Stephen Moger, Acting Branch Manager, Family Policy and Programs
Ms Lara Purdy, Branch Manager, Family Safety
Mr Tristan Reed, Branch Manager, Welfare Quarantining and Gambling
Ms Yvette Sims, Branch Manager, Multicultural and Communities
Mr Stewart Thomas, Branch Manager, Housing Programs and Homelessness

Outcome 3

Mr Peter Broadhead, Acting Group Manager, Disability Employment and Carers
Mr Scott Dilley, Chief Finance Officer and Group Manager, Finance and Services
Ms Margaret McKinnon, Group Manager, NDIS Market Reform
Ms Janean Richards, Chief Legal Counsel and Group Manager, Corporate Services

Ms Julie Yeend, Acting Group Manager, NDIS Transition Oversight
Ms Tracey Bell, Branch Manager, Communication Services
Mr Adrian Brocklehurst, Branch Manager, Quality and Safeguards Implementation
Ms Tracey Carroll, Branch Manager, Budget Development
Ms Anne-Louise Dawes, Branch Manager, Program Transition
Mr Chris D'Souza, Branch Manager, Disability Employment Services
Mr Alan Grinsell-Jones, Branch Manager, Legal Services
Mr Andrew Hatch, Acting Branch Manager, Transition Oversight and Governance
Ms Nerida Hunter, Branch Manager, NDIS Financial Policy and Performance
Mr John Riley, Branch Manager, Market Oversight
Mr Bruce Smith, Branch Manager, Quality and Safeguards Policy
Ms Sharon Stuart, Branch Manager, Disability and Carer Policy
Ms Deborah Winkler, Branch Manager, Supported Employment Policy, Access and Engagement

Outcome 4

Dr Roslyn Baxter, Group Manager, Families
Mr Scott Dilley, Chief Finance Officer and Group Manager, Finance and Services
Mr Paul McBride, Group Manager, Welfare and Housing Reform
Ms Janean Richards, Chief Legal Counsel and Group Manager, Corporate Services
Ms Tracey Bell, Branch Manager, Communication Services
Ms Tracey Carroll, Branch Manager, Budget Development
Mr Alan Grinsell-Jones, Branch Manager, Legal Services
Mr Sidesh Naikar, Branch Manager, Housing Policy
Mr Stewart Thomas, Branch Manager, Housing Programs and Homelessness

National Disability Insurance Agency

Mr David Bowen, Chief Executive Officer
Mr Steve Jennaway, Chief Financial Officer
Ms Stephanie Gunn, Acting Deputy Chief Executive Officer, Participation and Planning
Ms Vicki Rundle, Acting Deputy Chief Executive Officer, Markets and Support
Mr Grant Tidswell PSM, Chief Operating Officer

Committee met at 09:08

CHAIR (Senator Duniam): I declare open this meeting of the Community Affairs Legislation Committee on 31 May 2017. The Senate has referred to the committee the particulars of proposed expenditure for the 2017-18 financial year for the portfolios of Health and Social Services, including Human Services. The committee may also examine the annual reports of the departments and agencies appearing before it. The committee is due to report to the Senate on 20 June 2017 and has fixed 21 July 2017 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 close of business on 9 June 2017.

Under standing order 26, the committee must take all evidence in public session. This includes answers to questions on notice. I remind all witnesses that, in giving evidence to the committee, they are protected by parliamentary privilege. It is unlawful for anyone to threaten or disadvantage a witness on account of evidence given to a committee. Such action may be treated by the Senate as a contempt. It is also a contempt to give false or misleading evidence to a committee.

The Senate, by resolution in 1999, endorsed the following test of relevance of questions at Senate estimates hearings. Any questions going to the operations or financial positions of the departments and agencies which are seeking funds in the estimates are relevant questions for the purposes of estimates hearings. I remind officers that the Senate has resolved that there are no areas in connection with the expenditure of public funds where any person has discretion to withhold details or explanations from the parliament or its committees unless the parliament has expressly provided otherwise. The Senate has resolved also that an officer of a department of the Commonwealth shall not be asked to give opinions on matters of policy and shall be given reasonable opportunity

to refer questions asked of the officer to superior officers or to a minister. This resolution prohibits only questions asking for opinions on matters of policy and does not preclude questions asking for explanations of policies or factual questions about when and how policies were adopted.

I particularly draw the attention of witnesses to an order of the Senate dated 13 May 2009 specifying the process by which a claim of public interest immunity should be raised.

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).

(d) requires the Procedure Committee to review the operation of this order and report to the Senate by 20 August 2009.

(13 May 2009 J.1941)

(Extract, Senate Standing Orders, pp 124-125)

Witnesses are specifically reminded that a statement that information or a document is confidential or consists of advice to government is not a statement that meets the requirements of the 2009 order. Instead witnesses are required to provide some specific indication of the harm to the public interest that could result from the disclosure of the information or the document.

Department of Social Services

[09:10]

CHAIR: I welcome Senator Scott Ryan, representing the Minister for Social Services, the secretary and officers from the Department of Social Services. Minister, do you wish to make an opening statement?

Senator Ryan: I do not, but I believe Mr Pratt would like to make a brief one.

Mr Pratt: Just before we kick off, Chair, I would like to thank you and the rest of the committee for your agreement to help us with our scheduling issues across the course of today. I very much appreciate that.

CHAIR: Our pleasure. We are here to serve. Just on the program, we had a quick private meeting before commencement today; hence the delay. My understanding—and I will seek confirmation from Senator Siewert—is that there are no questions for cross-portfolio and corporate matters, which means that we will move straight to outcome 3, disability and carers. We believe that there is about one hour of questions in program 3.1. I have been asked to seek clarification as to whether officers from the NDIA are in the building and able to be available for this session of questions.

Mr Pratt: Certainly, I know that the NDIA were alerted to the fact that we would be moving to disability and carers early this morning. As to whether they are here right now, I will check.

CHAIR: We will not require them for an hour, until we get to program 3.2.

Mr Pratt: That will be fine then, Chair.

CHAIR: To kick off our questions in program 3.1, I call Senator Brown.

Senator CAROL BROWN: As usual, Mr Pratt, you might have to guide me as to whereabouts my questions land. Before I start, with respect to the \$80 million that has been allocated for people who fall outside the NDIS, does the department have a role in that funding?

Mr Pratt: Is this for the mental health program that was discussed at estimates with Health yesterday?

Senator CAROL BROWN: Yes.

Mr Pratt: Yes, we can talk about our involvement in that process here.

Senator CAROL BROWN: What is your involvement?

Ms Hand: It is a Health initiative, obviously, as they said at their own Senate estimates session. Having said that, we have provided advice to them and we work very closely with them in terms of mental health issues outside the NDIS. As you would be aware from their budget measure, it is \$80 million over the forward estimates. My understanding is that the states need to commit matched funding for it. My understanding, from talking with Health and their budget announcement, is that it is particularly for continuity of support for those with a high need outside the NDIS. If Health needs our input on that, given our community-based mental health role, we will provide advice and input, as needed by Health. But it is very much a Health initiative; it is not a DSS initiative.

Senator CAROL BROWN: So there is no formal process? There is no committee set-up that you are a formal member of, or does it go through one of the IDCs?

Ms Hand: I am not aware of a committee, but I would say very strongly that we have very regular and ongoing contact with the Department of Health on these matters. I personally have quite frequent conversations with Mark Cormack, who is the relevant deputy secretary.

Senator CAROL BROWN: What were the department annual funding amounts from 2015-16 onwards for the PHaMs program?

Ms Hand: Mr John Riley is not here; this outcome came forward a bit. I think he is on his way. We can answer that later.

Senator CAROL BROWN: When do you think he will arrive?

Ms Hand: We were due to start at around 11 am or 11.15 am. He knows that he needs to be here because I have sent text messages to all my staff.

Mr Pratt: Senator, just to confirm: you are interested in knowing the amount of expenditure on PHaMs from 2015-16 going forward?

Senator CAROL BROWN: And mental health carers respite.

Ms Hand: Senator, I can answer your question now, thanks to Margaret McKinnon. PHaMs in 2015-16 was \$123.8 million; in 2016-17, \$113.3 million; in 2017-18, \$88.6 million; in 2018-19, \$53.8 million; and, in 2019-20, \$11.9 million.

Senator CAROL BROWN: How many participants were in the PHaMs program over those years?

Ms Hand: In 2015-16 there were 20,409. From July to December 2016 there were 14,798—of course, recognising that many of these participants are transitioning into the NDIS.

Senator SIEWERT: What year was that?

Ms Hand: In the 2016 calendar year, July to December, it was 14,798.

Senator CAROL BROWN: Maybe I should get the figures about the mental healthcare respite, as well.

Ms Hand: We have that too.

Ms McKinnon: The funding first?

Senator CAROL BROWN: Yes, please.

Ms McKinnon: In 2015-16, it was \$64.2 million; in 2016-17, it was \$60.7 million; and in 2017-18, it is \$50.2 million.

Senator CAROL BROWN: That supports how many participants?

Ms McKinnon: In 2015-16, it supported 29,141; and for the same time frame that Ms Hand referred to, July to December 2016, there were 19,115 participants.

Senator CAROL BROWN: Just going back to the PHaMs program, in the last year that you gave me I think you said \$11.9 million?

Ms McKinnon: Yes.

Senator CAROL BROWN: How many participants are you basing that number on?

Ms McKinnon: I do not have with me how many participants that is estimated on, but it is based on the estimated rollout of the NDIS across Australia and the caseload with providers currently under the PHaMs program. So, there is an estimation of when they will transition into the NDIS.

Senator CAROL BROWN: And no estimation of new people who might enter?

Ms McKinnon: Into PHaMs?

Senator CAROL BROWN: Yes.

Ms McKinnon: As for an estimation of the new people who would enter PHaMs, that is a question for Mr Riley, who will have that level of detail.

Senator CAROL BROWN: In relation to the \$80 million that has been announced, are the PHaMs and the mental health carers respite programs included in that?

Ms Hand: No. It is a new budget measure that has been funded as part of the Department of Health's budget measures, and our PHaMs programs are separate to that.

Senator CAROL BROWN: So they will stay in DSS and be funded from DSS.

Ms Hand: The arrangement in general for Commonwealth programs transitioning to the NDIS is that they gradually phase down over a number of years. So, until those programs come to their expiry, which I believe is 2019-20—we will check that—the Department of Social Services manages them.

Senator CAROL BROWN: Will the department provide any funding for continuity of support for those people that have—

Ms Hand: As part of the arrangements for Commonwealth and state programs transitioning to the NDIS, there was a commitment by all governments to provide continuity of support for those people who were in the programs but are not eligible for the NDIS. For the Commonwealth programs, we have, in the main, extended most of our programs to expire—some differ—in 2019-20 at full scheme. We are currently working on what is called a continuity of support strategy that will be presented to our minister in government in this calendar year. So, when those programs cease in 2019-20, there will be a continuity of support program of some sort, which we are working on, as I said, for those who are still in the program.

Senator CAROL BROWN: That is expected to go to the minister by the end of June?

Ms Hand: No; by the end of the calendar year.

Mr Pratt: During 2017.

Senator CAROL BROWN: That strategy is about what DSS will be providing in terms of continuity of support.

Ms Hand: That is right—noting that we do not take new entrants to those programs. It is those who are currently participants in those programs who will get continuity of support.

Senator CAROL BROWN: Will DSS be doing any work in terms of new entrants, people who come on board?

Ms Hand: In terms of mental health programs in general, it is the responsibility of the state and territory governments—the primary responsibility—to deliver services. Today the Commonwealth funds Commonwealth mental health programs to the tune of \$0.4 billion, and the states provide \$1.8 billion, so they provide a lot more funding than the Commonwealth, and they are responsible for their clients who are not eligible for the NDIS. So it is the responsibility of state and territory governments, and our funding is transitioning into the NDIS for those who are eligible. As I have said, for the very small number that we look after today in PHaMs and other programs, we will have continuity of support. But the new ones outside the NDIS are the states' responsibility.

Senator CAROL BROWN: If I understand you correctly, Ms Hand, you are indicating that there will be a strategy for continuity of support for people who are not eligible for the NDIS but who are current participants in your programs?

Ms Hand: That is right.

Senator CAROL BROWN: Which will be going to the minister by the end of the calendar year. So, there may be something from the Commonwealth for those participants in that any participants who come on board have to be looked after by the states and territories.

Ms Hand: In general terms, that is right—noting, of course, that the Department of Health has the lead on mental health at a Commonwealth level.

Senator CAROL BROWN: If PHaMs continues programs to support people who are currently using programs like that and would be included under your strategy, would the states and territories be able to buy into those programs, or is that question too premature?

Ms Hand: We have not had discussions with the states about those things. But as I have said, the states have responsibility primarily for people outside the NDIS, and the Department of Health leads at the Commonwealth level on mental health issues, particularly clinical mental health issues, outside the NDIS.

Mr Pratt: Senator, if your question is whether the states and territories would be able to replicate what is done through PHaMs using their resources, while it is a matter for them, I guess that they would be able to—

Senator CAROL BROWN: That was not really my question, but it is probably a question that would need to be asked once we know what your strategy is going to be about. I know that Senator Siewert probably wants to ask questions in this area, but I will just quickly finish up. Was the department consulted on the amount of funding that was announced, the \$80 million?

Mr Pratt: Certainly in the budget process there was discussion around the quantum and who would cover it, but ultimately it is a matter for the health department.

Senator CAROL BROWN: It is \$80 million and, given some of the figures that you have given to me just for your two programs, it does not seem to be a very large amount of money.

Mr Pratt: We would not make a comment on that, of course. But as Ms Hand has set out, the states put \$1.8 billion into this area, the Commonwealth itself puts another \$400 million, and this \$80 million is on top of that. We have then the PHaMs and the other mental health programs and, in the future, we will have the continuity of support arrangements to ensure that the Commonwealth adheres to its undertakings. Then, of course, there is all the money that is going into the NDIS for mental health. So there are substantial resources going into this area.

Senator CAROL BROWN: But I am talking about people who are outside the NDIS, and the PHaMs program is going to end.

Ms Hand: Only for those who are eligible for it now, and we are working on a continuity of support strategy for all Commonwealth programs, not just PHaMs. When the NDIS was set up, there was a formal commitment to continuity of support by state, territory and Commonwealth governments for people who were in their existing state, territory and Commonwealth programs who were not eligible for the NDIS. Our programs have been extended—most of them—until 2019-20, when most states reach full scheme, and we are working on the strategy for how those people are supported beyond 2019-20. We will be presenting something to our minister shortly, and it is hoped that there will be a decision on that this calendar year.

Senator CAROL BROWN: But that is only for people who are currently in the scheme who fall outside the NDIS.

Mr Pratt: That is what the continuity of support programs cover, yes.

Senator CAROL BROWN: Others will be a state and territory responsibility. But \$80 million, even with matched funding, is not going to buy a lot of the psychosocial disability services that are required.

Ms Hand: I might ask Mr Riley, but my understanding is—am I right in saying this, Mr Riley—that there are only about 8,700 people who at full scheme will be in Commonwealth programs and will require continuity of support. So it is not a large number of people that we are talking about.

Senator CAROL BROWN: That does not include people who might not require support now but will into the future?

Ms Hand: That is true.

Senator SIEWERT: The Department of Health yesterday was not able to tell us how many people were even in PIR or Day to Day Living. I do not know how you can come up with the 8,000 figure when Health cannot even tell us how many are in PIR.

Ms Hand: I was talking for the programs that we are currently running.

Senator SIEWERT: You said the Commonwealth.

Ms Hand: I apologise. Having said that, Mr Riley has that data, I think.

Mr Riley: I do. The figure that Ms Hand spoke about, the 8,700, is what our modelling tells us in terms of people in Commonwealth programs whom we project will be deemed ineligible for the NDIS. At the moment the current rate of access on psychosocial, which I think is the particular subject of the question, has risen from 79 per cent of access requests being approved to 83 per cent.

Senator SIEWERT: I understand what you have just said about those who have applied to 83 per cent, but how many people who are currently accessing PHaMs are actually applying? Do you understand the point that I am making?

Mr Riley: I do understand the question. I do not have a number for you about how many are not. I have some service-by-service stories that I could relate to you or we could provide to the committee that talk about that. We are aware that there are some groups of people who are hard to find, hard to reach or hard to encourage into the scheme. Both the agency and DSS, through its current services, are doing some work around that and we have a couple of projects going to try to develop what is good practice. We are working with Flinders University on a guide to support people into the scheme and we expect to socialise it in the next month, ahead of formalising, if you like, and publishing. DSS would acknowledge that those are challenges, absolutely.

Senator SIEWERT: I am sorry, I have taken over from Senator Brown. I will wait my turn, other than this question in particular: are you able to give us any figures on the percentage of people who are currently accessing PHaMs and are applying?

Mr Pratt: The NDIS?

Senator SIEWERT: I am sorry, the NDIS—who are currently accessing PHaMs and who are applying to the NDIS. I am not asking about the number who are getting in once they have applied, because certainly some of the evidence that I have been told—and again it is anecdotal—is that a smaller percentage than people thought were going to apply are actually applying.

Mr Riley: The short answer is no, because we do not hold the data directly around the clients; we get that retrospectively from the services, as does the agency. But I understand that, in line with the rollout schedule, the services have provided the data in relation to the PHaMs participants and Partners in Recovery and assistance with Day to Day Living in the community programs. I am unaware of whether the agency at this point in time has recorded how many have attempted, because that is in accordance with the phase-in schedule. They would have data on decline to phase but—

Senator SIEWERT: Are you saying that we should wait for NDIA to come up? A fundamental problem is that we could not get this data out of PIR yesterday and it sounds like we cannot get it here.

Ms Hand: I cannot speak for Mr Bowen when he arrives—

Senator SIEWERT: He is here but I do not want to disrupt things at the moment.

Ms Hand: The way it works in general is: to be able to get the participant data for participants in existing Commonwealth programs, the agency has to issue what is called a section 55 request so that the providers can then release the names and contact details for the participants. As I have said, I cannot speak for Mr Bowen but I suspect that he may be able to answer your question when he gets it because they have that data.

Senator CAROL BROWN: I only have one more question. In terms of the \$80 million and the matching funding, I assume that there were some consultations with the states and territories.

Ms Hand: It is not a DSS initiative and, therefore, we of course did not consult the states and territories; whether Health did, I could not say.

Senator CAROL BROWN: I think I might just put that on notice to the Department of Health.

Senator SIEWERT: I go back then to the issue of continuity, first. Your definition of 'continuity' is for all participants who are currently receiving funding. Sorry, when I say 'participants', I do not mean participants of NDIS; I mean people who are currently receiving funding and who do not become participants for their lifetime.

Ms Hand: We are working on the strategy for that. My recollection is that there was nothing explicit in any formal agreements when the NDIS was set up about the duration, but I will defer to Mr Riley.

Mr Riley: The answer has a few parts to it. Perhaps you could bear with me for a moment. As Ms Hand relayed, all governments are committed to providing continuity of support for clients of current services who were deemed to be or were manifestly ineligible for the NDIS. The 'manifestly ineligible' is about people who are over the age of 65 or do not meet the residency requirements.

Senator SIEWERT: I am sorry, what is 'manifestly ineligible'?

Mr Riley: We do not ask 70-year-olds to go and test their eligibility with the NDIS, because we know that the answer is: this is for people who are not yet 65. Clients of Commonwealth programs who are not in that category need to test their eligibility and be deemed ineligible to trigger a continuity of support requirement.

Senator SIEWERT: In what time frame?

Ms McKinnon: I guess obviously the program funding is transitioning to the NDIS. In my head, they have to do it while there is a construct of a Commonwealth program.

Senator SIEWERT: Just because there is a particular process for phasing in, they do not have to meet those requirements; it is just by 2019?

Ms Hand: 2019-20.

Senator SIEWERT: Sorry, the 2019-20 year.

Mr Riley: It is in accordance with where a full scheme will be in their jurisdiction.

Senator SIEWERT: That is where I was getting to. Is it when the full scheme is in their jurisdiction or by 2019-20?

Mr Riley: I am sorry, I was building on the answer from Ms McKinnon, which is: where the program continues to exist and you have reached full scheme, it will be in that phase. This is detail that we are working through at the moment in developing the continuity of support policy.

Senator SIEWERT: I will obviously have to keep pursuing that at some stage but let us keep going. 'Manifest'?

Mr Riley: Yes.

Senator SIEWERT: And then you have to test your eligibility?

Mr Riley: You test and that leads you to people who do not meet the requirements for entry into the scheme on disability grounds.

Senator SIEWERT: Can we then get back to the issue of whether it is 'lifetime'. You have done all that. Does it cover their lifetime or not?

Ms McKinnon: Again, we are working through this to put something to government. For example, the early intervention schemes will naturally phase out because participants will be over seven or will have spent—

Mr Riley: They will have spent the \$12,000.

Ms McKinnon: With continuity of support, we actually have to consider each program on a case-by-case basis about eligibility and what the Commonwealth program entitles them to.

Senator SIEWERT: I realise that the continuity strategy is covering all of your programs. Can I go back to mental health. We will deal with some of those others later in their relevant areas. For the mental health programs that you run, PHaMs and respite, what does 'continuity' mean?

Ms McKinnon: That is what we are working out and providing advice to government on.

Senator SIEWERT: Have you discussed this with the Department of Health?

Mr Riley: Yes. We continue to do so, yes.

Senator SIEWERT: Yesterday I took from what they said that they are talking about lifetime continuity. You cannot provide that same guarantee?

Ms Hand: It would depend on the program.

Senator SIEWERT: I am talking about the two mental health programs.

Ms Hand: No, we cannot at the moment, because we are developing options that canvass everything from whether they should phase over a number of year or be for the lifetime. But it will depend on the particular cohort and the nature of the program.

Senator SIEWERT: Let us talk about PHaMs and people who are currently participants.

Ms Hand: Until we have given advice to our government, we are not at liberty to discuss it here. As I said earlier though, when the Commonwealth, states and territories signed up to their commitment to continuity of service, there was nothing specified in terms of time frame. We are working through that in terms of our advice to government.

Senator SIEWERT: The strategy is going to government by the end of the year, is it?

Ms Hand: Shortly. As I said, we are hopeful that this will be considered and a decision taken this calendar year but obviously I cannot speak for the government.

Senator SIEWERT: Can I go to the \$80 million. Is the department expecting that you will get part of that funding for programs that you run?

Ms Hand: We have only had general discussions with the Department of Health, nothing specific at all. But as was said in the public budget materials, they were looking at some sort of continuity of support program for very high need. We are in discussions with them about whether that would include our programs too.

Senator SIEWERT: You have said that you had discussions pre-budget—

Mr Riley: General.

Senator SIEWERT: But it was not agreed then whether your components of Commonwealth mental health programs would be included?

Ms Hand: Nothing has been agreed. I would also note that obviously the Productivity Commission is doing a review into the scheme costs at the moment. I cannot speak for what they are going to say in their position paper due some time in June but we are waiting to see whether there is anything recommended in terms of mental health to also inform the policy advice that we give to our minister in government.

Senator SIEWERT: Can you articulate that a little more broadly?

Ms Hand: Yes. You probably have not had a chance to read the DSS submission.

Senator SIEWERT: To the Productivity Commission?

Ms Hand: Yes.

Senator SIEWERT: No.

Ms Hand: It is available, if you wish to read it.

Senator SIEWERT: I will, yes.

Ms Hand: It is a long read but we think it is a good read. We have made the point in the submission that, well before the NDIS was ever even dreamed up, there had been service gaps in the mental health arena and that the states and territories bear a very strong responsibility because people who sit outside the NDIS and are under 65, as you know, are a state and territory responsibility. Therefore, we have made that point and we, I guess, are hopeful that will be some commentary from the PC on mental health outside the NDIS. I cannot speak for whether that will be the case. But if it is the case, we will definitely be feeding that into our policy advice to government. We will also be having consultations, no doubt, with the Department of Health.

Senator SIEWERT: I heard what you said before, the argument that the Commonwealth could well phase out of funding.

Ms Hand: I do not want to say 'phase out'. DSS has such a small part of the community-based mental health budget nationally, and program. The Department of Health obviously lead on clinical mental health, but, as you know, they do have a couple of community mental health programs—PIR and Day to Day Living—and then the states have the bulk. When I look at it, and when DSS looks at it and puts the NDIS to one side, and with those mainstream service gaps that have existed well before the NDIS—and, frankly, the NDIS is just highlighting them, because the supports in the NDIS are appropriate—our view is that the states and territories have the lead role in filling those service gaps.

Senator SIEWERT: It is a very similar argument to the one that we were hearing yesterday from Health, the point being though that PHaMs and PIR are two programs that, certainly reading from the submissions that I have

seen to the NDIS inquiry, are heavily supported and are regarded as excellent programs. There is a deep concern, as I know you will be aware, that they will cease to exist.

Ms Hand: I honestly cannot talk for Health; but I know, from my discussions with Health, that they are seriously looking at what their continuity of support for those programs looks like.

Senator SIEWERT: We had a discussion with them yesterday about that. I am now trying to work out what is happening with PHaMs and the respite program.

Ms Hand: Senator, just to reassure you, we are taking this issue of continuity of support really seriously, which is why we are methodically working through all the options. All I can say is that we are also in very close consultation with Health across all of our programs.

Senator SIEWERT: In terms of the strategy, is it just for DSS? As I have said, we did get different answers yesterday in terms of continuity than we are getting here. Is it just for you and not a combined sort of approach for those programs?

Ms Hand: I cannot go to the detail of our strategy because we have not presented it to our minister yet and he has not considered it. What I can say is that we are working very closely with Health in developing that strategy.

Senator SIEWERT: I understand what you are saying in terms of your not being able to tell me the detail of it, but surely you can tell me whether it is for both agencies or just for yours.

Ms McKinnon: The continuity of support commitment covers all Commonwealth programs regardless of which department is the program owner.

Senator SIEWERT: I understand that bit. But is the strategy that you are developing, in terms of the continuity of service, for all programs or—

Ms Hand: Yes, it is all Commonwealth programs.

Senator SIEWERT: All Commonwealth programs, including Health?

Ms McKinnon: Yes.

Ms Hand: That is right.

Senator SIEWERT: Thank you. That is what I was trying to understand. I understand that the commitment is for all programs, but then you are the lead agency on the strategy; is that a correct way of putting it?

Ms McKinnon: Yes.

Senator SIEWERT: I will go back and check the *Hansard*, but definitely what I took away from the discussion I had yesterday with Health was that it was essentially lifetime, because we talked about the episodic nature of mental illness.

Ms Hand: We can take on notice to get you the formal words that were agreed in 2012-13 around the government's commitment to continuity of support.

Senator SIEWERT: That would be appreciated. But the point you made earlier was that it did not actually specify. That is not going to help me, with all due respect, is it, in terms of understanding whether it is lifetime, until you are 50 or whatever?

Ms Hand: It is not specified. In developing our strategy, we are looking at all options from 'not lifetime' through to 'lifetime'.

Senator SIEWERT: I have asked this before and you may give me the same answer. When we are talking about people who are currently receiving services, has there been any further thought given to this: if you are on the books but, given the episodic nature of mental illness, not receiving services right then and there, because you are well, but you have received services, are you counted as being in that definition?

Ms Hand: We are working through that detail. Basically, if you are a current client, irrespective of whether you are getting a service today, you will be part of it.

Senator SIEWERT: That is a helpful clarification; thank you. Is this the place where I ask—if it is not, obviously tell me to nick off—about the definition of 'disability' and whether you include addiction in the definition of 'disability'?

Mr Pratt: We will cover that in outcome 1 today.

Senator SIEWERT: I am not asking about drug testing, because I understand that we are doing that in outcome 1. In terms of the way that you provide services, do you include addiction in service provision? I am asking in general about access to services.

Mr Riley: I need to generalise a little bit here and say that the most likely place where a person with an addiction of some kind may present in our disability service system is in our mental health services. In those instances, our services have guidelines that basically talk about severe mental illness.

Senator SIEWERT: There is the issue of co-morbidity.

Mr Riley: Yes, there is. Services have different operating rules around the circumstances in which they will accept a person with mental illness into their scheme depending on their stability and safety of workers and so forth; so we get into that. The PHaM service is for people who are severely affected by mental illness.

Senator SIEWERT: Where there are issues of co-morbidity, how do you address those?

Mr Riley: We would expect that there is a connection with a range of relevant services in the treatment of the whole person.

Senator SIEWERT: Are you saying that each service makes up its own—

Mr Riley: No, I am—

Senator SIEWERT: I did not mean anything by that; I was trying to understand your answer.

Mr Riley: No. I am saying that the services that DSS funds receive funding from a range of sources. If their organisation also provides a rehabilitation facility of some kind, that would be done usually under the state-funded rehabilitation service. If, however, that is at arms-length, is done by another organisation or it is further away, they may refer the person to the rehabilitation service before a formal admission process into the mental health support.

Senator SIEWERT: Do you have overarching guidelines for PHaMs?

Mr Riley: We do have PHaMs guidelines.

Senator SIEWERT: Do they address this issue?

Mr Riley: I have not read them for a little while, but I will look at them and provide them to you on notice.

Senator SIEWERT: Maybe you could provide them by this afternoon.

Mr Riley: Sure.

Senator SIEWERT: Is that possible, so that we can have a look at them?

Mr Riley: Yes.

Senator SIEWERT: So you are saying that we will discuss this further this afternoon, in terms of—

Ms Hand: I do not know whether this answers your question, but, in the main, our disability programs are not for clinical purposes; they are for a disability that someone is born with or acquires.

Senator SIEWERT: Other jurisdictions include addiction as one of those.

Ms Hand: We will take it on notice. But we do not, in the main—at least from my stream—provide services for addiction and such things; that is more coming from the Department of Health. We provide services if someone has—if you look at the ABS definition—a disability, if they report that they have a limitation, restriction or impairment which has lasted or is likely to last for at least six months and restricts everyday activities. So, in the main, the disability programs we have, which we have been talking about, are for disabilities that fit that criteria as opposed to addiction.

Senator SIEWERT: I will ask you some more about that this afternoon. I am particularly interested in this particular area and the issues of co-morbidity.

Mr Pratt: Can I suggest we take that on notice for you and make sure that we give you a comprehensive answer across each of the disability programs, given that they are likely to have slightly different arrangements?

Senator SIEWERT: That would be very useful. Obviously, there are very significant issues here around disability and co-morbidity.

Mr Pratt: Yes; and we will get the PHaMs guidelines to you as soon as possible.

Senator SIEWERT: That would be very much appreciated; thank you.

Mr Pratt: This afternoon, when we go to outcome 1, we will be able to cover off each of the budget measures relating to drugs and addiction and how that is dealt with.

Senator SIEWERT: I just did not want to be told, when we get to outcome 1, that I should have asked this morning.

Mr Pratt: Yes.

Senator SIEWERT: Thank you. I have some more questions but I need to check where I should ask them.

CHAIR: Senator Brown.

Senator CAROL BROWN: In terms of the states and territories and their support for people with disability once they fall outside the NDIS, new entrants—not the ones that you also cover in whatever the strategy is that you put together—

Ms Hand: The states and territories, in general, are responsible for new entrants, for people outside the NDIS—

Senator CAROL BROWN: Yes, that is what I said.

Ms Hand: Under 65 years of age; that is right.

Senator CAROL BROWN: Yes. Will the Commonwealth have any involvement in ensuring that the states and territories provide that continuity of support? I think it is in the agreements that they need to provide it?

Ms Hand: The Commonwealth cannot force the states to do anything, constitutionally.

Senator CAROL BROWN: But isn't it in the agreements that they signed up to that they would?

Ms Hand: Yes; and the states and territories need to meet that commitment. We will, of course—

Senator CAROL BROWN: So that is an agreement between the Commonwealth and the states and territories?

Ms Hand: The Commonwealth will, of course, employ its best endeavours to ensure that the states and territories deliver on their commitments, but, ultimately, we cannot force the states to do anything; we will try.

Senator CAROL BROWN: But you have signed up to an agreement. You have an agreement with each of the states and territories to provide—

Ms Hand: And, as I have said, we will do our very best to ensure that they deliver on those commitments. I have no evidence to indicate that they will not; but, ultimately, it is their responsibility.

Senator CAROL BROWN: What do you have in your arsenal which helps you to do your very best?

Mr Pratt: I think you are heading to a question as to whether or not we can legally require the states and territories to do those things which they are responsible for under the Constitution and under agreements. That is very much a matter for the states and territories. But the sorts of areas in which we can have positive influence—and I would note Ms Hand's comment that we do not have any indication that the states and territories are not proposing to live up to their undertakings—

Senator CAROL BROWN: Do you have any understanding that they are?

Ms Hand: Yes, we do.

Mr Pratt: Yes. So far the evidence suggests that they are adhering to their side of the bargain in relation to the NDIS. But where I was heading with this is that the first area where these issues would arise is at the ministerial council—the Disability Reform Council. Potentially, if there were outstanding issues, these could be dealt with bilaterally between the Commonwealth and the particular jurisdiction, if there was an issue, or even come up at COAG if necessary.

CHAIR: Senator Siewert.

Senator SIEWERT: I think all of my questions will relate to outcome 1. If they cross back here, I wonder whether some of the officers will be staying for that outcome.

Mr Pratt: Certainly, that would not be our intention. We could get someone back, if necessary, during the course of that discussion. I assume that when we get to outcome 1 it is likely to come on fairly early.

Senator SIEWERT: It is going to come up at the beginning, yes.

Mr Pratt: We will think about how we might try to keep someone here for a bit longer.

Senator SIEWERT: I suspect that I am going to be told that a lot of them go to outcome 1, so it might be better dealing with them there, where we are having a big discussion.

Mr Pratt: Perhaps, just in order to assist us to work out who the right experts are, you could give us an indication of your questions.

Senator SIEWERT: I have questions around the services that will be available to people who may be subject to the measures. It seems to me that answers to those questions would be appropriate from the staff in this area.

Ms Hand: Can you elaborate?

Senator SIEWERT: I want to canvass the funding that is available for better access to drug and alcohol services, and some of the issues around comorbidity and self-medication by people with mental illness.

Mr Pratt: By and large, that should be able to be dealt with in outcome 1.

Senator SIEWERT: That is what I understand.

Mr Pratt: But we will work it out and make sure we have the right person here for that early on.

Senator SIEWERT: Thank you.

CHAIR: Excellent. Does that mean that we are finished with 3.1?

Senator CAROL BROWN: No. I want to ask about the Young Carer Bursary Program; I could not find it in the budget papers. Over what period is the government committed to funding the Young Carer Bursary Program?

Ms Hand: I have not seen the media release come through, but I think I am allowed to say that it will be announced today, if it has not been already. That program has been funded for another 12 months.

Senator CAROL BROWN: Only 12 months; and how much for?

Ms Hand: It is \$1 million.

Senator CAROL BROWN: Has it always been just a 12-month by 12-month proposition in terms of funding, or has it been over a longer period?

Ms Stuart: The Young Carer Bursary Program was put in place initially for three years. Because it relates to young people going to school or university, it is funded on a calendar year basis. So it was initially funded for the 2015, 2016 and 2017 school years. Ms Hand has just referred to today's announcement, which means that it will be funded for the 2018 school year.

Senator CAROL BROWN: For how much was it funded over those three years?

Ms Stuart: The bursaries are worth \$1 million for each of the years.

Senator CAROL BROWN: So there was \$3 million in funding for three years.

Ms Stuart: It is \$3.5 million over that three-year period. There are half-year effects and some administration fees as well.

Senator CAROL BROWN: You have evaluated the program for the last three years?

Ms Stuart: That is right.

Senator CAROL BROWN: Do you want to give me a brief report on that evaluation?

Ms Stuart: The evaluation itself has been finalised, but it is currently with ministers for decision around release.

Senator CAROL BROWN: For release?

Ms Stuart: Yes.

Senator CAROL BROWN: So you cannot give me any details?

Ms Hand: No; but we can say that it is deemed to be a very successful program.

Senator CAROL BROWN: I agree with you, Ms Hand, which makes me wonder why we only have a 12-month funding period and why it is not being funded over a longer term.

Ms Hand: It is a decision by government.

Senator CAROL BROWN: Who administers the program?

Ms Stuart: Carers Australia administers the program.

Senator CAROL BROWN: Is that the case with this new funding?

Ms Stuart: That is correct.

Senator CAROL BROWN: So that \$1 million is just for the people who receive the bursary, or does it include some sort of administrative fee?

Ms Stuart: The \$1 million is for the bursaries themselves, and there are administration costs on top of the \$1 million.

Senator CAROL BROWN: Can you take it on notice to get some information about the evaluation?

Ms Hand: I can answer that now.

Senator CAROL BROWN: No; just take it on notice for me, Ms Hand: can the minister can ask the minister whether he will be releasing the evaluation of the Young Carer Bursary Program?

Mr Pratt: We will take that on notice.

Senator CAROL BROWN: Who undertook the evaluation?

Ms Hand: I can answer that now. The minister has today agreed to release the evaluation.

Senator CAROL BROWN: Thank you. We would like to get that as soon as it is possible. Who undertook that evaluation?

Ms Mandla: The evaluation was undertaken by Inside Policy.

Senator CAROL BROWN: I will have a look at the minister's announcement, but I am glad that he has announced at least 12 months.

Ms Hand: So are we.

Senator CAROL BROWN: What is the value of the Carers Australia funding over the forward estimates?

Ms Hand: We do have that; we are just finding it.

Ms Stuart: I have the funding for this financial year. I do not have forward estimates funding for Carers Australia. But this financial year, the total amount of funding for a range of programs—

Senator CAROL BROWN: You do not have it broken down into operational and program funding?

Ms Stuart: No. I have the total funding that Carers Australia receives, some of which is operational and some of which they administer on the department's behalf, and that is \$13.7 million this financial year.

Senator CAROL BROWN: Would you be able to provide for me on notice the breakdown? Is that funding until 30 June next year?

Ms Stuart: It varies by program. The various programs that Carers Australia administers on behalf of the department have a range of different end dates.

Ms Hand: Senator, I cannot give you the figure for administration for the next financial year, but in the financial year 2016-17 Carers Australia receives \$203,800, exclusive of GST, to administer the Young Carer Bursary Program.

Senator CAROL BROWN: That is on top of the \$1 million. More broadly, I am trying to find out whether Carers Australia is funded for just this financial year, this budget; so 2017-18. Do they have ongoing funding after—

Ms Hand: We will fund Carers Australia for the 12 months for the renewed program in calendar year 2018, but I do not have the actual figure for that.

Senator CAROL BROWN: I am asking across the board now about Carers Australia's operational funding, not to do with the bursary.

Ms Hand: As Ms Stuart has said, Carers Australia gets funding from us for a variety of things. That goes over the forward estimates, I believe, but we will need to check that.

Mr Pratt: We will correct this on the record, but I think the answer to your question is yes, there will be ongoing funding of one sort or another for Carers Australia.

Senator CAROL BROWN: I will put that on notice, Ms Hand. I now want to ask some questions about the autism advisors. What is the situation with the Autism Advisor Program?

Ms Hand: I will let Mr Riley answer that.

Mr Riley: The funding for autism advisors will slip down slightly in the new financial year in respect of jurisdictions, with the exception of South Australia and the ACT, where that service has closed because of the stage of NDIS transition. So the children in the age group in South Australia have gone in and the ACT has reached full scheme.

Senator CAROL BROWN: Have you done an evaluation of the Autism Advisor Program?

Mr Riley: I would have to take that on notice.

Ms Hand: I am not aware of one, but as Mr Riley has said, we will confirm that on notice.

Senator CAROL BROWN: How long has the scheme been going?

Mr Riley: The Helping Children with Autism Program, from my recollection, commenced in the 2008-09 financial year.

Senator CAROL BROWN: So are you saying to me that the Autism Advisor Program will finish once there is the full rollout of the NDIS? Is that what will happen?

Mr Riley: Along with the early intervention programs, yes.

Senator CAROL BROWN: They are all going?

Mr Pratt: The funding for them rolls into the NDIS.

Senator CAROL BROWN: I understand that, but the programs will no longer exist?

Mr Pratt: That is right. The only caveat on that—I suspect there will be virtually nothing there—is unless there was a continuity of support element, but I doubt that would be the case.

Senator CAROL BROWN: Is there any consultation about the impact that the Autism Advisor Program going will have on the families that it supports?

Mr Riley: DSS meets regularly with the autism advisors, as it does with Carers Australia, which runs the broadly comparable service for the Better Start program. The Autism Advisor Program's primary role is to assist families with matching the right service mix for them in their local area and so forth. So it is intrinsically linked to the early intervention funding, which is transitioning, as Mr Pratt said, into the NDIS.

Senator CAROL BROWN: This probably will go for other programs that will finish as well. With all the knowledge and information that the department has at hand in terms of programs like autism advisors, is there a mechanism for gathering information about how programs are working and whether they are important and doing the job they are supposed to do with families? Is that sort of information passed to the NDIA? Do you have discussions about programs that have been working?

Mr Pratt: At a general level?

Senator CAROL BROWN: Yes, just general.

Mr Pratt: Yes.

Senator CAROL BROWN: Is that a formal process?

Mr Pratt: I would not describe it as a formal process, but we work very closely with the NDIA on virtually everything to do with the NDIS, but also with the transitioning of programs into the NDIS.

Mr Riley: It is probably worth noting that the autism advisors would be ideally placed to be support coordinators within the NDIS to assist families in much the same way as they are doing now to implement their child's package and connect them with the right support on the allied health side.

Senator CAROL BROWN: Thank you, Mr Riley. I will do as you instruct and ask the questions of the NDIS. I have finished in that area. I want to ask questions about Disability Employment Services. That is 3.1.3, is it not?

CHAIR: Senator Siewert, do you have anything on what Senator Brown was just asking about?

Senator SIEWERT: No. I do have other questions here.

Senator CAROL BROWN: What do you have questions about?

Senator SIEWERT: I want to go back to the \$80 million for a small amount of time, but I am happy—

Senator CAROL BROWN: You can do it now.

Senator SIEWERT: Can I go back to the \$80 million and just clarify what the process is from here, from a DSS perspective, around how the funding allocation is worked out?

Ms Hand: The Department of Health has identified the funding source for the \$80 million; DSS has nothing to do with that. However, as we work on our continuity of support strategy, we will be talking with Health about how and if that funding will apply to at least some of the 'continuity of support' proposed services, if not all. But no decisions about any of that have been made yet.

Senator SIEWERT: The Minister for Health made a decision and we talked about that yesterday. No decisions have been made about how the money will be spent. Do you have an expectation that potentially there will be funding available for some of the continuity of services that are in this portfolio?

Ms Hand: Potentially that could be the case, but absolutely no decision has been made.

Senator SIEWERT: Therefore, is there a potential—I am bearing in mind the conversation that we have just had about the strategy—that you may have to find additional funding outside the \$80 million for some of the services that you may think are essential for continuation?

Mr Pratt: We are not able to answer that at this stage. That would be, I guess, speculating about possible future government decisions in this area around things which we have not yet provided advice on. So it is impossible to say.

Senator SIEWERT: Okay.

Mr Pratt: In general, it is always open to government to find additional resources for different programs or expanding programs, but ultimately that will be a matter for government.

Senator SIEWERT: At this stage is it fair to say that it is unclear whether the \$80 million will be used for funding for continuation of services in the DSS portfolio?

Mr Pratt: It is not known at this stage because we have not done the advice yet to government and it has not taken any decisions in this area. I think the term 'unclear'—maybe I am being a little defensive—has an unfortunate nuance. It has yet to be worked through and decided.

Senator SIEWERT: From my perspective, it is unclear. We have not even got as definitive an answer on the continuity of services in DSS as we got from Health yesterday. You do not know whether DSS funding will be included in that \$80 million?

Mr Pratt: Correct.

Senator SIEWERT: For me, that is unclear.

Mr Pratt: We would say that it is not known.

Senator SIEWERT: In terms then of the conversations that you did have prior to the announcement, Health was aware that there were programs in DSS that come under the concept of continuity of service. That is a fair thing to say, is it not?

Ms Hand: They are aware. We have been having for a very long time, and we continue to have, close discussions with the Department of Health on continuity of support for all Commonwealth programs, including ours.

Senator SIEWERT: But it is unclear whether the \$80 million is sufficient or will include your programs or whether there needs to be another allocation?

Mr Pratt: That is not known at this stage; that is right.

Senator SIEWERT: That is a fair thing to say, is it not?

Mr Pratt: Yes.

Senator SIEWERT: In terms of the continuity of service and the strategy and in terms of the spending of the \$80 million, as far as you understand—because we did not have this strategy discussion yesterday with Health—is one contingent on the other? Is the decision on the \$80 million contingent on the development of the strategy over the Commonwealth programs?

Ms Hand: No, not necessarily.

Senator SIEWERT: So they could start making decisions on that funding prior to the completion of the strategy?

Mr Pratt: Yes, and that is a matter for the Health Department.

Senator SIEWERT: I just wanted to clarify that, because I did not know this particular piece of information when we were here yesterday.

Mr Pratt: I am certainly unaware that there is any consideration that the \$80 million will await work that DSS is going to do over the course of the next few months.

Senator SIEWERT: I am sorry; I am having a little trouble hearing. Could you say that again?

Mr Pratt: I am unaware of any condition placed on the health department and the health minister's decisions around the utilisation of the \$80 million which is dependent on work that we are doing in DSS.

Senator SIEWERT: Have you made that request?

Mr Pratt: No.

Senator SIEWERT: You have not?

Mr Pratt: No.

Senator SIEWERT: Is it possible then that there would be a further budget ask?

Ms Hand: As the secretary has said, we are working on our advice; it includes quite a number of options. Until government considers it, we are not at liberty to talk about it.

Mr Pratt: It is just not known.

Senator SIEWERT: I await with interest.

CHAIR: I am sorry, Senator Siewert, but I just want to make sure that witnesses and other senators, including Senator Watt, are comfortable with a television news crew filming in here. Everyone is happy? Senator Siewert.

Senator SIEWERT: We do have NDIA here now. I wonder whether we could return to the PHaMs question. I find it easier to ask this with you both being here.

Mr Pratt: Do you want to deal with DES first or do you want to do—

Senator SIEWERT: Senator Brown has left momentarily. I know that she wanted to do DES. Is it okay if we go back to PHaMs?

CHAIR: She is here.

Senator SIEWERT: Are you suggesting that, while we have officers at the table—

Mr Pratt: Senator, we are in your hands. We can ask Mr Bowen to come to the table.

Senator SIEWERT: Do you want to do DES now? I was going to go back to PHaMs. Can I knock off this PHaMs question?

Senator CAROL BROWN: Okay.

Senator SIEWERT: Mr Bowen, welcome. I think you were in the room or you came in a bit after I had started asking about the PHaMs issue. I am trying to get an idea of not the percentage of people who apply and get a package and who were PHaMs participants but the number of people who are in PHaMs and who are actually applying to get a support package through NDIS.

Mr Bowen: Perhaps I could start by explaining the process. The department provides the agency with data load and a regular update of everyone whom the PHaMs providers are reporting as current clients. It is intended to be a list of those people who have been receiving services from that PHaMs provider over the previous 12 months. As it happens, when we clean that data up, we find that, in fact, there are a number of people in it who received services maybe two or three years ago. As the scheme comes into an area, our process is to contact everyone who is on that list and see whether they wish to pursue access. There are two responses to that. First, as you have indicated, a lot of people getting PHaMs support have episodic support needs and do not need support at the time and they do not wish to pursue an access request at the time we make contact just because we are there. That is just noted and we report that back to the department. Then, for the people who do proceed with an access request—and this is the point that Mr Riley made earlier—around about 83 per cent are found eligible for the scheme.

Senator SIEWERT: But how many of the people that are on the database that you have received are actually then getting a package? Do you hear what I am saying?

Mr Bowen: When you raised this earlier, I asked whether that was information we had at our fingertips. We do not. So we will take that on notice. We can produce that. Bear in mind that those people who make an access request clearly are most likely currently in receipt of services but the bigger group will be people, in fact, not getting services because they do not have an immediate support need.

Senator SIEWERT: But this goes to the issue of services being available outside NDIS because potentially they will still need services. That is why I am asking: what is the percentage of people who are in PHaMs who have received services and who at present—you can only work on what information you have—have applied?

Mr Bowen: It is not entirely correct that, if people do not pursue an access request immediately, they need services outside the NDIS; they may simply be choosing to make that application at the point they do need the services. The scheme is set up for people who may have a permanent disability and an episodic support need to be in it and only have the supports when they need them. But what we find is that they are not going to pursue an application until such time as they need those supports.

Senator SIEWERT: You will have heard, I am very sure, the evidence that we have been receiving through our committee inquiry on mental illness of the need for more outreach to assist people before they become very ill and all the other issues around people not applying. I still would be very keen to know the percentage of people who are on PHaMs and who are actually getting a package, not the ones who have applied. The 83 per cent is great, but it is that broader cohort that I am interested in.

Mr Bowen: Obviously it is only a relevant figure for those areas where the NDIS has started and there is a timing issue. We may have started in an area and going through the intake might be over quite a substantial period of time. So it is a snapshot at a point in time and it will, therefore, necessarily be heavily qualified.

Senator SIEWERT: I understand that. That is the best we can do. I want to see if the anecdotal evidence that we have heard is correct, which is that a small proportion of the people who have been accessing PHaMs are

applying. I want to know if there is some validity in that point because that then points to what sized outside supports may be needed. When do you think you can make that information available?

Ms Gunn: It needs to be extracted from the data warehouse, so it will be a couple of days.

Senator SIEWERT: That would be appreciated. I cannot go any further on that until I have the information.

[10:29]

CHAIR: We will go to Disability Employment Services.

Senator CAROL BROWN: In regard to the announcement that has been made through the budget on Disability Employment Services, are there any changes to the star ratings for providers' eligibility benchmarks and how they are determined under the new DES program?

Ms Hand: I will let Mr Broadhead respond in detail but I would say that, for all the initiatives that were announced in the budget about reforming and improving the DES program, we are currently working on the very detailed micropolicy that sits under each of them. Some things we will be able to answer and some things are still being worked through. But having said that, I will hand over.

Mr Broadhead: In a general sense, no. The current method of assessing providers' performance and reporting their relative performance on a scale of one to five stars—five being the top performers—is not expected to change. There will, however, we expect, be some changes in detail, but they are yet to be worked out. For example, the current star ratings operate over a three-year period, using data over a three-year period. We are contemplating doing it over a shorter period, in part because we are looking at having more new providers entering from time to time; therefore we need a shorter period to ensure we get comparable ratings for people who have only recently arrived.

Senator CAROL BROWN: What are the ratings—one, two, three, four and five? What are they?

Mr Broadhead: At the moment, I understand, there is a complex way of looking at relative performance, so it adjusts for the characteristics of the people being supported and it adjusts for the characteristics of the labour markets in which the providers are working. It takes account of data over a three-year period. The ratings are relative. So a five-star provider is in the top bracket in terms of achieving outcomes. Broadly understood, 'outcomes' means success in getting people into employment, whereas a one-star provider is doing relatively poorly at getting people into work. So it is essentially—not purely—a standardised measure of the effectiveness of providers in assisting people into work. It is relative, and the range is from one star at the bottom to five stars at the top.

Senator CAROL BROWN: In terms of the star ratings, has a decision been taken or is it still under consideration about the period for which they will be reassessed? You just said they are currently reassessed over three years.

Mr Broadhead: The data that is used for them currently is over a three-year period, or up to three years. We are considering shortening that. But they are issued periodically. So the next star ratings will be issued for June, up to June this year, and will become available in around August this year. So it is a rolling period. It is three years long but it rolls forward quarterly.

Ms Hand: The Commonwealth star rating program for the DES program is internationally considered a very good performance rating, and very valid. In the past we have done what we call DES business reallocation, which broadly—and I am generalising—means that every so often we look at those providers who are performing really well and those who are not, and we reallocate business from the low performing to the higher. We have found that has always led to quite a significant improvement in the performance of the services provided to people with disability to gain employment, and the outcomes.

Senator CAROL BROWN: Mr Broadhead, you indicated that you are still considering some of these issues. When was that decision? You probably do not need me to remind you, but I asked about the star ratings, the eligibility benchmarks and how they were going to be determined.

Mr Broadhead: The current regime for star ratings will continue to the end of the current contracts. We are not proposing to change it before the end of the current contracts. Those contracts are being extended to mid next year. So that method of measuring and reporting relative performance will continue to mid-2018. We are currently in the process of, as Ms Hand mentioned, developing the detail or underpinning the arrangements from mid-2018 onwards. As part of that we are looking at how we may vary the approach to star ratings to accommodate the changes to the program that are going to be made. I am not quite sure what you meant by 'eligibility'.

Senator CAROL BROWN: That was for providers, in terms of whether there is a level where they are not eligible.

Mr Broadhead: The usual process we go through, and have gone through in the past, is equivalent to a tender process, although technically it is a grants process, the one we are coming into. But it is essentially a request for information. Providers put forward information against criteria and we then judge whether they should be awarded business or agreements should be funded to provide services.

There are criteria that they have to meet. For example, they have to meet service standards under the Disability Services Act, show evidence of being accredited to meet those or presenting to accreditation to meet those standards. Those sorts of things have applied in the past and will continue to apply. We use, where it is available, information about past performance. We are contemplating having a process where we directly approach what we would consider higher performing providers to allow them to sign up to the new arrangements without going through a proposal process. For those current providers that are not performing well on the star ratings, we will not be giving them an automatic right to proceed; we will be asking them to put forward proposals which meet the criteria.

Senator CAROL BROWN: I was going to ask about that later. You keep talking about these things being under consideration. When do you expect to finalise some of this detail, given the fact that, as you have already mentioned, it kicks off on 1 July 2018?

Mr Broadhead: We are expecting to release an industry paper in the first half of June, which will provide additional detail over and above what was provided through the budget announcements and the fact sheets. We will also be providing supporting information around that in the form of questions and answers at the time of the release of that. We are working quite closely with representatives of the sector both in the lead-up to what was announced in the budget and subsequently. We will continue to have dialogue with them. If they throw up questions we have not anticipated, we will provide answers.

The next step after that is a registration of interest. We are proposing to have an initial registration of interest to gauge the level of interest and how many providers are interested in the 110 different regions where services can be provided. In the last quarter of this year, around early October, we expect to go out for the formal request for proposals from those who have registered interest and have not gone through the invitation to treat process. That will provide the definitive information we expect them to provide back to us in order for us to then assess their proposals.

Senator CAROL BROWN: Is there any consideration of whether the ESAs will be changed?

Mr Broadhead: There was consideration of that during the development of the reforms. One of the proposals on the table was to go to a smaller number of larger regions. In the end we have not done that. I would summarise one of the main reasons why we have not done that as being that there was concern that some of the smaller organisations that provide services would struggle to extend their coverage to larger regions. We judged, on balance, that it was better to retain the current regions so as not to compel them to expand to cover larger regions.

That was balanced against the fact that we are also loosening up some of our regional restrictions. For example, as of October last year, people who are voluntarily participating in DES can cross borders to go to a service provider; they do not only have to go to a service provider, a general service provider, in their region. We are looking to further relax those sorts of restrictions on participants in terms of crossing borders. The size of regions becomes less important if people can cross regional boundaries to gain services.

Senator CAROL BROWN: In your earlier answer you talked about some providers being offered an invitation to treat. Do you know how many providers might be offered that invitation? How will it be determined? Is it based solely on performance?

Mr Broadhead: Yes. It is based on our current star ratings, so it is for those that are in the higher performing bracket. We cannot tell you exactly what number that will be because it will be based on the June star ratings that are yet to be released. So it will depend on—

Senator CAROL BROWN: How many current five-star rating providers do we have across the—

Mr Broadhead: I am sorry?

Senator CAROL BROWN: How many are currently five-star rated?

Mr Broadhead: I might have to wait for my colleague to dig that information up and come back to it.

Senator CAROL BROWN: Will the invitation to treat be confined to five-star-rated providers?

Mr Broadhead: No, we are not expecting to confine it to five star, or even to four star. We are expecting to confine it to those that are average or above, so three stars or above. That is not yet set in stone, but the principle

we are looking at is that, if the provider would, in our view, pass the selection process relatively easily, we would offer them an invitation to treat; otherwise putting them through the process is essentially 'make work'. If we believe that they are likely to pass without the need to go through the proposal process, we will offer them an invitation to treat. With respect to rough numbers, of the 120-odd organisations that we have at the moment, we are expecting about 80 will get an offer to treat in at least one region, but not necessarily in all regions.

Going back to your earlier question, on the most recent ratings 17 per cent of contracts—there are about 800 contracts—were five star, so 61 contracts.

Mr D'Souza: If I can jump in, Senator, we have two streams within DES—disability management support service and employment support service. With the disability management service, we have 61 contracts at five stars, and, with the employment support service, we have 47 contracts at five stars.

Senator CAROL BROWN: Perhaps on notice you could provide us with a breakdown of all the providers in each of the areas—one, two, three, four and five.

Mr Broadhead: We publish that information.

Senator CAROL BROWN: I have been on the DSS website, and it does need a bit of updating, Mr Pratt.

Ms Hand: We will send you the hyperlink.

Mr Pratt: We will explore that, and we will also provide it to you.

Senator CAROL BROWN: I would appreciate that. You do not have a time frame for when an invitation to treat will be put out? That decision has not been made?

Mr D'Souza: Senator, it will be based on June star ratings, and they will be available in August.

Senator CAROL BROWN: The whole new system will start on 1 July. I am just trying to get an understanding of what your time lines are. It has been pushed out, hasn't it? I think it was originally—

Mr Broadhead: It was originally 5 March on which we needed to commence the new arrangements, with the current contracts ending on 4 March. We have purposely, with the agreement of the government, extended that out so as not to have too compressed a time frame, particularly to give the sector the opportunity to respond to the requests that we put out.

Senator CAROL BROWN: Probably a good decision.

Ms Hand: Senator, can I talk through an indicative time line for you? As Mr Broadhead said, we are planning to release the industry information paper in June. We hope that letters to providers will go out on continuing contracts in the period August to September. In September to October, providers can register interest. From November to February next year, the panel of assessors will assess applications. This is important, Senator: between March and June we will announce the outcomes and then there will be a transition period. The actual model will commence on 1 July next year. The really important part of this is that part of the project planning for this is to make sure that the transition is really seamless. Money was allocated in the budget, you would have seen, for communications and engagement, to make sure that we manage that with providers and participants really well. So there is a very formal project governance for this. There will be a lead for comms and engagement, to help with transition.

Senator CAROL BROWN: In terms of the tender process, what are the selection criteria? Is there a panel that will determine the tenders?

Mr Broadhead: We expect to give reasonable general information in the industry paper in June and then the full criteria will be out in the request for proposals later this year. We try to ensure that we release that in such a way that everybody has equal access to it at the time that it is released, so as not to advantage or disadvantage anybody who may be contemplating putting their hands up. We do not have the settled criteria here now, but they will be released on a timetable that Ms Hand—

Senator CAROL BROWN: Is there a panel that assess these?

Mr Pratt: There will be a group of people in the department who do the assessments. It may include some representatives of other departments, like the employment department.

Senator CAROL BROWN: So they are all departmental people?

Mr Pratt: That is right.

Senator CAROL BROWN: Have you decided how many providers will be allowed to operate in one ESA area or one ESA?

Mr Broadhead: We are not proposing to limit the number of providers that can operate—

Senator CAROL BROWN: So no capping?

Mr Broadhead: We are not proposing to cap.

Senator CAROL BROWN: You mentioned the transition plan. If a provider is unsuccessful, is there some sort of plan for their clients?

Mr Broadhead: Yes.

Senator CAROL BROWN: I know they are able to choose their own—

Mr Pratt: That is a standard part of the transition process. The clients move from one unsuccessful provider to an ongoing provider or a new provider.

Ms Hand: We are very, very experienced at doing this. Every time there is a business reallocation where a poorly performing provider is no longer able to operate and their case load or their clients go to a higher performing provider, we have very thorough processes to make sure that that happens smoothly.

Senator CAROL BROWN: Because we are moving into the new scheme, with the choice being for the clients with that transition period, will you be providing a choice of providers? Where a provider is finishing up and has clients on their books, what are you proposing to do?

Mr Broadhead: Yes, we would be supportive of participants to make a choice of a new provider. That will be supported, including through staff at the Department of Human Services, who often have a role through Centrelink in supporting participants, but also by other information. We are also expecting that providers themselves will be developing information to put in front of participants about what they offer and why participants should choose them.

Senator CAROL BROWN: I have a number of other questions, but I might put them on notice.

CHAIR: What a good idea; I commend you!

Senator CAROL BROWN: Are you able to give me some information on how the trial for school leavers will be going forward?

Mr Broadhead: Do you want it now, or as a question on notice?

Senator CAROL BROWN: I would like it now.

Mr Broadhead: Generally the question we are proposing to look at with that trial is whether we should extend Disability Employment Services support to a broader cohort of people in their final year of school. DES already provides support to people in their final year of school, but the criteria for support is that you are essentially on DSP and receiving some form of special additional support in your education. So it is identified, in a sense, by the way the states support those children with disability in school. We have about 3,000 to 4,000 children in DES at any one time on those criteria. But an argument has been put that we should extend DES to a wider cohort. The purpose of the trial is to look at the benefits of doing that, to evaluate whether extending it to a wider cohort will improve employment outcomes for that wider cohort. We are also concerned to ensure that in doing that we do not disturb educational outcomes. We do not want to end up in a situation where there is an emphasis on employment that diminishes their completion of school, for example. So that is the purpose of the trial. It is genuinely about trying to understand whether and how we might engage a broader group of children in their final year of school, what characteristics we would use to define those whom we would then go to, and how that would best be done so as to improve their employment outcomes without upsetting their educational outcomes.

Senator CAROL BROWN: Is it rolled out for everyone? It is a trial, so how are you choosing the provider?

Mr Broadhead: We will be engaging with, particularly, the sector: so both representatives of people with disability and DES providers to work through what the evidence is, including evidence they may wish to put forward, about who this should be extended to see whether or not it works.

Senator CAROL BROWN: I will put the rest of my questions on employment services on notice.

[10:50]

CHAIR: Excellent. I thank officers who have assisted us so far. We will now move to program 3.2, considered in combination with the NDIA. We also have an officer from DHS here to assist as necessary. We will move to program 3.2, as described.

Senator WATT: I understand we have some personnel from the Department of Human Services here?

Mr Pratt: I believe so, in relation to ICT. Mr Sterrenberg is gracing us with his presence again.

Senator WATT: Thank you. I appreciate you coming in at very short notice. There was a bit of a mix-up about who we needed here today, so I appreciate you making the time. I am conscious that we have a break in a

few minutes, so we can probably just get started for now. This is probably best directed to Mr Bowen, in the first instance, from the NDIA. I am sure, Mr Bowen, it is no secret to you that there have been many complaints about the planning process for the rollout of the NDIS. It has obviously attracted significant media attention. Is it possible to quantify the number of complaints the agency is receiving, whether it be providers or participants?

Mr Tidswell: We are conscious of some of the feedback we are getting from participants and providers and other stakeholders, and we are working hard to put in place improved processes and procedures. As we speak, we are running some workshops and doing some deep listening to our participants and our providers and our partners whom we engaged to assist us to improve our work and activity. We have been doing that over April of this year, and we are into the process of working through how we move forward on some of the feedback and the information that we have. We do have material on complaints data—I will ask Ms Gunn in a minute to give us some figures. In the early part of this financial year we did have some major issues with delivery and our complaints increased. But then our complaints decreased. Likewise, our appeals to the Administrative Appeals Tribunal have also been very modest in that area. So whilst there are issues, and we are aware of those issues, and our refreshed board has asked us to look closely at what we can do to improve the quality and timeliness of our service and put more emphasis on achieving outcomes, our complaint picture is in relatively good shape as we speak.

Senator WATT: Ms Gunn, would you like to elaborate?

Ms Gunn: In the quarter January to March we received 1,210 complaints. Our goal is to resolve all of those within 21 days, and 90 per cent of those were resolved within that period.

Senator WATT: I take it you would not have up-to-date figures since March, but you are saying that the number has reduced?

Ms Gunn: Yes, I do not have them with me, but I can certainly table them.

Senator WATT: Was the number of complaints in January-March an increase on, say, previous quarters?

Ms Gunn: Yes, it was. It did peak in quarter 2 as a result of the pressure we experienced in quarter 1, where there were significant delays that we talked about at the last estimates.

Senator WATT: When you say 'quarter 2', are you talking about financial year?

Ms Gunn: Yes.

Senator WATT: So that would be October to December?

Ms Gunn: Yes, that was our peak period. It did level off in quarter 3. The numbers are relatively equal with the number of participants in the scheme. So while the numbers are increasing, the rate of complaints per participant is staying very stable.

Senator WATT: Is that another way of saying that the increase in complaints is largely attributable to the increased number of people participating?

Ms Gunn: I do believe so.

Senator WATT: You may have given us these figures at the previous estimates, but do you have them for October to December?

Ms Gunn: Not with me, but I can certainly provide them.

Senator WATT: If you could, yes. What do you attribute the spike in complaints in that October-December period to?

Mr Tidswell: It was the first quarter of this financial year, so July to September, where we had some issues paying providers, and challenges with delays. As you have just heard, the volume decreased post that quarter and came off in that quarter 2 as we moved further into this financial year to do the work we need to do.

Senator WATT: Were the problems that led to these complaints largely technology-based problems?

Mr Tidswell: It is a combination of getting the payments right, providing advice to our providers and our participants about the change that was being put in place and the need to ensure that everybody is aware about how to load data into our new portal to deliver the right results. So we recovered that area, and from September have been fairly stable in terms of the portal and the work and activity in that area.

Senator WATT: So it was partly also due to insufficient training of staff, and additional training needed to be provided?

Mr Tidswell: It was more a combination of getting the participants and providers ready for the change. The change management, the awareness raising: this is what you need to do in a new system, this is the movement of

data from the old system to the new system. The challenge we faced was the ability to land a new approach to paying participants and providers and the ability to have the portal working in the best way possible. So that has been our learning, and we have worked hard, not only in improving the portal—we have put in a significant number of change requests, which Mr Sterrenberg can talk about, to improve usability and accuracy and make sure it works at optimum level—but also in our business processes with our staff and with our partners in our communication products. But there is more to do. We are not resting on this. We want to improve it and make it better. I suspect at the next estimates we will be able to give you some advice about what we have done with all the information we have received from participants and providers.

Senator WATT: Is it possible to break down those 1,210 complaints registered in the January to March quarter this year into complaints from participants as opposed to providers or anyone else?

Ms Gunn: Yes, certainly.

Senator WATT: Could you give that to us now?

Ms Gunn: No, I do not have that with me, but I certainly can provide that.

Senator WATT: Are they all complaints about the planning process, the issue of NDIS plans, or do they cover a whole range of issues?

Mr Tidswell: It covers a whole range of issues—the planning process, information about it, how it works, the review process, complaints from providers about the usability of the portal or getting registration finalised.

Senator WATT: Or delays in finalising plans, those kinds of things?

Ms Gunn: Timeliness is a key concern.

Senator WATT: For participants? Yes. There were some issues around payments to providers as well—so providers not being paid.

Mr Tidswell: That was back in the July-September quarter.

Senator WATT: So not so much in this—

Mr Tidswell: No, not so much. On average, every single day—we watch this like a hawk—95 to 96 per cent of payments go straight through and are paid, with very quick turnaround. Effectively the ones that are not getting through are the ones that we want to check because they are not conforming to the rules of the scheme.

CHAIR: That is an excellent point for us to break. We will suspend for 15 minutes and return at 11.15am.

Proceedings suspended from 11:00 to 11:16

CHAIR: We will recommence. Senator Watt.

Senator WATT: Just picking up from where we were before, would you also be able to take on notice, if you do not have it now, providing a breakdown? I think you took on notice a breakdown of participants, providers and any other. Would you also be able to give us a breakdown of the nature of the complaint or what the complaint was about—plans, technology and payments, whatever the types of complaints were?

Mr Tidswell: Sure.

Senator WATT: I understand that it is possible for plans to be put together over the telephone.

Mr Tidswell: Basically, the way we do our work is that we receive information from states and territories. We have a process where we have to cleanse that data. It takes us quite a while to get it right, so that we can make contact with people. We are challenged a bit, in regard to getting in contact with people. We have found it is quite difficult because state and territory governments have not collected data on a unit basis, an individual record basis, so it is challenging for us to get the data.

We then have a process whereby we make contact with the participant and make a determination on whether they are in the scheme or not. Largely, that is done via telephone. It is a rather swift process. About 80 per cent of participants entering the scheme now will have a telephone access determination. When we move into the planning phase, about 65 per cent of all the participants who have received a plan—and it is about 61,000 since the start of July last year—receive face-to-face planning. Absolutely, we are being told that the preference is for face-to-face, so we are looking at what we can do to improve in that area.

Senator WATT: Ultimately, every single participant has a face-to-face?

Mr Tidswell: That might not be the choice.

Senator WATT: I am sorry; I misheard that. That option is available, though?

Mr Tidswell: That is right. The current figures give an indication, at 65 per cent—the vast majority are done face-to-face.

Senator WATT: Do you have any figures on how many plans have been done over the phone?

Mr Tidswell: No. I will take that on notice.

Senator WATT: I suppose it then makes sense to obtain them for face-to-face.

Mr Tidswell: Yes.

Senator WATT: They are the two alternatives?

Mr Tidswell: Yes. It could be done in terms of provision of information as well, so we will take that on notice, to give you a breakdown of components.

Senator WATT: Sure. But you were saying it was about 65 per cent face-to-face?

Mr Tidswell: That is the planning work. That is where the work is done with the participant, often with caregivers, family and others, support people, to devise the plan. So it is not true to say that we are not doing planning face-to-face.

Senator WATT: So about 65 per cent face-to-face, about 35 per cent by phone; that is the rough split?

Mr Tidswell: Or other means, yes.

Senator WATT: Do you have any figures on the number of reviews of plans that have been required for plans prepared over the phone?

Mr Tidswell: No.

Senator WATT: You do not?

Mr Tidswell: No, we would not have that level of detail. But we could have a look to see if we can arrive at that. We have planned reviews that occur over a period of time and then unscheduled reviews. The planned reviews are usually because your plan has reached its maturation and we need to review your circumstance and your funding. There are also unscheduled reviews. I do not think I have seen a dataset that suggests a higher or lower review for ways in which a plan is constructed.

Senator WATT: You have not seen any of that?

Mr Tidswell: I have not seen that data, so we will take that on notice and see if we do have anything—

Senator WATT: Thank you. When you say 'unscheduled reviews', what would prompt that?

Mr Tidswell: That could be if circumstances change—something has happened in your life, in particular, that means you need to come back and see us or there is something wrong, or concerns about your package and arrangements. Our aim is to keep those to the change in circumstance type review where something demonstrably has changed—you have got a job, something else has occurred—rather than being a product of, 'I don't like my plan.'

Senator WATT: Do you have any figures here about the number of reviews, whether they be scheduled or unscheduled?

Ms Gunn: We have the number of reviews, which I can dig out, but not the unscheduled numbers at this stage, no.

Senator WATT: So you have a total number of reviews?

Ms Gunn: Yes.

Senator WATT: What is that number?

Ms Gunn: Bear with me for a moment, Senator, and I will dig that out.

Mr Tidswell: To give you some indication, every day we do about 230 to 250 plan reviews a day. Most of those are scheduled reviews because we now have over 80,000 people in the scheme. We have tripled the size of the scheme since July last year. That is the work that will continue on into the future, as more people come into the scheme and we review their circumstances and their plans.

Senator WATT: Forgive my ignorance; I am still getting across this myself. Are all plans the same? Do they all go for the same length of time?

Mr Tidswell: You enter the scheme and we set up the plan review date accordingly. We have generally had a 12-month review date but we are looking at a more risk-based approach to that rather than insisting on the 12-month duration.

Senator WATT: When you say a 'risk-based approach', what are the sort of risks?

Mr Tidswell: Circumstances changing, maybe a period of time when you are leaving school and circumstances are likely to change, rather than, 'You must have a plan review at an appointed time because it's 12 months,' et cetera. That seems to be work for everybody and not necessary.

Senator WATT: When you talk about a risk-based approach, it is not so much that there will be a major problem with the plan; it is more that the plan as originally devised might not suit your circumstances as they change?

Mr Tidswell: Yes, exactly.

Senator WATT: Any luck with finding that figure?

Ms Gunn: Yes. Between 1 July 2016 and 31 March 2017 we have undertaken 22,792 plan reviews.

Senator WATT: Reviews of plans?

Ms Gunn: Yes.

Senator WATT: And that is a combination of scheduled plans at the end of a plan?

Ms Gunn: Yes.

Senator WATT: Or unscheduled?

Ms Gunn: Yes.

Senator WATT: And you will take on notice a breakdown between scheduled and unscheduled?

Ms Gunn: Yes.

Senator WATT: You said that you do not have any evidence to suggest that the plans done over the phone have a higher need for unscheduled reviews?

Mr Tidswell: I have not seen any evidence of that. I am thinking through the dataset that you would need to arrive at that. It would be a fairly complicated process to get that, but we will have a look.

Senator WATT: If you could, that would be great. You have said a little bit about this, but what sort of work is the NDIA doing to improve its systems in light of what you discover through unscheduled reviews or some of the other planning problems that have emerged?

Mr Tidswell: As I indicated, pretty much right throughout April, probably over the last six weeks, we have been conducting some intense dialogues with participants around the country, with providers, with our local area coordinator partners, with state and territory officials, with peak bodies, disability groups and others, to look at all the things that we need to do to improve our service experience, along with looking at Productivity Commission submissions, looking at evidence that is provided in parliament and in a variety of forms, to look at the kind of things we need to improve. It is a major transformation and we want to do it in the best way possible.

Senator WATT: I have heaps more questions, but it is someone else's turn now.

CHAIR: Senator Siewert.

Senator SIEWERT: Can I continue on with the planning issue? In terms of the number of reviews, we were told during the inquiry, in the NDIS committee, that people were getting yearly reviews. Is that normal?

Ms Gunn: Yes, that is standard practice.

Senator SIEWERT: How many normal reviews have you done?

Mr Tidswell: That was the question we just answered. We have provided evidence on the total number of reviews until 31 March. That was about 22,000.

Senator SIEWERT: That is normal reviews?

Mr Tidswell: They are the total reviews.

Senator SIEWERT: That is total? No, I asked for normal.

Mr Tidswell: We have not got the breakdown, but from my last memory of seeing some data, the unscheduled reviews were not a huge proportion of that 22,000. So most of the work there is structured. People have been on this scheme for some time. Their plan has matured. We absolutely had a change to our process in the second quarter of this financial year, and we have reconstituted a different approach to our planning review cycle from 1 March this year. We are scaled to do that. We know what we have to do. It is an important part of the process. We want to make sure it is better, so that it is more informative and helpful. We have plans to improve in that area.

Senator SIEWERT: The issues that we dealt with in the committee inquiry involved people getting their plans significantly cut, people not being able to see the draft and people not being able to see their full plans. I

know that you will be aware of all those issues. In terms of the process of review, can you take us through that in terms of how that occurs? We have heard of some pretty serious issues around that review process.

Mr Tidswell: I will ask my colleague Ms Gunn to give you a sense of it. When you are talking about people not seeing draft plans, I would expect that is more to do with getting their first plan, as opposed to their plan review.

Senator SIEWERT: Okay, I will come back—

Mr Tidswell: That is a separate issue. We have been privy to the kind of conversations and information that have been provided to the joint standing committee. We also, obviously, have been doing some work ourselves, talking directly to participants. It is clear that we have further work to do. There is the whole work process of moving people into the scheme, getting their plan developed, making sure it aligns with a suite of social and economic outcomes and that it is fit for purpose. On top of that, we are doing work to think through on the review part of the component as well, to improve in that area.

We have a lot of good feedback at present. Our aim is to absorb that feedback and come back, in the next month or so, with a revised process and procedures that will address a significant number of those issues and concerns. Ms Gunn can run through the review process.

Ms Gunn: In relation to the reviews, one of our key disciplines is to keep a focus on the sustainability of the scheme, and focus on the goals and the outcomes that the person is achieving as a result of the intervention supports that are put into their plan. As part of the review process we engage with the individual to say, 'Tell us about the achievements that you have reached since the funding has been put into your plan over the last period of time. Talk to us about your future goals and let's explore what achievements we can see in the increase in your independence, social and economic participation, and the effectiveness of the interventions that your supports have bought.'

We saw in some of the recent plans a general trend up in the volume of funding that our planners have agreed with participants, without evidence of a change in circumstance or a change or a decrease in the level of functioning or capacity of that individual.

We have taken a much more structured approach to those conversations to encourage the planner and the individual to be a lot more disciplined in using the sorts of supports they currently have to achieve their new goals rather than just adding on top. It is not consistent with the objectives of the scheme for us to be building dependency on the funding where there is not evidence of functional impact or impairment that needs that level of funding. Some of the stories from reviews, as you would expect, are fantastic, where we have seen explicit change in independence and growth and, quite rightly then, require an appropriate reduction in the funding for those plans. But a trend where we see a general increase with no evidence of a deterioration in circumstance or a change in function is not consistent with the objectives of the scheme.

Senator SIEWERT: Sorry, could you say that in English? You have just said that, if somebody is not doing as well as you think they should, you are going to cut their funds.

Ms Gunn: No, what I am saying is that if a person has a request for funding in their plan that is not related to a change in their circumstance or an evidence of need, then we would seriously question that.

Senator SIEWERT: So give me an example.

Ms Gunn: An example came up the other day—a young man in Tasmania who has had tremendous success through the funding in his plan through community participation. He now travels with a care worker to a number of activities during the week. He then said, 'That's been so successful, I'd really like additional funding to travel with that person and do things on a weekend.' We have said that, as a result of engaging in that weekday activity, the role of his support worker and the role of the LAC in his life should be to connect him to the community, to mainstream, to the youth group that he was attending, to other supports that are more inclusive—rather than continually relying on that funding. When we prompted the question, his friends whom he had met up with in that community setting said, 'Yes, I'll pick you up for the weekend.' So instead of us putting \$5,000, or whatever the total was, into his plan to participate in that activity on a weekend, he is now connected with a friend from the community and he is achieving true inclusion.

Senator SIEWERT: What happens when the friend says, 'I've had enough now'? You have transferred onto the friend the responsibility for that person's mobility. I understand the argument you are making—

Ms Gunn: It was not to pick him up; it was about the support within that environment where, instead of having a paid support worker stay with him because that is what we had put in his plan, he had made friends. If you look at the outcome data, 32 per cent of people have nobody other than funded supports in their life. The goal

of the scheme is to build opportunities for inclusion. We can put more and more money into a person's plan, but it still does not make them part of the community. Because of the gradual introduction of that young man into the community through the funding and the support worker going with him in the initial period, you would expect the goals of the scheme to say that increased social participation means true inclusion. Now he is connected with a group of other young men in that community organisation; he is no longer reliant on funded support simply to do the things that you and I do every day.

Senator SIEWERT: He is relying on other people, and when they decide they are not going to do it, where is he then?

Ms Gunn: In the next circumstance he may well say, 'Okay, I won't do that.' Nobody does the same thing every single day of their life. He may well choose to use the funding that he still has in his plan to go and do something different.

Senator SIEWERT: Which funding is that, if he has not got funding on the weekend?

Ms Gunn: He can use the funding that goes into what we call core supports; it is entirely flexible, and he can use that in any way he chooses to apply it.

Senator SIEWERT: If he is using it to get to his daytime activities during the week—just say it is work—what does he then do on the weekend?

Ms Gunn: The challenge is not to make him entirely dependent on funding to be able to connect. So he would contact his LAC in that circumstance and the LAC may well assist him to find another community group who would be willing to support or engage or embrace him in their activities.

Mr Tidswell: What is important to note is that there has not been any direction from senior management that there should be some arbitrary reduction in plan cost at review time. But we are keen to ensure alignment with the funding envelope and the goals for the participant. We know we have to do better in explaining how the scheme works, what is in, what is out; we have got a lot of feedback to that extent. We are trying to match what people want and need and getting that within the rules of the scheme and our approach. It is true that not every plan will increase in value every review time because there will be circumstances where proper investment early has delivered a better outcome.

Senator SIEWERT: I have been asking about cuts, not increases. You may have already taken this question on notice, but, of the 22,000 reviewed, how many have received a cut?

Ms Gunn: I can certainly take that on notice.

Mr Tidswell: Certainly we will take that on notice.

Senator SIEWERT: Have you got that information with you?

Ms Gunn: No.

Mr Tidswell: The number of plans that have increased is significantly larger than the number of plans that have decreased. We will get that exact information for you over the last quarter.

Senator SIEWERT: I am not just interested in the last quarter; I am interested in all of them.

Mr Tidswell: Over the period.

Senator SIEWERT: Maybe quarter by quarter; how many have been cut or increased or stayed the same.

Mr Bowen: Yes. But we are talking about what is a fundamental design issue to this scheme. It is the difference between a welfare scheme, where a person gets a static allocation that perhaps only changes when their circumstances change, or when they have funds that invest in delivering outcomes around economic and community participation. Our advisory council has been very strongly of the view that employing a carer to push somebody around a shopping centre is not community participation. As Ms Gunn said, it is true connection to other people in the community. Sometimes those people will be there; sometimes they will not be, but that is part of having an ordinary life. Sometimes, you will make arrangements with friends and they let you down. That is part of an ordinary life. That is what this scheme aspires to give to every person with disability—not wrapping them up in cotton wool and separating them from meaningful interaction.

Senator SIEWERT: I am not arguing that. If my friends let me down, I can get out and do something else. If somebody who is dependent on that friend or somebody else who is not a paid carer—and I will come back to paid carers in a second—that is different to you and I.

Mr Bowen: That is right, but it is about building. This scheme is not only charged with the responsibility in relation to participants. The funding is there through the ILC and the LAC program to also build capacity in the community to better support people with disability. That is a core, core outcome and objective of the scheme.

Senator SIEWERT: We have been talking about the issues around carers. That is not the only thing that the NDIS funds. Is it possible to find out on a broader scale—I realise you cannot tell me on an individual scale—about the sort of reduction in the areas they have been in; whether they have been carers? Have you been keeping stats on that? When a plan has been reduced, is it around carer hours, or around other supports—

Mr Bowen: One of the factors that we look at now in the context of how the funds have been used, is whether they have been fully used. The committee will be aware—it is reported on regularly here and in our quarterly report—that the level of utilisation of plans has never got above 80 per cent in the aggregate. It has differed from individual to individual. So part of the discussion with the person is, 'I note you did not use all of the funding last time. Do you need more connection or assistance in how you use it, or do you need it at all?'

Senator SIEWERT: There are plenty of reasons why people have not used all their plans.

Mr Bowen: We do a lot of work in understanding why people do not use their funding. There is certainly a year one effect, while people get adjusted to it. There is a small amount of evidence that people cannot find the services and the supports they need, but that is not the principal cause of underutilisation. It is just that people do not use it all.

Senator SIEWERT: In terms of the figures—I realise I am asking for the big table now—that have been reduced because they did not use the funding, could you take on notice the reasons why people are not using it? Certainly the evidence we have received is that people cannot find providers.

Mr Bowen: We do not have that as a data collection. We have it as some survey information.

Senator SIEWERT: Thank you.

Mr Bowen: Perhaps.

Senator SIEWERT: Is there a difference, also, between those that are self-managed and those that are agency managed?

Mr Tidswell: In terms of what?

Senator SIEWERT: In terms of unused funds?

Mr Bowen: We could take that on notice. We could probably find that.

Senator SIEWERT: You heard the example, when we were here for the hearing, in terms of the difference just one family had between self-managed funds and agency managed funds.

Mr Tidswell: We will take that on notice.

Mr Bowen: I just reinforce the point that Ms Gunn made that the plan is fully flexible in the hands of the participant, whether they self-manage or not. They can use their core supports for any other disability-related support as they like. So in practice it should not differ in terms of how people make use of their funds and the amount of funds they utilise.

Senator SIEWERT: You are talking about the core supports, aren't you, in that respect?

Mr Bowen: Yes.

Senator SIEWERT: When you do the reviews, you will be aware that some of the providers are saying that they are not aware of the review being done and they have continued to provide services and are then told it is basically at their own risk. What process do you use to inform people—providers and participants—of the outcome of the review and the timeliness of that?

Mr Bowen: We have heard that concern. Part of the changes we are looking at is to have, in effect, an authority from the participants to let the provider know about review dates. But just under normal privacy arrangements we cannot tell the provider of a plan review or a change in a person's plan without the participant's permission.

Senator SIEWERT: We have heard evidence that participants do not even know the outcomes of their plan. My understanding of what they have said is that they have proceeded as normal and only know that they should not have had that service when the provider does not get that service paid for.

Mr Tidswell: I think there is a mixture of issues there that might be about plan development as opposed to the plan review time.

Senator SIEWERT: No, this is plan review.

Mr Tidswell: We have some evidence that we need to do better explaining to participants and getting them more involved in the planning development work, and that will therefore flow into the work that we do on the review front. So we need to do better. We need to have better communication products, better advice and better

explanation about why things have changed and what it means, and greater transparency in that area. That is the sort of feedback that we are getting, but Mr Bowen has indicated the challenge we face in that a participant may want to select a different provider and a different service offer.

Senator SIEWERT: I understand that. But my understanding of it is that in this instance sometimes the provider has been providing the service, the person has not changed service provider but the service is no longer one that is paid for under the new plan.

Mr Tidswell: Again, it is part of the deep dive of the information we are getting, and we want to look at better solutions to do that in real time. All parties are aware of and alert to what is going on.

Senator SIEWERT: What is the time line for getting the system fixed?

Mr Tidswell: Our aim is to really try to land our thinking in the next few weeks, and we had hoped in the new financial year to start to work very hard on putting in changes.

Senator SIEWERT: In terms of the review, you made a comment when I mentioned drafts that it is about the plans. Is there not a draft of the reviewed plan?

Mr Tidswell: I was just trying to confirm whether we were talking about the planning process or the review process.

Senator SIEWERT: I want to come back to that broader issue of the planning process but, in terms of the review, do participants get to see a draft of their new plan?

Ms Gunn: No. They have a conversation face-to-face for the vast majority of reviews, which walks the participant through their successes, their outcomes, as I talked about before. The planner then will provide notification that they have collated all of the information and put that into a plan for them.

Senator SIEWERT: So they do not get to comment on the plan, the review? They talk through what may or may not be the outcomes and they may or may not agree, and then they get a new plan? They do not get to comment on it?

Ms Gunn: At this stage that is correct.

Senator SIEWERT: People may get a cut in their plan, they may disagree with it, but they are stuck with it?

Ms Gunn: That would have been so particularly where there was underutilisation in the plan. That would have been discussed explicitly with the person. And they would have been advised as to the direction of the plan and the structure and the future looking of that plan before it was provided to them. They do not actually receive a physical copy of the draft, no.

Senator SIEWERT: I presume you are aware that that is making people deeply unhappy.

Ms Gunn: Some people are concerned about that. We had the same concern in trials where we tried to do that with drafts. We did provide a paper copy draft to people, and that ended up going many times round and round with sometimes significant but the vast majority of the time insignificant changes which were more around a wording issue and which then consumed our resources significantly. The visibility of the plan on the portal has been a significant improvement for the participants. The conversation directly with the participant was: 'What are your future directions, where are you going, how did you use your funds, what did you want to change, what does the future look like, what directions do you go?' They are very explicit. They are two-, three-, four-hour conversations. They can be multiple conversations if the person wants that, where they give information and then they come back and explore that. 'What would I like to do with the funds that we talked about?' So they are not just one-off conversations; there is an opportunity to explore and discuss, but we do not give a hard copy draft at this stage.

Senator SIEWERT: When I said 'a copy', I was not necessarily meaning explicit paper copy. Do you make the draft available, so that I am clear, electronically or as paper copy? I know some people prefer paper copy. I am not trying to say that should not be an option. There is also the online option. Do you make it available at all in any form?

Ms Gunn: Not at this stage, no.

Senator SIEWERT: Do you not see that is an issue for choice and control?

Mr Tidswell: We are looking carefully at all those steps in the process from how you enter the scheme, how you get your plan developed, how the plan implementation kicks in and how you engage with providers to get the services you need as well as the plan review work. We are after increased transparency and making sure the participant is at the centre of that conversation. We have heard and we are thinking through what we need to do to improve in that area.

Senator SIEWERT: So you acknowledge that not being able to interact with a draft in the review—

Mr Tidswell: Not necessarily the draft but, in terms of transparency, ideally, unless there are the most extreme circumstances—and I sat in on plan reviews and experienced the process with participants and their support workers and others—at the end of that session, there is a sense of agreement about what is going to be included and not included in those circumstances. Our ideal approach here is that we are facilitators. We have got rules which we operate under which ensure sustainability of the scheme into the future, but it should be clear from the outset, as we begin the process, that you are alert, as a participant or your caregiver, support coordinators or others, about the intent and what is going to be in your plan. That is goal we have not landed there, absolutely. And we want to refine and improve our processes.

Senator SIEWERT: I have been given the eye. I will continue this in my next slot.

CHAIR: Senator Reynolds.

Mr Pratt: Just before we go to Senator Reynolds, could I check two things? One is that I have available to table for the committee the most recent star ratings, and also the address for that, which answers Senator Brown's request.

CHAIR: That would be excellent if you could table those.

Mr Pratt: And the second thing was: could I check when our colleague from DHS is required until? Are there going to be some questions for him?

Senator WATT: I can assure you, it is going to be worth your while, having come.

Mr Pratt: Thank you.

CHAIR: Senator Reynolds.

Senator REYNOLDS: I suspect you know where we are going with the next round of questions, Mr Bowen. I have got a series of questions in different areas but I want to start off with a couple of general questions on people with disabilities in aged care. A couple of months ago, at the last estimates, I raised with you the issue of SDA payments and how they will affect a person's DSP or other government payments and whether the payments were taxable for income purposes. You did get a response back on notice. However, it said that you were still consulting with the ATO. I was wondering: have those consultations concluded and do we have a response on that?

Mr Bowen: Ms Rundle has been talking to the ATO; so she can answer that question.

Ms Rundle: I cannot give you a complete answer at the moment, except to say that we are still talking to the ATO about this.

Senator REYNOLDS: It has been two months.

Ms Rundle: That is correct.

Senator REYNOLDS: Is the delay at the ATO's end? Have they not come back to you with an answer? Do I need to chase them up as well?

Ms Rundle: No. We are following it up, and I think there is no need for you to do that, unless you chose to do so.

Senator REYNOLDS: Have we got some idea, given it has been two months and it seems like a reasonably straightforward question: are there taxable implications for the SDA payments? I accept that you have not got anything back from the ATO but I am just a bit puzzled why it has taken so long for them to respond.

Mr Bowen: We will need to get that ruling from them.

Senator REYNOLDS: So you actually need a ruling; they could not—

Mr Bowen: My view is similar to yours.

Senator REYNOLDS: Is that the issue? You actually need a ruling because there is no guidance or information?

Mr Bowen: We will need an advice from them just to absolutely answer that question, and recognising that participants may raise that with us. But the characteristic of these payments which are to support people with disability in relation to statutory support should not be characterised as income and I have anticipated—

Senator REYNOLDS: So you accept that this is a legitimate issue that needs to be resolved?

Mr Bowen: It had not been raised with us before you raised it, but it then led us to say, 'We do need to be able to answer that question.'

Senator REYNOLDS: If you take that one on notice again and let us know as soon as you have heard back from the ATO I would be grateful. I want to advise that the reason it came to my attention was that the father of Annette Kalkman, who has had an horrific life—she had cerebral palsy and was bouncing in and out of different institutions because she had complex needs—raised it with me. I will come to those complex needs when we talk to the NDIS. After the Public Trustee's fees and other costs were paid, she was left with about \$100 a month. Because of, I suspect, the way that she was treated, she passed away. She passed away without ever getting an answer to this question. I suspect her father, John Kalkman, is listening in. I just want to acknowledge to him that we have raised his daughter's situation. I think we owe it to her and to the others who I know are affected by this, please get this fixed. It might not be a big thing in the scheme of the NDIS but I can assure you for those on \$100 a month to live, it makes a big difference. If I could get that information, I would be very grateful.

Moving on, you indicated that as at 31 December 2016 five out of 471 young people in residential aged care were found ineligible for the NDIS. I was just wondering if you can explain what those reasons were for being in residential aged care but not being eligible for the NDIS.

Ms Gunn: I cannot talk specifically about those five, but typically what we will find for those ineligible there are health conditions or palliative conditions.

Senator REYNOLDS: Ms Hand?

Ms Hand: Those people in residential aged care that are, in the main, being found ineligible tend to be young people in residential aged care because they have got a medical condition, not so much as a result of a disability.

Senator REYNOLDS: If I could get some more evidence of that, it will be appreciated. I will get to this whole section a bit later in terms of disability versus health care versus mental health requirements or rehabilitation requirements but I will park that for the moment. At the last estimates I think you will recall I provided a document where there was a five-point plan of things that seemed to be able to be implemented and I was seeking your advice on it. The question on notice came back with the answer that you were still considering it. I was wondering if there has been any progress on those five key points?

Ms Hand: Yes. I am glad to say we have made significant progress.

Senator REYNOLDS: That is what I like to hear.

Ms Hand: If you can bear with me, I will make some introductory comments and then we will talk to your five-point plan specifically.

Senator REYNOLDS: That would be lovely.

Ms Hand: We have done a lot of work with the Department of Health and NDIA since the last estimates and the NDIA—and obviously they can talk to this now—has all the available data they need on young people in residential aged care. They can do the planning and have face-to-face conversations and contact young people in residential aged care early on so that that planning process can start.

We have also made progress on the issue of trying to get better interactions between the hospital discharge system and the agency et cetera to try, where possible, to make it so that someone who is in hospital does not have to go into aged care if possible. That is a work in progress, but the streamlining is beginning to happen. I will come back to that.

Senator REYNOLDS: That is actually to avoid people being assessed by the ACAT?

Ms Hand: Yes.

Senator REYNOLDS: I was going to come to that, because there are still obviously a lot of people coming in, even in the trial areas.

Ms Hand: Again the NDIA will talk to this but they have dedicated teams working with people in aged care to give them housing options, packages, and help them begin that process if they wish to leave aged care and move out into other forms of accommodation. We and DSS are in intense consultation with the states and territories on the possibility of amending phasing rules. As you will appreciate, that will take a bit of time but, let me tell you, it is something we actively are discussing with them. I chaired last week what is called the senior officials working group, which is David Bowen and I and our counterparts around the states below that level, and we went through this issue in some detail. Hopefully by the time of next estimates, if not before, we can report back.

You will already know this, but in case you do not, most phasing schedules actually have young people in residential aged care coming in early in the quarter. So there are some comments at a high level. If you can bear with me, Senator, I will talk to your five-point plan. Mr Bowen will talk to the detailed stats.

In terms of designating people in residential aged care, as I just said, that is not possible because there are some people who will not meet NDIS eligibility because they primarily require aged care as a result of a medical condition. Having said that, the NDIA is putting in place a number of measures to individualise the access request and planning process and make that happen earlier with face-to-face appointments. As I said we now have the data on everyone, so it is much easier for that to happen.

Senator REYNOLDS: Just to clarify, it is not possible to do exactly what I have suggested; however, you are looking at other ways of doing it, because you are only talking about, on your stats, one per cent of people who are found not to be eligible?

Ms Hand: That is right.

Senator REYNOLDS: So as not to impact on the other 99 per cent, you are looking at ways to deal with the one per cent?

Ms Hand: That is right.

Senator REYNOLDS: It is good to hear. Thank you.

Ms Hand: I will not go through every line, but I would say, I am happy to table—

Senator REYNOLDS: I was about to say, if you could perhaps go through the one to five very quickly, and if you want to table the response, please do so.

Ms Hand: It is written for DSS; can we send it to you?

Senator REYNOLDS: That would be very good; thank you.

Ms Hand: But we have answered all your questions.

Senator REYNOLDS: I appreciate that.

Ms Hand: The NDIA has regional networks with dedicated teams to make early contact. I have talked about the housing options package. The NDIA will now include the number of people under 65 in aged care, broken down by age, disability type and location in their quarterly reports. So that you know the level of scrutiny this is getting, we now have to provide that reporting to DRC, too—the COAG ministerial council.

Senator REYNOLDS: That is significant, in itself; thank you. That is very significant.

Ms Hand: Minister Porter initiated this at the last DRC meeting in March. He asked that we have this regular quarterly reporting and he wanted this issue as a high priority on the DRC work agenda. So there is a formal work agenda for DRC and COAG, and it is one of the highest priorities.

Senator, you asked about whether the early planning could happen with people in sites that are not due to transition for another year or two. The issue there that is if you do not have the NDIA infrastructure and planners on the ground, there is no-one there to support the participants. Mr Bowen might want to talk further to that.

The Department of Health has commenced targeted communications for aged-care providers to assist them to facilitate the transition for younger residents to the NDIS. There is also more information now online. As I said earlier, the NDIA and Commonwealth are working with the states on how we improve that discharge process from hospital. So that is a very quick snapshot. Mr Bowen might like to comment on the numbers.

Senator REYNOLDS: If I could get that in the next couple of days, that would be great. I am very encouraged to hear the progress that is being made. Mr Bowen, do you want to comment further on that?

Mr Bowen: The first issue is that we have had some successful data changes with the Department of Health. As a result of that—and this will be the format of reporting going on—I can table a data report that is jointly prepared by the NDIA and the Department of Health. It indicates the number of people in the scheme, with access to determinations and plans, and the number of young people in residential aged care outside the scheme, broken up by age band, disability type and region. We will make that available to you.

Senator REYNOLDS: We will be delighted to receive that; thank you, Mr Bowen. And thank you to you both for preparing it.

Mr Bowen: The data that the health department did not have directly in their hands was the assessments. We have agreed an arrangement whereby we have issued a statutory notice under our act to get those assessments. This is part of point 1 of the plan of getting people into the scheme based on information in those assessments, which we believe is highly likely. I cannot guarantee it, but it is highly likely to be able to demonstrate that the person meets the eligibility requirements. As we go through that process, we will look at it more closely and see whether any additional information needs to be sought.

I can absolutely assure you—and Mr Tidswell raises this in every tripartite meeting that we have with the department and states and territories—that we are prioritising access for young people in residential aged care. We have special teams now to do that work. We will not quite get to where we wanted to be at the end of June, because of the data, but we are really starting to accelerate on it now.

Senator REYNOLDS: I cannot tell you how happy I am, and I am sure a lot of the families and people who I know are listening in today will be very happy to hear that genuine progress is being made. In terms of that information you have provided, that will come in very handy; with that one per cent—as we will go through in a later bracket—it is where some of the delays are, particularly for these people getting onto the plan and then getting residential aged care. We are talking about several years lead. I am putting a brochure together for all of my federal colleagues. We have an electorate breakdown now, too, so that MPs can see in their own electorates how many people are involved, and some of them have up to 100 in their electorates. It is not to name and shame, but it is for those people who, in that interim two and three-year period, need the hope from you that things are progressing; also, for those with complex health needs who, as you said, do not fit into the box, who have complex, additional health needs, the local MPs can be more aware and they can then reach out and provide some additional MP assistance to get some of that other assistance that they need and to advocate for them. So I will be using that information—thank you—to break it down. As I said, it is not to name and shame.

Mr Bowen: One piece of the data that surprised me was the rate of the churn. The numbers remain pretty static—at around 6½ thousand—but you will see the number of people who have entered residential aged care in the last year is up towards 2,000. So the churn in residential aged care is quite high, which is why we have this data pipeline with the Department of Health, to make sure we are continually getting that update.

Senator REYNOLDS: I have a whole series of questions based just on that, in terms of how we stop that churn. Once you are getting people out in areas, as it is rolled out, how do you close the door behind them, so that we just do not keep getting more people funnelled through aged care indefinitely?

I am glad to see Senator Dodson is here, because, having a look at some of the statistics, the four aged-care facilities that have the highest percentage of under 65s were in the north-west of Western Australia, in the seat of Durack—25 per cent. If we could deal with that 25 per cent, it would significantly ease some aged-care vacancy issues in the north-west of Western Australia. But we will come back to that, if that is all right with you, Senator Dodson.

Senator DODSON: Sure.

Senator REYNOLDS: Thank you, Chair.

CHAIR: Senator Watt.

Senator WATT: I might run through a few more things about plans, but I am keen to get to some of the IT issues that we have had DHS people come along for. Over the morning tea break, I was reading over some of the press clippings about the issues around planning. I do not know whether you saw there was a report on 4 May on ABC Online, headed 'NDIS complaints mount, disability service providers demand urgent improvements'. An organisation called National Disability Services made some fairly critical comments about the planning process and called for the planning process to be slowed down. The quote from their chief executive, Mr Ken Baker, was:

We don't want the pace of implementation to compromise the quality of the scheme, because I think ultimately that will undermine the credibility of the scheme.

A report from that organisation stated:

Some plans are excellent, others are poor and absorb substantial effort by participants, their families and providers to rectify.

The report continues:

... planners could not always see the existing services people received, meaning "essential supports" were sometimes missing from plans.

What do you say about those criticisms?

Mr Bowen: We have had a discussion with National Disability Services about that. My general view on this is that the scheme is not as bad as you would believe it is, if you just read all those press and media reports, but it is not as good as it could be. Partly, that is to do with some of the issues that we had in that first quarter that led us to be well behind; and we have accelerated to recover and we have acknowledged here that the planning process and the plans generated through that were not to the standard that we would want them to be. We accept that.

We do not believe that the scheme needs to be slowed down. This part of the whole assessment work is to make sure we can deliver this scheme at scale, because we are conscious that people are waiting at the door to

come in with something that is high quality, including a good experience for participants, and something that is financially sustainable. That is where we want to be able to land. We are not there yet, but the process we are going through is getting the information around exactly what these are. It is often easy to say plans have problems and people are not getting the supports they need. We need to be able to diagnose what the issues are and put in place the systems, the process and the training to make sure that we fix all of that up.

Senator WATT: We talked about planned reviews and unscheduled reviews. Probably the major concern seems to be around these unscheduled reviews. How long, on average, do they take?

Mr Tidswell: Actual time duration?

Senator WATT: Yes.

Mr Tidswell: I do not have that data, but I have sat in a plan review, and it is a couple of hours in length. I am not sure of the average, but I would imagine it would be between an hour and two hours.

Senator WATT: I think the concern is more around from the moment that concerns are raised by a participant seeking a review until the review is actually concluded and there is a change made.

Mr Tidswell: The last time I looked at the data—and I do not have it here; and it is a movable thing, so you are always getting different datasets as you put more people in the scheme. For example, on Friday, 286 Australians entered the scheme, so the volume is considerable every week and every day. The level of unscheduled reviews was not that high. I just do not have the data in front of me to give you that kind of assurance. But, effectively, what we want to do is to have a process whereby, if there are legitimate issues of concern with somebody's plan, things have changed, circumstances have changed and it is not on the normal kind of cycle; and so that we can do this in as swift a way as possible. What we are trying to do is engineer our workforce, both our agency staff and our local area coordinator partners, to be able to accommodate the kind of plan reviews and other work on top of that, as well as the plan development work.

That is the approach and direction. You will always have a situation, in any service system, where there will be changes in people's lives. It is not going to be static, so we have to accommodate that and reflect that. Mr Bowen has given an indication that we have some plans underway, or we are doing some thinking. We have not landed the plan yet.

Senator WATT: You mentioned before, when we were talking about the number of complaints received, a goal of resolving them within 21 days. Is there a similar goal or target—however you want to describe it—for the length of time that the entire review process takes, whether that be a scheduled or unscheduled review?

Ms Gunn: A scheduled review is scheduled to be taken before the previous plan expires. With an unscheduled review, there is a legislative requirement which says that we have to look at the change in circumstance that would require a change in the plan. There are 14 days for us to make that decision.

Senator WATT: Fourteen days to make exactly what decision?

Ms Gunn: To decide whether or not there is evidence of a change in circumstance that would justify a requirement to change the plan.

Senator WATT: Yes.

Ms Gunn: Then we would prioritise those plans where there was any risk to safety or concern of that manner for the individual or their family. Then all others are slotted in as part of the overall work load, which is bringing in the bilateral numbers, the scheduled reviews and those unscheduled requirements.

Senator WATT: So dealing with them one by one, you were saying that the scheduled requirements need to be completed prior to the expiry of an existing plan. Is that always achieved?

Ms Gunn: To our best endeavours yes, but sometimes when we fail to be able to contact a person, we miss that end date.

Senator WATT: What happens then? The person remains on their existing package?

Ms Gunn: Yes, the existing plan remains in effect until the new one replaces it.

Senator WATT: How long is that process? How long before the expiry of their plan does the review start?

Ms Gunn: We typically aim to make contact with families three months out. We are advising them and encouraging them to think about the sorts of achievements and goals and future steps that I was talking about before. We would then aim to have that done within two weeks before the plans expire. We do not always meet that.

Senator WATT: Do you have any figures on the average length of time those scheduled reviews take? If they start three months out, how long do they take, on average?

Ms Gunn: I do not know.

Senator WATT: Why don't you take it on notice and see what you have got?

Ms Gunn: I can have a look at that.

Senator WATT: Similarly, with the unscheduled ones, you were saying there is a legislative requirement to decide if the request is justified within 14 days. Given that is a legislative requirement, does that mean that on 100 per cent of occasions that occurs within the 14-day period—that decision is made?

Ms Gunn: Ideally. I cannot guarantee that.

Senator WATT: Could you take that on notice for us as well?

Ms Gunn: I would need to take that on notice.

Senator WATT: Then you say that you prioritise the high risk plans. It did not sound like there were any time frames or targets for the resolution of those requests.

Ms Gunn: Not concrete, no. But that is about the judgment of our team leaders and our regional officers. They know those individuals. They work with them on a regular basis. They contact them. They understand the risk and the nature of those circumstances.

Senator WATT: Maybe you could take that on notice for us: the average length of time it takes to resolve these unscheduled requests.

Ms Gunn: Sure.

Mr Tidswell: We are putting in some new capability, as we speak, to manage our work flow across the country so that we can see where the work is up to, what is going on. That will give us a rich set of indicators of timeliness which we can monitor our performance against. It is a piece of work we have been very keen to get in flight. It is being landed as we speak, and it will give us the national work flow. That will give us the indication of the work and the activity on hand and the timeliness related to that. So in the next six months we will increasingly put in the sorts of key things we need to do across the country.

Senator WATT: One of the other clippings I have, which you probably saw, is from 16 May in the *Australian*. It was a front page: "Family's NDIS support slashed in crackdown". It states:

The executives of the flagship NDIS have launched a crackdown on support funding to keep a lid on ballooning costs. The razor is being taken to hundreds, possibly thousands, of annual support plans as they come up for review. In many cases, support packages for families have been cut by half.

What exactly is being done to reduce the amount of support being provided in these annual support plans? Is the aim to reduce the amount?

Mr Bowen: Can I be absolutely clear: there has been no direction to our planners to cut package costs. The scheme is operating within its funding envelope. We have asked that planners undertaking conversations with participants—Ms Gunn answered this quite extensively earlier—focus on the outcomes that are set out in that plan, how the funding is being used. If the funding has not been fully used in the previous plan—and that is certainly the case; utilisation on earlier plans remains at only around 80 per cent in aggregate, although obviously some people fully used it—what are the reasons for that? Does there need to be variations in it? With some of the cases that were cited, when we looked at them, funding had been included for specific items around capacity building, and an intervention program—in one case a behaviour intervention program. In some cases they had been fully utilised; in other cases not utilised. That type of intervention funding is always time and purpose and goal limited in accordance with the insurance principles. It is not transferrable to other types of support. It has either been fully utilised for its purposes or not; it has or has not succeeded. It may be extended if it is showing some signs that it has worked, or it may just be concluded that it did not work and it is no longer required.

Senator WATT: I know Senator Siewert had some questions about this in her earlier session, but I do not think she asked this: do you have any figures—whether they be here or on notice—for the proportion of packages where the amount of support provided in dollar terms is reduced upon review?

Mr Bowen: Yes, we have taken that on notice.

Senator WATT: Okay.

Mr Bowen: Our strong recollection here is that a minority of plans have been reduced.

Senator WATT: That could be 49 per cent.

Mr Bowen: Well—

Senator WATT: You are saying it is smaller than that?

Mr Bowen: It is smaller than that. We will come back to you on that.

Senator WATT: Okay. I could deal with that at length, but time does not permit. We might move on to some questions, probably for our friends from DHS, about the call centre.

Mr Tidswell: I will answer the questions on the call centre.

Senator WATT: Doesn't DHS run the call centre?

Mr Tidswell: Yes, but I will provide the answers, because they are our outsource provider.

Senator WATT: Because what?

Mr Tidswell: They are our provider, but I have the information on the running of the call centre.

Senator WATT: I am certainly happy for you to give it a go, but the reason we got DHS here was that we thought there might be some questions that needed to be directed to them.

Mr Tidswell: Mr Sterrenberg runs the ICT; he does not run the operations in DHS.

Senator WATT: But you have contracted out the call centre to DHS?

Mr Tidswell: That is right.

Senator WATT: Does Mr Sterrenberg or Ms Yeend oversee that call centre?

Mr Pratt: Ms Yeend is DSS staff at present. Why don't you ask your questions, Senator, and someone will answer.

Senator WATT: Okay. I am just curious about why you are not keen to have DHS answer the questions.

Mr Tidswell: No, it is just that Mr Sterrenberg is here to talk about ICT. If you had asked for a representative from the Department of Human Services with expertise in running the contact centre, we would have got—

Senator WATT: Sorry, I thought Mr Sterrenberg oversaw that as well. Okay, let's give it a go. I cannot remember exactly which witness it was at the last Senate estimates and I do not know whether it was DSS, NDIA or DHS, but one of the witnesses told us that DHS was undertaking a deep dive into the data on call centre performance, including the longest waiting times and the actual waiting times during hours of opening. Can you provide us with the outcome of that deep dive?

Mr Tidswell: We were conducting that. I had engaged the Boston Consulting Group to help us in that task to give us a sense of our performance and what we need to improve. As a result, our performance has improved dramatically. Just to give you an example, last week our average speed of answer was just over a minute for both general inquiries and providers. I think on Friday it was 19 seconds or thereabouts for providers. So it is being well managed. We have increased the staffing envelope to do that work. We have improved our warm handoff processes for more complex inquiries to some agency staff, and we have better managed the distribution of staff to arrival of calls. What we discovered in the deep dive is that most of the calls are coming in between 9 am and 5 pm. We run our contact centre from 8 am to 11 pm, so we have a concentration from around 9 am to 5 pm when, no doubt, providers are at work. We have an exceptionally high level of people who abandon after very short periods of time. I think 18 per cent of abandoned calls are abandoned within 10 seconds of hearing the messaging that is given to them in the recorded voice messages. We could view that as being they have the information they need to provide the advice and working through. We still have quite lengthy average handle times for the calls—about 13, 14 minutes, which is telling us that we are dealing with a lot of matters at that one call. What we have discovered as we have increased the volume of participants in the scheme—we have tripled the size of the scheme in 12 months—is that the number of calls per participant is declining as we have improved that approach and service offer. Our goal is to make that contact centre a place where both participants and providers can quickly go to, get a response like they are getting. So we have improved it considerably since last estimates into that really good response time. We want to continue to do that and to use that as an important touch point for providers and participants where there are issues of concern.

Senator WATT: I am pleased that it sounds like those waiting times are decreasing. Do you have any figures for, say, the last six months as to what the average waiting time for a response is? You have given us a figure about the average handling time.

Mr Tidswell: I will give you the average speed of answer currently for the whole year for the participants, the general inquiry lines: it is around six minutes, average speed of answer, and for the provider line, it is about seven minutes.

Senator SIEWERT: For the what line, sorry?

Mr Tidswell: The provider line. So it is a single number, but you enter into it and you elect to go to the general queue, the participant queue or the provider queue. But we are regularly on weeks now averaging one

minute average speed of answer. We have set our target at three minutes average speed of answer for participants and five minutes for providers. We want to get there. We also want to look at whether they are the right measures that we use to monitor our performance or are there other better performance measures. We are seeking some advice about a best approach. But at the moment that is well controlled. I have good feedback from participants and providers currently. Absolutely they did not get a good experience late last year, early into the new year, but that has been dramatically improved.

Senator WATT: Do you have any figures on the longest waiting times?

Mr Tidswell: No. It is not a figure that we generally have. Usually we deal in the averages.

Senator WATT: We have had some feedback from providers that they are frustrated by the length of time they experience going through the provider queue, so they have resorted to saying they are participants to get a quicker response. Are you able to break down call handling data? Do you have the number of calls through to each hotline—participant and provider?

Mr Tidswell: Yes, we do know that. We do know that quite often providers go through the participant line. So one of the things we have adjusted was the volume of staff handling provider calls and participant calls to do that, to get a better balance. We acknowledge that and we have improved on that. We were quite open here last time; that evidence probably would have been provided by me. We said it was not good enough and we are going to improve, and we have.

Senator WATT: Do you have information about the reasons why people are calling and whether the call centre staff are able to assist with those queries?

Mr Tidswell: Last year we did have a situation certainly where the call volume increased significantly as we put more people on the scheme. We found that the staff that we have contracted from the Department of Human Services only had a limited ability to answer a limited number of calls. So we provided those staff with access to the operating system of the NDIA so they could answer more calls in more detail. As a result, the average handle time lengthened; that increased the average speed of answer. So, we put in place treatments, put more staff on, effectively, to deal with that. It is the sort of thing you would imagine that you would get as a general inquiry line: some issues with payments for providers, some issues with plans, 'Where do I go?' A lot of the information is about, 'How do I get on the scheme?' and the approach and how does it work and so on. In that sense, we want to improve more broadly our communication products so that people are alert and aware and do not have to take time out of their day to ring us; they can get it through other means.

CHAIR: That is an excellent point to break for lunch. The committee will break until 1.30 pm.

Proceedings suspended from 12:30 to 13:33

CHAIR: We will recommence now. Apologies for the delay—on behalf of Labor senators! Before we kick off, Ms Hand, I understand you had something that you would like to add.

Ms Hand: Earlier, when Senator Brown was asking about the Young Carer Bursary, I advised that the minister had signed off the evaluation today. Actually, he signed it off on 25 May.

CHAIR: Excellent. Thank you very much for that. We will recommence with Senator Siewert.

Senator SIEWERT: I was going to go to plans but I want to go to a broader issue first. It has been suggested to the other committee that there are issues around geographic caps. People say, 'This area has run out of that funding,' or it cannot do any more packages. Is that a thing? Or is that just how people are interpreting what they are told?

Mr Bowen: It is a product of the bilateral agreements. The bilateral agreements set a number of people to come in by geographic region, by state transitioning clients, and then there is another category which relates to the Commonwealth transitioning the new clients. Generally, that is the construct. The agency operates to that amount as a capped number to meet the estimates, because all the funding is on that. And each of those subcategories operate as a number that is a cap as well. So it is possible, and in New South Wales we have the position of having more new clients who have had access determinations and who we can do plans for at the moment.

Senator SIEWERT: We have more new clients than were planned for in the transition process?

Mr Bowen: Yes. So it is a timing issue. We will pick that up afterwards.

Senator SIEWERT: How many are in that position. Is it just New South Wales, or are there other geographic areas as well?

Mr Bowen: It varies from state to state. One of the features of Queensland is that we cannot find new clients at the moment.

Senator SIEWERT: Sorry, but I am having trouble hearing you.

Mr Bowen: Sorry. I think that is principally the feature in New South Wales. In other states, we have too few people to come in. We had an issue where we had reached the bilateral number in ACT late last year or early this year. That is being able to be dealt with by a further agreement. The department has been working hard—and Ms Hand might want to comment on this—to get a little bit more flexibility in the phasing principles in terms of being able to make adjustments between those categories.

Ms Hand: I will just briefly explain the process, because I would hate for there to be a perception that there is a cap and no more people can ever come in.

Senator SIEWERT: I understand that.

Ms Hand: Basically, we negotiate the bilateral agreements for transition with each jurisdiction, taking into account that ability of the agency in regard to how many plans they could do without being at risk. Then we take into account the funding contributions from the state and the Commonwealth. We work out in very close consultation with the jurisdiction how many participants, including new, existing, Commonwealth programs, transition et cetera, can come in each quarter. Having said that, there is ability to adjust if there is a big issue, and we can either renegotiate the bilateral or, as we are doing at the moment, work with New South Wales. Using Queensland as an example, Queensland has been a less mature disability market, so there are not as many new clients that are emerging. That may probably happen over time, but at the moment they are not there. We have to reach out to them. So there is the possibility to renegotiate with Queensland on whether there are some adjustments to maybe bring in more Commonwealth programs as opposed to new clients in one quarter, and then make up the new clients in another quarter. There is flexibility and we can renegotiate if needed.

Senator SIEWERT: Is that happening? I understand that in some of those areas in Western Sydney people are being told they have reached the cap.

Ms Hand: I am not aware of anyone being told there is a cap.

Senator SIEWERT: That is the language that they use.

Ms Hand: New South Wales, because they have a different dynamic where they are keen and it was part of their bilateral for their existing clients to transition before they take on a lot of new clients, are very keen to stick to the numbers as they are. However, if the existing are not transitioning as quickly as they would like or are hard to contact, New South Wales has been talking with us about some adjustments to the estimates. We have agreed on what we call a range of phasing principles that will allow both the Commonwealth and New South Wales to stay within our funding envelope but have a bit of flexibility between the different cohorts. Because, as you can imagine, when you set a phasing schedule today, you are projecting what the demand might be, but it might be very different in two years time, so we need that flexibility to adjust as we go along.

Senator SIEWERT: My overall understanding is that there are caps. Or, can you tell me the language I should be using?

Mr Bowen: We are bumping into two things here. A person can make an access request at any time, and the agency is obliged to deal with that and determine their access. They are therefore found eligible for the scheme, but the time at which they have a plan done is in accordance with the bilateral agreement, which is allowing for an orderly intake of people over two or three years, depending on the jurisdiction.

Senator SIEWERT: Essentially, they are not in until they get the plan, so they do not get their supports until they get their plan. So essentially there is a cap there. And Ms Hand was trying to say something before, when I asked about the word 'cap'.

Ms Hand: For all intents and purposes it is a cap, but I just do not want the perception that those people can never come in.

Senator SIEWERT: I do not think people have that perception that all. It is then when they can get access to supports.

Ms Hand: That is right.

Senator SIEWERT: So there is capacity to renegotiate. Are you saying that there is that capacity there, but New South Wales has got the bilateral, and it looks like there are some issues there with New South Wales not wanting to speed it up?

Ms Hand: We have been working really collaboratively with the agency and with New South Wales. I really want to stress that there are no issues between any of us. They have been very publicly saying for a number of years that they intend to exit specialist disability services by full scheme. So, understandably, they are keen to transition first, and that was part of the phasing schedule. There are existing clients. There is capacity for new

clients and for Commonwealth programs too, but not as many in proportion to existing clients in the first two years of transition.

Senator SIEWERT: So we have still got this block about people who are new and who are people entering.

Ms Hand: They will come in in subsequent years in accordance with the schedule.

Senator SIEWERT: So the things we are being told by participant, or people wanting to be participants, are in fact correct.

Ms Hand: It sounds like it.

Senator SIEWERT: I want to go back to planning for a short time, and then I will put some more questions on notice. I want to go back to this issue of review and the orderly process. We have received evidence that people get phone calls while they are out shopping, for example. They get told that they are going to have a review and are being asked to discuss it. That does not seem like an orderly process to me. Are reviews been done over the phone at fairly short notice? I have to say, this is also happening with general planning issues to people with mental illness, who are obviously seeking supports for psychosocial disabilities.

Mr Tidswell: With the review process, there is no doubt that we are having some difficulty getting in contact with people to alert them to the fact that their plan will be reviewed. This is something we have to get better at, and we are thinking through our processes and procedures so we can again have the smooth and ordered operation we want, to be able to effectively plan our workload out over a 12 month period. We just heard about the bilateral schedules and how participants will phase in. On top of that, we know when plans will mature and a ballpark picture of the planned review activity as well. So our aim is to make this streamlined, simplified and understandable for participants and providers and doing it now. I do know at the moment we are struggling to make contact with some people whose plans need to be reviewed, but I do not have the numbers in front of me. Maybe that is part of the process to arrange an appointment to get you to come in and do the plan review. But I do not have any data in front of me that suggests that we are making random calls across the country, getting people in shopping centres and that sort of thing, to do that. But obviously you have received evidence of that ilk, and our dilemma is how we actually make contact with people to set up the plan review process, just like we want to set up the plan development process, to begin the whole process. So we are trying to figure out a better approach to do that. Obviously, for some people, standard communications through letters and the like are not working.

Ms Gunn: I do not think I would add anything else to that. We have to contact people in some way. Our process with them collects their preferred method of communication. Many people identify that they want to be communicated with by phone. We ring them—they have a life; they may be in the shopping centre—and we will say, 'Can we set up a time to do your plan review conversation?'

Senator SIEWERT: They are not expected to do it there and then?

Ms Gunn: We offer them, as part of a plan over the phone option, 'Do you want to do it now?' Of course we would offer that, but most people clearly will say, 'No, book me a time,' so we do.

Senator SIEWERT: How many reviews of plans have you done over the phone? I know earlier you said the face-to-face figure.

Ms Gunn: I do not have that exact number.

Senator SIEWERT: Do you keep that detail?

Ms Gunn: I imagine we would. I cannot guarantee it, so I will get it absolutely confirmed.

Mr Tidswell: I think—

Ms Gunn: It goes to your 65 per cent?

Mr Tidswell: It is not the default option. Most of it is done face to face. We acknowledge that. We schedule these into the staff members' schedules. So we know how many staff we have and we schedule it according to the amount of available staff hours in a given period. So it is not meant to be a random, ad hoc, out-of-the-blue sort of process. Where we are having difficulty getting in contact with people, as we gave earlier evidence in terms of lapsing plans, that is a challenge for us.

Senator SIEWERT: I want to go back to this issue of review in terms of what is in somebody's plan. We were discussing it earlier. Some of the concerns that have been raised both with the committee and with me personally is that things are being included in a plan that people do not agree with—they do not think it appropriate or they do not want to do it. We have received quite a lot of evidence from participants, as I said, through the inquiry and also through my office. Why are things included in a plan if people do not agree with them?

Mr Tidswell: Before Ms Gunn answers the question, is it possible to give us some extra detail of the components people oppose?

Senator SIEWERT: For example, planners decide that somebody should do a particular activity—for example, weekend excursions—but the person did not want to do that. That sort of activity has been scheduled in that they actually do not want supports for.

Ms Gunn: That would surprise me greatly. I suspect that where it comes from is where there is a lack of clarity in the way the plans are now structured. So it is quite rare that we would put, line-by-line, 'This activity at X number of hours for this frequency'. We have gone away from that and we have gone into three types of supports: core, capability and capital. But what we have heard in the feedback we have received is that people do not really understand clearly enough the language and the way we are writing up that plan for them, like the types of things they can do under core supports. I suspect it might boil down more to that than saying, 'Thou shalt'. We cannot force anybody. We cannot instruct anybody to do something they do not want to do.

Senator SIEWERT: The point being made is that they are saying it is in the plan and have not been able to get it out and that is what the supports are there for. In other words, they say, 'I'm getting funding for that even though I don't want to do that,' or, 'I'm disputing it with the planners.'

Ms Gunn: I am very happy to have a look at it in detail. If you can give me some examples we can explain the nature of those examples.

Senator SIEWERT: There is also the flipside of that, for example—this is actually evidence we received—where a family wanted their child to learn to ride a bike and were told, 'That's too expensive.' A bike was too expensive.

Ms Gunn: To some extent, that will go to this conversation around what is reasonable and necessary. Pretty much every child has a bike and every child is supported by family or informal supports to learn to ride a bike. We have previously contributed to the cost of trikes, for example, where a person might have a challenge with their balance or with their mobility. But we do not pay for the full cost of a bike because, again, from an ordinary perspective, it would be rare that we would pay for a full cost of a bike. From an ordinary perspective, most kids have a bike.

Senator SIEWERT: Would you provide supports for them to learn to ride that bike, if you did not pay for the bike?

Ms Gunn: I am not quite sure what sorts of supports we would provide. We could put in things like OT support—

Senator SIEWERT: That is what I was thinking.

Ms Gunn: and physio, potentially, and building hand strength, and building postural core strengths. That would not typically be ongoing support. It would be a targeted investment for a definable goal and would be subject to review at that point.

Mr Tidswell: It is always difficult without understanding the context of all the other elements in that plan for one kind of line item, because what we are trying to do, as Ms Gunn has outlined, is normalise the situation, not create a co-dependency, and the ability for caregivers and others and family members to assist, and to do what we can to provide the best range of opportunities—so, in some sense, the ability to look at the total picture to do that. In principle, what we want to avoid is a sense of dissonance between 'what I have received' and 'why it looks like that'. We want to make sure participants and their caregivers and support workers and others understand that better and that it is clear. We know we have got further work to do in communicating right at the outset what will be in the plan, how it will work and how things are going to operate. Our goal is to make sure that you do not get these sorts of examples coming to you in the next little while where there is confusion or a lack of understanding like, 'They said I was going to get this, and I'm not getting it.' That is not where we want to be.

Senator SIEWERT: Thank you. I do have other questions on plans, but I will put them on notice. Can I go to the issue around the problems that providers have been having with the portal—I presume this is ICT. The evidence we have received is that there are ongoing problems and people cannot lodge on the portal, and that they are in fact using a 1800 number to lodge documents. Is that still an issue? This was in May—we are still in May—so it was only a couple of weeks ago that providers were saying they were still having problems lodging documents through the portal.

Mr Tidswell: Before Mr Sterrenberg gives you a picture of the system that is being built for the portal: as I said earlier, we watch this every day. We regularly have 96 per cent of claims going straight through and being paid. They are the bulk claims from providers, the single claims from providers, and the participant claims. Every

so often we have a situation where a single bulk claim from one single provider has multiple errors in it, and that can reduce the percentage of claims that go straight through. They, possibly, are the sort of provider that would then make contact through the 1800 number to work out what has gone wrong or what has happened. We want to make sure that that does not happen, but we have got a very tightly controlled system that pays a lot of government money to participants and providers. We want to make sure it is done within the rules and requirements.

We know, through the information we gather, that we have got to have better education for providers before they join the scheme and when they join the scheme in how to use the portal, and we need to make some changes to make it more user-friendly. In our day-to-day experience, on the evidence, it is clear to us that 96 per cent of all the claims that come through are getting paid straightaway, and the ones that are not are to do with incorrect coding or assessment from the providers by a margin. Mr Sterrenberg can provide further information.

Mr Sterrenberg: We did have, as we told you at the first Senate estimates hearing, some difficulties through the transition. As Mr Tidswell has mentioned, originally in the uplift of the file, which has essentially 13 fields, the providers had some difficulty in providing those 13 fields. An example would be that, instead of using a decimal point, they used a comma in the provision of the number, and our systems in the early part were not defensively coded to be able to deal with that. Over time, to improve the usability, we have added those features to be allowed so that there is a lower error rate in the submission of the claims from the providers. In recent times, we have not had significant feedback on the portal.

Senator SIEWERT: Can you look at the evidence that we have received about this particular matter, because we are told that the edit function has been removed so that the providers can make changes and not have to wait weeks before the issues are resolved, for example. Did you change something around being able to edit?

Mr Sterrenberg: Just let me check.

Ms Rundle: I think I can answer that. We will have to get you the detail, but at any given point there might be issues raised by providers or participants, or indeed staff, that require us to look at the system and to see whether there are any system changes that need to be undertaken. We have a process with DHS which we call our change request cycle. We go through each one of these and we get advice from the business areas about what is not working and what needs to work differently, including talking to providers, participants and staff. Then we provide the specifications to DHS and then, in accordance with their regular cycle, they will make that change for us. Things like the edit cycle—although I will have to check this for you—I understand is on our list of change requests, and so at some point I believe that change will be made. But we would have to confirm the time.

Mr Sterrenberg: To provide clarity on what used to happen, the first thing is that when a provider did, say, a bulk uplift of 100 claim items and some of those line items were incorrect from a decimal point or whatever it may be, those would be rejected. The provider would have to create a brand new file for those ones with the corrections and lift them again. The feedback we have had is, 'Can't I just modify the list of rejections to allow them to go easier?'

Senator SIEWERT: That is the edit function.

Mr Sterrenberg: Yes.

Senator SIEWERT: So that has not been changed yet?

Mr Sterrenberg: No, that is part of the change control program. We normally put those through a release cycle. Depending on the nature of the issue, we would get a request from NDIA and either we would do it as an emergency release, which is obviously done early, or we would add it as a change function within our monthly or quarterly releases.

Ms Rundle: The other thing that we do is each week we put out—I believe we still do this—on our website information for providers about the average claim rate success and also the three top reasons for rejection. I have got those here with me if you would like me to read them out or we can provide them.

Senator SIEWERT: Are you able to table those?

Ms Rundle: If you can read the little yellow sticky—

Senator SIEWERT: Oh, yes. Okay, sorry. I was trying to not get in trouble with the chair, because I am over time.

Ms Rundle: Will I read them quickly for you?

CHAIR: Please do, yes.

Ms Rundle: The first one is where the claim amount is greater than the available service booking. Service bookings are made between participants and providers for a particular service, and if the provider claims an amount greater than was agreed or than is in the price guide then that is a reason for rejection. That accounts for around 56 per cent of rejections. The second one is where the claim amount exceeds the participant available budget. This is different, because it is not the budget available for the item but the budget that the provider is able to claim against more generally. The first one is around the service booking, and the second is around the budget. That is 12.2 per cent. And the third one is where the support item exceeds the price in the service booking, and that is 10 per cent. We can provide more detail, if you wish.

Senator SIEWERT: Sorry, is that if support exceeds the unit price?

Ms Rundle: The price in the service booking.

Mr Tidswell: These are essential controls to ensure that the money is going at the right rate to the right provider based on the participant's plan. These are not flaws. We would absolutely love to see every claim lodged by every provider get through 100 per cent of the time. But, when they do not go through straight away, the reason they do get them through is we designed and built the system accordingly.

Senator WATT: I have a range of questions following on from this. But, just before I get to that, I would like to conclude the earlier conversation about the call centre. Do you undertake any market research on customer satisfaction with the call centre?

Mr Tidswell: We have the general satisfaction of participants. It is running at about 88 per cent. But, no, I do not have the general satisfaction data on the contact centre. We are trying to do some further research into understanding the higher rate of abandonments of very short period of times and what that is telling us. We have not put that in place, but I can assure you that that is on our long list of things to do.

Senator WATT: So the 88 per cent figure is satisfaction with the NDIS in general?

Mr Tidswell: That is right.

Senator WATT: Is that satisfaction data published?

Mr Tidswell: It is published in the quarterly report that goes through to 31 March, so it is publicly available.

Senator WATT: I do not have any other questions on the call centre. I might jump onto questions about the myplace portal. I take it it is primarily Mr Sterrenberg I should ask about that. As you would be aware, this is another aspect of the NDIS which has been receiving some criticism from both providers and participants. Criticisms have included that it is difficult to navigate, slow to use and has poor functionality. In fact, I have even heard that this portal has been described as the pothole rather than the portal. Have you heard it referred to as that?

Mr Sterrenberg: Not at all. In fact, as Mr Tidswell said, 97 per cent of all providers who use the portal have successful outcomes.

Senator WATT: Is that data publicly available as well?

Mr Tidswell: We publish it on our website.

Senator WATT: So 97 per cent of providers—

Mr Tidswell: It varies depending on the day, but there are 95 per cent or 96 per cent of successful claims going through.

Senator WATT: What about for participants? Is the success rate for participants using it published as well?

Mr Tidswell: Sorry, I am not sure.

Ms Rundle: I do not think so. We would need to check.

Mr Tidswell: We certainly get that information, look at it daily and put it on our website for providers.

Senator WATT: You do not have that data about participants with you?

Ms Rundle: No.

Senator WATT: Obviously, if you can take that on notice for us, that would be great. Does the NDIA have full access to the myplace provider portal? I know we dealt with this a little bit just then, didn't we?

Ms Rundle: Do you mean the NDIA staff?

Senator WATT: Yes.

Ms Rundle: Mr Sterrenberg might prefer to answer this, and I can fill in the spaces. The quick answer would have to be: I do know that we do not have the same access as participants and providers.

Mr Sterrenberg: For the providers, we use an authentication thing called PRODA. Obviously, for participants, we use the myGov authentication. So it is obviously authenticated to those people who have the right level of authentication. If you are an NDIA staff member, you look at the system through the staff assisted channel and not the online channels.

Senator WATT: What is the reason that NDIA staff cannot have full access to the portal?

Mr Sterrenberg: It is because they have the same functionality through their staff assisted channels.

Senator WATT: So you do not see that there are any impediments to NDIA staff in not having full access to the portal?

Mr Sterrenberg: No.

Senator WATT: What about from the NDIA's perspective?

Mr Tidswell: This is a challenge for service delivery organisations the world over. The mobile app world and the whole movement to digital has meant that you are quite often in a contact centre somewhere in the world trying to answer someone's inquiry but not seeing what they are seeing on their devices. Effectively, we have a sense of what is going on through the staff capability but we do not have the direct mirror image of what a provider or a participant is seeing. This is not uncommon, and it is not exactly where we would like to be. We would like to have a bit more opportunity to see that on a real-time basis to assist and help—

Senator WATT: How would that assist your staff if you did have that?

Mr Tidswell: Literally, the ability to figure out what was going on so we have been doing some thinking and talking about it.

Ms Rundle: If I could just add a bit more detail: the staff functionality, called the customer management relationship system—as Mr Sterrenberg has just said—mirrors what would happen for a participant and a provider. So it is possible for us, for example, to go in and look at everything that the participant would see but not in the same way. We should be able to access what they have spent on particular items, what the balance is, what funding is left and a range of other things, so that if you are on the phone to a participant or if you are on the phone to a provider you can help and you can start reconciling what you are both looking at to see what the issue is.

What Mr Tidswell said is correct: we do not have exactly the same functionality as a provider or as a participant, for reasons we have explained, but there are other ways that you can help. For example, recently with a provider who was having quite a lot of difficulty, we could get both an NDIA person on the end of a virtual screen with a provider in their home or in their business and a DHS person at the end of their screen, and we can easily help and navigate the issues. If you were a participant and you said to me, 'When I click on this I can see this,' I cannot see it in exactly the same way that you can, but if I look at my screen I can reconcile most of the same information; it is just different.

Senator WATT: Did you say that if I am a participant, I call in with an issue, I am looking through this portal at information about my package and you are an NDIA staff member on the end of the phone, you do not see the same information as me? Did you say that you then need to involve a DHS person as well?

Ms Rundle: No, I am sorry; I just used that as an example of what we could do in some circumstances if things were quite difficult. I probably did not explain it that well. What I am really trying to say is that you might, for example, click on a tile—we call them tiles—on your portal—that says 'my plan budget'. You will go in and have a look at your plan budget and you can see the elements of your budget—what you have spent and what is left. I can see the same information but I get a different view because I am looking at it through a staff planning portal. That is all.

Mr Sterrenberg: I can probably add some extra data. It is a modern attack vector from the hackers to piggyback on the security protocol between yourself and the person using the portal. We used to do that sort of stuff in the eighties and nineties when we would remote access in and take control of a person's security layer. We do not do that because that is what they refer to as a man-in-the-middle attack and we do not allow that in a cyber sense anymore. We secure the transaction to the desktop without allowing anybody to break into that transaction because, as I mentioned, it is a potential cyber vector.

Senator WATT: I am more than happy to admit that I am not a technology expert, but given this is a system that is being built from scratch, why is the system not built in such a way as to allow a participant and a staff member, who they are seeking assistance from, to see the same information. To a non-technology person, that seems like a pretty basic requirement of a system that is designed to help people.

Mr Sterrenberg: They can. They use a staff-assisted channel to look at the data.

Senator WATT: I still do not understand why it needs to be something different.

Mr Sterrenberg: There are a number of reasons: you cannot have two people logged on to do one session. They can view what the person is doing but from a staff-assisted screen.

Senator WATT: I know we are straying into other parts of DSS but this would be an issue in Centrelink, the ATO and a range of other departments where a client or a participant would be logging into a system, seeing all of their records—their tax details and Centrelink payments—and they are contacting a government officer for assistance. Are you saying that a different system is used in those agencies as well?

Mr Sterrenberg: Yes.

Mr Tidswell: Senator, one of the things that we have been looking at is the provision—and Mr Sterrenberg can give the description—of a sandpit for staff so that they can experience the portal, to experience what is going on, because, as I think Mr Sterrenberg has described, you cannot have two people at a time in one application, for security reasons and others. But what we want to make sure our staff have got is a really good understanding of that portal from where they might be. Now there will be some staff that will be super-users, that have particular skill tags to be able to rectify issues and concerns. And there is no doubt about it: there will be some issues that Mr Sterrenberg's people will sort and fix. Because those issues have become the sorts of things that are difficult—it might be something to do with the software that the provider uses, or the hardware that the provider or participant uses—to work through and navigate. We have all experienced that, with access to the various devices that we use—trying to get an understanding of what the issues or problems might be.

Senator WATT: Starting with participants, is it possible to say what proportion of participant queries end up needing the involvement of a DHS employees as well as an NDIA employee to resolve them?

Mr Tidswell: I think it would be a very small number—

Ms Rundle: Very few.

Mr Tidswell: Also with a provider, particularly, it is often where they have recently joined the scheme and they are trying to get their system set up and operational. The nature of the provider landscape is 7,800 providers registered nationally now in the scheme, and they vary from single, mum-and-dad outfits to quite large capabilities with finance teams and the like, and so it is really trying to make sure that you are providing the best support. But generally, my experience is—and I have spoken to a lot of providers—once they are alert and aware to the rules, or to how you enter the data, and get on with it, they are able to make the payments and get the money through to their accounts.

Senator WATT: By the sound of it, it is more of an issue for providers than for participants. Is that correct?

Mr Tidswell: By and large—because that is where the bulk of the claiming work and activity takes place. But we know we have got to do more work in helping and training and explaining and sorting issues through—hence, getting on top of the contact centre, so that when people have issues they can make contact with us.

Senator WATT: When these provider queries come up and they are not able to be resolved by NDIA staff, what are these providers told? Are they referred on to the DHS?

Mr Tidswell: There is a variety—they might go to some regional finance staff to get some advice—

Senator WATT: Regional finance staff of which agency?

Mr Tidswell: Of the NDIA. Those staff might help them work their way through. But certainly, we have got help desks, and there is a cohort of people that Mr Sterrenberg employs who are the guns, as it were, that can work through on some of the more complicated issues, just like in any kind of service-desk orientation where you have got an interface between a customer and your business. You need the ability to help them sort through the issue, but it is at the margins of the ones where it is tricky and complicated.

Senator WATT: You talked about the CRM. Does that stand for Customer Relationship Management system?

Mr Tidswell: That is right.

Senator WATT: Is that the internal portal that staff use to access provider or participant information?

Unidentified speaker: Yes.

Senator WATT: Is that now fully operational within the agency?

Mr Tidswell: Yes.

Senator WATT: So any staff member who needs access has got that, is that correct?

Ms Rundle: Yes.

Senator WATT: And when did that occur?

Ms Rundle: Once the new CRM was available after 1 July, it would have been available to all staff who needed it, whether they be planners or people who did provider registration or other functions. I think we have said before that, after 1 July, there were some issues, which have since been mostly resolved. But our staff who need access would always have access, generally.

Senator WATT: And would you say that adopting the CRM has driven greater consistency in the planning process?

Mr Tidswell: Senator, we are looking carefully at that as we speak, and we can talk to you a little bit about our suite of tools that we are literally putting in place as we speak. These will codify more of the steps for the process that we need to do to get greater standardisation, make sure we work within the normal bell curve distribution for results in terms of quality, experience and decisions in moving forward. So the CRN absolutely helps us to get a more uniform approach. On top of that, we make sure we are putting in new capability to provide assistance to our staff to make the correct decisions.

Mr Sterrenberg: The design of the system is a set of guided procedures that take the planners through a set of prescribed processes to get to the outcome.

Senator WATT: And how many calls has the call centre received specifically about issues with the provider portal?

Mr Tidswell: My memory of the biggest volume of calls is that it is all to do with access to the scheme. I just do not have the information in front of me in terms of the percentage of calls about portal access by the participants and providers, but we can get that on notice for you.

Senator WATT: Okay.

Mr Tidswell: But certainly access to the scheme was the dominant kind of call inquiry type.

Senator WATT: Access to the scheme as in, 'I want to get access to an NDIS package'?

Mr Tidswell: Yes: 'I've heard it's coming. What do I need to do? How does it work? What's going on?' For some providers, it is also the beginning of the plan activation process in getting that sorted and worked through and all that sort of stuff.

Senator WATT: Yes. I am not so much talking about the number of calls you receive saying, 'How do I access the NDIS'.

Mr Tidswell: No, I realise that.

Senator WATT: I am asking more about problems with the portal. Again, from the feedback that we received it would appear that problems with the portal seem to be the major source of complaints from a provider's perspective.

Mr Tidswell: You would expect that, and we started hearing a little about the complaint data. We absolutely would have got a lot of complaints in the first quarter of last year about portal access.

Senator WATT: First quarter of last financial year?

Mr Tidswell: The first quarter of this financial year. They have abated, and the total number is, as we described—as we put more participants in, we are not getting the same commensurate rise in complaints. Some of the issues and concerns are dated. People can get through and get things sorted. There is no doubt about it in my mind that we have got some issues as we put new providers into the scheme and put new participants in the scheme. How do we educate people how to use the provider? What is the training, the tools, the communication, the products we need to improve to make that a more seamless process. There is a body of work there that we need to do some work on. Some of the impacts you have predate a lot of the experience now, and then potentially it is newer entrants coming onto the scheme. Those who have been on it for a while are now used to it. It is kind of like how we all struggled a bit with our mobile banking, and now we do not even think two thoughts about it as we go in and do it. That is the kind of experience we are getting.

Senator WATT: It does sound like some improvements have been made, and that is terrific. When do you think providers and participants can expect that the Myplace portal will be fully functioning, reliable and without these sorts of teething problems?

Mr Tidswell: They are fully functional and they are reliable, and they are operating 24/7. What we have got to do is help people come up to the plate to use the capability, and we might have to put in other steps and other processes to make it easier for people to use it.

Senator WATT: Just dealing with the NDIA website, how many changes are required to that website every month?

Mr Tidswell: Senator, I do not know if we can—

Ms Rundle: We would have to ask even if we could answer that question, but we will take it on notice.

Senator WATT: Am I right that, again, it is DHS that manage the NDIA website?

Mr Tidswell: Yes. Not the content, but the hosting of it.

Senator WATT: Okay. What is the reason for outsourcing that to DHS?

Mr Sterrenberg: I can explain that. The new and modern systems are joining both the unauthentic and authenticated sites into one technology. It makes it easier for people who start in one place to move to the next, rather than having to go from one set of URLs to another to get to different access points. When we talk about the portal, it is one physical platform. You can go to that portal in an unauthenticated way, which is what is referred to as the website. You can also from that same place navigate to where you want to do an authenticated transaction with the NDIA.

Mr Tidswell: The operational policy reason is that the Commonwealth government has a shared service arrangement, and why would we go as a fledgling agency and build our own capability when we have got an agency within the portfolio with a capability to put it in place for us and to take advantage of their enormous capability to do it. So we are responsible for content.

Mr Pratt: To put that in context: I think the DHS ICT capability, if it is not the biggest ICT shop in the Southern Hemisphere, must be one of the biggest. Quite naturally, the government, as with previous governments, has been keen to make use of its capability to support this.

Senator WATT: So you think that this is the most cost-effective method for this website to be maintained?

Mr Pratt: The process that was followed in 2014-15 looked at a variety of options for how the ICT would be provided for the NDIS. That process considered private-sector options and within-government options, and the most cost-effective option was to utilise DHS's ICT. I go back to my previous comment about the capability and the size of it. It was a bit of a no-brainer.

Senator WATT: What feedback has the agency received from stakeholders about the usability of the website and how information is presented?

Mr Tidswell: I had the privilege to receive an award for the agency—a technology award for not-for-profit organisations—only a month or so ago in Melbourne. The feedback in that setting was that we got the gong for the accessibility of our website and its ability to provide information there and on other social media platforms. But we know there is more to do. You cannot stand still in this area; you have to constantly look at your communication products. It is a feature of how you connect now with citizens, participants and providers. We are working hard to improve our content so it is easy to understand. I go back to thinking through how we actually train participants and providers to use the portal. That is one of our key tools: to have interactive capability there to showcase how to use it and what you need to do.

Senator WATT: Thanks. Congratulations on the gong.

Mr Tidswell: Thank you.

Senator REYNOLDS: I second that as well. Congratulations. Thank you very much for the figures that you tabled at the last round of questioning. It could be I have a faulty calculator; I am not quite sure I understand how you worked out the formula on page 3. In the second series of questions under 'aged care', in table 7 there are statistics. I had a look at them and may have taken a simplistic approach to it. If you go through the last column you have 'in residential care at the start of the period', and I assume that 'admitted during the period' is added to that 6,267, and then the discharges are reduced off that figure. When you go through all of those four columns, it does not add up. If you do the last column in that way, it is actually 6,492, and all of the other figures are a bit extra, so there is obviously something else going on that is not quite reflected in here. Is there somebody here who is familiar with these figures who can explain?

Mr Bowen: The scheme actuary produced this in conjunction with the Department of Health, so I did not pull out my calculator. We usually rely on them to get their maths right but how about we get that—

Senator REYNOLDS: I am not saying it is wrong, but consistently—

Mr Bowen: No, it might be wrong. I do not have—

Senator REYNOLDS: I am not a mathematical giant, but it does not add up when you have a look at them.

Mr Pratt: There is a note there—note No. 5—which says—

Senator REYNOLDS: that they may have turned 65, but that is 'they may have' and is still over 200, an awful lot. Even when you have a look at that, it does not quite make sense. If we could get those figures clarified and put in there. Thank you, Secretary. It was just to make sure.

Senator WATT: The only other questions that might involve Mr Sterrenberg concern our good friend Nadia.

Senator SIEWERT: I forgot about her!

Senator WATT: I had forgotten about her too. Nadia, of course, is the agency's new virtual assistant for answering participant and provider calls 24/7. I assume Nadia is a bit like an NDIS version of Siri or something.

Mr Sterrenberg: Yes.

Senator WATT: Nadia, of course, has the pleasure of really having the voice of Cate Blanchett. That is right?

Mr Sterrenberg: Correct.

Senator WATT: That is quite a coup. If participants or providers call the NDIA, they actually end up speaking to Cate Blanchett, also known as Nadia.

Mr Sterrenberg: Yes. I suppose the contextual part of this is that the technology that underpins Nadia is emerging technology. We see that there is going to be a lot of promise. There is early indication that this type of technology has got a significant contribution to make, but it should be caveated that it is very early in what it is. I think a lot of people think of this technology as cognitive, and yet it has four or five things that are really important for us and particularly for the disability sector. One of the five is a natural language interface, so you can imagine the improved accessibility in using technology when you can speak to the technology like Siri rather than type, particularly if you have a disability that does not allow you to use your arms in that way.

The second one is around machine learning, where the system is able to learn from the multiple interactions and provide better advice. The other thing it does which is quite unique is that it has multilanguage capability. It is able to speak in 32 different languages. One of them happens to be 'Australian', if you would. But it helps us in terms of those people who not only have a vulnerability but also may have a different first language, so it is easier. So the technology itself is not just the visual of the virtual avatar; it has significant capabilities to improve accessibility for those who are more vulnerable than us. The promise is huge in terms of access, choice and control in how you would want to interact with a government agency.

But it is really early days, and we really think there needs to be a lot more testing with this technology before it can be unleashed on the public. As a department, our advice has always been to test it on our own to make sure this technology supports our own staff first. At some later stage it will be ready to be used externally.

Senator WATT: How did you settle on Cate Blanchett as the voice?

Mr Sterrenberg: To be honest with you, it was more of an offer. No, it is not paid for; it is volunteering. Interestingly, she has perfect pitch. One of our cohorts who would use this type of technology would maybe have a vulnerability of blindness. Hearing the pitch, I think few people realise just how badly they speak. Having somebody who can have perfect pitch makes it easier for you to hear. That again will be a significant advantage for those who use the system.

Senator WATT: I am often complimented on my nasally tone, so I am a little bit offended that I was not asked! I will hand over to Cate Blanchett—that is understandable! In her own words she has 'disability very close to me and my family', so this is something she has taken on as a volunteer?

Mr Sterrenberg: Yes.

Senator WATT: Good on her. Can you give us more details about where this initiative is at: how far it has been implemented and whether it is relieving pressure on the call centre?

Mr Sterrenberg: The initial piece is to do with information—knowledge about how the NDIS works and how you become a member of it. There has been a lot of co-design. But the technology is not yet at the level at which it can be used. There is still a lot more testing. I will hand over to my NDIS colleagues about time lines. We are in discussion with the NDIA around requirements and how. One of the ideas is to use it in a service centre—almost like a kiosk type thing—where it can be more controlled in a test environment. But that is truly up to our discussions with NDIS over the next year.

Mr Tidswell: The NDIA board has asked for some detailed briefings on how Nadia works and where it fits into our schedule of work and activity, and also other interfaces in terms of our digital response for providers and participants. So we are providing all the background material. It has only been in place this calendar year. So we are having that kind of deep-dive conversation about working it through. But with Nadia it is very much a live play in terms of how you then put that in place to deal with the demand of call volume and inquiry load, and

explaining it in the way that people can understand. Getting back to some of the earlier evidence about our inquiry load and information, we would be hopeful that it would considerably assist us. What you have to do is think it through. Our plan is to develop a channel strategy to say where this capability fits with all the other things that we are doing—our website, our portal improvements, our website improvements, social media platforms and the like. So it has to be seen as part of that total picture, rather than just a thing sitting to the side.

Senator WATT: When was the projected rollout date for Nadia? I understand it has stalled a bit. When was it initially proposed to be rolled out?

Mr Sterrenberg: I am not sure it has stalled per se. We did a lot of work in the early phases in co-design to understand the basic pairs. There are 3,500 questions related to that and we did a lot of work using participants themselves, because this is about a technology that is driven by those living with disability, rather than the department in any way. It took a long time to put those base pairs together. Since then we have been working on the technology. It is not just one technology. There are about 12 technologies linked together in this. As soon as that is ready we will be ready to take it to the next level.

Senator WATT: Is there a new go-live date?

Mr Tidswell: No.

Senator WATT: There has not been?

Mr Tidswell: There was never an original go-live date. There was a 'get started' introducer as a trainee. That was about setting up the technology so that she could also be learning. The position of the agency always was that that would continue to be assessed before we went live.

Senator WATT: So you are not actually working to a go-live date even as we sit here now?

Mr Bowen: No.

Senator WATT: At the last estimates Mr Pratt said that we could expect Nadia to be appearing at Senate estimates in the near future. I understand Nadia was developed using the IBM Watson cognitive intelligence platform. I understand that one of the reasons there have been some delays with this is tied up with the use of this platform. Has that been an issue?

Mr Sterrenberg: One of the early learning about the technology was that they use a concept of voice streaming. You can imagine a human-like interaction whereby if I start speaking to you the first version of Nadia had to wait until I stopped talking. It would then take that data and change it from voice to text and then send it to the Watson platform. So there was a latency there are about 30 seconds. You can imagine what a poor performance that would be. At the time IBM was working on a streaming technology that allowed it to send the voice as you were talking. As we moved on there is a number of platforms the department is having a look at. IBM is just one of them. There are several. As the technology matures we will be making the appropriate decisions about it. The cognitive platform is one of 12. There are many options available in the market today.

Senator WATT: So it was not as if this IBM platform was selected. It was one of a range that were being trialled?

Mr Sterrenberg: We trialled others. I do not want to go into the details of the vendors we trialled. The idea was that we would come up with a solution where there was not latency. That goes to the point raised by my colleagues: we wanted to make sure that the experience was at a level at which there was not any disadvantage for somebody trying to interact with this technology, otherwise it is likely it would fail.

Senator WATT: Did you raise any concerns with IBM about this platform and the difficulties you were having?

Mr Sterrenberg: We are in ongoing debates with a number of visitors to make sure—and this is the phase where are in at the moment—that the intended experience is 'human-like'. So we do not have the latency between the questions being asked and the answers coming back.

CHAIR: Thank you Mr Sterrenberg. We will see you next time.

Senator REYNOLDS: I would like to come back to young Australians in aged care. The next area I would like to have a look at relates to some of the responses that came back to questions on notice during the last round, particularly in relation to access barriers, which are stopping young people in aged care getting into the NDIS. In the questions to which you came back, the NDIS has advised the committee that around 70 young people in aged care still are not part of the NDIS in the three rolled-out sites of Barwon, Hunter and the ACT. Are you able to provide an update on how many of these young people are now in the NDIS?

Ms Gunn: Not directly. I can take that on notice. My apologies.

Senator REYNOLDS: As a word of clarification, it was very helpful to get some of those figures tabled, but in relation to some of the specifics I will just ask for updates.

Ms Gunn: I understand.

Senator REYNOLDS: There are obviously a small number of people in aged care who are not eligible for the NDIS. What is going to happen to them? And for those who are not yet in aged care but do not get into the NDIS have you given any thought to what might happen? I know is not directly your responsibility for the NDIS. But there is a concern that if they do not get into the NDIS then the default position will be to put them in aged care, because there is nowhere else for them to go. It is a slightly circular argument but I think it is a real issue.

Mr Bowen: I think that getting the data and having the discussion about what is the profile of people who miss out will help answer that question. From my recollection—I have had a long involvement in this area—it is usually, as Ms Gunn said earlier, people in palliative care. They not coming out, essentially. The other group are people who have either a chronic condition or significant comorbidity, so they need a high level of nursing care that would not be available in the community.

Senator REYNOLDS: Further to that, the issue is what happens to those people. For example, if they have got complex needs and they do not meet the threshold for entering the NDIS under disability, but they have got other issues—they might be rehabilitation issues, health issues or mental health issues. What happens to them? At the moment, they just will stay indefinitely in age care, inappropriately.

Mr Bowen: I would be very surprised if there were very many people with mental health issues in that circumstance.

Senator REYNOLDS: Who do not get picked up eventually.

Mr Bowen: It is usually either very, very significant physical disability with comorbidities and high medical needs or it is a brain injury. The issue of the discharging the people into residential age care predates the NDIS. It has been a major problem for decades. It is really not an issue that the NDIS or even the Commonwealth alone can solve. It needs cooperation between all states and territories. Attempts have been put in place previously at state level. I was involved in one in New South Wales. Victoria had it for slow-stream rehabilitation, which provides a longer period of support in a facility-based setting as a transition to be able to live back in the community. That is what the NDIS does by proxy for people who come into this scheme. It is about supporting people better at home in the community. This ends up in the Commonwealth's bailiwick, but it is really as a result of failure in subacute and rehab services.

Senator REYNOLDS: I think a number of families have described it as purgatory, because again—as you say—they do not get picked up by the NDIS and the state or territory governments rightly or wrongly are just saying, 'Well, that's a Commonwealth issue. Now you can go over to the NDIS. We don't have the rehabilitation or other support for you.' Given, as you said, it might not technically be the NDIS or the department's problem, now that you are keeping statistics of these people, surely—we are not talking about hundreds of people here. We are talking about maybe 100 or 200 of some of our most disadvantaged Australians. Can I ask you to take that on notice then to see, now that this is a COAG item, whether we can look at that? Again, after my colleagues have got the details of how many they have got in their own electorates, this is something that our colleagues might be able to also help them with by intervening with a state government to actually, on a case-by-case basis, advocate for them. Who might take that on notice?

Mr Bowen: We can up put some thoughts down into a reply—

Senator REYNOLDS: I know in the big scheme of things it is probably only a couple of hundred people, but they still deserve to be—

Mr Bowen: I do think we are looking at a matter that is essentially the responsibility of health systems.

Senator REYNOLDS: In your statistics, have you had a look at the number of young people in aged care who are covered through other schemes, for example: veterans' affairs or people who have been the subject of a motor vehicle accident payout under the various state insurance schemes?

Mr Bowen: I am not sure about in relation to veterans' affairs.

Senator REYNOLDS: I am happy for you to take that on notice, actually, because it is quite a detail question. But I think, in terms of your statistics, that is actually a point—

Mr Bowen: I can answer the second part of that question: we are in the process of finalising data sharing agreements with state statutory compensation schemes to allow us to do a data exchange so that we know who is looking after who and we can avoid duplication of services.

Senator REYNOLDS: That would be great. That is just something else we could track longitudinally, because there are implications if there are other schemes that might be able to be brought in in terms of assisting some of them. I am happy for you to take that on notice.

Mr Bowen: Yes.

Senator REYNOLDS: Since mid last year, the department and NDIA have been advising the committee that aged care fees will be paid by the NDIA, but there were still some administrative arrangements to work out. Some of them you have already covered earlier on. But I have seen examples, and I have had advocates provide examples, where some young people are paying more than \$20,000 in means-tested fees while this process goes on. Given that many young people in aged care are still looking at two, three, four years or more to get on the NDIS and then get out to accommodation, it has very serious financial consequences, including divorcing partners and doing all sorts of things to afford or avoid it.

Mr Bowen: We have been working with DSS and the Department of Health to, in effect, set agreed pricing for supports provided through the residential aged-care facility. Then, when the person is in the scheme, there will be additional supports on top of that. I think that is close to finalisation.

Ms Gunn: It is close. It is very complicated. Since the last Senate estimates, there have been a number of detailed conversations very much focused on landing that between the Department of Health, DSS and ourselves. That would enable us to be very clear. It is almost there.

Senator REYNOLDS: Thank you. Again, we are not talking about tens of thousands of people. But, if you are a 30-year-old in an aged-care facility, the guidelines and requirements are set up for somebody who is in their 80s or 90s and at a very different stage of their life financially, and generally as well. If you could come back with that information, that would be good. That is something else we will track as we go on as well.

Ms Gunn: We will provide a very detailed explanation of how it is broken up and who retains responsibility for what in that.

Senator REYNOLDS: Also, specifically, for those quite a few thousand who will still be in aged care for a number of years and will not be on an NDIS package with a plan, what can we do to alleviate that circumstance in the interim one, two, three, four or five years? It is complex but it is important.

Ms Gunn: We can certainly talk to the Department of Health about their thinking on that.

Senator REYNOLDS: You reported to us that only six of the 374 young people in aged care had an NDIS housing payment. You did that on notice. If only six out of the 374 have a housing options package, how can the others without it get out of the aged-care facility—if they do not have that package provided?

Ms Gunn: I am not quite sure why that figure was so low last time, but certainly with the dedicated teams now focused on the ones that have come into the scheme since we spoke with you last, that is absolutely a core consideration in our conversations with them. At the moment, we cannot pull that out specifically in the data, but we are working on that. Hopefully, by the next estimates we will be able to tell you explicitly how many of those people with an approved plan have a housing options package in it. We would expect it to be a significant proportion.

Senator REYNOLDS: As you know, for those who have the package and are now getting some support in an aged-care facility that is a huge leap forward, but it is not a gateway out of aged care without that package.

Ms Gunn: No. That is absolutely right. The housing package is absolutely designed to provide them with assistance to identify, explore and connect with potential other options. It depends very much on their level of need. That will determine the availability of the appropriate types of support.

Senator REYNOLDS: I have a number of questions but I will ask one last question and put the rest on notice, given the chair is very keen to move on—quite rightly. In terms of, as you described it, the churn, we are still getting, in effect, just as many people entering aged care as going out of aged care. The numbers are not really changing, which is in one sense a little disheartening. You said you are looking at how we can stop the ACAT teams putting in younger people who should not be there and at taking the pressure off the states to say, 'It's all the Commonwealth.' If that is possible, that would be the most desirable option. But, if it is not, is there a way of triaging it over the next five years or so till that happens, so that people who enter an aged-care facility immediately get assessed by the NDIA and are not waiting another two or three years? Is that one of the options you are looking at?

Ms Hand: Obviously, it would depend on what the phasing schedule is. If it is not a transition site yet, then it is more difficult, but in the transition sites, absolutely.

Senator REYNOLDS: Even if it is not an NDIA issue straight up, it is the ACAP teams', in terms of their procedures and what they actually do. Obviously, they are still getting 500 every quarter coming in and getting an ACAP assessment to go into aged care and to triage it. If we cannot stop them doing that or make it harder for them to do it, can we not get them to divert these people, if they are in aged care, straight away to the NDIA?

Ms Hand: If it is in a transition site, I would think so. Mr Bowen?

Mr Bowen: We reported on this at the last estimates, and we will put it on notice and get an update on the project we have with the Summer Foundation, which is around that. I also mentioned last time, and it is starting to crystallise, a proposed project around discharge planning that we are doing with the young people in residential aged-care alliance. The issue is not so much the ACAP assessment, the issue is that nearly all of the young people entering aged care are coming out of discharge from hospitals and rehab settings. I, in fact, met with the Association of Rehabilitation Physicians late last year to talk about having a more active involvement of the NDIS, particularly as we roll the trial sites out. In the discharge planning, there is no point bringing us in a minute before midnight when the person is about to be discharged. Often there are months of lead-in to that discharge date, and getting the agency involved earlier in that process, would allow us to start exploring housing options at that much earlier point in time.

Senator REYNOLDS: Right at the beginning.

Mr Bowen: But that is a work we are going to do with the young people in residential aged care.

Senator REYNOLDS: That is very encouraging. If I could get some more information on that, because these people are desperate, the states have kicked them out of rehab hospitals, families are absolutely desperate, cannot find anywhere for them to go. The thing is that once the Commonwealth has said, 'Yes, we will sign you up, you can go into an aged-care facility,' the state then loses all interest, quite frankly, in giving them the rehab and the support they need. So that is why I am thinking if you could look further, Mr Pratt, at what can be done to make it less easy for the states to shirk their responsibilities in rehabilitation in particular.

Mr Pratt: Yes; we will continue to work with Health on that and see what, between us, we might be able to do.

Senator REYNOLDS: Thank you.

Senator KAKOSCHKE-MOORE: There are a few issues I would like to go through, but the first is in relation to when a condition or disability is accepted as a condition or disability by the NDIA. It has come up because my office has been assisting a family whose daughter has Dravet Syndrome, and Dravet Syndrome, as I understand it, is yet to be recognised as a condition in itself by the NDIA. The family's NDIA planner informed them that Dravet Syndrome was not an option to put down as their daughter's primary disability, and instead her disability had to be listed as autism severity 3 and severe intellectual disability. Now, as a result of Dravet Syndrome not being listed as a referenced disability, there is no standardised framework to indicate to a planner what issues they should be looking into and what supports might typically be expected or needed to help a person with that condition. As a result, the parents have to detail every small issue and then a cause and justification must be documented. I understand that having a condition listed by the NDIA would result in more people getting more appropriate assistance more quickly. So my first question is: can you tell me how a condition comes to be listed as a condition—or a disability, if I am not getting the language right—by the NDIA?

Mr Bowen: I will deal with that, and I might go on and make some comments, because I do not think that has been handled appropriately by the agency, from the sound of it. The basis of the scheme is entry for a person with a permanent disability, but it is based on impairment.

We list conditions in our operating guidelines where the diagnosis of the condition is manifestly evidence of the level of impairment for the person to get into the scheme. It is this long list of conditions. If you have that, you are manifestly eligible for the scheme on the disability ground. We then list another range of diagnostic conditions where there may be some additional evidence required. It is fairly comprehensive, but it does not necessarily include every disability type. But not being on the list does not bar anyone from entry if the condition generates a level of impairment and so the access should be determined.

Where I think the error has occurred is that, in conducting a plan, our planners start with a reference package approach which is based upon certain disability types and we then collect information around that. Those reference packages cover 11 primary conditions, but they certainly do not cover all conditions. The agency absolutely accepts that there will be people with rare conditions where using a reference package is not an applicable way to do the plan; there has to, in fact, be an individual discussion to understand the condition—these will be ones that very few people are expert in, including the agency—and then put the supports in place. We might get that information from you and we will help fix that particular one up.

Senator KAKOSCHKE-MOORE: I would be very pleased, thank you.

Mr Bowen: That would be the intended way to operate in this case.

Senator KAKOSCHKE-MOORE: Is that list of 11 conditions you mentioned just then reviewed periodically? How does the review take place?

Mr Bowen: They are trying to capture a number of different things together and they are really around trying to get a standardised assessment tool that measures functional impairment in a way that both matches the access and gives a general indication of support need. The correlation to the need is variable. At the really close level, if a person has a spinal cord injury, all we really need to know is where on the spine the lesion is and how complete it is and the person's age. It is very good indication of functional impairment and support need. We have good measures for cerebral palsy, brain injury, MS, motor neurone disease and the like.

Senator KAKOSCHKE-MOORE: Those are some of the 11 conditions?

Mr Bowen: Yes. But when we get into an area like autism or intellectual disability, we are dealing with quite a range of potential impairments based simply on a diagnosis. You have to apply a lot more judgement in determining the actual support needs.

Senator KAKOSCHKE-MOORE: To go back to my original question just then, will that list of 11 be updated?

Mr Bowen: The intent is, as the scheme builds up, for the rarer conditions we will be able to in effect generate reference packages, but these will be conditions—and I imagine this is one—where there will be clinical guidelines but not anything anywhere in the world that we could pick up and apply and say, 'This is the level of community support you need for that condition,' because they are so rare.

Senator KAKOSCHKE-MOORE: What experts add conditions to the list? Who do you get advice from about that?

Mr Bowen: The way the agency has constructed each of the current reference packages is to use groups of academic experts, service providers and consumers—that is, people with conditions and their family representatives. But, again, as you go to the rarer conditions, you are drawing from a smaller and smaller pool.

Senator KAKOSCHKE-MOORE: If a family were interested in being part of one of these groups, how would they become involved?

Mr Bowen: It would be by making contact through us. Generally, when we get something like this which we would say we know nothing at all about, our first port of call will be to have a discussion with usually the paediatrician who has done the diagnosis to get a better understanding through that particular paediatrician.

Senator KAKOSCHKE-MOORE: Could a family approach you, then, or would it be the NDIA approaching the family?

Mr Bowen: They could approach us but I would hope that when someone self-identified with one of these conditions it should absolutely be recorded as their primary disability. That is absolutely the case. We would then say we need to know more about this.

Ms Gunn: I have had someone google this for me—it does belong to the epilepsy spectrum of conditions. I have to apologise to that family for the error that our team has made there. Certainly we work very closely with the Epilepsy Association and have over a number of years had various issues brought to us by them. I would encourage the family to connect to them, and certainly I am very happy to ring the chief executive officer of the association and talk to him about that as well.

Senator KAKOSCHKE-MOORE: Can you tell me why a condition might not be listed.

Mr Bowen: Where there is no clear correlation between a diagnosis and level of function impairment. It is a short cut where the diagnosis itself says if you have got this, you are in. Now you have brought this to our attention it may well be one that we can say yes, having had a look at that it is clear any child who has been diagnosed with this condition will definitely be in the scheme and we will add it to the list—it is as simple as that. We tried to be comprehensive when we put it together a few years ago, and we do try to update it. We talk to people like the rare chromosomal disorder alliance and the neurological conditions alliance to check back regularly.

Ms Gunn: Perhaps a recent example is that I met with representatives of the skin blistering syndrome—they have 1,000 people in the whole of Australia, and it is very much a severity scale, with the number of people with the severe severity being about 150. They are on list A, with the manifest condition, if we can call it that, but the conversation we had was that it would be very useful for our planners to work with them to define the level of

severity by age and the types of supports that would be typically valuable and needed by a person—different age, different severity. That has kicked off over the last couple of weeks so that will enable us to build up advice to our staff and make sure that wherever another child might pop up in that 150 or 200 people in Australia we would then have some reference material to go back to and be very sound in understanding their support needs.

Senator KAKOSCHKE-MOORE: Another issue that this family has experienced is falling in between the cracks of health and disability, and so they will speak to the health people and they will say no, you need to talk to disability people about that, and vice versa. As an agency do you have a memorandum of understanding between the department of health, at a federal level or at a state level, and the departments that deal with disability and disability services to make sure people do not fall through these cracks?

Mr Bowen: We have at a national level under the bilateral agreement what are called interface principles, which set out broad responsibilities, for example between NDIS and a health department. We try to operationalise that at the regional level by entering into MOUs with the local area's health services or equivalent. We do bump up against the fact that even within a single state what is provided by a health system may vary by area health service. We have had an experience within Geelong where what is provided by the area health service that covers Colac, 80 kilometres down the road, is different from what is provided inside Geelong and therefore gaps appear because of this lack of consistent coverage.

Senator KAKOSCHKE-MOORE: Could you, on notice, provide me with a list of the local areas within South Australia that you do have an MOU with or who have signed up to these interface principles and which areas you are still seeking to build those relationships with.

Mr Bowen: We would certainly in South Australia have agreements with the children's hospitals and paediatric units.

Senator KAKOSCHKE-MOORE: Finally, on a completely different area, I put some of these questions to, I think, DSS the other day, and they said it was probably better to ask the NDIA. It is about some statistics that have been floating around that approximately 80 per cent of South Australians who apply for psychosocial services through the NDIS will be successful, and that that 80 per cent figure was based on findings from the eastern states and is in line with the NDIA's quarterly reporting. Can you tell me what that statistic was based on? Are they trial areas and assessments of clients within those trial areas?

Mr Bowen: I have not heard that figure, but that would be my expectation. Generally, on psychosocial impairment, we are tracking the geographic sites where we have had a full intake in line with the original Productivity Commission's estimates that around 40 per cent of the participants in the scheme would have a psychosocial disability as their primary disability. We are still holding to the view that about 68,000 people nationally will enter with that condition. Many, many more who come in will have it as a secondary condition. Certainly the experience has been that people present and the access determination is then made, but it is what happened in the trial. It does not mean that only 80 per cent of people who present will get through. We use the trial information to provide better information out to people in that sector as to who is more likely than not to get in so that we are not putting people through unnecessary applications if they are not going to qualify.

Senator KAKOSCHKE-MOORE: Are you doing any work on a state-by-state basis to determine the exact eligibility that you would expect for people who are seeking to access psychosocial services through the NDIS?

Mr Bowen: The original Productivity Commission's estimates gave very broad indications as to the number of people expected to enter the scheme in each state by different disability types, so we still try to map back to those. They were estimates. They were based on ABS survey data, so they are not going to be completely accurate, but they are tracking pretty well at the moment. We are tracking pretty well towards them.

Senator KAKOSCHKE-MOORE: I have some more questions around this, but I will pop them on notice.

Senator SIEWERT: I have a limited amount of time, so I am going to bang through a number of issues. I wanted to follow up your answer to my question on hearing loss. You may remember that last time we had a quick discussion about whether you had determined a threshold for hearing. In answer to my question, you said:

... eligible clients are assessed to determine if they require a hearing aid for either ear or both ears.

I was asking about unilateral hearing loss. You also said:

A program client who has a unilateral hearing loss that meets the Minimum Hearing Loss Threshold (greater than 23dB) and could benefit from a hearing aid will be offered a hearing aid.

It sounds like you have set a threshold for hearing loss.

Mr Bowen: Ms Rundle might want to add to that. The 23 decibels—I will take that as correct; that sounds right to me—is the current access for Australian Hearing services support for children and young people.

Senator SIEWERT: Is that now set?

Mr Bowen: We have a proxy eligibility criterion which mirrors that.

Senator SIEWERT: Sorry, that is your proxy one until you determine another one? Is that how I understand that—

Mr Bowen: That will only apply to those people approaching the scheme who would have qualified for Australian Hearing support—so children and younger people. For older people, it is a higher decibel range.

Senator SIEWERT: What is the adult—

Ms Rundle: I was looking for the question on notice—

Senator SIEWERT: Sorry, didn't I read it out? It is SQ17-000016.

Ms Rundle: I think we should confirm that on notice.

Senator SIEWERT: You have already said 23 decibels is the proxy threshold. Is it going to be the final one for children? You can take that on notice. For an adult, what is the proxy level, and when will you have the full one?

Ms Rundle: We will.

Senator SIEWERT: I am presuming you cannot tell me yet when you are going to resolve the final version of the threshold. Is that correct?

Mr Bowen: Yes, but let me assure you, in the meantime, that children and young people who are eligible for Australian Hearing have been found to be eligible to join the scheme.

Senator SIEWERT: Thank you. I am prioritising my questions, because I will run out of time. We have had some evidence that the national office has overridden some local office decisions. I can put on notice a specific example, but how often does the national office override local office decisions?

Mr Tidswell: I think we would need a little bit more of the specifics in relation to that—is it a planning decision; is it a review decision?

Senator SIEWERT: Let us say it is a provision of a particular support.

Mr Tidswell: I do not think we would have the accurate figures with us to arrive at that kind of view. Effectively, what we try and do is provide guidance and advice to our staff around the parameters by which they make planning decisions. That is not just by approving the plan but also the review component. Therefore we have technical advisors who provide advice. If we go back to the case we were just talking about—the more complex end—in that situation, you would want it thrown to a person who is trained to deal with complex matters, but I do not think we have a dataset in front of us to tell us how many.

Mr Bowen: The technical advisory team, which is a part of the operations area, is a virtual team that draws on our agency experts right across Australia. It is not a centralised team in the national office; it is frontline planners with particular expertise, and they deal with any new or novel requests for support. Very occasionally, if it is completely unusual, it might find its way right up to the national office, but generally not.

Senator SIEWERT: I have limited time, and I still have to hand over to Senator Urquhart. You don't keep records of the number of times you override a local office?

Mr Bowen: It is not so much an override; it would be as a request for a support in the plan. The local office might be unsure whether it is in or out and, quite appropriately, they would seek advice from our technical advisory team.

Senator SIEWERT: Let me be fairly specific—I understand what you have just said and take that point on board—how many times do you override a decision where a local office has said yes and the virtual team or the national office overrides that.

Mr Bowen: The only other circumstance in which that would occur would be: if our internal assurance checks came to the view that that original decision was incorrect, then we would correct it.

Senator SIEWERT: How many times has that happened?

Mr Bowen: We will found that out.

Senator SIEWERT: Could you find that out for me.

Mr Bowen: Yes, but that is a natural and appropriate part of quality assurance testing.

Senator SIEWERT: That may be your version of it. A participant's version is: you have disallowed something that was originally approved, and it is a point of contention.

Mr Bowen: The issue is that, in running a national organisation, it is critically important that we have consistency of decision and application of the legislation, and that is what the assurance checks do. If necessary, they will correct it. Just because the first decision was made does not mean every decision is right. That is why we have assurance systems.

Senator SIEWERT: I accept that, but the issue of concern is where somebody has been given a support and then the national office or the virtual team overrides that.

Mr Bowen: Yes. That becomes an issue around communicating that decision to the participant, but that is a normal part of an assurance program.

Senator SIEWERT: In the particular instance, which I will ask on notice, it was deemed not necessary for an ordinary life.

Mr Bowen: We will need to see the example.

Senator SIEWERT: We will send it to you. In terms of chronic illness, I have a series of questions around comorbidity, in particular, the relationship between mental illness and chronic illness. I will send more detailed questions on notice, but is it possible to give us a short explanation—I know this might be difficult—about how you deal with the issues around chronic illness and mental illness? This is coming up, for example, with people with chronic fatigue or illnesses such as Lyme disease, where they have some significant functionality issues associated with that. How do you work that through?

Mr Bowen: We would separate the two issues. One is: does the person have a functional impairment as a result of the disability at a level to get into the scheme? If so, their access is determined. Then, in determining the roost of all necessary supports, one of the criteria that the agency must have regard to is whether those supports are best provided by another service system. In the case of many chronic health conditions, those supports will be better provided by a health system.

Senator SIEWERT: Do you assist the participant to then negotiate with the health system?

Mr Bowen: We would try to set up those linkages, yes.

Senator SIEWERT: Okay. The position that has been put to me is that the chronic illness is then preventing people taking up some of the supports that they actually could access through their plan.

Mr Bowen: That then becomes an issue around the early discussions about ensuring that state and territory mainstream services honour their obligations to provide that support, because we cannot step and fill that gap.

Senator SIEWERT: I understand the point. I have two questions that come out of it, and then I will put the rest of these chronic illness ones on notice. There are two issues that come out of that. Is the comorbidity of the issue considered as part of the disability?

Mr Bowen: We have many examples of people who have comorbidities. Both conditions would qualify for the scheme, so we do not need to unwind those.

Senator SIEWERT: Yes.

Mr Bowen: But there will be some where the person has a health condition independent of their disability, and they will need assistance to manage their health condition. Diabetes is probably a pretty good example. For example, someone with a brain injury or a significant intellectual disability may not be able to manage their diabetes because of that, so we would provide assistance to them in managing their diabetes, but we will not provide the diabetic treatment regime. That is the health system.

Senator SIEWERT: Yes, okay. In the instance that I am talking about, with mental illness and a chronic illness, if the mental illness prevented them from being able to address their chronic illness, that would get support? Is that a correct understanding?

Ms Gunn: A concrete example might be where we might be able to provide that person with support or equipment to remember to do things, to keep their appointments and to keep them engaged in things that will keep them well. Yes, we can provide that type of support.

Senator SIEWERT: Thank you. The last one here is: do you have any information or stats on where somebody's health issue, through the failure of mainstream services, is preventing them or has prevented them being able to use their package fully? Have you done a look at that so that we can get an understanding of how effective the mainstream services are in meeting people's needs?

Mr Bowen: I do not believe we have direct data on that. It is one of those matters that we have been talking about internally. Under the integrated reporting framework, the scheme actuaries have a responsibility to report on whether or not people are able to access mainstream services and the impact, but we are really just starting to

formulate what sort of information we may be able to collect and how we might be able to use it. So it is very early days on that, but it is a real issue.

Senator SIEWERT: If you do get some answers to that before the next estimates, could you provide them on notice?

Mr Bowen: Yes, we will do that.

Senator SIEWERT: Thank you. I will, as I said, put more questions on notice. I want to go to some housing issues around the SDA. I am not going to cover the same ground that Senator Reynolds has been covering, other than that I want to follow up on young people in nursing homes. Section 16 of the guidelines on reviewing plans says:

A request for a review is unlikely to be accepted unless there is evidence of a change in the circumstances of the individual that would in turn indicate that reasonable and necessary support may need to change.

That takes us to the issue around talking with someone about their housing needs, asking people whether they are happy with where they live or whether they would like to explore other options and ensuring those questions are asked right up-front so that they do not have to go through the process of review—because, in theory, their circumstances will not have changed. Is that now happening? Are people asked about their housing options?

Mr Bowen: If they have a level of support where we believe they may qualify for specialist disability accommodation and they are not currently in any of that type of accommodation, generally the process includes the housing options package to provide assistance to the person to investigate appropriate housing for them.

Senator SIEWERT: So the HOP is automatically offered up-front?

Ms Rundle: When they explore whether the person wants to live in a different accommodation, that is exactly when they would be offered the housing options package.

Senator SIEWERT: But they do that in that first interview?

Ms Rundle: They should do.

Senator SIEWERT: They should do—is that clearly articulated?

Ms Rundle: Yes, it is, in our guidelines.

Senator SIEWERT: It is in the guidelines, but there are a lot of things in the guidelines and a lot of things people have to do.

Mr Bowen: For this group of people, who would definitely fit into what the agency calls the intense and super-intense category of participants, the agency does the planning, not the LACs. So it would certainly be our expectation that that would be picked up by the agency planners.

Senator SIEWERT: I have issues to pursue through questions on notice. I want to follow up, though, on one issue. We had a discussion last time around the payment delay of SDA, and I think there is \$26 million at least committed.

Ms Rundle: That was in the question on notice that we answered for you.

Senator SIEWERT: Yes.

Ms Rundle: That was about committed SDA and supports, I think.

Senator SIEWERT: Yes, and you also articulated that that has not been paid yet.

Ms Rundle: I am pretty safe in saying—but, if I am wrong, I will certainly come back and tell you—that those payments will have been made.

Senator SIEWERT: They have been made now?

Ms Rundle: Can I please take it on notice? We will need to check. It is committed—so we have committed the funding; it is a question of whether or not providers have actually applied to be paid. At the end of March, there was \$30.3 million committed.

Senator SIEWERT: It has gone up, okay. Please indicate on notice whether they have applied and then been paid, because that is a large amount of money that is outstanding.

Mr Bowen: It may or may not be outstanding. It has gone into someone's package as a committed support. To be able to claim, the provider of the house has to be registered as a provider and meet the accreditation requirements of whatever state, and the house they are living in has to be enrolled with the agency.

Senator SIEWERT: My understanding is that some of this has been provided.

Mr Bowen: In that case, the claims could be made.

Senator SIEWERT: If you could take that on notice, that would be great. Going to in-kind issues, you would be aware that my office has been doing quite a lot of work on this issue, but I have a couple of very specific questions. Do you have the number of in-kind properties registered to date?

Mr Bowen: I will take that, generally, on notice but I know we have it for those jurisdictions for at least their year 1 entry areas.

Senator SIEWERT: So you have that?

Mr Bowen: We have that for year 1. I do not know whether we have it beyond that or for other jurisdictions.

Senator SIEWERT: Is it possible to get that in the relatively near future? As you know, this issue is a hot topic of discussion at the moment. So is it possible to get that relatively quickly?

Mr Bowen: Yes.

Senator SIEWERT: That would be great. Thank you.

Ms Rundle: I have just been told by our advisers that \$100,000 has been paid to date for SDA.

Senator SIEWERT: Thank you for that. That is appreciated—letting me know that. If you could take on notice the issues that we have just been discussing about how many have actually put in their bills and gone through the process. That would help our understanding of where things are up to.

Ms Rundle: I should also reconcile for the record that, before, I talked about \$30.3 million having been committed. I think those two figures will be the difference between in-kind and non-in-kind.

Senator SIEWERT: The 26 and the 30?

Ms Rundle: I suspect so. I will check and come back. But I did not want to convey the wrong—

Senator SIEWERT: That is very useful to know. If you could confirm that, that would be great. That actually fits in nicely with my next question. Will in-kind SDA providers be paid the same rate as non-in-kind SDA providers? Or is there a different rate for in-kind?

Mr Bowen: The amount in the plan is the agency rate. The reconciliation for in-kind of states and territories is a rather more complicated matter.

Ms Hand: States give their in-kind as part of their overall contribution to the funding contribution. So there is a huge reconciliation that happens in the background. In some returns, in many cases the state's price is higher than the agency's price. That is one of the reasons why we are very keen to not have any in-kind-in-full scheme. Having said that, we go with the agency's price. But, as I said, there is a reconciliation behind the scene.

Senator SIEWERT: Which will be where the \$4 million has come from?

Ms Hand: I am not sure of that.

Ms Rundle: I could not answer that, either. As I said, what I would do is take that on notice.

Senator SIEWERT: Thank you. My last question in this space is—and I am just checking: it will only be existing stock that is in-kind, not new stock.

Ms Rundle: That is right—absolutely categorically.

Senator SIEWERT: Thank you. I wanted to make sure we had that on the record. I have some more there. I would like one more question about WA. It will only be one.

CHAIR: Okay. Very briefly.

Senator SIEWERT: Are you currently discussing with WA any reconsideration of re-entering the national scheme?

Mr Pratt: Yes.

Senator URQUHART: I just want to ask a few questions around an advertisement that I have seen in a Tasmanian Fairfax newspaper today for an NDIS provider handbook that is going to be published in June 2017. I have a got a copy of the ad here, if it helps. The first question I want to ask is: is the NDIA aware of this publication?

Ms Rundle: Just looking at it very quickly here, I do not believe it is one of ours. It says it is an independent guide to registered providers across Tasmania. Given it is first time I have seen it, I suspect it is probably produced by someone else. We have our own provider handbook or toolkit and a range of other resources for providers that are authenticated by us. We prefer that people use those rather than products made by other people.

Senator URQUHART: So you are not aware that there is a contract between the NDIA and the Fairfax media to deliver this handbook?

Ms Rundle: I certainly am not. I can follow it up for you.

Mr Bowen: There is not.

Senator URQUHART: So you can categorically say there is not. The advertisement states that the handbook is an independent guide to registered NDIS providers across Tasmania. Has the NDIA provided Fairfax Media with a list of registered NDIS providers?

Ms Rundle: I would need to check with my staff as to whether any of them did, but suspect I would know if they had and we would have gone through the proper processes of seeking approval and considering whether we do that and why. So I suspect not.

Mr Bowen: Neither is that secret information. It is not secret information. The rollout of the scheme is public information.

Senator URQUHART: Given that you are not aware that you have given, or you have not given this information, are there concerns that some registered providers might be included and others who are not registered might be included in such a publication?

Ms Rundle: Can I answer that in a different way, to reassure you and others that providers do not get paid by the NDIS, and most participants, except for self-managed participants, cannot use supports that are not provided by registered providers. It would not be worth their while if they were not going to be paid, I suggest.

Senator URQUHART: That does give me some comfort. Again on the language of 'independent guide' as it outlines there, are you concerned that Fairfax Media might be providing reviews of registered services providers? If it is independent, are they going to review the category of each of the service providers? Is that a concern to you?

Mr Tidswell: It is not possible to control every last moving part of this puzzle. We are conscious that there are community organisations, self-help organisations and probably some commercial operators out there looking at how you could have a TripAdvisor or a star rating—all that sort of stuff. There is a bit of interest from participants to get a better idea of who is who in the zoo. We had a bit of a conversation here earlier about disability employment providers in that sense, star ratings and what have you. This is an active topic. We think that the market will generate the sort of capability. To what point is it a role of government to be involved? The hospitality industry does not come in and try to rule the roost over the operators that provide online bookings and information about restaurants and all sorts of stuff. I think this whole world is going to get increasingly exposed. Participants really do want to understand who is who in the zoo.

Senator URQUHART: I understand that. I guess I am worried that sometimes there is wrong or incorrect information, or it might not be tailored to the needs of the individual. That is my concern about these types of issues. My final point is that in the advertisement it said that the handbook—and I do not even know what this handbook is going to look like, whether it is going to be a publication in a newspaper where they get lots of moneys from ads—I suggest that is how it is going to be done, but I do not know and I am trying to find that out at the moment. But it says that it is a user-friendly source of information. In terms of the NDIA, what would be your definition around user-friendly source of information?

Mr Tidswell: This is just me guessing, but you would imagine that it would be scoped around the ability for people with a disability to understand the product. It might be in plain language, it might be in accessible forms, it might be in a way that explains the nature of the system. But I am only guessing. Their language is their hook to get others. I suspect you are right: no doubt there would be a commercial picture here in terms of selling real estate on the handbook, whether it is digital or—

Senator URQUHART: I would suggest there would be no other reason for doing it other than that.

Mr Tidswell: I think this will be the future in the marketplace. Providers will do this. The point is well made: how do we make sure that the quality of the information is up to scratch.

Senator URQUHART: I do not disagree with you at all. My main concern here is that we have a newspaper that is putting out a publication that you are not aware of. You already have handbook, and you are not aware that this is happening. How do we then measure and make sure that the information is actually correct and is not going to do any harm to participants? That is my concern.

CHAIR: Secretary, I understand that, before we conclude this section, you have a contribution to make.

Mr Pratt: Thank you, Chair. At the risk of jinxing Mr Bowen, I thought I might alert the committee to the fact that it is highly likely that this will be his last Senate estimates appearance. I hope on his behalf that that is the case—no offence intended, of course—

CHAIR: No, none taken!

Mr Pratt: as much as one enjoys Senate estimates! Mr Bowen has announced his intention to retire and has kindly offered to remain as CEO of the agency until his replacement is identified. Anticipating that that is likely to happen before next estimates in October-November this year, I thought I might just alert the committee to this and mention that, from the Department of Social Services point of view, Mr Bowen, David, has been a marvellous colleague. We think he has done a terrific job setting up the agency, taking it from nothing, before the scheme started, right through to covering all across the country. He has of course provided countless expert hours of testimony to this committee. I just want to say on behalf of my department that we think he has done a wonderful job, and we wish him all the best and—take this the right way—we hope not to see you again in estimates! That is all I wanted to say, Chair.

CHAIR: Thank you, Secretary. On behalf of the committee, thank you, Mr Bowen, for all you have done, the service you have contributed and the endless hours you have had sitting before these hearings. We wish you well in your retirement and again thank you very much on behalf of the committee.

Mr Bowen: Thanks, Chair. Could I just express my appreciation. Occasionally we leave these sessions and think, 'Dear oh dear, look at all the further work we've got to do,' but invariably it raises issues that needed to be thought about and needed to be ventilated. We are all absolutely committed to making the scheme as good as it could be, so it contributes to that. I thank the committee members over all of those years.

CHAIR: I am sure that 'dear oh dear' will not be the words you used, but thank you for sanitising them!

Proceedings suspended from 15:37 to 15:52

CHAIR: We will recommence now with outcome 1, social security. As far as I recall, we were commencing with program 1.10, working age payments.

Senator WATT: Thank you, everyone, for coming along. We are going to deal with working payments first up, and specifically the proposal from the government to drug-test certain Centrelink recipients. Before we turn to that, I will sneak in a couple of quick questions about the energy supplement, which I know are in a different program but I suspect the people at the table can probably answer. The government has introduced legislation again this week to abolish the energy supplement. How many pensioners who have qualified for the pension since 20 September last year will lose the energy supplement after September this year?

Ms Halbert: It is about 650,000.

Senator WATT: About 650,000 pensioners?

Ms Halbert: Sorry, that is all payments. I do not think I have the breakdown for pensioners.

Senator WATT: I might get you to take that on notice.

Ms Halbert: We will.

Senator WATT: So there are about 650,000 Australians who have qualified for some kind of Centrelink payment, whether that be pensions, unemployment benefits or disability benefits, since 20 September last year, and come September this year under the government's legislation they would lose the energy supplement?

Ms Halbert: That is correct.

Senator WATT: I do not know whether you saw this, but Minister Porter did some media this morning, and the ABC reported him as saying:

Not a single person who is presently receiving any form of welfare benefit loses a cent ...

That is not actually correct, is it?

Ms Halbert: I did not hear that, but it has always been the case that people who qualified for a payment after September last year would only keep their energy supplement until legislation is passed. The next test date is September this year.

Senator WATT: Divorcing this from the minister, it is not correct that no-one in the system who is now receiving some form of Centrelink payment will lose anything from the removal of the energy supplement.

Ms Wilson: The case is that those people who came onto a payment that qualified them for the energy supplement after September last year will receive the energy supplement only until September this year.

Senator WATT: I have heard not just from Minister Porter but from a number of other ministers and government spokespeople that this removal of the energy supplement will apply only to new Centrelink recipients. A lot of people have assumed that to mean from whatever day the legislation went through, but in actual fact anyone who started receiving Centrelink payments from 20 September last year will lose that supplement.

Ms Wilson: People who became new recipients after 20 September last year will receive it only until September this year.

Ms Halbert: That was announced at the time.

Senator WATT: Thank you for clarifying that for us. I have a lot of questions about the drug-testing proposal, and I know other senators do as well. Mr Pratt, are you the best person to direct these questions to? What is the underlying policy rationale behind this proposal?

Mr Pratt: I will hand over to Ms Wilson.

Ms Wilson: The underlying policy rationale is to identify in a trial whether people are using illicit substances. To the extent that that is the case, it is clearly one of the things that can be a barrier to employment. Those who have that barrier to employment could then be, after a second test, referred to assessment as to whether or not they would benefit from treatment options or other interventions designed to address that substance misuse and to improve their capacity for and likelihood of addressing that barrier and returning to work.

Senator WATT: Thank you for that. You have given us a bit of an explanation about how this would work, but let us take a step back further. What is the reason this is going forward? Is it primarily to assist people from a health perspective to get off drugs? Is it about helping them get into the workforce? What is the driver here?

Senator Ryan: Ms Wilson, to be fair, did explain that. The steps she just took you through broadly qualify as a rationale.

Senator WATT: I interpreted it more as, 'Here are the steps in the chain.'

Ms Wilson: No, I talked about the rationale being to assess, as with all jobseekers, where there are barriers to employment, and, if misuse of drugs is one of those barriers, to identify through this trial those people who would benefit from an intervention that seeks to address that, which is likely to improve their prospects for employment.

Senator WATT: So it is primarily driven by a desire to assist unemployed people with drug problems to get into the workforce?

Senator Ryan: I do not think it is fair to summarise an answer of an official, because you used different words than the official and inserted other words. It is not fair to say to an official, after they have provided an answer, 'Here, do you agree with my summary of it?'

Senator WATT: Why is that not fair?

Senator Ryan: You have asked them for information, they have provided it—

Senator WATT: They can either say yes or no.

Senator Ryan: No, it is an opinion. You have the answer, you can make an assertion—I am not going to interject on the assertion you just made. Having been here before and knowing how estimates committees work, I do not think it is fair and reasonable to then ask the officials not for clarification but to agree with your summary, which uses different words.

Senator WATT: I am sure Ms Wilson can disagree with me if she thinks that I am not fairly characterising it, but there is a lot of confusion out there as to what the motivation for this is. Ms Wilson, please feel free to disagree, if this is not a fair portrayal: is it fair to say that the underlying policy rationale for this proposal is to assist drug-affected unemployed people into work?

Ms Wilson: It is to assist them to address a barrier to employment which would therefore result in an improved likelihood of them attaining work.

Senator WATT: Where did this proposal emanate from—how did this proposal come about? When was the first time that you discussed this proposal with your colleagues in the department?

Mr Pratt: I might jump in there: my recollection is that we have been considering options along these lines for well over a year.

Ms Wilson: I think that is correct.

Senator WATT: What was the origin of you starting to consider these things?

Ms Wilson: My recollection is that it arose after the government's consideration of a report from the Ice Taskforce, and departments were requested to develop measures to look at tackling substance misuse amongst people on income support in order to improve their employment prospects—that is my recollection of it. The timing—it is over a year; I cannot tell you exactly.

Senator WATT: I must admit, I have not read the Ice Taskforce report in detail, but was this proposal a recommendation of the task force?

Mr Pratt: I do not recall.

Ms Wilson: I do not recall either.

Senator WATT: So the Ice Taskforce happened. It handed down its report, and no doubt made a range of recommendations. Departments were asked to consider how to implement those recommendations, and the general thrust of the report and this proposal were first conceived in that context—is that right?

Ms Wilson: The government commissioned this work to be done arising out of that task force report.

Mr Pratt: I do not want to be unhelpful here but we, at different times and over many years, consider a variety of options like this, and sometimes our interest is piqued by what we see is happening internationally—for example, in the United States. Also, we have regular interchanges with our colleagues in New Zealand and the UK, and sometimes they are doing things of this nature not just in this area but in related areas. So we are constantly thinking about new ways to examine barriers that are preventing people on our payments from getting into work and possible solutions to that.

Senator WATT: So let's deal with that: specifically, what international comparisons—similar proposals or trials—have you looked at overseas?

Mr Pratt: I will let my colleagues answer that in more detail in a moment. We have looked at a number of the American states' proposals in those areas—or trials—and, from memory, we had a look at what the New Zealanders considered a few years ago. Those are two that come to mind.

Ms Wilson: It is probably fair to say there is a distinction between this measure and a number that have been reported on overseas in that it seeks to address barriers. Some of those overseas experiments or measures were more focused on whether someone should be eligible for income support or welfare or financial assistance, if they were misusing illicit drugs. There is a distinction between a number of those overseas initiatives and this one in that it is not about denying people access to financial assistance; it is about tackling their barriers to employment.

Ms Halbert: In looking at overseas examples, as Ms Wilson said, they are not quite the same as the trial, but the key feature is that there has been virtually no—in fact, I do not think any—evaluation of those measures. That is why the government is implementing this as a trial, which will be evaluated, to build a body of evidence around whether these measures actually assist people to overcome substance abuse.

Senator WATT: So does that mean you have considered similar types of initiatives overseas—

Ms Halbert: We have considered initiatives that involve drug and alcohol use and welfare recipients, but they are not the same as this measure.

Senator WATT: No. And is the distinction that where it has been done overseas it has been more about determining someone's eligibility to receive income support in the first place?

Ms Halbert: And/or other financial penalties that might be associated. So it might not be losing the whole payment.

Senator WATT: Whereas what is proposed here is that we are talking about people who are already receiving payments and it is about trying to assist them into work?

Ms Wilson: This is about new claimants. The focus is on new claimants, but—

Ms Halbert: But they will be on payments.

Ms Wilson: they will be on payments. It is focusing on people as they come onto payment, to assess whether it is an issue that they have. It is not about eligibility for the underlying assistance, which is a feature that some of the US approaches have been in particular. New Zealand is a bit different—again, I do not know if Ms Halbert wants to talk about New Zealand?

Ms Halbert: It is about people applying for jobs which require them to be substance free. Therefore, the drug testing is associated with people applying for those particular jobs where they would be required to provide evidence that they are drug free.

Senator WATT: Right. Does that mean that you are not aware of similar initiatives to an initiative of this kind, which is about drug testing people who receive income support to assist them overcoming barriers to employment, occurring anywhere in the world?

Ms Halbert: We are not aware of something that is precisely the same. I also understand that the Parliamentary Library did some international research and that they found the same thing.

Senator WATT: I think you also mentioned that you were not aware of any evaluations having been conducted for any of those overseas initiatives?

Ms Halbert: That is right—I am not aware of them through our research.

Senator WATT: So how would you then describe the evidence base that exists to support this proposal?

Ms Wilson: As I understand it—and the Parliamentary Library did some work on it and we have done our own research and monitoring—there have been reports, essentially, not evaluations. There have been reports that have been presented to governments, perhaps at the equivalent of this sort of estimates hearing—so congressional hearings or state based legislature hearings in the US. And there has been newspaper reporting. So it has been a mixed bag of information available. But we have not, through our efforts—and I do not believe that the Parliamentary Library did either, but I would stand to be corrected—found published evaluation reports. And certainly—

Ms Halbert: And the government has clearly stated that the purpose of the trial is that it has been designed to build that evidence. As you are probably aware, the drug testing is just one element of a package of measures. Several of those are specifically designed to enable people to include treatment or other measures that would help them address their substance abuse in their job plan, for example.

Senator WATT: Given the lack of evaluations overseas and the fact that this seems to be a world first in the way this is being put together, what is it that gives you confidence that it will assist people to get back into work?

Ms Wilson: There are a couple of things: making sure that a job plan is suitable for a person who has a substance misuse barrier to employment is quite important. Currently, there tends to be an approach of exempting people rather than including in a jobs plan and in their mutual obligations the exact interventions that would be most appropriate to address those barriers for people who have substance misuse issues. I think that is a very important feature, rather than putting the person, if you like, aside from the system and not connecting them to assistance or identifying the specific barrier to employment which, when it lies in substance abuse, is quite important.

Ms Halbert: It has been designed such that if a person does test positive to substance abuse twice they will be referred to a medical professional to make an assessment. So we are not referring people who do not require treatment but people who will actually benefit from treatment will be linked up with that treatment.

Senator WATT: I am aware of at least one of the American initiatives—I think this was possibly in Wisconsin—where, once it was implemented, the cost of the drug-testing regimes was a lot more than what they saved in terms of health treatment and benefits provision. Are you aware of that?

Ms Wilson: We are certainly aware of reporting that there was some significant costs incurred for a small number of people who were found to test positive. I think that was also covered in the Parliamentary Library's piece of work. One of the reasons for doing a trial is that it gives you a good evidence base to assess costs, benefits and outcomes over a period of time in a more controlled way.

Mr Pratt: This is not a savings measure. Trials, by their nature, tend to be more expensive than, of course, large-scale initiatives.

Senator WATT: What consultation have you undertaken with medical professionals about this proposed trial?

Ms Halbert: Since the budget measure was announced we have attended a meeting of the Australian National Advisory Council on Alcohol and Drugs. We have met with health professionals in a couple of state departments to date, and we are intending to meet with other states in the coming weeks. We have met with the AMA, the member representative of the Network of Alcohol and other Drug Agencies.

Senator DI NATALE: Just to be clear, did you say that was since the announcement was made?

Ms Halbert: The announcement of the budget measure, that is correct.

Senator DI NATALE: But not prior to the announcement?

Ms Halbert: We are, as we always are, quite constrained in who we can consult when measures are in development through the budget. But as soon as we are able to talk to people—

Senator DI NATALE: Who did you consult with prior to the announcement?

Ms Halbert: Our fellow departments.

Ms Wilson: Prior to the announcement there was an interdepartmental committee that Ms Halbert chaired, which had representatives from the Department of Health and the Department of Employment, Central Agencies—

Ms Halbert: Central Agencies, Human Services and Infrastructure and Regional Development.

Senator DI NATALE: Were there any experts on drug and alcohol issues?

Ms Wilson: Certainly the policy area, and I do recall—

Senator DI NATALE: Who was that, specifically?

Ms Wilson: I do not have the names.

Ms Halbert: Do you mean within the health department?

Senator DI NATALE: Anybody. You said you convened this group.

Ms Wilson: Each departmental committee had policy officers from the Department of Health there, and that includes policy officers from the drug and alcohol area of the department. I do recall that there was a briefing which was more on the nature of treatments available and the funding base and efficacy of different approaches to treatment. A Department of Health medical officer provided that, and advice to our department, to ministers much earlier in the development of the measure.

Senator DI NATALE: But not the expert body set up to provide advice on alcohol and other drugs—ANACAD?

Ms Wilson: Not prior to the budget. We have certainly met with them since the budget.

Ms Halbert: And we have an extensive consultation process planned and underway in order that we obtain as much expert advice as possible in the development of the finer details of the implementation.

Senator WATT: It did sound from an earlier answer that this is something that has been kicked around within the department for roughly 12 months.

Ms Wilson: The government commissioned it, from memory, around 12 months ago or a bit longer.

Senator WATT: And there has not, at any point in that period of time, been consultation with medical professions or the council around drugs?

Ms Wilson: When you are developing a budget measure, there are often constraints about whom you can speak to at different points in the process.

Senator WATT: I can certainly understand that in the days, weeks or whatever leading up to the budget, a degree of secrecy is required. But it is also pretty common, for what sounds like a world-first policy proposal, to consult with stakeholders in the months leading up to it.

Ms Halbert: We have drawn on the evidence and information that is available to Health and we have done our own research around it. Can I just correct something: we have not actually spoken to the AMA yet; they have been invited to our next consultation in Sydney. As Ms Wilson says, we are constrained from talking publicly about budget measures that are still in development, but we are now undertaking those consultations. For example, when we were at the Australian National Advisory Council on Alcohol and Drugs, we had a very robust conversation. But many members around the table offered—and we indicated our commitment to take up their offer—to come and talk to them one-on-one so we could get the benefit of their expertise.

Senator WATT: I think it was yesterday that we talked about this with the health department. I asked them whether they were aware of any evidence base from a health perspective which would suggest that this measure would assist people overcome their drug problems. There was a long silence. At the end of that, they said that they were not aware of any such evidence base.

Ms Halbert: As we have said, someone who tests positive twice will be referred to a medical professional who will assess their need for and the type of treatment that they would benefit from. There is plenty of evidence, which I am not an expert on to quote, around those different forms of treatment. If a person is connected with the form of treatment which is most suitable to help them overcome their barriers, there would be plenty of evidence around the efficacy of that. The trial is designed to link people to the type of treatment that would assist them.

Senator WATT: Could I just clarify? I might have misheard you a couple of minutes ago. Did you mention that this proposal might result in costing Centrelink recipients money?

Ms Wilson: No.

Ms Halbert: Not necessarily Centrelink. We are not releasing the financial implications of this measure at this time.

Ms Wilson: Could I just understand what your question was, Senator?

Senator WATT: I might have misheard you, but did you just say that—

Ms Halbert: I think Mr Pratt said that this is not a savings measure.

Senator WATT: Yes. Is there any part of this proposal which would involve a cost to people who test positive?

Mr Pratt: In other words, would they be breached and lose income support.

Senator WATT: I suppose that would be one way of putting it. One way might be to get them to pay for the cost of their test or it might be that they lose money.

Ms Halbert: If a person is hauled in to be tested the first time, they do not pay the cost of that. If they request a second test because they are disputing the test and that also returns positive, they will be asked to pay for that test. If one or both tests are returned positive, they will be called back within 25 working days to have a second test to ensure that this is an ongoing issue, and they will be required to pay for that test too. The cost of the test will be set at the lowest cost of the types of testing that are being conducted. If they need to repay the cost of that, it will be through withholdings from their payment.

Senator WATT: Wow.

Senator LINES: How much was the test?

Ms Halbert: The reason we have not released the financial implications of the measure is that there will be a procurement process associated with the testing company and, obviously, you do not seek what you expect the cost to be ahead of time.

Senator SIEWERT: That is not the only cost of this program, though.

Ms Halbert: There will be costs associated with administering the program. I am not sure what you are getting at, Senator.

Senator SIEWERT: The point is that you are not saying how much this is costing.

Ms Halbert: I will not be conducting the procurement process; the Department of Human Services will. But, when you are conducting a procurement process, it is normal practice not to signal the price you are expecting to be offered.

Senator WATT: So you do not know at this point how much the cost of one of these tests will be?

Ms Halbert: We have some indications, having done our own research around the costs of this, but we are not signalling that to the market. DHS is undertaking the procurement.

Senator SIEWERT: Unknown cost to participants.

Ms Halbert: Not to us—no. We have done research and we have an indication of what the costs will be.

Senator SIEWERT: But you are not telling us how much it will cost recipients?

Ms Wilson: We will not know until the procurement has been completed.

Senator PRATT: If you are capping it for the lowest cost and you are not charging the full cost to the participant—

Ms Wilson: That is correct.

Senator PRATT: surely you can give us some indication, without damaging the procurement process, of what the cost to the participant will be.

Ms Wilson: Part of our issue is that signalling that at this stage in the procurement could undermine the negotiating power.

Senator PRATT: Why would there be a need to cap it?

CHAIR: Order! One at a time.

Senator WATT: I have to wrap up. It would be fair to assume that the cost of these tests individually would be in the hundreds of dollars. We are not talking about \$20?

Ms Wilson: No, we do not think it would be fair to assume that at all.

Mr Pratt: We are not prepared to speculate on this—

Senator WATT: Okay. But the outcome of that is that—

Ms Halbert: We are not expecting it to be a significant burden on the person who has to pay for the second test.

Senator WATT: Given, of course, we are talking about people on very low incomes.

Ms Wilson: That is correct.

Mr Pratt: Living below the poverty line.

Senator WATT: Just to clarify that then: first test, someone does not pay; if they request a second test because they dispute the result, they pay for the second test—

Ms Halbert: If it is returned positive.

Senator WATT: If it is returned positive. Separate to that, if the person tests positive and comes back in—was it 20-odd days?—

Ms Halbert: Within 25 days.

Senator WATT: they have to pay for the second test?

Ms Halbert: If it returns positive.

Senator WATT: Those costs could be deducted from their payments?

Ms Halbert: Correct.

Senator WATT: Is there also the ability to cease payments as a result of positive tests?

Ms Wilson: No. This is not about denying people financial assistance, so it would not be the case that a person would lose payment for testing positive. People would continue to be eligible for income support. If they test positive, however, they will go onto a form of income quarantining, the details of which are still being worked out.

Senator WATT: Have you obtained any legal advice as to the legality of this proposal?

Ms Wilson: All NPPs that go forward to cabinet and ERC are required to be assessed, and so this measure was assessed against a range of criteria and potential legal issues—so yes.

Ms Halbert: We have sought advice from the Attorney-General's Department, the Australian Government Solicitor, the Office of International Law and the Office of Parliamentary Counsel.

Senator WATT: And they assure you that it is legal?

Ms Halbert: Correct.

Senator WATT: That is interesting, because I asked this of the Attorney-General last week and his answer—and his officials were there—was that they were not aware of any request for advice or provision of advice.

Ms Halbert: I heard that, but we have in fact sought advice.

Senator WATT: So you can assure us that there is no potential breach of discrimination law or any other under this proposal?

Senator PRATT: On the basis of disability.

Ms Halbert: That is our understanding.

Ms Wilson: In respect of disability, it is the case that we may require an exemption, as the Social Security Act has now, from the Disability Discrimination Act to apply to the Social Security (Administration) Act. It has been longstanding that the Social Security Act has had an exemption from the provisions of the DDA, and in fact, when that exemption was made, the provisions that would be utilised in relation to this measure that are now in the Social Security (Administration) Act were in the primary Social Security Act. So it is being considered, and it is highly likely that there will be a need for an exemption from the DDA for the Social Security (Administration) Act.

Ms Halbert: And the current exemptions exist to enable payments to be appropriately targeted for the purposes of those payments.

Senator WATT: But is that, if you like, a positive discrimination exemption, to enable you to give special payments to people with a disability, rather than take something away from them?

Ms Wilson: We are not taking anything away from anyone.

Senator WATT: Well, you are making them go through a particular testing regime.

Senator Ryan: It is different. As the officials made clear, this was not about taking people off payments.

Senator WATT: I understand that. In the very limited time I have got left, dealing with rehab services, how confident are you that, across Australia, there are adequate drug and alcohol rehabilitation services to assist people who test positive in this trial?

Ms Halbert: As you will be aware, the trial sites have not been announced yet. Part of the information that is required in order to determine those sites is the availability of places. I would just like to emphasise that residential rehabilitation is needed by a very small minority of people who require drug treatment. It could be a range of things, from counselling, to GPs, methadone programs et cetera. So we are looking at where those services are available. We have obtained information from the health department about services they fund, but

currently they do not hold the information about what the states fund, and part of our discussions with the states is to establish where they are confident about the availability of services.

Senator WATT: Again, this proposal has been put out there without that kind of consultation having occurred. That is not your fault.

Ms Halbert: We understand where the Commonwealth fund services, and, in considering where the trials should be conducted, the information from the states will be valuable as well.

Senator WATT: Are you aware that in Health estimates yesterday—I might not have these figures exactly right—Health told us that, of the Primary Health Networks around the country, of which there are 41, only six of them, I think, have sought to commission extra residential rehabilitation using the Ice Taskforce money?

Senator Ryan: I think the official outlined that residential services are needed by a small proportion.

Senator WATT: Sure.

Senator SIEWERT: Ice in particular.

Mr Pratt: Senator Siewert, just before you start: I have available experts from the disability support program areas who can answer those questions you might still have about program eligibility in relation to the drug testing. If you wish to ask those questions early that would be very helpful from our point of view.

Senator SIEWERT: In terms of—

Mr Pratt: This morning's questioning—you wanted to make sure that we had people here who could answer questions about the program eligibility relating to any issues which arise here.

Senator SIEWERT: DSP eligibility, do you mean?

Mr Pratt: No.

Ms Wilson: No, it was PHaMS—

Mr Pratt: PHaMS and mental health.

Senator SIEWERT: Sorry—yes. Okay. I have a series of questions I need to get through, though, before I get there. Is that all right?

Mr Pratt: Yes.

Senator SIEWERT: Thank you. I also want to ask about DSP and the impairment tables as well.

Mr Pratt: We can handle that as well.

Ms Wilson: We can do that.

Senator SIEWERT: I want to go back to the international evidence—Senator Watt touched on it a little. Some of the work that I have seen from the US, for example, showed that where they were doing testing they have had very few positive results. In the UK, in fact, they may not have done an assessment of a trial but the evidence that they had led them to abandon it once they had that investigation. As I understand their proposals, it was not to drop people straight off income support. Nevertheless, they abandoned it. How do you reconcile that with your proposals?

Ms Wilson: They are not our proposals, they are the government's proposals which we are implementing.

CHAIR: The officials made—

Ms Wilson: The official has no view on them. The official implements and administers government policy, regardless of who is in government.

We do talk to colleagues in other countries regularly and learn from their experiences. We also look at the available evidence on what is working in different jurisdictions, noting that our systems are quite different in a range of respects as well, so we have to understand that. One of the things that the trial will help us to understand and the government to understand is if there is a benefit to doing this approach in terms of identifying earlier in a person's income support history where they have barriers to employment that are related to substance misuse. Is this an effective way of connecting people to treatment in order to intervene earlier in that income support history and in that period of joblessness that may have resulted from substance misuse or may be confounded by substance misuse?

Those are the sorts of things that we will be looking at. Certainly, the costs will be important to understand. Is this something that is worth scaling up? That is why starting with a trial is a pretty important way to go, and evaluating the results of such a trial.

Senator SIEWERT: Even though the results internationally do not show anything positive—

Ms Wilson: They identify small numbers, yes. It depends what their goal was. If their goal was to save money by denying people income support, or by denying people financial assistance, that is a very different goal from the goal in this trial.

Senator SIEWERT: But the point there is—

Ms Halbert: This is not a very large number. Out of 5,000 recipients who have been randomly selected for drug testing, the expectation—

Senator SIEWERT: We will get to that soon—

Ms Halbert: based on available data and DHS data, is that up to 425 recipients are expected to test positive to the initial test.

Senator SIEWERT: Sorry, how many?

Ms Halbert: It is 425, and around 120 recipients are estimated to test positive at a subsequent test and be referred for assessment and treatment.

Senator SIEWERT: Sorry, could you say that figure again?

Ms Halbert: It is 120.

Senator DI NATALE: It is 425 of 5,000?

Ms Wilson: That is correct, yes.

Ms Halbert: Positive to the first test.

Senator DI NATALE: So you are expecting a rate of 10 per cent?

Senator SIEWERT: Approximately.

Senator DI NATALE: What is that based on?

Ms Halbert: It is based on the Australian Institute of Health and Welfare's National Drug Strategy Household Survey data, which shows that 24 per cent of those who are unemployed had used an illicit substance in the last 12 months, compared with 16.8 per cent of people who were employed and 15 per cent for the total population. Those who were unemployed were 1.6 times more likely to use cannabis, 1.8 times more likely to use ecstasy and 2.4 times more likely to use methamphetamine, such as ice. We have also looked at the data from jobseekers within the Human Services system. In 2016, there were 4,325 occasions—and that would probably be underreported—when job seekers provided an excuse of drug or alcohol abuse for not meeting their mutual obligations. The number of people granted a temporary exemption from mutual obligations due to drug and alcohol dependency was 5,256 in September 2016. So we have used all of that data to make an estimate, out of the 5,000 people selected for testing, of the number within that population we would expect to test positive the first time and the number who would test positive in subsequent tests and be referred to treatment.

Senator SIEWERT: Are you aware of the 2013 paper from the Australian National Council on Drugs?

Ms Halbert: Can you give me a bit more information?

Senator SIEWERT: A position paper on drug testing was done by the Australian National Council on Drugs in August 2013. This council was subsequently defunded when the current government came in. Are you aware of that paper?

Ms Halbert: I am not personally, but that is not to say that my staff have not—

Senator SIEWERT: So you have done this research—

Ms Halbert: I am not personally aware of that paper. All I am saying is that my staff might will be aware of it.

Senator SIEWERT: Can you check, are you staff here?

Ms Wilson: We will take that on notice for you.

Senator SIEWERT: I would like to know tonight, please.

Ms Wilson: We will see what we can do for you tonight.

Senator SIEWERT: In the executive summary it says:

There is no evidence that drug testing welfare beneficiaries will have any positive effects for those individuals or for society, and some evidence indicating such a practice could have high social and economic costs. In addition, there would be serious ethical and legal problems in implementing such a program in Australia. Drug testing of welfare beneficiaries ought not be considered.

Mr Pratt: Senator, for what purpose is the drug testing that is identified in that paper?

Senator SIEWERT: That is for welfare recipients. Are you saying that it depends on—

Mr Pratt: To what end was the—

Senator DI NATALE: It should not be done full stop. The statement is that it should not be done on welfare recipients.

Senator Ryan: That is a fair opinion—

Senator DI NATALE: What, the experts?

Senator Ryan: An absence of evidence, as you know Senator Di Natale, is not evidence of absence.

Senator PRATT: It is based on evidence.

Senator Ryan: But this is a trial. The government has repeatedly made clear that this is a trial—at which evidence will be gathered.

Senator SIEWERT: I know you are saying it is a trial. You said cashless welfare cards were a trial, but you are now going to be rolling them out to these participants—before the trial is even completed! So you can understand why some of us are cynical about what you actually mean by 'trial'.

Senator Ryan: I cannot understand the outrage that comes from some people about seeking to provide support for those taking what are often illegal substances that do them harm, that we know are barriers to employment and stable personal, family and professional lives. And, yes, these people are recipients of transfer payments.

Senator DI NATALE: It doesn't work; that is the objection. The experts say it does not work. The experts at the National Council on Drugs say it does not work, that it is unethical and harmful.

Senator Ryan: The Greens' dedicated commitment to legalising illegal drugs and going after people who have a drink or a legal cigarette is long established. You are constantly and overwhelmingly opposed to measures that do anything that you deem to be punitive despite what the government has actually said. This is a trial. If you have a different view from the government, that is fine. The government has made it very clear that we are conducting a trial, and support services will be one of the factors considered when the trial site is chosen.

Senator SIEWERT: Can I go back to this report. Have you managed to check—

Senator Ryan: With all due respect, you read out a comment. The official said they are not personally familiar with the report that you are quoting from. They do not even have it in front of them.

Senator SIEWERT: We can get a copy tabled.

Senator Ryan: They might want a chance to read it to see the context.

Senator SIEWERT: The department officials said they had been doing research for around a year.

Ms Wilson: We said we were first commissioned to start work on this about a year ago. As I mentioned, there has also been an interdepartmental committee established, which has been running since about April.

Ms Halbert: In order to give you the answer, we need to go back through a very substantial body of documents that we have referred to in this process. We will get that answer for you as quickly as we can—people are back at work looking at that now—but we have a lot of reports to go through to find that answer.

Senator SIEWERT: Okay. This is a body of Australian work.

Mr Pratt: Senator, my question around that report was quite serious in terms of the purpose of the drug testing they were talking about. If it was for the purpose of trying to kick people off income support, I would tend to agree with their point of view; that would be counter-productive, in my view. If it was for the objective of trying to find savings from the welfare system, ditto. This trial that the government has identified has a quite different objective, which is to identify jobseekers who have barriers to employment based around substance misuse and to try and find ways to assist them.

Senator SIEWERT: It says:

Drug testing of welfare beneficiaries thus lacks evidence as a method to support employment participation or to reduce drug use or related harms.

I will give you a copy of this if we can go back to it—because I will then have some questions about what evidence you did look at. The work started a year ago. I understand the comment you made about the interdepartmental committee.

Ms Wilson: The work started a year ago. I do not think it would be fair to say that we had people working on it every day and every week in that whole period. These things are a bit stop-start, as you might appreciate.

Senator SIEWERT: You have looked at the international evidence.

Ms Wilson: We have.

Senator SIEWERT: So, surely, you have looked at Australian evidence?

Ms Wilson: I believe we have. You have read that report out, but I am not aware of its status. I do not know whether it is a policy document, a research report or exactly what it is.

Senator SIEWERT: It is a position paper. Sorry if I was not clear enough on that. It is a position paper.

Ms Wilson: So whether the position paper is a result of primary research or is a policy view of that entity, I am just not sure.

Senator SIEWERT: I will get you a copy and we will come back to it.

Ms Wilson: Okay. But we will have to also check with our staff. I understand that we will have to go through quite a substantial body of paperwork to ascertain whether it was explored at the time.

Mr Pratt: Senator, we are very happy to explore these issues with you. But I would like to go back to something Ms Wilson and Ms Halbert talked about earlier. This is a trial, which is then going to be evaluated to identify evidence which will then tell us whether such a process is actually beneficial. The fact that papers have been done, no doubt fine papers, by experts in other countries and in Australia which point to some evidence does not necessarily mean it is not worthwhile doing a trial of this sort because it will also provide evidence in this area.

Senator SIEWERT: I should not go down the rabbit hole, so I will talk about income management when we get to it. There is plenty of evidence from the NT intervention to show that it does not work, yet you keep doing it.

Mr Pratt: Let's discuss that when we get to outcome 2.

Senator SIEWERT: Yes, let's do that. In terms of the issue around disability and issues around lawfulness, can I take that discussion a little further. I am sure you heard the Human Rights Commission say that, based on the opioid case, there is a likelihood that it could prove to be unlawful if it was taken to court. Did you seek any advice from the Human Rights Commission?

Ms Wilson: We sought advice from the Australian Government Solicitor, the Office of International Law, the Attorney-General's Department and our own legal branch. We did not specifically seek advice from the AHRC, and we would not usually—we would go through the Attorney-General's Department, which administers the Human Rights Commission.

Senator SIEWERT: We have already established that the Attorney-General's Department did not ask the Human Rights Commission.

Senator Ryan: I think, to be fair—

Ms Halbert: That is our normal channel for getting the advice, and we sought that advice.

Ms Wilson: Our normal channel is to go to AGD.

Senator SIEWERT: Can I go, then, to the issue that you made about exemption from the DDA anyway. Does that mean the process is going to seek an exemption from the DDA?

Ms Wilson: It is our belief that we will likely need to seek an exemption from the DDA for the Social Security (Administration) Act, noting that the Social Security Act is already exempt from the DDA and that when that exemption was made to the Social Security Act the provisions that are now relevant to the trial that are in the Social Security (Administration) Act were, in fact, part of the Social Security Act. The act has been split since, and it is our understanding, based on advice from the Attorney-General's Department, that we may well need to seek the same sort of exemption for the Social Security (Administration) Act.

Senator SIEWERT: And that will be contained in legislation that is brought forward for this process?

Ms Wilson: That would be my understanding, yes.

Senator SIEWERT: To be clear, it will override the Disability Discrimination Act?

Ms Halbert: It will need to.

Ms Wilson: It is our understanding that we will need to seek an exemption.

Senator SIEWERT: Have you got further details around that process that you could give us?

Ms Wilson: No, I do not.

Senator SIEWERT: We are just getting copies of that report for you.

Ms Wilson: Thank you.

Senator SIEWERT: Can I go to this issue of cost.

Ms Wilson: The cost of what?

Senator SIEWERT: The cost of the whole program. This is estimates—

Ms Wilson: Yes, we understand.

Senator SIEWERT: and part of that is looking at the cost-effectiveness of programs. How are we supposed to evaluate the cost-effectiveness of this program, or evaluate the cost of the trial? Not that I am agreeing with this process, but surely part of a trial is to look at how much it costs?

Mr Pratt: Certainly costs will be very relevant, yes.

Senator SIEWERT: How do we get to know that now if you are not prepared to tell us?

Ms Wilson: We will not know the cost until the procurement has been done. I would anticipate at the next estimates we would be able to update you because DHS would have undertaken their procurement.

Ms Halbert: We can tell you what some of the elements of the costs going to be.

Senator SIEWERT: Let's start there.

Ms Halbert: There is the Department of Human Services cost, the Disability Employment Services cost and the jobactive costs for supporting the person to undertake their activities. There is also just a bit less than \$1 million for evaluation of the trial.

Senator SIEWERT: Did you say just less than \$1 million for evaluation?

Ms Wilson: Yes, it is \$980,000 for evaluation of the trial in two tranches.

Ms Halbert: Also, there are costs associated with welfare quarantining, depending on what form that takes.

Senator SIEWERT: I will not chase that rabbit yet, because I do want to come back to that. It sounds like you are saying it is not necessarily the cashless welfare card. Is that what you are saying?

Ms Wilson: We are still working through the detail of that, looking at what the options are.

Senator SIEWERT: I will come back to that. Have you got those other costs for DHS, DSS and jobactive?

Ms Halbert: And the evaluation.

Senator SIEWERT: All of that adds up to \$980,000?

Ms Wilson: No, the evaluation is \$980,000.

Senator SIEWERT: That is what I thought you said.

Ms Halbert: The evaluation alone is \$980,000.

Senator SIEWERT: Thank you. That is what I thought you said, and then I misinterpreted something you just said. The other costs to the other agencies—

Ms Halbert: I do not have it by agency, but we would be able to get that. I have it by measure. We are not publishing the total cost of this measure because of the implications for the procurement.

Senator SIEWERT: Can we have the agency costs or not?

Ms Halbert: I have not got individual agency costs here. We can get them, and I do not see any reason not to be able to—

Senator SIEWERT: Somebody is coming up behind you.

Ms Halbert: Are they? So I can give by agency but not by measure or by element. I cannot break it down by different elements of the measure. I mentioned before that there are several elements to this measure—some employment measures, some related to DSP. These costs are for the total cost of the package rather than individual measures.

Ms McGuirk: In the budget papers, this measure was a component of the Better Targeting of Assistance to Support Jobseekers. That is broader even than the drugs measures. That also talks about the compliance framework—

Senator SIEWERT: Yes, which is why I am after the detail of the elements of this specific measure.

Ms Halbert: We can obtain that. We do not have that here. That is what I was saying. We do not have it by agency and by this specific measure.

Senator SIEWERT: Yes, and that is what I am after. Are you able to get that before we end tonight? While you are finding that, I am going to hand over to Senator Di Natale.

CHAIR: Are you going to come back with the answer?

Ms Halbert: We are here for some time. I think we should be able to come back with the answer.

CHAIR: Thank you, Ms Halbert. We will go to Senator Di Natale.

Senator DI NATALE: What method of sampling is going to be used? Will it be saliva, hair follicle or urine testing?

Ms Halbert: Currently all of those are being contemplated, but the actual nature of the test—how it is conducted—will be settled once the procurement has been undertaken and the expert testing body's advice is available.

Senator DI NATALE: Are you going to be using immunoassay or mass spectrometry to work out which—

Ms Halbert: I am not an expert there. The expert testing company will be able to provide advice on that. As I alluded to earlier, we are also seeking advice from the Australian National Advisory Council on Alcohol and Drugs. Apparently it was volunteered to us when we were consulting with them—a couple of members of the body are expert in this area—and we are following up with them to get their advice, with DHS.

Senator DI NATALE: It is important because it actually goes to the question of false positives and false negatives.

Ms Halbert: Yes, that is right.

Ms Wilson: Yes, that is right.

Senator DI NATALE: If you are asking for welfare recipients to pay for the costs of subsequent tests, the method you use, which may generate a whole lot of false positives, is going to put a cost on the individual.

Ms Halbert: We understand that, and it is intended that part of the contract with the expert testing company will include an interview with the person before the test is undertaken so that the person can volunteer any information that they are aware of that might influence the outcome of the test. For the actual type of test to be used in different circumstances, we will be drawing upon the expertise of experts that we are consulting with now but also the successful testing company.

Senator DI NATALE: But, with respect, all tests, and particularly some tests, have rates of false positive. What that means is: you have not used the drug, but the result comes back positive, and you are suggesting that the cost of the subsequent test will be borne by the individual.

Ms Halbert: That will have been after two positive tests.

Senator DI NATALE: So they have one positive test—

Ms Halbert: And then they have another positive—

Senator DI NATALE: Is it the same test?

Ms Halbert: In the first instance, yes, it would be the same test.

Senator DI NATALE: The same two tests?

Ms Halbert: That is right.

Senator DI NATALE: And so, if you have an unreliable test that provides two false positives, you will still be requiring the individual, even if a test is negative, to pay for the cost of that test, despite the fact that the initial test could have been falsely positive?

Ms Halbert: Well, the reason that you are able to seek the second test is that if you believe that it should not have been positive—

Senator DI NATALE: But some tests have high rates of false positives.

Ms Halbert: These are more appropriately questions for DHS, who will be undertaking the procurement, but the efficacy of the testing method will be guaranteed—I suppose is the word—by the expert testing company.

Senator DI NATALE: There is no such thing as a guarantee with all these tests. This is a fact, so I am not just putting this to you. All these tests have rates of false positives. It is possible that somebody will have two tests, particularly if it is the same test that is being used, that provide a positive result which does not reflect the fact that they have used drugs. Do we understand that, if they have to have a separate test to corroborate that, that will be borne by the individual, even though they may have been subject to a false positive?

Senator Ryan: We have got DHS in tomorrow night—

Senator DI NATALE: I have asked DHS, and they have referred everything back here.

Senator Ryan: In that case, given the officials have gone through this, I will take it on notice, because I think the officials have answered as much as they can.

Senator DI NATALE: I am assuming that you are going to require a urine sample at some point through this process.

Ms Wilson: The specific methods are yet to be determined, but—

Senator DI NATALE: This is something I am familiar with—

Ms Wilson: I understand that.

Senator DI NATALE: and I am just saying that I think it is likely—

Senator Ryan interjecting—

Senator DI NATALE: I am asking a question. It is likely that a urine test will be required at some step of this process. Who will supervise the urine test? Is it a Centrelink officer?

Ms Halbert: No, no. The expert testing company will be conducting and supervising the testing.

Senator DI NATALE: So you will be requiring the individuals to go and, effectively, pee into a jar and ensure that that is supervised by a specimen collector?

Ms Halbert: In suitable premises, provided by the provider.

Senator DI NATALE: In terms of the range of drugs that have been listed for detection, is it correct to say you have listed cannabis, methamphetamine and ecstasy? Are they the three drugs that you are testing for?

Ms Halbert: Yes, that is correct.

Senator DI NATALE: Cocaine has been excluded? What is the reasoning there?

Ms Halbert: No. Until DHS have procured the expert testing company, we will not know the full range of drugs that can be tested with the required efficacy. But the widest possible range of illicit drugs will be tested for.

Senator DI NATALE: Will you be testing for synthetic drugs?

Ms Halbert: If they are illicit.

Senator DI NATALE: They are.

Ms Halbert: Again, it will depend on the successful tenderer, but we will be aiming for the widest range of drug testing that we can.

Senator DI NATALE: Testing for synthetic drugs could cost many hundreds, up to \$1,000. I want to know whether you are going to be including those on the list.

Ms Halbert: That will be an element in whether that testing is undertaken. Again, you are taking me into an area in which I am not expert, which is why DHS will be undertaking a procurement exercise to ensure that they employ a company that is expert in these areas, and they will be providing advice on which tests should be undertaken and with what level of efficacy.

Senator DI NATALE: Are you concerned that, if synthetic drugs are not included, or if we do not have the full range of drugs that are tested, there will be the possibility of driving people to consume those drugs ahead of other drugs?

Ms Halbert: That has been raised with us, and again, I repeat, we are aiming for the widest possible testing, but until we get that expert advice—

Senator DI NATALE: But the widest possible testing comes at costs of many hundreds of dollars.

Ms Halbert: You are telling me that, yet I have not had the advice and will not be getting the advice from an expert company myself. DHS will be undertaking that.

Senator DI NATALE: Surely you would have thought through this stuff before you implemented it?

Ms Halbert: We will.

Mr Pratt: You are raising issues—

Senator DI NATALE: Well, before you made a decision to implement it.

Senator Ryan: The government made a decision here to conduct a trial. I understand you do not like it—you do not like this approach to illicit drugs. You are allowed to have that approach, but please do not badger the officials—

Senator DI NATALE: No. I am asking specific questions of the implementation on the trial—very specific questions.

Senator Ryan: But the officials have made it clear that the procurement for these tests has not yet occurred. So do not badger them about questions about tests for which the procurement process has not yet been completed. And it will be procured by another department.

Senator DI NATALE: The costs associated with those tests are something that would be borne by this department, and therefore I think it is entirely legitimate to ask questions about the testing.

Mr Pratt: The issues you raise are exactly the sorts of issues that we will consider once we—'we' more generally—have gone through the procurement process and have specialised advice from the various organisations that Ms Halbert has run through. So these things are not yet decided.

Senator DI NATALE: Given that we do not have much information about testing, there is probably not much point asking about thresholds for tests. Is that correct?

Ms Wilson: That is correct.

Senator DI NATALE: Testing for cannabis, whether you are going to use a swab versus other forms of tests—again, there is not much point asking? Are you going to be making variations according to people's size and so on because of metabolism—

Ms Halbert: Again, we will take the expert advice.

Senator DI NATALE: Let me ask you about the health professionals that people will be referred to. What is the process for referring somebody on to treatment?

Ms Halbert: That will be a matter for the Department of Human Services. As you know, they already have some health professionals on staff or under contract. Depending on where the trial sites are selected, they will be able to utilise those health professionals, if they have got the appropriate expertise, or they may have to procure additional assistance. But how they are going to make the referrals et cetera is a matter for the Department of Human Services.

Senator DI NATALE: Are you guaranteeing that somebody who is found to have a positive result will get treatment?

Ms Halbert: If they require treatment and if they are found to be able to benefit from it. If they have come through the process and the health professional does not think that they require treatment, they would not be referred.

Senator DI NATALE: You said 'health professional'. Are they going to be referred to an existing service?

Ms Halbert: I just went through that.

Senator DI NATALE: Yes, but I did not understand your answer.

Ms Wilson: It depends on the site. The sites are yet to be selected, but one of the considerations will be the availability of treatment services in the location where the trial is to be conducted. I guess one of the considerations for government is whether there needs to be any top up or additional supports made available. Clearly, looking for sites where there are a range of treatment services available is quite important, so that is one of the criteria for considering the sites.

Senator DI NATALE: So that includes non-residential, residential and a full range of services?

Ms Wilson: Looking at the extent to which they are available will be a consideration.

Senator DI NATALE: To have this in place I imagine you are guaranteeing that those people would get access to treatment should they be assessed as needing treatment?

Ms Halbert: In some cases the referral will be to, for example, a state run service. They will be citizens of the state and they will be able to access those services.

Senator DI NATALE: No, that is not the question I am asking.

Ms Halbert: We are looking at the availability—

Senator DI NATALE: I am asking a very specific question. Can we be absolutely sure that if somebody requires treatment, as assessed by a health professional—let us say, residential treatment, non-residential treatment—

Ms Halbert: If they are unable to access treatment immediately, they will still be required to commit to undertaking treatment when it becomes available, but they will be managed until that treatment becomes available.

Senator DI NATALE: Managed in what way?

Ms Halbert: That is to be worked through with the jobactive providers and the Department of Human Services, but we recognise, particularly if someone has an acute need for treatment, that it may not be available immediately and they will have the need for treatment included in their job plan but it will be understood that they will take it up when it becomes available. What the requirements will be is being worked through, as I said, with the Department of Employment and the Department of Human Services.

Senator DI NATALE: So you are saying that you are going to test people and those people might not be able to access treatment immediately and then there is some undetermined process that is going to occur?

Ms Halbert: They will be managed to help them meet their requirements—

Senator DI NATALE: What does 'managed' mean?

Ms Wilson: What we mean is that their job plan will recognise that they have a level of barrier that is associated with substance misuse and they are awaiting treatment or an intervention service. The specific details of that of course will vary from individual to individual, but one of the objectives of the trial is to actually ensure that people's job plans reflect their barriers to employment and reflect their needs—

Ms Halbert: And their ability to meet the requirements.

Ms Wilson: and their ability to meet the requirements that they would otherwise face.

Senator DI NATALE: So what happens to somebody who goes through a treatment program and relapses?

Ms Halbert: Again we have been advised that that is quite likely—

Senator DI NATALE: Very likely.

Ms Halbert: but, as long as they have committed to undertaking the treatment that will help them overcome their barriers to employment, they will be managed in the same way as Ms Wilson just described.

Senator DI NATALE: I will give you a highly likely scenario. Someone is picked up, they go into a treatment program—it might be nonresidential, it might be some sort of detox or it might be two or three months in a residential facility—they come back out and a month later there is another positive drug test. Let me go back to that. Will you be testing people who have been through treatment?

Ms Halbert: People who have tested positive may be tested in the future. They will already be on the form of welfare quarantining that will apply to this measure and they may be tested again.

Senator DI NATALE: When does the welfare quarantining begin? Before the treatment starts?

Ms Halbert: At the first positive test, so before they have been referred to a health professional.

Senator DI NATALE: The welfare quarantining starts before the treatment?

Ms Halbert: Yes, before the referral to the medical professional. These are unemployment payments. All people on these payments have certain obligations in return for their welfare payments, and that is about seeking work, but if they have issues that make it impossible or difficult for them to seek work then their obligation is to undertake activities to help them address those barriers.

Senator DI NATALE: So they have gone through the program, subsequently tested again and are positive—what happens then?

Ms Halbert: They will be, potentially, referred back to the health professional, but, actually, they are working with their jobactive provider, who has already understood the need for this person to undertake treatment. They will be managed to try to re-engage them in that treatment.

Senator DI NATALE: In terms of the additional requirement for treatment, have you made an assessment about what funding and additional support is required?

Ms Halbert: Again, we would go back to the original point. In looking at where the trials should be conducted—available funding—I think Health provided quite a bit of information about existing Commonwealth funding. We will be seeking advice from states and territories about what is already available. As Ms Wilson just alluded to, the consideration of what additional support might be required may be a factor in choosing a trial site.

Senator DI NATALE: Can I just finish with this: there was some discussion about the testing of wastewater to determine sites where drug use is prevalent. Can you talk to that?

Ms Halbert: There was a report—and Ms McGuirk can remind me of the year—

Senator DI NATALE: Was that correct?

Ms Halbert: It was a report that was already available, which just was one of the—

Senator DI NATALE: Is that informing where you do your trial sites?

Ms Wilson: There are a range of criteria that the government is considering—

Senator DI NATALE: Is that one of the factors that people are considering?

Ms Halbert: Prevalence of drug use is one of the factors in choosing the trial sites, but there are many other factors that are going to contribute to the choice.

Senator DI NATALE: And the prevalence is, in part, informed by the testing of wastewater?

Ms Halbert: It is in part informed by that report, but it is also informed by Department of Human Services data about where people have self-identified as having drug and alcohol problems and a range of other information that will inform the choice of trial site.

Senator PRATT: I want to ask what the government's approach will be to ensuring that people have access to rehabilitation services. I note that you have said that you would be looking at where services currently exist. Are you assessing waiting times and the length of waiting lists?

Ms Halbert: State governments are the ones who hold that information, apparently. We will be talking with them to try and establish—one of the questions is, 'Where are people most likely to be able to access treatment?'

Ms Wilson: And, 'What is the time frame within which they will be able to access it?' So that will be important.

Senator PRATT: Wouldn't there already be evidence to say that most of these facilities already have substantial waiting lists?

Ms Halbert: Apparently, there is a quite considerable variation. Again, we do not have that data yet.

Senator PRATT: So you will be looking to the places that have shorter—

Ms Halbert: The government will make a choice about the trial sites, and that is one of the factors that is being looked at in helping them to make that choice.

Senator PRATT: People do tend to move around in terms of rehabilitation services and attend them, often, some distance from where they live. Is that—

Ms Wilson: It depends upon the form, often. If that was residential, that could be the case. People also—

Senator PRATT: The majority of them are not residential facilities.

Ms Wilson: No, that is right. Most rehab services are not residential and take a range of forms and could, as I think Ms Halbert was giving in evidence earlier, range from being enrolled in a methadone program, which can be quite widely available in the community, through to one-on-one supports and interventions. It does depend upon the nature of the substance misuse issue, but, as we noted, the availability and waiting times for rehab and treatment services will be one of the things that the government has to consider in selecting trial sites.

Senator PRATT: How will you avoid displacing people who want to be on a waiting list versus those who are required to be by this program?

Ms Halbert: I think we indicated that it is acknowledged that people may not be able to immediately access the service—

Senator PRATT: No, what I am asking about—

Ms Halbert: I understood that—

Senator PRATT: is the concern about the people who might be displaced—

Ms Halbert: That is one of the things that we are talking with experts about in terms of people accessing treatment but if, for example, it is not residential rehabilitation, et cetera, then generally, other sorts of treatment can be sought elsewhere. We would not expect much displacement. The statistics I gave you before about the overlap between the population on these payments and people using substances mean that it will not be a whole new population that will access these services; there is considerable overlap there, and these will be people who possibly have already attempted treatment and been given extra support in this case. So we do not think there will be straight displacement, but we are talking with state governments about that.

Ms Wilson: Because of the way the system works currently where people either do not disclose or when they do disclose they are sort of exempt from obligations means that they are often also not participating or not seeking assistance, or if they are seeking that assistance it is not known to the jobactive provider or whoever is working with them. One of the things that we do anticipate is that it will potentially bring to the surface in the trial sites people who are already making attempts and have a better, if you like, evidence trail around that which will support them to have a jobs plan that is more appropriate for their needs.

Senator PRATT: In your discussion with the states, what are you doing specifically to avoid displacing people who want to access services?

Ms Halbert: Again, we will be asking them about availability of places and this will be a factor in choosing the trial sites. We hope and expect that the trials will be undertaken in areas where there is already availability of places or where the waiting lists are not too long, so people can access it.

Senator PRATT: In other words, you cannot guarantee that you will not be making the lists longer.

Ms Wilson: It depends whether you start with an assumption—

Senator PRATT: If a list becomes longer because there is a shorter waiting list and you add Centrelink recipients to that list—

Ms Halbert: Noting that we are only talking about 120 people across three trial sites and the nature of the treatment that those people will need will range from light touch through to intensive treatment, we do not expect that to be a big problem. Once the trial sites are announced, we will be working with the actual providers in those trial sites to ensure that this is managed as best as it can be.

Ms Wilson: The other thing we need to be careful about is making an assumption that they do not want to seek treatment. Sometimes this may be the first time—

Senator PRATT: No, I am not talking about Centrelink recipients here; I am talking about people whose parents are trying to get them into one of these facilities currently and they cannot get in because the waiting lists are too long. Suddenly now they will be competing for a place with people who are not necessarily there of their own volition.

Ms Wilson: I do not know that we should make an assumption that the people who may be picked up in this trial and found positive and assessed as requiring treatment would not want to access that treatment. I think that that is perhaps a bridge too far. It may well be that that is the first time that they have surfaced and had the discussion about what treatment is available, but we cannot assume that their participation in the treatment will be involuntary.

Senator PRATT: No, I am not assuming that it will be involuntary. What I am concerned about is potential displacement of other people from those services. I talk to parents every day—

Mr Pratt: We understand that. That is very clear.

Senator PRATT: about the fact that they cannot get their children into rehabilitation services currently.

Mr Pratt: We are seeking advice from the states as to areas where we can try to avoid that problem.

Senator PRATT: In his budget speech, the Treasurer said that the government would deny welfare for a disability solely caused by a person's own substance abuse. Can you explain exactly who this applies to and how that will work?

Ms Wilson: I am sorry, I am not aware of what the Treasurer said. If your question goes to what changes we are making to the assessment of the impact of substance misuse for eligibility for payments, then I can talk about the changes to the impairment tables and table 6.

Senator PRATT: You are not aware of any initiative coming from the government that would preclude welfare for a disability because of past or current substance abuse?

Ms Wilson: We are making some changes to the disability support pension impairment tables which remove table 6. Table 6, unlike the rest of the impairment tables, relates to drug and alcohol dependence and misuse and addiction. People will no longer be able to qualify on the basis of table 6 if their drug and alcohol misuse, dependence or addiction has resulted in a functional impairment that will be able to be assessed on the other tables in the impairment tables. So if, for example, it results in a cognitive impairment, an impairment in terms of self-care and self-management, or other areas of the tables, that will be able to be assessed through those tables. So addiction per se will not qualify someone for a disability support pension, but an addiction or misuse problem that has had an impact on their functioning, as measured by the other functional tables in the impairment tables, could.

Ms Halbert: This was a recommendation of an expert panel that reviewed the impairment tables in 2011. We reviewed this because this was the only table that assessed people according to their addiction.

Senator PRATT: How many people currently receive a DSP on account of this, and how many of them would be eligible under other tables, as far as you can tell?

Ms Wilson: I do not think I have the current number, but I think our assessment is that around 450 people per year would no longer qualify for DSP if table 6 were removed.

Senator PRATT: Do you know how many of those people have other impairments that might qualify them under other tables? They have only been assessed under table 6.

Ms Wilson: That is the net figure. That is the number that we anticipate would not qualify under another table and therefore would no longer qualify for DSP. It is an estimate.

Senator PRATT: So addiction as a medical condition will not longer be seen as a disability in its own right by the department?

Ms Wilson: The tables were completely revised in 2011 under the previous government and moved to a functional basis, consistent with the international classification of functioning, which is the gold standard recognised by the World Health Organization for assessing disability. We worked with an expert panel at that time and moved the tables from diseases and body systems to a functional basis, except for table 6. It is anomalous that table 6 remained. The view of the expert committee at the time, I believe, was that the functional impairment approach was the way to go and therefore the other tables moved to functional impairment. I do not recall why there was a specific reason why table 6 was retained.

Senator PRATT: There may or may not be a functional impairment—

Ms Wilson: That is correct. The disability support pension is now largely assessed on the basis of functional impairment, and this is an area where there is an anomaly.

Senator PRATT: What do you expect will happen to those 450 people?

Ms Halbert: We expect that 405 of those people will end up receiving Newstart or youth allowance, and approximately 45 recipients will not qualify for payment due to their income or assets.

Senator PRATT: Is that based on assessment of the real circumstances of that current cohort and not an estimate?

Ms Wilson: They are estimates based on data analysis, looking at the people who qualify now. It is based on flows of people who qualify now under different tables and what we know about their means, because that is also assessed as part of their eligibility for DSP, and making an estimate of what the alternative income support would be for those people who do not qualify, taking into account what we know about the means of people who are qualifying now, and also an estimate for those people who would not qualify for the allowances because they have means that are above the cutouts for those payments.

Senator PRATT: Have you been in touch with those people already? What is the time line?

Ms Wilson: This is an estimate of future claimants. These are people who have not yet claimed.

Senator PRATT: I just wanted to clarify that. So you cannot estimate how many people, as a result of so-called substance abuse—you are saying they will not lose access because of a requirement to have sought treatment. The requirement will be treatment in order to have access to payments. You have put that on the record already.

Ms Wilson: The purpose of the trial is not to deny people access to income support. It is to help identify barriers to employment for jobseeker payments which are the result of substance misuse, and to help get those addressed.

Senator PRATT: What is the definition of 'treatment' and whether it has been sought or not?

Ms Halbert: We have sought advice from the Department of Health on what constitutes treatment, and they have given us a range of different types of things that are considered as treatment. We could give you a list. The medical professional to whom the person is going to be referred will determine the nature of treatment that would be most appropriate.

Senator PRATT: Are you able to provide that on notice?

Ms Halbert: The list of different types of treatment? Yes.

Senator PRATT: In terms of assessing whether someone has actually been trying but perhaps has not had the right advice or support—

Ms Halbert: This will be part of the assessment by the health professional.

Senator PRATT: I understand that DSS will be working with Data61 to profile people at risk. Can you expand on what this means?

Ms Halbert: As we explained earlier, in the lead-up to developing budget measures we are quite constrained, from seeking advice outside. As Data61 are part of government, we sought their assistance.

Ms Wilson: What we were looking to do was to get their advice on how you screen and develop risk based tools that look at characteristics that would help you identify who would be most appropriate for referring to testing. So we have had our data people working with Data61 over a period of weeks—

Ms Halbert: Since early April, to try and help select those whose characteristics are most likely to be people who have been using illicit substances, in order that we are directing those people to medical professionals for assessment. That is not to say that the whole population is not in scope. But they are just helping us to select the characteristics that are most likely.

Senator PRATT: What is that risk profile look like?

Ms Wilson: We do not know. We have not got it yet. We are still working with Data61 to procure from them advice on how to construct a risk profile.

Senator PRATT: Have you consulted with the CSIRO on what kind of data you are looking at? Does it include profiling on prior drug related offences?

Ms Halbert: The only part of the CSIRO that we have consulted with is Data61. They are part of CSIRO.

Senator PRATT: What are you doing in relation to prior drug related offences? How will you protect people's privacy?

Ms McGuirk: We are only looking at data held on the DHS administrative systems.

Ms Halbert: That is people who have identified as having drug and alcohol problems.

Senator PRATT: I note you talked about positive tests, the referral to a clinician and possibly more tests to decide what the nature of the drug use was. Is it possible that someone might have positive tests but, in consultation with a medical practitioner, that drug use may not be seen as problematic?

Ms Halbert: That is a possible outcome.

Senator PRATT: Because it will depend on the other contextual information.

Ms Halbert: That is the reason for the assessment. We do not want to be referring people who do not need treatment.

Senator SIEWERT: Can I go back to the issue where I left off in terms of the financial cost of this?

I presume you are still seeking information on the programs. Is the process now that DHS is responsible for procurement?

Ms Halbert: That is correct.

Ms Wilson: That is correct.

Senator SIEWERT: Have you given them parameters around what cost you expect that to come in at?

Ms Halbert: As I think I said earlier, we have done research ourselves on current costs of tests et cetera. It will be up to DHS to do the procurement process and set the parameters. We have obviously been in discussions about what is expected through the testing process, but it will be DHS setting those parameters and working with the successful provider to determine the eventual nature and type of test and those sorts of things, and cost is going to be part of someone becoming the successful tenderer. We have a ballpark figure.

Senator SIEWERT: That is what I want to know.

Ms Halbert: And that is the one that we are not willing to indicate.

Ms Wilson: We are not able to indicate it at this stage, ahead of procurement.

Senator SIEWERT: So you will be asking the parliament to approve an expenditure through appropriations and we have no idea how much it is.

Ms Halbert: It is not uncommon, ahead of a procurement process, to not reveal the figure that we are expecting.

Senator SIEWERT: On such a controversial issue?

Ms Halbert: As far as I am aware it is quite common to not flag with the market that you have a figure in mind before—

Mr Pratt: In fact, we do it regularly whenever there are upcoming negotiations with the states or whenever there is a procurement process about to happen in relation to it. Treasury papers often have the NFP or—

Senator SIEWERT: I know, and there are often problems with that as well, particularly on something as controversial as this. Is the expenditure for that part of the program with DHS? Will that money be out of their budget?

Ms Wilson: It would be appropriated to them.

Senator SIEWERT: When you tell me the DHS funding, you will tell me minus the procurement of the actual testing process?

Ms Halbert: We will be able to give you a figure on DHS delivery costs.

Ms Wilson: So it would be their own staff costs in administering it.

Senator SIEWERT: Yes.

Mr Pratt: You are right, Senator.

Senator SIEWERT: Thank you. Have they started any procurement processes yet?

Ms Halbert: You would be best to direct the question to them. Work is certainly underway.

Senator SIEWERT: Have you asked them to start that process?

Ms Halbert: The measure is intended to start on 1 January next year. Work is underway. But you are best to direct the question about exactly where that is up to to them.

Senator SIEWERT: So you are not checking in on that?

Ms Wilson: We have an IDC that I think we gave advice on earlier. Ms Halbert chairs the interdepartmental committee, and DHS is on that, and it meets weekly, so there will be ongoing progress reports.

Senator SIEWERT: So you should know where they are up to.

Ms Halbert: I am not providing advice on their behalf—that is all.

Ms Wilson: Yes. It is really not for us to answer their progress on this issue to the committee; it is for DHS to provide that advice to you. But we are in regular dialogue—

Senator SIEWERT: You are the policy agency; you have the lead on this, do you not?

Ms Wilson: We are the policy lead, and there are different responsibilities with different departments. In terms of the procurement, DHS is managing it and they will be best placed to tell you exactly where they are at on that.

Senator SIEWERT: Do they need to come back to you once they have looked at the preferred tenderer in terms of the cost?

Ms Halbert: We will be involved to some extent in the process. I am in fact on the panel for the procurement process. Once it is at that stage, we will be aware of that. And they will no doubt report back to us about the factors that are influencing the outcome in terms of cost et cetera.

Senator SIEWERT: I still find it strange that you cannot tell me—

Ms Halbert: I have indicated to you that work is underway. I cannot tell you at this moment—work is underway furiously—exactly where they are up to. I believe they are appearing tomorrow, and they will be able to give you the most up-to-date report on where that is up to.

Senator SIEWERT: I want to get to the data-profiling issue later. But when someone first applies for income support, how is it going to work? Have you talked to the department about how it is going to work?

Ms Halbert: The intention is that once the trial sites have been selected, when people are claiming Newstart or youth allowance—DHS is moving to an online environment for forms—the advice will be that it is possible that you may be subjected to a random drug test, but it will be clear that that is only going to happen if you are in a trial site. Via the signing of the claim form, you will be providing consent for that test to be undertaken. But of course it will only apply to you if you are in a trial site. So, again, DHS are best to describe the detail around it, but there will be a series of interviews, and DHS will invite people to an interview. The person will not be aware of whether or not that is going to involve a drug test, and it may not. This is a random drug testing trial. They can step you through their own processes around interviews et cetera, but it is at that point that a drug test may occur, and I think we have taken you through the different steps if a positive test is returned et cetera.

Ms Wilson: And we will be workshopping with DHS, as they always do, on these measures the exact business processes. That is yet to occur.

Ms Halbert: There is a group already formed to do that.

Ms Wilson: We are usually asked to get together with them, and we work through the steps involved in that delivery chain, and that is going to happen shortly, I understand.

Ms Halbert: I think it is already underway.

Senator SIEWERT: How that process will work?

Ms Halbert: Yes.

Senator SIEWERT: But it is DHS's process, so I should ask them?

Ms Halbert: Yes.

Senator SIEWERT: If I do not sign the form because I do not want to do the drug test—

Ms Halbert: It will not be considered a complete claim.

Senator SIEWERT: So I have to agree to do the drug test—I have no option—otherwise I do not get income support?

Ms Halbert: That is correct.

Senator PRATT: In terms of the work you are doing with Data61, it means you are not yet able to work us through how a person will be chosen. I am not sure whether the committee has a complete list of what drugs will be tested for, but I am interested to know why cocaine is not included.

Senator Ryan: This was discussed earlier.

Ms Halbert: Yes. It is not excluded. There are three specific ones that definitely are included. DHS will be discussing with the provider which other drugs can be tested for with sufficient efficacy.

Mr Pratt: We want the widest range of illicit drugs possible, but it is subject to the advice—

Senator PRATT: The viability of the tests. What consideration was given to testing for alcohol?

Ms Halbert: This random drug testing trial is about illicit drugs. There are other elements in the package of measures that relate to people who have alcohol abuse problems.

Senator PRATT: Why has alcohol been excluded? What is the policy rationale for that?

Senator Ryan: They were illicit drugs, I think.

Senator PRATT: But, in terms of whether someone's substance abuse has an impact on their employment prospects, what is the reason for differentiation?

Senator Ryan: There is a very big difference between a legal product which people can legally consume and is much more freely available—it also happens to be safe, because it is manufactured under certain rules. This is a trial that focuses on drugs that are illegal.

Senator PRATT: In terms of someone's capacity to maintain employment, how does the government differentiate between someone who gets up and smokes cannabis at nine o'clock in the morning versus someone who starts drinking heavily at nine o'clock in the morning in terms of their substance abuse and their prospects of employment?

Ms Halbert: If a jobactive provider identifies or a person self-identifies as having alcohol and/or other substance abuse issues that are affecting their ability to fulfil their obligations and obtain employment, they will now be able to include that in their job plan. Currently it is restricted to stream C of the jobactive streams. Now streams A and B will also be able to identify that, include it in their job plan, and that will contribute towards them meeting their mutual obligations.

Ms Wilson: There are elements of the measure that do engage with the issue of alcohol misuse, but not the testing. The variation to mutual obligation requirements—the change to table 6—because that covers both alcohol and other drugs, extends to the issue of alcohol misuse. But with the actual testing, the government decided to focus that on illicit drug use.

Senator PRATT: And the policy rationale for that is simply that it is illicit? It has not differentiated on any substantive reason in terms of impacting on someone's employability?

Ms Wilson: The ice task force, which I guess is where the genesis of the commissioning for this initiative came out of, was focused in particular on ice usage, and the government then considered that they wanted to broaden it to a wider range of illicit drugs. But that was the genesis for this measure. That was the rationale.

Senator PRATT: I know we have a widespread problem with ice misuse, but surely the same can be said of alcohol.

Senator Ryan: I will repeat again, Senator Pratt: the officials have outlined some of the background I will take on notice, if the minister wants to provide anything else. This is a trial around illicit, illegal drug use—products that are illegal to manufacture, usually to possess and definitely to sell.

Senator PRATT: There has been some discussion of false-positives. Are you able to provide on notice your expected rate of false-positives?

Ms Halbert: We would not be able to. DHS would be seeking that advice from the expert provider—although, as I said earlier, we are going to do follow-up consultations with members of the National Council on Alcohol and Other Drugs, and they have said that they can provide us with information relating to that.

Senator PRATT: We have been told that you will be doing tests for synthetic drugs, but I am told that with running the kinds of tests using immunoassay technology there is a higher risk of returning false-negatives.

Mr Pratt: We explored these issues with Senator Di Natale.

Senator PRATT: Yes, I know you did, but there is a specific part of this question that I want to ask. I am told that to get reliable results the tests can cost up to \$1,000 per test. If you get a positive that could be subject to a false-positive, at what point would you escalate it up to a more expensive test?

Ms Wilson: I think that is something that the procurement will need to explore in terms of getting advice from the testing agencies as to what the best approach would be. We do not have a list of that as yet, because that procurement is yet to occur, and DHS, as we have said in evidence, is managing that process.

Senator PRATT: So, you are not able to provide any details as of yet as to what technology you will use to ensure—

Ms Wilson: No. That is one of the things DHS will be exploring as part of the procurement exercise and taking expert advice on.

Senator PRATT: I am told that GCMS and LCMS testing is not currently available in Tasmania, for example. Does that mean Tasmania would be excluded from being a trial site?

Ms Halbert: I cannot offer an opinion on that.

Ms Wilson: Certainly that is a salient piece of information that I would anticipate that the government would want to consider, but they have a range of criteria by which they have been looking at possible sites.

Senator PRATT: And what contractual obligations are you looking at to guarantee that testing is performed by someone who is a trained clinician with safeguards to prevent tampering et cetera?

Ms Wilson: That is a question for DHS. They are managing the procurement and they will have the contracts, so they are best placed to answer that.

Senator PRATT: Okay. I will ask them. Is the sewerage analysis a question for them as well, in terms of site location?

Ms Wilson: Sorry—what is the question?

Senator PRATT: It has been reported that sewerage analysis might be used to determine which trial location sites you might consider.

Mr Pratt: We did cover that with Senator Di Natale.

Senator PRATT: But do you have an agreement from authorities to collect sewerage data? Who is doing it?

Ms Wilson: We are not collecting any—

Senator PRATT: Or is that data already available?

Ms Wilson: It is available.

Ms McGuirk: It is the Australian Criminal Intelligence Commission's National Wastewater Drug Monitoring Program report.

Senator PRATT: How often do they monitor particular sites?

Ms McGuirk: We are looking at the 2017 report. That is the information that has been provided to government.

Senator WATT: Just out of curiosity: what are the top five locations—if that is the way to describe it?

Ms Wilson: I do not think we have that, do we?

Ms McGuirk: The report does not go down to very specific locations in the published report.

Senator WATT: Did you just say, though—this data is compiled in that report? Is this a source you are going to rely on—

Ms McGuirk: One of a number.

Senator WATT: in determining—and I acknowledge that there were other factors that will go into your decision about locations, like availability of rehab services and things like that. But is that the primary source you will rely on from a perspective of where drug use is happening?

Ms McGuirk: It is not the primary—

Ms Halbert: It is a guide.

Ms Wilson: The government will consider a range of inputs and criteria by which to make that decision—

Ms Halbert: Including DHS.

Ms Wilson: Yes, including DHS advice about the market for testing.

Ms Halbert: And people who self-identified as using drugs.

Ms Wilson: including admin data about the prevalence of people identifying drug use as an area to employment.

Ms Halbert: And also state and territory crime statistics in relation to drug use—a range of information.

Ms Wilson: So I do not suppose we are really in a position to answer what weighting ministers and government will give to each of those elements, but they will all be taken into account.

Senator WATT: Can Senator Ryan illuminate us on that?

Senator Ryan: As you know, this is not my actual portfolio but, if the minister has anything to add, I will take it on notice. But I would imagine that at some point, in due course, there will be some announcements.

Senator PRATT: Does the department have an expected guess rate of the number of positive tests you are likely to get relative to the national rate of drug use?

Ms Wilson: We gave evidence on that earlier.

Ms Halbert: So, 5,000 people participated in the trial. Up to 425 recipients are estimated to test positive to their first test, and 120 recipients are estimated to test positive to the second test. And I did run through the national statistics on how we came to that conclusion just a little earlier, but—

Senator PRATT: I am not sure whether you answered this before, but how does that compare with a similar cohort of people in terms of age, gender and location but who are also in the workforce?

Ms Halbert: The data I ran through talked about how the population who are on welfare payments compared with the general population with regard to drug use, and that is drawn from independent reports from us. The Data61 work will go down to that kind of level of detail about how you would select particular groups—which groups have the characteristics that make it more likely that they are among the population using illicit substances. So, that work will be in progress shortly.

Senator PRATT: I want to ask some questions—and excuse me, Senator Watt, if you have covered off on some of this—about how in the budget the government announced that it will provide \$84 million over five years to consolidate seven working age payments, including Newstart, into a jobseeker payment.

Ms Halbert: Mr McBride will come up to the table to answer that.

Senator PRATT: I am interested in having you talk me through the current phase-out arrangements—that is, when are they already planned to wind up? That is for the widow allowance, the partner allowance and the widow B pension.

Mr McBride: Widow allowance, as of January 2018, would be closed to new entrants, and then, by 1 January 2022, all those people on the payment will be of age pension age, so they will transfer to age pension.

Senator PRATT: When were those particular announcements of that phasing out first begun? It was certainly before the budget, as I recall.

Ms Wilson: If your question is, 'If the jobseeker payment were not being implemented, what was the plan for widow allowance?' then I think the answer is that it would have ceased naturally.

Senator PRATT: Anyway.

Mr McBride: It was only available to women born before 1 July 1955, so those people would naturally age out to be of age pension age.

Senator PRATT: Yes, so it was happening anyway. I am just trying to differentiate. There is \$84 million in the budget for this but, as far as I can tell, that work on consolidating those three payments and phasing them out was already part of the government's program.

Mr McBride: Widow allowance and widow B would have aged out.

Senator WATT: By 1 January 2022?

Mr McBride: Yes.

Ms Wilson: However, we need to note that widow allowance will be closed to new entrants from 1 January 2018, which is an additional consequence.

Senator SIEWERT: How many would have gone in? It was being phased out?

Ms Wilson: What was the estimate of those who would otherwise have gone onto it if it were not being closed? I am not sure we have that with us. We can take that on notice for you.

Senator SIEWERT: Okay. I thought it was being phased out.

Senator PRATT: Yes, so I assumed people were not going in anyway, because it was being phased out.

Ms Wilson: No, they were able to go in, but at January 2022 they would all—both existing recipients and any potential new claimants—be over age pension age.

Mr McBride: If they were under 65 now, so they were born before 1 July 1955, and became eligible for the payment, they could go onto the payment before they then aged out onto age pension.

Senator WATT: So the change in the budget is this January 2018 closure.

Mr McBride: You will not be able to go onto the payment.

Senator PRATT: Yes, rather than going on and then back off again. Okay.

Senator WATT: Did that apply for widow B as well?

Mr McBride: It is worth noting that 400 people on the payment would not have moved to age pension, because they are not residentially qualified, but the government has agreed that they will go onto the age pension. You can hit 65 and not be entitled to the age pension if you have not qualified residentially, but those people will be transitioned as part of the move to the payment consolidation.

Senator WATT: Will the change that is being ushered in in the budget—to stop new entrants from January 2018 for the widow allowance—also apply to partner allowance and widow B pension?

Mr McBride: Widow B was already closed. It has been closed to new recipients since 1997. Those people who are on the payment now will just age out.

Senator WATT: So there is actually no change in relation to widow B pension?

Mr McBride: No, no financial impact will accrue. Your other question was on partner allowance, wasn't it?

Senator WATT: Yes.

Mr McBride: Once again, it is available to people born before 1 July 1955, so they will age out.

Senator WATT: Also in January 2022? My maths is not quite that fast.

Ms Wilson: Yes.

Mr McBride: Yes.

Senator WATT: And there is no change in terms of the entrants.

Mr McBride: It is a closed payment.

Ms Wilson: There have been no new entrants since 2003.

Senator WATT: So the only change really affected by this budget measure then is, effectively, to stop new recipients of the widow allowance from January 2018.

Mr McBride: In terms of the three payments that you have mentioned, that is correct.

Ms Wilson: And noting the transfer of those who would not otherwise have been residentially qualified to age pension onto the age pension.

Senator WATT: What are the other payments that this will apply to then?

Mr McBride: There is sickness allowance, wife pension, widows' allowance, partner allowance, widow B pension, bereavement allowance and Newstart allowance.

Senator PRATT: Can I ask you to speak to the wife pension and the current phase-out arrangements for that? For example, the budget measure states that transitional arrangements ensure that those who transition from wife pension to jobseeker payment will have their rates preserved, but that those under 55 will be required to meet mutual obligation requirements. What are those transitional arrangements and what are the mutual obligation requirements?

Mr McBride: Of the 7,750 people we expect to be impacted on 20 March 2020, some of them will be age pension age. So 2,250 will just move to the age pension. We anticipate 2,400 will be undertaking some sort of caring role, so they will move to the carer payment. The remainder—2,900—will move to the jobseeker

payments, but their payment will be frozen at its existing rate. So they will not go back notionally in terms of their payment. They will stay on that payment until to the jobseeker payment catches up to them.

Senator PRATT: So, for that particular cohort who will have an obligation to work, when is that triggered from—who are currently receiving it?

Mr McBride: From 2020.

Senator PRATT: So there is an existing cohort of people receiving that payment who, by 2020, will need to be—what preliminary work will you start to do with that cohort? Will you just begin to make them eligible for jobseeker support?

Ms Wilson: They already are eligible if they volunteer, but they will be able to access employment assistance. Generally, there is an interview or a contact process that people go through ahead of the closure date so that they have notice—

Senator PRATT: So how much in advance of the closure date would you generally contact them?

Ms Wilson: We have not worked through all the detail of that implementation, but it is usually some months ahead of the closure date so that they have some notice.

Mr McBride: Given that it is some years away still, you would anticipate that the Department of Employment would be in contact with them as the date comes closer.

Ms Wilson: And DHS.

Mr McBride: And DHS.

Senator PRATT: You can imagine that these kinds of changes do tend to make people a bit anxious. If it is off somewhere in the future, they might start wanting to ask questions about it now, and you will need to be ready to—

Mr McBride: Yes. One of the reasons for the delay in all these payments some years hence is to allow people to start preparing and to take advantage of volunteering for these arrangements, if they choose, but also to get an understanding of the implications of what the change in the payment systems will mean to them.

Senator PRATT: How will the bereavement allowance be replaced by a new jobseeker payment? If you have someone who has recently lost a loved one who they have been dependent on for income support, how quickly will they now be required to meet, for example, an activity requirement?

Mr McBride: Once again, this will not start until 2020. Those who are on bereavement payment at that date will continue on to bereavement payment. So it will only happen to people subsequent to that. There will be a triple upfront payment to ease those initial costs of the initial bereavement payment, but there will also be measures to ensure that they are exempt from waiting periods, liquid assets periods, income maintenance periods and seasonal work preclusions. So they will be exempt from the mutual obligations that you would normally face on a jobseeker payment during that bereavement period.

Senator PRATT: How long will the bereavement period be?

Ms Wilson: It will be the same as the period for which they currently receive bereavement payments, which is up to 14 weeks.

Senator WATT: So this change for the bereavement allowance will take effect in January 2020?

Mr McBride: In March 2020.

Senator WATT: Forgive my ignorance, but how do you qualify for a bereavement allowance at the moment?

Ms Wilson: You generally are not qualified for anything else. If you are on an age pension, you do not usually go for a bereavement payment, but it is having lost—

Mr McBride: You have to lose a partner—

Ms Wilson: You have to lose a partner.

Mr McBride: and you have to meet the income test and other means test arrangements. So you have to have low income and low assets, and have lost a partner.

Senator WATT: It generally goes for about 14 weeks, did you say?

Mr McBride: Correct.

Senator WATT: So come January 2020, if someone's partner or spouse passes away, then, instead of getting the bereavement allowance, they would get the jobseeker payment.

Mr McBride: Correct.

Ms Wilson: And they will get in their first payment a triple rate of payment and exemptions from the waiting periods that Mr McBride talked about, and a 14-week period before they face mutual obligations, which is the current provision.

Senator PRATT: So in what way is the plan different other than the name?

Ms Wilson: It does not require people to transfer payments. They currently go on one payment and then they have to claim another one, so it is more seamless for those who perhaps do not have a job to return to.

Senator WATT: Is there any difference in the amount of money that they would receive compared to under the bereavement allowance?

Mr McBride: The bereavement allowance is a pension-level payment, and a jobseeker payment would be an allowance-level payment. They will get this triple payment up-front, where they are likely to experience most of the expenses associated with that bereavement. It will be a lower payment on a per-fortnight basis, but they will get the three-week payment up-front.

Senator WATT: So they get three weeks of bereavement allowance?

Mr McBride: Three fortnightly payments—

Senator WATT: Three fortnightly payments?

Mr McBride: as their first payment, yes.

Senator WATT: We are talking about someone who is unemployed, right?

Mr McBride: They have got to meet the income and assets test—

Senator WATT: So it is about that rather than whether they are employed or not?

Ms Wilson: They might be a casual worker, for example, and it may well be that the bereavement experience means that they are not actually able to go to work at the moment. Not everybody who currently qualifies for the bereavement allowance is jobless. They might be a part-time worker and be below the income and assets test.

Senator WATT: So in January 2020, rather than getting 14 weeks of the bereavement allowance, which is the same level as the age pension, they will get three fortnights worth of the bereavement allowance—

Ms Wilson: In the first fortnight.

Senator WATT: and nothing then for three fortnights?

Ms Wilson: No, they will get the fortnightly rate of the jobseeker payment for the subsequent fortnights of the period of bereavement, which is up to 14 weeks.

Senator WATT: Subsequent from the end of those three fortnights or from the beginning?

Ms Wilson: No, from the end of the first fortnight. They get a triple payment in the first fortnight, and then, for every fortnight following for 14 weeks—and ongoing, if they continue to qualify for jobseeker payment—the jobseeker payment rate that they will be entitled to.

Senator PRATT: In terms of averaging it out over those 14 weeks, is it more or less than the bereavement allowance as it stands?

Mr McBride: It will be slightly less.

Senator PRATT: So, even accounting for the tripled-up payment in that first week, it is slightly less. By how much?

Mr McBride: It is about \$1,300 over that 14-week period.

Senator PRATT: So nearly \$100 a week?

Mr McBride: Correct.

Senator SIEWERT: I will go to the disability issues now. I am particularly interested in some of the drug testing issues and some of the comorbidity issues associated with people with mental illness, and also some of the PHaMs people. I am not sure if you are the appropriate people, but I figured I might need you here just in case—sorry!

I am interested in that cohort of people that have a mental illness and may be self-medicating. We know that is an issue. As I understand it, the PHaMs program shows that people with drug and alcohol issues are in fact the largest group in the program. So these are people we know have mental illness and we know need some support but also do have drug and alcohol issues—although I appreciate the drug testing is about drug issues. Has your section discussed how people who have these comorbidity issues may be affected by this drug testing program if they are on income support or if they are applying for income support?

Mr Riley: I am not quite sure I understand the question.

Senator SIEWERT: So you have people who have a mental illness. We know from the evidence that they are a big group of people that are accessing PHaMs. We know they have some significant issues. Are these people going to be exempt? The data profiling would show that they may have drug or alcohol issues. Are they going to be exempt from drug testing?

Mr Pratt: They are already in a program of support. They are existing participants, so they are not new participants.

Senator SIEWERT: No, we are talking about income support. I am saying if they are new participants—

Ms Wilson: If they are a new claimant. I am just trying to work out what the steps would be. If they are already in a PHaMs service they would likely be already on income support and not be a new claimant. That would be my expectation.

Senator SIEWERT: So you are expecting that all those that are actually in PHaMs—I will come to a separate group later—will already be on income support?

Ms Wilson: My expectation is that they will already be on income support. I do not know that that is 100 per cent the case, but it would be pretty likely, would it not, Mr Riley?

Mr Riley: That is right. It will not be 100 per cent, but it will be close to it. We have some people in PHaMs who are in some employment, but overwhelmingly they are out of work. It is a severe mental illness that has an impact.

Mr Pratt: Without making a policy on the run—I am probably about to make a policy on the run—I am struggling to think of an example where such a person is likely to be picked up in the drug testing trials. I would have thought there was a very good case for not including them because they are on a current program of support.

Senator SIEWERT: Would that be the same for PIR or Day to Day Living? I know they are not yours; they are others'.

Ms Wilson: I think we probably just need to go through that because we would need to know the income support status of participants. It may well be that in some of those programs the people who run those programs are simultaneously dealing with a mental health issue as well as referring someone to support for a substance misuse problem.

Senator SIEWERT: Primarily, if they are in those programs they are there for their mental illness—

Ms Wilson: That is correct, but it may well be that the program provider is also suggesting or seeking to connect them to a substance misuse treatment or intervention as well in order that they can take maximum effectiveness for the mental health intervention. So it is not uncommon, from my understanding, that a person would be in a couple of support services—both a mental health one and a drug and alcohol treatment.

Mr Riley: All three recognise comorbidity. All three of the main adult-focused Commonwealth programs that are transitioning into the NDIS recognise comorbidity. They all have arrangements, formal or otherwise, to connect people with treatment or rehabilitation services.

Senator SIEWERT: In that respect, I appreciate these will be fairly rare circumstances, but I would suggest it probably would not be a very good outcome for these people to have to go through drug testing if they are applying for income support.

Mr Pratt: Without prejudice basis. I agree with you, Senator.

Ms Wilson: I think we do need to work through the detail of it, but there is a commonsense approach that has to apply here, and we will try to exercise that. If somebody is already receiving support, they are likely to already be on income support. Hopefully, they are getting support for the range of barriers they have, of which mental health issues might be one of them. If somehow they were to be a new claimant and be picked up—we have not worked through this logic, but thinking through it on the run and do not make me commit to this—then the assessment would identify the support services they are already accessing and whether there is a need for something in addition.

Mr Riley: In particular PHaMs requires that a participant agree to address any dual diagnosed comorbid drug and alcohol issues during the course of participation in PHaMs. As Mr Pratt said, we do not want to speak for the Department of Health in relation to those programs. We do not have as an explicit point, but at least in relation to PHaMs that is the case.

Senator SIEWERT: There may be some people who are not accessing income support because they have dropped out of the system or they are relying on family and friends because the system is too hard. I am certainly

aware of cohorts of people who are in that situation. I would like to go back to the fact that you expect these people will not be caught up in this process. I am concerned that this is an opportunity to put people on the cashless welfare card but I do not want to see people on these programs shoved onto the cashless welfare card, because they are highly likely to get caught up in that.

Ms Wilson: We will have to work through logically how to design who gets referred where and who gets profiled to be selected for testing. To the extent that someone is a participant already in an existing support program could well be one of the criteria that we consider as part of that risk tool selection.

Senator SIEWERT: Is that still under consideration?

Ms Wilson: Yes. We have not worked through all the detail but it is certainly one of—

Mr Pratt: It certainly is now, Senator.

Senator SIEWERT: The next issue is: how are people who have mental illness and other comorbidity issues but who are not part of programs going to be treated in this process?

Ms Wilson: Again, we have not done the detailed design of the risk tool selection and the analysis, but the medical professional's advice about what is the optimum package of supports for a person will be very important. To the extent that they are not receiving support for something like a substance-misuse issue and that this trial could lead to them being connected to such support, it would be something that needs to be worked through.

Senator SIEWERT: I am not necessarily convinced that putting them through this process is the right way to do that if they have a mental illness. I should say that it is not a good process any way—just in case anybody out there thinks that I may in any way be thinking this is great—particularly when someone has a mental illness.

Ms Wilson: We will need to work through what is appropriate in terms of selecting people for participation in the drug testing and the trial, and those sorts of issues will need to be part of the considerations.

Senator SIEWERT: I suspect you will not be able to answer this question: how are you proposing to address undiagnosed mental ill health when people come in for that initial interview?

Ms Wilson: If they have tested positive for a second time, they will be referred to a medical assessment to assess their barriers and whether they would benefit from drug treatment. If that medical professional, to the extent that they are able to through an assessment, picks up any undiagnosed mental health issues, we would expect that they would also convey that information in a way that meant that the job plan was suitable for that person, which might include being connected to a support service for a mental health condition. So the job plan is supposed to be amended to reflect the nature of a person's barriers and the supports that they require.

Senator SIEWERT: Will people have already been assessed for vulnerabilities? Where does the assessment for vulnerabilities process come in?

Ms Halbert: That is probably best answered by DHS. As I understand it, if it was apparent at claim, that is when it would happen. But there are a number of points at which a person may come in contact, such as when they are not complying or having compliance issues, and at those points they can be assessed for vulnerabilities. But that is a question best asked of DHS.

Senator SIEWERT: Have you thought about this or discussed it?

Ms Halbert: Looking at the vulnerability indicator within the DHS system is, we would expect, part of the consideration for whether or not someone gets selected. But the process by which DHS actually applies the vulnerability indicator is best addressed to DHS.

Senator SIEWERT: I understand you want me to go to DHS, but surely this is part of the whole concept of it? We have people with significant vulnerabilities who go in for their first interview. They have already signed the form to say, 'Yes, I'll drug test,' and that is a whole other area I will come back to, but then—

Ms Halbert: That may be a point at which DHS assesses that the person has vulnerabilities—

Ms Wilson: It could come through in the JSCI. At the point at which a person claims, the Job Seeker Classification Instrument is done. Sometimes, that identifies a need for an additional assessment. Then, there are subsequent specialist assessments undertaken depending on how the JCI is filled out. There are also additional steps in the new compliance arrangements for jobseekers that provide the opportunity to undertake additional assessments both initially by a jobactive provider and then subsequently by DHS if a person is having challenges in meeting their participation requirements. There is a concern about potential vulnerabilities that hitherto have not been identified, so there are already a range of points in the system at which those vulnerabilities might be able to be identified. To the extent that they have been identified, and whether or that means that it is appropriate for a person to be selected for random drug testing in this trial, that is something that we will need to work

through. We are still working through that streaming and consideration of what is appropriate in terms of referring people for testing.

Senator SIEWERT: This is why we have estimates—so we can work out what you have and have not done already. So where is the vulnerability, and we are talking about other issues here besides drug and alcohol, such as disability, mental illness—

Ms Wilson: The JSCI has a number of questions—

Senator SIEWERT: Sorry, you did not let me finish. Is that process done first and then during the drug test? Which comes first?

Ms Wilson: As we gave in evidence earlier, we are going to be workshopping the detail of how to implement this, what the business processes should be and the sequence of steps. That is one of the things that we will need to take into account: what is the current service delivery set of steps normally that apply for a jobseeker who is a new claimant and how will this testing approach interact with the current existing steps?

Senator SIEWERT: All right, I will ask a more direct—

Ms Wilson: But, at point of claim now, a person is assessed using the Job Seeker Classification Instrument. If there are a range of scores that appear in different domains that indicate the need for a subsequent assessment because there are concerns about vulnerabilities, those subsequent assessments take place. Sometimes, they result in a person being streamed to different service interventions in different streams of support.

Senator SIEWERT: Because you have not worked out that process yet, I want to ask two more direct questions. Will somebody with a vulnerability be counted out of drug testing and/or will this apply to all streams?

Ms Halbert: It is intended that it will potentially apply to all streams, but, as Ms Wilson has just been explaining, the work has not yet been done on the impact the vulnerability should have on whether or not the person is included, because the vulnerability might well be related to drug and alcohol issues. That is part of the conversation with Data61.

Senator SIEWERT: Or the drug and alcohol issues may be comorbidity issues—

Ms Halbert: Correct. As I say—

Senator SIEWERT: for someone, for example, with some form of disability.

Ms Halbert: Yes, so what impact that should have on whether or not someone is selected for the drug testing—that work has not yet been done. It is going to be worked through with Data61 as part of the process.

Ms Wilson: We do need to work through that detail to consider what is appropriate in terms of how people are identified for participation, where there will be other approaches taken and how the range of interventions available to jobseekers currently would interact with this measure for the trial.

Senator SIEWERT: Could you say that last part again?

Ms Wilson: We need to work through the detail of how the range of interventions currently available should interact with the participation and design of this trial.

Mr Pratt: To determine that, we would need to get lots of expert advice from the range of people that we are talking to, including Human Services, who are more expert in these issues in terms of designing the service delivery arrangements—they will need to provide advice on that. All that is yet to happen.

Senator SIEWERT: I will obviously be asking DHS tomorrow. In terms of policy, there has not been a signal to DHS about which vulnerability indicators are in or out, or if, in fact, any are in or out?

Mr Pratt: No, that sort of micropolicy has yet to be developed with them.

Senator SIEWERT: Sorry, some of us do not consider it micropolicy.

Ms Halbert: We have identified the vulnerability indicator as one of the factors that will help us design the selection process for the drug testing. As I said, if the vulnerability indicator relates in some way to drug and alcohol testing then perhaps those are people we would want to go through the process and be referred to appropriate treatment, but we have not yet done the work that will help us establish exactly what impact that should have.

Senator SIEWERT: Then we come back to the point I started with, which is: what do you do when some of those drug and alcohol vulnerabilities are comorbidities with issues around mental health? I do not see that as micropolicy. I see that as fundamental to what we are concerned about.

Ms Wilson: I guess the answer would be that, as with screening of all jobseekers, where vulnerabilities are identified there is an endeavour to get them connected to the right supports that are appropriate to support those

vulnerabilities and address them where they are barriers to work. If, on the basis of having been selected for a drug test, theoretically, it became apparent to the medical professional who was assessing a person after a second positive test that there was also a mental health condition which hitherto had been undiagnosed or was not visible in the service delivery contact thus far, we would expect that there would be a referral to those supports as well--because is about the job plan being appropriate for the individual and, where appropriate, including treatment. The job plan is supposed to encompass a range of barriers that a jobseeker has.

Mr Pratt: The use of the term 'micropolicy' is not meant to suggest that it is unimportant or insignificant. It is the next level of detailed policy beyond the macro level policy decisions which government have taken to date.

Senator SIEWERT: I think I can put the rest of the questions there on notice.

CHAIR: You are released. Thank you.

Senator SIEWERT: Can I go back to the selection of the trial sites. As far as I understand, from what we have discussed tonight and from reading, you are going to use the data profiling process to pick the trial sites and also the randomised—

Ms Halbert: The work with Data61 is about which of the trial sites is selected for drug testing. The selection of the actual trial sites will use available information on drug usage, the population of people claiming Newstart and youth allowance, information already contained in the DHS dataset.

Senator SIEWERT: What sort of information are you talking about there?

Ms Halbert: Some people have been identified, or have self-identified, as having drug and alcohol problems, so we would be looking at where in the geographical distribution of those people there seems to be potential issues. There is information from the state governments on drug-related crime that will be a factor. As I think someone said earlier, I cannot give you the weighting that the government is going to give to each of these factors, but all of that information will contribute towards deciding where the trials are conducted. Once the trial sites have been selected, a process of selecting people for the drug testing will happen.

Senator SIEWERT: I will come back to the people data profiling in a minute. Whose responsibility is it to decide those trials? Does that sit with DSS?

Ms Wilson: No, it sits with ministers. We are informing ministers about the sites that—

Senator SIEWERT: Sorry, I misspoke. You do the policy to inform the ministers.

Ms Halbert: Correct.

Ms Wilson: The ministers will make decisions on where. The criteria and the information that they will use will draw on the range of sources that Ms Halbert has given evidence about, which we will provide to the ministers.

Senator SIEWERT: Yes, but the policy for that sits with DSS?

Ms Halbert: Yes.

Ms Wilson: The advice about—

Senator SIEWERT: Jesus, can—

CHAIR: Language!

Senator SIEWERT: Sorry, but this is the third time I have tried. You are the lead on that?

Ms Wilson: We are the lead on providing advice—

Senator SIEWERT: Yes, thank you.

Ms Wilson: about what information is available across those areas in a range of sites. The decision about which sites will be selected rests with ministers.

Senator SIEWERT: I got that the first time. You keep telling me to go to DHS. I was trying to be really clear about who is responsible for this.

Ms Wilson: We are responsible for providing the advice to ministers on which they will make the decision about the sites.

Senator SIEWERT: Thank you. I think that is the end of my time.

Mr Pratt: Chair, now might be an appropriate time to table the list of main treatment types that were referred to in the Australian Institute of Health and Welfare's *Alcohol and other drug treatment services* report, with your permission?

CHAIR: Yes, please; table away. Before I got to Senator Pratt, I want to get my head around what we have been discussing since shortly before 4 o'clock, a couple of hours ago. This is a trial, is that right? We are looking at setting up for a trial, and, as far as I am aware, a trial is to ascertain whether something works, whether the model is right, whether we have the desired outcomes and effects. Is that right?

Mr Pratt: To test out things.

CHAIR: Yes. But, taking one step back even further, from what I have been hearing from the officers at the table today, there is a huge amount of work to be done before we even get to the trial stage, and that includes consulting with experts and assessing other bits of evidence and research. Am I right in my understanding here?

Mr Pratt: That is true. You are correct.

CHAIR: There has been a lot of concern expressed.

Senator WATT: They have [inaudible] a press release.

CHAIR: Sorry, I was listening to what the minister, and indeed Ms Wilson, said before about the intent behind the policy, and I was just trying to understand where we are at. I think the point has been made that this is fairly early on and there is a lot of work to be done. I think it has somehow been lost in translation that we are actually trying to establish an evidence base and see what the best way to go is before we even get to a trial to ascertain what the outcome will be. Is that—

Ms Wilson: There is a fair bit of design work to be done; I think that is probably the right way to put it.

CHAIR: And that is how we do policy—that is right, isn't it?—assess things, see what the best way forward is and then trial it, in some cases.

Ms Wilson: Trailing is a way of assessing whether a policy goal can be met through certain interventions or approaches, and that is the intention—

CHAIR: Rather than just blundering—

Ms Wilson: Rather than just large-scale, widespread implementation.

Senator PRATT: I want to go back to looking at some of the working age payments that we were discussing before. We noted that there is a \$1,300 difference in the bereavement allowance versus the jobseeker payment, noting that there would be one double up of pay. I think you said the widow allowance is ceasing as of 1 January and being brought forward, rather than from January 2020—is that right?

Ms Wilson: There will be no new entrants to widow allowance from 2018.

Senator PRATT: What is the difference between a widow allowance and the payment people will be eligible for, which I assume is Newstart?

Senator WATT: In dollar terms, what is the difference?

Ms Wilson: The primary rate is the same for widow allowance, Newstart allowance and the jobseeker payment. The only difference is—

Senator WATT: Someone who became eligible on 31 December 2017 would qualify for widow allowance, whereas on 1 January 2018 the same type of person would qualify for jobseeker allowance. What difference will there be between those two people, either in financial terms, activity tests, mutual obligations or anything else?

Mr McBride: Once again, it is for those people who will close a payment on 1 January 2018 and who would have otherwise got widow's allowance but will now instead be on jobseeker payment. That is the group you are interested in?

Senator WATT: Correct.

Ms McLarty: The difference would be the utilities allowance, which—

Senator WATT: They would get it, or they would not get it?

Ms McLarty: Currently, people on widow allowance get utilities allowance. On the jobseeker payment, utilities allowance would not be payable.

Senator PRATT: And how much is that per fortnight?

Ms McLarty: It is \$617.20 annually, paid quarterly.

Senator WATT: So the base rate is the same?

Mr McBride: As the allowance, yes.

Senator WATT: But with a widow allowance you get a utilities allowance. I know the energy supplement is before the parliament, but is there any difference there?

Ms Wilson: No, because it is about new claimants. So there is no difference.

Senator WATT: So whether they get widow allowance or jobseeker, they would not get it.

Ms Wilson: That is correct. The difference is utility allowance will not be payable to those people who went on to jobseeker payment. It is around \$600, which is an annual payment, but paid in quarterly instalments currently.

Senator WATT: What about activity tests?

Ms McLarty: They would have mutual obligation.

Senator WATT: Under job seeker?

Ms McLarty: Yes.

Senator WATT: Do they have them under the widow allowance/

Ms McLarty: No. These are new entrants into job seeking employment on Newstart.

Senator WATT: So, a person on 1 January 2018 will have mutual obligation expectations.

Ms Wilson: That is correct, Senator.

Senator WATT: In brief terms, what would they involve?

Mr Pratt: They have to look for work. They have to go to a jobactive provider and, if necessary, do training courses and things like that—things aimed at helping them get into work.

Ms Wilson: As with other job seekers, they would be screened and assessed for what their barriers are and what their needs are and would have jobs planned that reflect those.

Senator WATT: Anything like Work for the Dole or any of those sorts of schemes?

Ms Wilson: It depends upon their characteristics and their duration on payment, but like other job seekers they would be assessed for what their barriers are and what the interventions are that would make a difference.

Mr McBride: By virtue of their age, that would be in the lower end of that.

Senator WATT: Again, I am sorry. I am still trying to get across all these different payments, but, in general terms, who qualifies for a widow allowance now?

Mr McBride: They have to be over 40 years of age. Widowed, divorced or separated women turning over 40 years of age and born before 1 July 1955.

Ms Wilson: The event of being widowed, separated or divorced had to occur after they were 40, but their birth date has to be before 1955, and they have to have no recent workforce experience.

Mr McBride: The theme of all these payment consolidations is that we should be treating people of working age similarly. A lot of these payments are archaic in the way that they treat the specific groups that they apply to.

Senator PRATT: I am worried that someone who might be on a carers allowance currently because their partner has terminal cancer knows that, within the next 12 months or so, they are going to be dependent on one of these payments and that they are going to be in substantially different circumstances, depending on the time of their partner's death.

Ms Wilson: I guess, like any other job seeker applying for a payment, your recent workforce experience, your personal circumstances, whether you have any underlying health conditions yourself, what your barriers to employment are, will be reflected in the nature of the obligations you face and the supports that would be available through a jobs plan.

Mr Pratt: We really should not forget the additional supports that will be available through the jobs plan, through the assistance they will get from a jobactive provider and potentially all of the additional supports that are available there.

Senator PRATT: I do not disregard the fact that in the long term people may well be better off in employment.

Mr McBride: Additionally, this would only apply to women in those circumstances; it would not apply to men. A lot of these payments were directed at women who, at an arbitrary age, had an arbitrary thing happen to them. There is no coherence across the payment system. That small cohort would arguably be impacted but they were always getting a different treatment from men in similar circumstances or from people who had that happen to them at 39 rather than 40. So the idea behind most of this payment consolidation is that people should be treated similarly in similar circumstances and that is not happening now, largely for historic reasons.

Senator PRATT: Notwithstanding that you are also saving—

Mr Pratt: People of working age are assisted to get work.

Senator WATT: We could have an extended debate about issues that women face in the workforce, but that might be for another committee. How many people a year currently obtain the widow allowance? I am talking about new entrants per year.

Mr McBride: The number of people at the implementation date is 11,000. So it is a very small cohort.

Senator WATT: Eleven thousand on 1 January 2018. It is projected that there will be about 11,000 people receiving the widow allowance?

Mr McBride: Correct.

Senator WATT: Do you have anything on how many new entrants on average you have per year?

Mr Pratt: We will have that information.

Ms Wilson: We will find that for you, Senator.

Senator WATT: There is the utility allowance and the mutual obligation requirements. Is there anything else that is different?

Mr Pratt: And the extra support through jobactive.

Senator WATT: Sure. Any other differences?

Mr McBride: Come 1 January 2022 there will be, by virtue of this payment consolidation, 400 people who otherwise would not have been eligible for the age pension will be transferred onto the age pension. There are people who will benefit from this as well.

Senator WATT: Can I check one thing about the discussion we were having before about the bereavement allowance. You mentioned that, when this takes effect, people will get three lots of bereavement allowance up-front? It will be a fortnight's worth.

Mr McBride: It is \$1,613 in their first fortnight.

Senator WATT: Is that intended to be a transitional arrangement?

Ms Wilson: No. That would be a new policy approach for the new entrants to bereavement provisions in the job seeker payment, so that would be ongoing.

CHAIR: We will break for dinner and return at 7.30 pm.

Proceedings suspended from 18:30 to 19:31

CHAIR: We will kick off. Senator Siewert.

Senator SIEWERT: I have a few last questions on drug testing, and then—

Mr Pratt: Sorry, Chair, before we kick off, we have a clarification.

CHAIR: I beg your pardon. Secretary?

Ms Wilson: We have some information that you sought—that someone sought; I cannot remember who, I am sorry—on how many people are granted widow allowance and bereavement allowance each year. As we discussed, wife pension and partner allowance have had no new grants because they are closed payments. But, for widow allowance in 2015-16, there were around 2,700 grants.

Senator WATT: Over the year?

Ms Wilson: Yes. For bereavement, there were 942 grants in the course of the year, bearing in mind that you only get it for 14 weeks.

Senator WATT: Sorry, I missed that number.

Ms Wilson: 942 grants.

Senator WATT: That is 2015-16?

Ms Wilson: 2015-16, yes. We do not have the full year's data for the current year. And I do not believe you asked for this, but for sickness allowance—which is the other payment, along with Newstart, that is rolling in—there were 18,394 grants in 2015-16.

I also need to clarify a piece of earlier evidence, if I may, which is in respect of those people who would otherwise have qualified for widow allowance, if it were not closed to new entrants, but who come onto the jobseeker payment. They may volunteer for mutual obligation; they are not actually required to. We were confusing, I beg your pardon, the new arrangements for older jobseekers, where we are aligning across the age ranges. We would encourage people who would otherwise have qualified for widow allowance, if it were still

available, to volunteer, because of the additional supports that would be available to them, but there is no obligation per se.

Senator WATT: So, just to be really clear, the people who, come 1 January 2018, previously would have got widow allowance will now get jobseeker allowance—

Ms Wilson: Jobseeker payment.

Senator WATT: jobseeker payment—and they will not be subject to the mutual obligation requirements?

Ms Wilson: No, they will be able to volunteer to participate, and then attract support.

Senator WATT: I understand it is Senator Siewert's time, but I suspect we are probably going to want to go through this sort of process with each of the allowances that are transitioning—the number of people affected, what it means in terms of dollars and other obligations. So, if your staff want to start putting some of that together, that might be handy.

Ms Wilson: Sure.

Senator WATT: Thanks.

Ms Wilson: I believe you wanted to come back to drugs, Senator Siewert.

Senator SIEWERT: Can I ask about income quarantining. I understood from what I have read that the first time somebody tested positive they were going to be put on the cashless welfare card. But I notice you have been quite careful in your language—

Ms Wilson: We are still working through exactly how the welfare quarantining will work, whether it is a cashless debit card or some variant thereof. We have not completed that work between the departments as yet.

Senator SIEWERT: Okay. So why the change in language? Certainly, my recollection of what I have heard the minister say is that he talked about the cashless welfare card.

Ms Wilson: I think people use shorthand. I cannot explain what the minister said, his motivations et cetera, but we are still working through whether it is a cashless debit card, some version of the BasicsCard or some hybrid. We have not yet landed all of that detail.

Senator SIEWERT: I am just trying to see if it was in the Treasurer's speech. I have the Treasurer's speech. Yes, it is even in the Treasurer's speech.

JobSeeker recipients who test positive would be placed on the Cashless Debit Card—

sorry, I usually say the cashless welfare card, but it is the same thing—

for their welfare payments ...

That is actually in the Treasurer's speech.

Mr Pratt: And it may well be that that is the case.

Senator SIEWERT: What is the decision-making process there? Had you decided on—sorry, I will ask one question at a time.

Mr Pratt: No, there was not a definitive position on it, but it is quite possible, I guess, that it could be the cashless debit card. It depends on the location. It depends a little bit on what happens with the next trial site for the cashless debit card. If the two align then that would be an option. But it is still further policy detail that we have to work through.

Senator SIEWERT: Can we just go through what you mean by 'income quarantining'. With the cashless welfare card it is quite clear: it is 80 to 20. Are you thinking of some other process?

Ms Wilson: As you are aware, there are a range of different formulae that apply across the different forms of cashless debit card and income management. That is being explored as to what the ratios will be.

Senator SIEWERT: Would they still get an Indue card; you would just call it something different?

Ms Wilson: We have not worked out that detail yet.

Mr Pratt: As you are very much aware, with the BasicsCard there are different rates that apply in different parts of the country, so those sorts of things have to be established—what the rate could be.

Senator SIEWERT: You can understand why I am a bit perplexed, and I am sure I will not be the only one. It has been very consistently said that there will be the cashless debit card, and now we are hearing, 'Well, no, it may not be; we haven't made up our minds about income quarantining.'

Mr Pratt: Well, the exact form of the income quarantining—and it could be the cashless debit card.

Senator SIEWERT: What is the decision-making process and time line there?

Mr Pratt: We will have to figure out the best options or at least the range of options. It will depend a little bit, I guess, on which locations are identified for the drug-testing trial. It will be subject to the advice we get from DHS and others around what the better arrangements will be for the likely clientele who will be participating in the trials. The flip side is that it will also depend on what comes out of the process for identifying possible trial sites for the extension of the cashless debit card, so that will factor into it. Ultimately, we will need to have something decided, probably, I imagine, by about September or October this year in order to have the trial kick off on 1 January. That is my rough—

Senator SIEWERT: By what date, sorry?

Mr Pratt: To have the trial itself kick off in January—so sometime around September, I would have thought.

Senator SIEWERT: You mentioned the trial site for the cashless welfare card. Everybody on a working-age payment goes on the cashless welfare card anyway in a trial site, so you are drug testing, and somebody is going onto the cashless welfare card anyway?

Mr Pratt: Yes.

Senator SIEWERT: So how do you test the effectiveness of the drug testing?

Mr Pratt: The cashless debit card is there to help the jobseeker to reduce the amount of—

Senator SIEWERT: But you are already trialling that.

Ms Halbert: One of the options might be that a certain percentage is on the cashless debit card, and, if a person is involved in the trial, perhaps they have a different percentage quarantined.

Senator SIEWERT: 100 per cent?

Ms Halbert: I am not saying 100 per cent, but it may be a different percentage to the rest of the people in that region.

Senator SIEWERT: It would only have to go up, wouldn't it?

Ms Halbert: That would be an option, yes, the underlying principle being trying to restrict people's access to cash so that they cannot purchase illicit drugs.

Senator SIEWERT: But you are doing it anyway for everybody on income support.

Mr Pratt: But we do not know yet whether that is the option. This is all yet to be determined, Senator.

Senator SIEWERT: Can I go to the data-profiling process for individuals and just go through who does it and what data—does DHS do it?

Ms Halbert: We mentioned earlier that we are talking to Data61, who are experts in this kind of area. We are providing them with information about what we are after, and they are providing us with information about how we might best go about getting that data. We are expecting that they will undertake this exercise for us, at least in the first instance. They will be utilising DHS data, but we expect that Data61 will be undertaking the actual analysis.

Ms Wilson: What we are looking for is some advice about what we have available in the administrative data that would usefully be used to develop a tool that would identify risks that are pertinent to the trial and that you could then select people on the basis of for random drug testing.

Senator SIEWERT: What do you at the moment consider that those risks would be?

Ms Wilson: The sorts of things that might be pertinent could be gender and age. It may well be, to the extent that they are identified already in the administrative data, that there are barriers relevant to substance misuse. It could be absence of earnings. It could be a range of other fields that are available in the administrative data. We are really seeking their advice, and they are exploring the administrative data to see what is there and what we know about that correlates between those sorts of characteristics and the risk of substance misuse, to identify whether an appropriate tool can be developed to assist with the selection.

Senator SIEWERT: Data61 will be developing that tool?

Ms Wilson: Whether they develop the tool or they develop the risk profile that goes into the tool I am not exactly quite sure of. I do not know that we have—

Ms Halbert: We will be working with them on it, but I expect that they will be providing us with advice about how to develop the tool.

Senator SIEWERT: Are you only going to be using the DHS database?

Ms Halbert: Correct, yes.

Senator SIEWERT: No other use of any other government database?

Ms Halbert: They may bring other factors to the table.

Senator SIEWERT: That is what I want to check.

Ms Wilson: There may well be other data that is available—for example, in the drug survey data—that is pertinent and that there are other proxies for in the admin data.

Ms Halbert: But in the main the information will come from DHS.

Senator SIEWERT: I am trying to work out whether you will be using any other databases that you hold.

Ms Halbert: No, we will not be.

Senator SIEWERT: You definitely will not be? I am thinking of databases from other programs that you hold, for example, or another agency holds.

Ms Wilson: No.

Ms Halbert: That is not our intention at the moment. But we will be taking their advice about how to best develop this tool.

Ms Wilson: There may well be something in the employment data space which is connected to the DHS administrative data, from providers, but that is usually available through the DHS admin data.

Senator SIEWERT: Will the jobactive people get access to this data?

Ms Halbert: No. This is data for us and for DHS with Data61 to develop a tool for selecting people. The jobactive people are not involved in the selection of people to participate in the trial.

Senator SIEWERT: So that will all be done by DHS. DHS will then tell the jobactive—

Ms Halbert: No. This is information for us and then for DHS to be able to select people for the trial. The jobactive people do not know how people are being selected for the trial.

Senator SIEWERT: That is where I was going, sorry. So DHS will determine it and then just tell the jobactive person that that particular person is going to be drug tested?

Ms Halbert: No, they will not tell them—

Senator SIEWERT: They will not even know?

Ms Halbert: because many people will test negative once drug tested, and the jobactive provider has no interest in whether or not the person was drug tested in that case. The only instance in which they would get any information is if the person has gone through to the medical assessment and it has been determined that treatment would be an appropriate activity for them to do as part of their job plan. Then the jobactive provider would be informed of that fact—that this person needs to include treatment or seeking access to treatment in their job plan.

Senator SIEWERT: They will not be told that the person is on whatever form of income quarantining—

Ms Halbert: I cannot see any reason why they need to know that.

Senator SIEWERT: Okay.

Ms Wilson: Well, they might deduce it. If they have tested positively—

Ms Halbert: And the trial is public.

Ms Wilson: and the trial is public, and they are in the site, the provider will not be given that information, because there is no need, but they might be able to deduce it because that is the policy approach for designing the trial: if a person tests positively, they would be on the income-quarantining mechanism.

Senator SIEWERT: In other words, they will be told that they have tested positive?

Ms Wilson: No. They will be told if a person has tested positive and they require a treatment intervention as part of their jobs plan—

Senator SIEWERT: The second time?

Ms Wilson: the second time; that is correct, because, if it happens the first time they are on quarantining, it follows that it is still occurring if and when they test positively the second time.

Senator SIEWERT: So they will only get told the second time?

Ms Halbert: They will get told if treatment is to be included in their job plans. If no treatment is required, there is no particular reason for the jobactive provider to be told the outcome of that positive test.

Senator SIEWERT: What if they get referred for treatment and it is determined that they do not need some form of treatment?

Ms Halbert: There is no need to tell the jobactive provider that they have been through that process.

Senator SIEWERT: So what happens? They just stay on the cashless welfare card—I will use that for the time being—

Ms Wilson: Yes, that is fine.

Senator SIEWERT: They just stay on that?

Ms Halbert: Correct.

Senator SIEWERT: For how long?

Ms Halbert: At least for the duration of the trial and potentially for up to two years, depending on when they come onto the card.

Senator SIEWERT: Up to two years? I presume that means it would be low-level use or something like that if they have tested positive, have been sent for treatment and have not had a treatment plan?

Senator PRATT: They are still income earning on the card irrespective of whether their positive test is seen as an impairment to work?

Senator SIEWERT: Yes.

Ms Halbert: That is correct.

Senator SIEWERT: In terms of privacy principle 6—I will just ask in general first. Have you gone through the Australian Privacy Principles process for this measure?

Ms Halbert: My understanding is that we have, but I would also point out that, when people claim a payment via DHS, section 202(2) of the Social Security (Administration) Act provides that a person may 'make a record', 'disclose' or 'otherwise use' protected information if the record, use or disclosure is made for specified purposes, including for the purposes of the social security law, in the public interest under section 208 or 'with the express or implied authorisation of the person to whom the information relates'. On the claim form, it is made very clear to the person that their information might be used in that way. They make a declaration that they understand what they have signed.

Senator SIEWERT: Given that you are putting on the form—

Ms Wilson: It is already on the form, Senator.

Ms Halbert: No, I believe it is going to the additional information.

Senator SIEWERT: The additional information—you are putting on the form the issue around drug testing—

Ms Wilson: Yes.

Ms Halbert: And that will go through the same process of getting advice on what the appropriate wording is.

Senator SIEWERT: Therefore you are saying that you have ticked it off in terms of privacy because you are putting that on the form?

Ms Halbert: Correct.

Senator SIEWERT: Is that the correct understanding?

Ms Halbert: That is the principle. We have not yet worked out the exact mechanism and the wording that would be appropriate to get that across for the additional information. What I just referred to is already on the standard claim form. It makes it clear that their information might be used.

Senator SIEWERT: You do that with—

Ms Wilson: We do that with every claim.

Senator SIEWERT: I am not intending to go into the Centrelink stuff, but the same applies with Centrelink?

Ms Wilson: That is the standard approach for every Centrelink claim; that is correct.

Senator SIEWERT: So, as long as you do that wording, you have met principle 6, which is the appropriate principle?

Ms Wilson: That is our understanding.

Senator SIEWERT: Does that include if you did use any other government data or any other databases that the government happens to hold?

Ms Halbert: It may be subject to another law, but the information we are intending to use is subject to the Social Security (Administration) Act.

Senator SIEWERT: Because you are using DHS?

Ms Halbert: Yes.

Senator SIEWERT: Tell me if I have to ask this of DHS, or if you have or have not discussed it with them. In terms of security of the testing results, I presume that is part of the contract that would be signed with the provider of the test.

Ms Halbert: Correct.

Senator SIEWERT: Is that built into that process?

Ms Halbert: That will be built into the process, yes.

Senator SIEWERT: I think I have dealt with all those ones. This comes back to my issue around the cashless welfare card trials. In terms of the current cashless welfare card trials, they are largely in sites where the main population is Aboriginal communities. Is it intended to do that with one of the trial sites for this process?

Mr Pratt: No decision has been made along those lines.

Senator SIEWERT: But it is a possibility? I suppose I am asking: has it been excluded?

Mr Pratt: I do not recall that it has been excluded, but I think it is unlikely.

Ms Wilson: They have not yet made a decision—

Ms Halbert: Areas where the Community Development Program operates are excluded from consideration to be trial sites.

Senator SIEWERT: For this as well as the demerit point process?

Ms Halbert: Yes.

Senator SIEWERT: Thank you. Have you managed to track down that report?

Ms Wilson: Yes, the report. We did take account of and considered the report in part of the research that we undertook.

Senator SIEWERT: What was your response to the fact that they were pretty explicit about the fact that—in my understanding of it—it is not specific to dropping people off income support? They consider it in the context of employment participation as well.

Ms Wilson: We are aware of what the report said. That was considered as part of the advice available to officers in providing advice on the trial. I do not think I can go any further than that.

Senator SIEWERT: Thank you. I will put my other questions on drug testing on notice.

CHAIR: Sure.

Senator SIEWERT: I have lots of other questions in this area, but I will hand over.

Senator WATT: I will go back to working age payments in a moment, but I have one question on drug testing—and apologies if this has come up already. I understand people will be notified to come and have one of these drug tests via an SMS message. Is that the intention?

Ms Halbert: They will have a formal notification through whichever channel they have nominated to be communicated with by DHS. That may be myGov, letter or email—

Ms Wilson: Or SMS.

Ms Halbert: The formal notification will be through one of those channels. They will also be notified by SMS.

Senator WATT: Okay. In addition?

Ms Halbert: Yes.

Senator WATT: Because most people have a mobile phone?

Ms Halbert: Correct.

Senator WATT: If we have any questions around that process of notification, it is DHS?

Ms Halbert: They are best directed to DHS.

Ms Wilson: That is correct.

Senator WATT: I will go back now to the working age payment issues.

Ms Wilson: To jobseeker payments?

Senator WATT: Yes. As I mentioned, we are keen to step through each one of these changes and try and understand who it will affect and how it will affect them—that kind of thing.

Ms Wilson: Yes.

Senator WATT: So far, we have gone through widow allowance—no new entrants from January 2018. I think we established that what they lose is the utility allowance?

Ms Wilson: What they will not receive is the utilities allowance.

Senator WATT: That might be another way of putting it.

Ms Wilson: They will not have got it, so they are not losing it.

Senator WATT: Sure, I have got it. They will not receive the utilities allowance. Given that clarification you gave before, they will not be subject to the mutual obligation requirements that would apply to a jobseeker—

Ms Wilson: But they may volunteer.

Senator WATT: but they would be encouraged to volunteer.

Ms Wilson: That is correct.

Senator WATT: And you gave us the number of those.

Ms Wilson: Yes.

Senator PRATT: In that context, when someone is required to participate in mutual obligation, what is the range of costs that are afforded to government?

Mr Pratt: I will have a go at this in the first instance, and then colleagues can correct me if necessary. There will be costs associated with the assessments done by DHS. Most claimants for income support are subject to the same sorts of processes. But, as someone who is going to be required to go into an employment service, there may be additional things they consider. Then there are the costs associated with the employment services themselves: the fees for the providers, the allowances that are provided under jobactive, the calculation of the extent to which outcome payments may be paid over the likely lifetime of the person in jobactive. Those are the major costs.

Senator PRATT: What is the general success rate in placing someone in employment if they are in this kind of set of circumstances?

Mr Pratt: That is something you would have to ask the employment department about.

Senator PRATT: I am just trying to work through the extent of it. It is all very nice that you are not forcing people into mutual obligations. But, by the same token, you have reduced the payment but not made it compulsory to have those participation requirements. So it really just seems to underscore the nature of this decision simply as a cost-cutting impact, in that the only reason you are defining it as a working age payment and creating a working age payment out of it is to cut costs, because, if you did require people to participate, then it would seem to me that you would not have that same level of saving attached to the measure.

Ms Wilson: The overall measure, I believe, is a cost measure, not a saving. Was it \$83 million over the forward estimates?

Mr Pratt: This is definitely not a savings measure. The outcomes from this entire package are simplification, obviously, and reduction in the number of payments and the creation of a single jobseeker payment; a significant focus on assisting people into work by additional participation requirements—

Senator PRATT: For some.

Mr Pratt: now, we have looked at one group where that is not the case, but for others that is the case—and also the additional costs associated with providing employment services for them. So this is not a savings measure by any stretch of the imagination.

Senator PRATT: In turn, do you have an estimate of how many people you expect will opt in and ask for that employment support? What is that going to cost relative to the savings that you have made?

Mr Pratt: We are talking about relatively small numbers. I do not know whether we have an estimate on the number who would opt in, but certainly we costed the number of people who are likely to go into employment services as part of this.

Ms Wilson: The overall cost over the forward estimates across all the elements is \$15.8 million. The widow allowance component is \$4.5 million over the forward estimates, but I do not think I have got it broken down by assumptions on employment services and other costs. I would have to take on notice the—

Senator PRATT: So the widow allowance change is a cost of?

Ms Wilson: It is \$4.5 million over the forward estimates. There would be a range of drivers of that cost. An assumption about some take-up of employment services would be part of it, but there is also the additional service of seeing people in a more active regime—which the jobseeker payment will be, as compared to the widow

allowance currently—and some of the ICT and other implementation costs. I do not have that broken down, but we could take that on notice for you, Senator.

Senator PRATT: Why would it be called a jobseeker payment if it did not have an activity test associated with it? Is it because there is an assumption that people will be seeking work and not requiring support?

Mr McBride: As I said before, the idea behind collapsing these seven payments into one is that in the future you will have people of working age treated similarly. There will be transitions where concessions have been made. But the idea is that over time, once these people wash through the system and end up on whatever payment they are entitled to and new entrants come, they will all be treated similarly.

Senator WATT: That does mean that the non-requirement of the mutual obligations for widow allowance recipients, for instance, or what would have been widow allowance recipients, is really a transitional measure and that over time, to put it your way, as people wash through the system they will be subject to the same requirements.

Ms Wilson: That is correct and that was going to happen anyway because widow allowance was ceasing in 2022. So it already had an end date. This is just having no new entrants as it approaches that end date. So that was going to happen in any event. When that decision was taken under the Keating government in the 1994 budget to restrict this payment in that way in recognition of women's increased labour force participation, that it was in their interests to be labour force participants in their own right, decisions were taken in respect of a whole range of dependency based payments—wife pension, widow allowance, partner allowance. We changed the way that we looked at both partners in a jobless couple because there was a view that women were better off being active labour market participants in their own right getting into employment—better for them during their working lives, better for their children and better for their retirement. This is just slightly accelerating something that was happening anyway, which is a decision that was taken some decades ago by a previous government.

Senator WATT: I think we have also established the changes that apply to people who currently receive bereavement allowance who will be transitioned across. Let us go back to partner allowance. That is already closed. There is no person who would newly qualify for a partner allowance?

Ms Wilson: That is correct.

Senator WATT: But in January 2022, the existing recipients of partner allowance will transition to jobseeker payment—is that correct?

Ms Wilson: No, the age pension. They will all be age pension age.

Senator WATT: Does that mean then that there is no change—

Mr McBride: Perhaps I should have mentioned before one of the advantages of what is being proposed here. Before they would have had to apply for the payment. Now, we will be doing a migration where these people will automatically transition.

Senator WATT: In dollar terms, this budget measure means no change to these people?

Ms Wilson: They will go up. Had they claimed age pension, they would anyway because age pension is a higher rate than partner allowance. This is making sure that they transfer to a payment that is most suitable for their circumstances when they become age pension age eligible.

Senator WATT: But it is something they should have been doing anyway at their age.

Ms Wilson: It is surprising that some do not—sorry, Mr McBride.

Mr McBride: Perfect answer.

Ms Wilson: This is making sure that they do.

Senator WATT: So no financial change and no change to mutual obligations or anything like that; it is a reclassification, and they get a bump up in what they receive through the pension.

Ms Wilson: They get a higher rate. They get a different range of supplements. They get a different means test.

Senator WATT: Is everything we just said the same for widow B pension? I think you said that that is already closed and transition will happen in January 2022.

Ms Wilson: 2020, I think. Widow B pension will cease on 20 March 2020.

Senator PRATT: That is also because everyone will be over the age pension age?

Mr McBride: Yes.

Senator PRATT: It is not that it is closing; it is just that the existing phase-out arrangement introduced in the 1990s is finally—

Mr McBride: Yes, it has been closed since the 1990s.

Senator PRATT: executed.

Mr McBride: Yes.

Ms Wilson: They will transfer to age pension. The same has occurred with this group in that some of them have stayed on these closed payments in the past, whereas this will make sure that they are on the right payment—the payment that is most appropriate to their circumstances.

Mr McBride: It means that DHS do not have to run a separate system for this group.

Senator WATT: Widow B pension recipients at that point in time, March 2020, will not lose anything; they will transfer to age pension. How does the age pension compare in dollar terms to the widow B?

Ms Wilson: It is the same.

Mr McBride: The same.

Ms Wilson: It is the same.

Senator WATT: What about the wife pension?

Ms Wilson: For those on the wife pension, I think we went through some evidence before, Senator, that they will have a range of different places where they will transition to. About 2,250 will transfer to the age pension because they will be age-pension eligible. We expect that there will be around 2,400 that will transition to carer repayment, because they will not be age-pension eligible but will be caring at a level that would qualify them for carer payment. That has been a fairly constant experience—that there is an overlap between the two groups. About 2,900 would transfer to the jobseeker payment, and I think Mr McBride gave evidence that their rates would be frozen.

Mr McBride: Correct.

Senator WATT: Does that mean they are frozen at the wife pension rate?

Ms Wilson: At the wife pension rate at the point of transition.

Senator WATT: Is that indefinitely?

Ms Wilson: They are frozen until the jobseeker payment catches up.

Mr McBride: Until the jobseeker payment catches up and exceeds that payment.

Senator WATT: I see, yes.

Ms Wilson: There are around 200 recipients living overseas who would likely no longer be eligible for an Australian government payment.

Senator WATT: And they include some of the people you were talking about before. So those who transition to the jobseeker payment will not lose out, in a monetary sense: they will have their payments frozen at the wife pension rate.

Ms Wilson: Until the new payment catches up, that is correct.

Mr McBride: They will be frozen at that rate with those means-test arrangements. Were they to earn enough money that they would be better off under the jobseeker payment, then they will transition to that payment and stay on that payment.

Senator WATT: And what about the 2,250 who go across to the age pension? How does the age pension compare to the wife pension?

Ms Wilson: It is the same rate.

Senator WATT: And the carer payment?

Ms Wilson: It is the same rate—except carer payment does bring with it the carer supplement, which is paid as an annual amount on the test date—which is available to you if you are on age pension if you get carer allowance, because it also has a carer supplement. But the carer payment supplement is only payable to people on carer payment and some service pension equivalents, the detail of which, I am sorry, escapes me currently.

Senator WATT: Senator Pratt earlier went through the changes that would apply to those wife pension recipients who moved to jobseeker, and I think we have already gone over the requirements in terms of mutual obligation. Is that correct?

Mr McBride: I think so. Their obligations will mirror the other obligations of people their age—

Senator PRATT: Are you saying that they will not be quarantined from the activity test as is the case for other pensions?

Ms Wilson: No; some of them are quite a bit younger, Senator.

Senator PRATT: Yes, that was my next question: what is the age profile?

Mr McBride: We have the age profile: 23 per cent are over 65, 72 per cent are 55 to 64, five per cent are 45 to 54, and less than one per cent but a number are 35 to 44.

Senator WATT: What is happening with the sickness allowance, in terms of phase-outs?

Ms Wilson: Around 8,400 sickness allowance recipients will move to the jobseeker payment.

Senator WATT: When will that be?

Ms Wilson: On 20 March 2020. This is a very small, residual group who are on sickness allowance. In previous years—and I cannot remember exactly when—sickness allowance used to be payable both to people who were jobless and to people who had a job to return to. And then the first category were rolled into Newstart allowance—I cannot remember exactly when, it may have been about 12 or 15 years ago—and this was a residual group: people who, at the start of receiving sickness allowance, believe they have a job that they can return to. Most, in fact, end up not having a job to return to and end up on the jobseeker payment anyway, and so this is phasing out that payment, which is only made to a small number of people.

Senator PRATT: What is the current eligibility for the sickness allowance?

Ms McLarty: It is for people who are temporarily unfit, due to illness or injury, to perform their usual work or study and who have a job to return to or intend to resume study when fit to do so.

Senator PRATT: So it is for short-term illness as opposed to a disability?

Ms McLarty: An illness expected to last up to 2 years.

Ms Wilson: It is an illness expected to last no longer than two years, but it could be up to 2 years. Some people get it for a very short period; some people get it for a more prolonged period.

Senator WATT: So 8,400 of these people will move across to the jobseeker payment in March 2020?

Ms Wilson: Correct.

Senator WATT: You can probably predict my next question. How does the sickness allowance compare in dollar terms?

Mr McBride: The base rate is the same. Sickness allowance, you get the pharmaceutical allowance. You only get pharmaceutical allowance on the jobseeker payment if you are considered to have a limited capacity. You will be assessed as to whether you are entitled to that pharmaceutical allowance.

Senator WATT: What is that worth?

Mr McBride: It is worth \$6.20 a fortnight for a single, \$3.10 for a partner.

Senator WATT: Is there a couple rate?

Ms Wilson: Each member of a couple, if they both qualify, would get \$3.10.

Senator PRATT: Just to clarify: you are only eligible for an extra payment on your jobseeker if you—

Ms Wilson: If you have a partial capacity to work. That currently exists if you are assessed as having a partial capacity to work, which is the group that now encompasses many of those who would previously have been on sickness allowance but did not have a job to go back to.

Senator PRATT: And would have varied activity tests to cater for their sickness?

Ms Wilson: Yes. You either have an exemption or you have an appropriate mutual obligation, depending on your capacity.

Senator WATT: Do we know how many of these 8,400 people would, if you like, lose their entitlement to the pharmaceutical allowance?

Mr McBride: I am not sure we have that here. We might have to take that on notice.

Senator PRATT: What length of time would most of those 2,000 people have been on sickness allowance for?

Ms Wilson: We will have to take that on notice. We have not got an average duration on sickness allowance. I have an overall average duration on income support, which is not the same thing.

Senator PRATT: When do you cut people off from being able to start off on a sickness allowance? From when does that commence?

Ms McLarty: 20 March 2020.

Senator PRATT: Is when you will no longer be able to apply for a sickness allowance?

Ms Wilson: Yes. It will be closed, and those who are currently receiving it will transition.

Ms McLarty: Can I clarify on pharmaceutical allowance: it is temporary incapacity, partial capacity to work, single principal carer of a dependent child, or someone who is 60 years of age and older in receipt of income support continuously for more than nine months. Someone on sickness allowance that meets any of those categories would retain it.

Senator PRATT: You would think that they would, because their incapacity relates to being unwell.

Senator WATT: 8,400 go to jobseeker. I know that you have taken on notice the number who would lose their entitlement to the pharmaceutical allowance. Do you have a sense of whether we are talking about the majority or the minority?

Ms McLarty: I think the minority.

Ms Wilson: I think, given the criteria that Ms McLarty read out, the minority. We would have to look at that for you.

Mr McBride: I stand to be corrected, but I scribbled on this page 'anticipate five per cent of sickness allowance who get pharmaceutical allowance would not get it under jobseeker'.

Senator WATT: Are there any other sickness allowance recipients who move to a different kind of payment, apart from jobseeker, under this change?

Ms Wilson: Not unless they were already qualified or something else means that they qualify for that payment.

Senator WATT: For instance, wife pension—some were going to age pension, some were going to carer and some were going to jobseeker. I was not sure if that was the case here as well.

Ms Rule: It is anticipated that they will all go to jobseeker.

Ms Wilson: They tend to be people of working age. They are not age pension eligible, otherwise they would be applying for age pension because sickness allowance is a lower rate. If they were caring at a level that would attract carer payment, they are unlikely to also meet the sickness allowance criteria, one would think, and one would think they were applying for carer payments. There might be one individual we find at the point of transition that is qualified for something else, but our assumption is that the vast majority, if not all, will move to job seeker payment.

Mr McBride: They could be bereaved at that time or have a more substantial disability, but—

Senator WATT: I will try and wrap up this segment. I think what we worked through then was widow allowance, partner allowance, widow B pension, wife pension, bereavement allowance and sickness allowance. Are there any other—

Ms Wilson: Newstart.

Senator WATT: Can we just deal with that one before I hand over? People currently receiving Newstart will—everyone who receives Newstart? Wow, that is a large number of people, isn't it?

Mr McBride: It is 800,000.

Senator WATT: It is 800,000—they will transition across to a new job seeker payment.

Ms Wilson: Correct.

Senator WATT: When will that happen?

Ms Wilson: It will be March 2020.

Senator WATT: March 2020?

Mr McBride: Yes, payments and conditions will be the same.

Senator WATT: Entirely? That would seem to make sense—mutual obligation and everything is the same. I did not cover that off, actually, with sickness allowance, although you did mention the mutual obligation requirements.

Ms Wilson: They would likely be assessed as having a partial capacity to work, which means that they might have a tailored obligation that acknowledges that partial capacity. Alternatively, some of them might still have a temporary exemption from mutual obligation because of the nature the temporary incapacity is such that they cannot undertake anything. It would vary from case to case and they will be assessed on a case-to-case basis.

Senator PRATT: Currently, you would have similar cohorts of people on Newstart and on sickness allowance—

Ms Wilson: Correct.

Senator PRATT: just because people get sick while they are Newstart and they stay on that payment with a reduced—

Ms Wilson: Or they have lost their job because of a prolonged period of illness, so they do not have a job to go back to and, therefore, they have not qualified for sickness allowance. They have had to seek Newstart allowance.

Senator PRATT: That makes sense.

Senator ROBERTS: Senate estimates, I am told, is about accountability and transparency. That involves not just costs, but also security. A lot of people who come to us have a strong work ethic and a moral compass and they are very interested in welfare from a variety of perspectives. Before I ask my questions, they are all questions, from memory, that I asked of the immigration department secretary Monday week ago, and he referred them specifically to you. Can you please list or provide the types of services that are provided to support people categorised as refugees who enter the community?

Mr Pratt: There are a couple of areas in the department that might comment here. One is in this area around income support, so we can touch on that now. In relation to settlement services and other programs—

Senator ROBERTS: What was that second service—sorry?

Mr Pratt: Settlement—

Senator ROBERTS: Thank you.

Mr Pratt: those will get covered off under outcome 2 tomorrow afternoon.

Senator ROBERTS: Okay, thank you.

Ms Wilson: Humanitarian entrants—that is, people who have been identified and accepted as refugees—are entitled to income support in the Australian system. It depends upon their circumstances—their age, the presence of children and the age of those children—as to which payment they would be eligible for. If they are a single young person who is studying in order to train for employment and do post-secondary education, they could get Youth Allowance as a student. If they are someone who is going to be looking for work and they do not have any dependent children under the age of six if they are partnered, or eight if they are single, for whom they are providing care they would, potentially, be on Newstart allowance. It depends on—combined with their refugee status—what their other characteristics are like.

Senator ROBERTS: Is it possible to get a list of those?

Ms Wilson: Yes, certainly—we can take that on notice for you.

Senator ROBERTS: It is also noted that the department employs refugee and asylum seeker teams and subject-matter experts to support the department's tailored services for entrants. What does that entail?

Mr Pratt: I think that is a question for the Department of Human Services tomorrow afternoon or tomorrow night. The notional schedule for DSS tomorrow afternoon, the families and communities stream, which will cover off settlement services and families programs, communities programs and so forth, is notionally from 1.30, and that will notionally run through until about 6.30, then after dinner the Department of Human Services will cover those issues.

Senator ROBERTS: Thank you. I will take them up there. Is assimilation and integration a key criterion that is considered when determining the effectiveness of the programs you have?

Mr Pratt: This is a question for tomorrow afternoon when we have the settlement services people here. Assimilation and integration, in those terms, are relevant but they are not expressed in that way in our program objectives.

Senator ROBERTS: Can you tell me the number of humanitarian entrant households that are the recipient of Centrelink payments, whether the payment is disability, working age family support or any other, after a period of say one, three and five years?

Mr Pratt: We would have to take that on notice.

Ms Halbert: We could identify them by the visa category under which they came to Australia. We would not have that information here tonight. We can take it on notice.

Senator ROBERTS: Does the department gather or record information on the country of origin of humanitarian migrants who receive Centrelink payments?

Ms Halbert: Yes, we do know the country of origin.

Senator ROBERTS: What is the number of migrants who receive Centrelink payments after arrival in Australia after one year, three years and five years from the following countries: Sudan, Somalia, Afghanistan, Iran, Lebanon, Syria, Iraq, Vietnam and Pakistan?

Mr Pratt: We will take that on notice.

Senator ROBERTS: I note that they are all irregular maritime arrival nations.

Ms Halbert: We would have information on people who have come under certain visas. Information on illegal maritime arrivals is held by immigration. The immigration department manages the program for the illegal maritime arrivals.

Senator ROBERTS: What is the percentage of recipients by country of birth who have been on income replacement welfare, other than age pension, for more than five years after arrival?

Ms Halbert: We will take that on notice.

Senator ROBERTS: And the same for after 10 years. What is the percentage of recipients of all people on welfare of all forms of welfare of working age welfare that is made up by humanitarian migrants or refugees, including their children?

Ms Halbert: We will take that on notice.

Senator WATT: Is there any special reason why you did not ask about countries with an Anglo-Saxon background?

CHAIR: Is that a question to the officials?

Senator WATT: I wondered whether you would like that information on notice as well.

CHAIR: I think we should just go with the normal stream of questions and answers.

Senator WATT: I think we know what is going on.

Senator SIEWERT: Can I double-check something about parenting program single? Which program is it under?

Ms Wilson: It is program 1.

Senator SIEWERT: Which subprogram? I figured it was here.

Mr Pratt: 1.10.

Ms Wilson: Working age payments.

Senator SIEWERT: And we are doing working age payments.

Mr Pratt: We are happy to do the whole of outcome 1.

Senator SIEWERT: We are trying to keep a bit of order to the process. I will ask a question that goes with the job seeker payment and compliance. You may not be able to answer this. It is the demerit points system. I have traversed this with employment, so I do understand the four points and three points. Subsequent to that somebody said to me that certain activities may be worth more than one demerit point.

Mr Pratt: Yes.

Senator SIEWERT: That was not clear to me on Monday.

Mr Pratt: The main one is that if you are offered a job, for example, and you turn it down, it is likely that if you did not have a good reason your demerit points would be more than one.

Senator SIEWERT: How many could it be?

Mr Pratt: It might be three.

Senator SIEWERT: Do you have a table on that?

Mr Pratt: It is a matter for employment. Certainly we work very closely with them on this in the process. We would refer you to employments to get the exact table.

Senator SIEWERT: I will keep it fairly generic at the moment, then. So it is true that you would lose more than one. What about if you miss a job interview—is that likely to get more than one point?

Mr Pratt: It depends on the reason. If you had a good reason, you may not lose any.

Senator SIEWERT: I understand that, but if they think that you do not have good reason for missing the job interview?

Mr Pratt: We think it is only one. Again we would send you to employment.

Senator SIEWERT: But you can definitely tell me that if you do not take up a job offer you will potentially lose more than one?

Mr Pratt: Yes.

Senator SIEWERT: It does not mean that you will automatically lose income support?

Ms Wilson: My briefing advises me that jobseekers who refuse or leave a suitable job without a valid reason will face a four-week non-payment period.

Senator SIEWERT: Basically, it automatically takes you to the seven points. That is effectively what does, doesn't?

Ms Wilson: It is the same effect. I think that currently it is an eight-week non-payment period.

Senator SIEWERT: That eight weeks is for serious compliance failures. In terms of the parenting payment, I want to come back to the verification process. Once my child turns eight and I am onto Newstart, do I automatically get Newstart or do I have to apply for Newstart? I am on parenting payment single.

Ms Wilson: If it is not completely automatic, it is virtually automatic. DHS would direct the person to the appropriate place. It may well be that there is a process by which, if a person were potentially eligible for another payment—for example, their child had a very significant disability such that may be eligible for carer payment—that would need to be explored, but the exact process around it is really a question for DHS.

Senator SIEWERT: I will ask DHS. There is no policy direction—

Ms Halbert: If the process is not automatic it is virtually automatic that the person would be directed to the most appropriate payment for them.

Senator SIEWERT: Would they have to go through the whole process of applying?

Ms Halbert: There are compressed—

Ms Wilson: There is what is called an abbreviated claim process, but we do not have the exact details here about how that works. DHS would be able to help on this.

Senator SIEWERT: I will follow that up tomorrow. But there has been no policy change?

Ms Halbert: No.

Senator SIEWERT: In terms of the verification process, I understand that everybody is going to go through that process.

Mr McBride: Initially, from January 2018 existing recipients will be progressively asked to have someone verify their status. From 20 September 2018 that process will apply to new applicants.

Senator SIEWERT: The material I have says that a penalty of up to 12 months imprisonment may be applied to referees who supply a false declaration.

Mr McBride: Correct.

Senator SIEWERT: Is that a normal penalty?

Mr McBride: That is the standard penalty regime for false declarations.

Senator SIEWERT: And what happens to the parent?

Mr McBride: Both of those are obliged to make a true declaration.

Senator SIEWERT: It just says here 'referees'.

Mr McBride: That is the new system. Under the new system, people who apply for payment have always got to tell the truth about their circumstances. The change to this process is that, rather than have DHS call two of their referees, people will provide a written attestation to the person's status.

Senator SIEWERT: And they require just one third party?

Mr McBride: Yes, correct.

Senator SIEWERT: And there will be a form that they sign?

Mr McBride: Yes.

Senator SIEWERT: Then what happens after that process? Do you ring and check them or do you just take the form?

Mr McBride: On that basis, they will be able to apply for parenting payment single. DHS will still have audit checks, as they do at the moment, across the payment system, to make sure that everyone is doing the right thing.

Senator SIEWERT: That will just go through the normal process?

Mr McBride: Yes.

Ms Wilson: It is replacing an oral referee check with a written declaration.

Senator SIEWERT: Does that have any cost to it?

Mr McBride: It will save \$93.7 million over the forward estimates.

Senator SIEWERT: That is on the basis that there will be some people in relationships?

Mr McBride: Correct.

Ms Wilson: That is correct.

Mr McBride: Some people will move to a partnered rate; some people will move off payment altogether.

Senator SIEWERT: Thank you. Can I ask about the new process for getting all your documentation up-front, which is tightened social security claim requirements. That is still here, isn't it?

Ms Wilson: Yes.

Senator SIEWERT: So the process now is going to be that you have to have all your documentation together before you submit your form?

Ms Halbert: You have to have the documentation that is within your control, that you would possess yourself. It has to be provided at the time of claim, but for information that you have to get from a third party, such as medical information or other, you have got another 14 days to get that.

Senator SIEWERT: Okay, so you are talking passports—sorry, birth certificates.

Ms Halbert: You would have your passport, birth certificate and that sort of thing. If that is required, you need to provide that at the time of claim, but, if you need to get the information from a third party, you get a further two weeks.

Senator SIEWERT: I am thinking particularly about Aboriginal communities, where some of this information is not readily accessible. You will be coming across that issue already.

Ms Halbert: If someone is in financial hardship, as they can now, a person can be granted special benefit for up to two weeks. In those circumstances they may not have to provide all of the documentation to get that payment.

Senator SIEWERT: Didn't we just deal with some legislation that tightened what severe financial hardship is?

Ms Halbert: Not for special benefit.

Senator SIEWERT: Only for hardship?

Ms Wilson: That was in respect of waiting periods.

Ms Halbert: That is right.

Senator SIEWERT: For financial hardship, for waiting periods.

Ms Halbert: Yes.

Senator SIEWERT: So they could apply for special benefit in those circumstances. Is that the point you are making?

Ms Halbert: If they meet those conditions—that sort of thing.

Senator SIEWERT: And that is two weeks?

Ms Wilson: Yes.

Senator SIEWERT: Okay, thank you. In terms of the tax file number, that is just saying you have to do it straightaway, along with—

Ms Halbert: You have to do it straightaway, but you can ask DHS to obtain it from the ATO for you, in which case you are considered to have met your obligation by allowing DHS to do it.

Senator SIEWERT: And do most people do that?

Ms Halbert: Most people do that—if they do not already have it themselves to provide, obviously.

Senator SIEWERT: Yes. And that says it is costing \$5.5 million over five years.

Ms Halbert: It is just DHS. It is implementation costs.

Ms Wilson: Service delivery costs.

Ms Halbert: Service delivery and ICT related costs. I think that is it.

Senator SIEWERT: I found that quite surprising that that would cost that much.

Ms Wilson: It is system changes, to make the form work online in this way so that it gives people the right prompts and the right information, and they know whether or not they can complete the claim, depending on how they answer the fields.

Senator SIEWERT: I have DSP questions now, which is moving off working age.

Senator WATT: We have still got a few more.

CHAIR: Okay, we will go to Labor.

Senator WATT: We have had a little chat about some of the changes where, once transitioned to job seeker, people will attract mutual obligation requirements. I did notice within the budget papers that when this measure was described they mentioned there will be new participation requirements. Not much detail was provided there. Are you able to fill us in on what is intended?

Ms Wilson: There is an alignment on the basis of age in respect of the mutual obligation requirements that people face. I guess that is rationalising and simplifying the range of requirements that currently apply.

Mr McBride: For example, at the moment people under 30 have to do 20 job searches per month and 50 hours per fortnight annual activity requirements. Once they turn 30, that drops to 20 job searches but only 30 hours per fortnight of annual activity requirements. It is a better alignment across the working age. So for now, from 30 to 49 you have 20 job searches and 50 hours per fortnight of annual activity requirements—

Senator WATT: So it is for people aged 30 to 49 who currently receive any of the payments which are being transitioned over to job seeker—is that right?

Ms Wilson: Who will receive job seeker payment—

Senator WATT: Who will receive job seeker.

Ms Wilson: and within the current Newstart group.

Mr McBride: We spoke about sickness allowance and other people who are in transition. For sickness allowance—those people who have a temporary incapacity to work—there will be a mutual obligations adjustment to reflect that.

Ms Wilson: These are people who have no capacity limitations—no temporary exemption on the basis of illness if they have transitioned from sickness allowance. They do not have a partial capacity to work and they do not have a caring responsibility for being a principal carer parent. These are jobseekers without those characteristics. We are aligning the requirements in the same way across the group for those aged 30 to 49.

Senator WATT: Right.

Mr McBride: And circumstances stay the same for people aged 50 to 54—so, 20 job searches per month and 30 hours per fortnight annual activity requirements. For jobseekers aged 55 to 59 it stays the same again. At the moment people aged 60 to aged pension age have 10 job searches per month but are excused if they are doing volunteering and they have no annual activity requirements. They will move to 10 job searches per month, excused when they are fully meeting their annual activity requirements—and those annual activity requirements are 10 hours per fortnight.

Senator WATT: I think I am still missing something. Are we talking here about people who—let's take an example: sickness allowance. What you said earlier was that there are about 8,400 such people who, in March 2020, will transition to job seeker payment. Currently those people do not have any mutual obligation requirements—

Ms Wilson: That is correct.

Senator WATT: as a sickness allowance recipient. But come March 2020, when they go to job seeker payment, depending on their age they will have those—

Ms Wilson: No.

Senator WATT: No?

Ms Wilson: The same exemptions and assessment of capacity will apply. These new requirements will only impact on those who do not have the need for an exemption from mutual obligation because of a temporary incapacity or who do not have a partial capacity to work. These arrangements are, if you like, independent from

the job seeker payment. They are a set of decisions about aligning and rationalising the current range of annual activity requirements and the like within the working-age population who have no capacity limitations and who currently receive Newstart. When Newstart becomes part of the jobseeker payment, these provisions will switch over to the jobseeker payment, but people will still have access to being assessed for a partial capacity to work if they have got a capacity limitation which means they cannot look for work of 30 hours a week or more. They will still be able to be assessed, if they have got an acute illness or they have had an accident or something, as having a temporary exemption from activity requirements if they need that, for a period of up to two years, as per now. Does that help?

Senator WATT: I think so. This is a far more complicated system than I ever realised before I arrived here.

Ms Wilson: It is an extremely granular system.

Senator WATT: I do not know how you do this day in, day out. We touched on Work for the Dole earlier, I think in relation to a particular payment. Will people who are aged 55 to 59 have to participate in Work for the Dole?

Ms Wilson: I am not trying to be difficult, but Work for the Dole is actually the responsibility of the employment department. I am sorry; they are better placed than us to give you the rules around Work for the Dole participation.

Mr McBride: I stand to be corrected, but my understanding is that they will have annual activity requirements and they can satisfy the annual activity requirements by doing, for some people, volunteering, part-time work—we have a list here.

Ms Wilson: You can choose to participate—

Mr McBride: Work for the Dole is one of the things you can do to satisfy your annual activity requirement, but it is not exclusively Work for the Dole.

Ms Wilson: Some people have part-time work, for example, and therefore that can satisfy the activity requirements.

Senator WATT: So effectively it is an option but it would not be compulsory.

Mr McBride: Australian Defence Force Reserves; accredited language, literacy and numeracy courses; the National Work Experience Program—there are a range of things that you can do to satisfy those annual activity requirements. Work for the Dole is one of those.

Senator WATT: I am pretty sure we got everything we needed on this at the working age payments reform. I know Senator Pratt has got some questions on other aspects of working age payments, but I might need to come back if there is anything I have missed here. Thank you.

Senator PRATT: I have some questions about the liquid assets waiting period. I understand there are changes in the waiting period for people with assets over \$18,000 for singles and \$36,000 for dependants in terms of increasing the waiting period from 13 to 26 weeks. How many people will be affected by this measure?

Ms Halbert: It is expected that approximately 13,800 claimants will be impacted each year. About 2,800 will have their liquid assets waiting period extended by one to 12 weeks. They are people with assets between \$12,000 and \$18,000, if single with no children, or between \$24,000 and \$36,000 for couples and those with children. Around 11,000 will have the liquid assets waiting period extended by 13 weeks and will serve the new maximum. These are people with liquid assets above \$18,000 who are single with no children or \$36,000 for couples and those with children.

Senator PRATT: How many of those people with the longer waiting period had children?

Ms Wilson: I do not think we have got that broken down. We will probably have to take that on notice. I am sorry, Senator. We just do not have that at the table.

Senator PRATT: What consideration has the department given to the impact on people who are living on low incomes, or who have no other income, in terms of running down their savings?

Ms Halbert: The liquid assets waiting period has been in operation for some time. This is not changing the thresholds for the waiting period; it is just extending the waiting period for people who have larger amounts of liquid assets.

Senator PRATT: It is staggering it, but the longer you have to go—it is a long time to go—

Ms Halbert: But only those with the higher levels of liquid assets will be affected by the extension, not those with assets under that.

Mr Pratt: So the reserve amount is still the same—\$5,000 or \$10,000.

Senator PRATT: What was the rationale for extending it?

Ms Wilson: I think the government's rationale was that people should use their own resources first before seeking income support where they have those available in liquid form.

Senator PRATT: Do we know how many more people are expected to access an advance or urgent payment as a result of the extension?

Ms Wilson: You have to be on payment to receive an advance or an urgent payment.

Ms Halbert: You will become exempt from the liquid assets waiting period if your resources fall below a fortnight's payment.

Senator PRATT: If someone had \$36,000 in the bank and their mortgage repayments were \$3,000 a month, as soon as their payments fall below their eligibility they will be able to access a payment?

Ms Halbert: If their resources fall below the level of a fortnight's worth of payment, yes, they would. But if they had mortgage payments of that level, they may have difficulty paying them with their payment anyway.

Senator PRATT: Of course, but clearly every day counts when you are trying to find another job and negotiate with your bank.

Ms Halbert: There are a range of other reasons why a person may be exempt from the liquid assets waiting period: if they are transferring between income support payments, so virtually straight away, within a 14-day period; if they have self-served the liquid assets waiting period, so they chose not to claim until after they would have had to wait anyway; if they have served a liquid assets waiting period during the 12 months prior to claiming; if they become qualified for Newstart after a continuous period in receipt of income support—there are some technical rules around that, but, if they had pretty well been on another payment for a period of time, they would not have to serve it—and if they are undertaking an activity as part of stream C employment services, disability employment services or the Community Development Program for a person who would otherwise have been referred to stream C, so the equivalent of stream C.

Senator PRATT: So, contrary to the argument that people should be able to have a savings buffer for emergency costs and other costs, the government's approach is that people should draw on their own resources first?

Ms Wilson: Until they meet the thresholds of \$5,000 and \$10,000 respectively, depending on whether they are single or partnered.

Senator PRATT: I am happy for you to take on notice a breakdown of the people who will have a liquid assets waiting period by payment type and which income bands you think they will fall in.

Ms Wilson: I can give you payment type now, but I cannot give you by whether they are partnered, are single or have children. We would have to take that on notice. By payment type, in 2018-19 we anticipate there will be 804 Austudy claimants, 11,029 Newstart allowance claimants, 372 sickness allowance claimants, 660 people claiming youth allowance other, and 870 claiming youth allowance student.

Senator PRATT: Has the government assessed whether a change in the rules becomes a disincentive to saving, particularly for students?

Ms Halbert: As I noted, the liquid assets waiting period has been in place for a number of years.

Ms Wilson: I think the original liquid assets waiting period was introduced in the early 1990s by the Hawke government. The assessments would have been: will there be a behavioural change and will people need to seek other supports? But I guess the expectation of the government, perhaps reflecting community views, is that people should first use their own resources, if they are available to them in a liquid form, before seeking government assistance.

Senator PRATT: I understand that. I just want to know if you think there will be a behaviour change in this case. For example, it is not uncommon for students to save up, go overseas, have their holiday that they have saved for and then come and apply for their Austudy.

Ms Wilson: If they have spent the money and it is not in their account—

Senator PRATT: I understand that.

Ms Halbert: For a student claiming youth allowance or Austudy, the amount of liquid assets assessed can be reduced by certain allowable deductions related to their course of study. They may have saved up the cost of up-front fee courses, HECS-HELP payments, student union fees, textbooks, costs of any tools or equipment required to undertake the course including computer software and expenses related to field trips.

Senator PRATT: So is there an exemption if you want to pay your fees up-front?

Ms Halbert: The amount of liquid assets assessed would be reduced by those amounts.

Senator PRATT: Do you mean by paying your fees up-front?

Ms Wilson: It would be by paying any student union fees, textbooks—I think I heard Ms Halbert say.

Senator PRATT: And what about your substantive university course fee?

Ms Halbert: Up-front course fees are included.

Senator PRATT: But not if you decided to pay your HECS early?

Ms Halbert: HECS-HELP payments are included.

Senator PRATT: I hope students make the most of doing that. If a young person has saved up to supplement their income to support themselves through study, I guess the advice would be to use that to offset their costs quite directly.

Ms Wilson: They can pay their costs out of those funds up-front before seeking support through student payments.

Senator PRATT: How many students do you expect that to apply to? I think you took that on notice.

Ms Halbert: There are about 804 Austudy, 870 youth allowance students. Between them there are about 1,670.

Senator REYNOLDS: I would just like to clarify one point that Ms Wilson said. I may have misunderstood the conversation backwards and forwards but to me it sounded like a bit of a discussion on how to game the system to use your money on holidays and other things before you actually seek—

Senator PRATT: I was only asking a hypothetical about people's behaviour.

Senator REYNOLDS: I am not sure it is an appropriate use of estimates to actually work out how to game the system.

Senator PRATT: That is not what I was doing, Senator Reynolds. Clearly the department has to work out whether or not people game the system. They have done these calculations and it is important that they are transparent about that on the public record.

Senator REYNOLDS: It was very conveniently framed so for anyone listening to questions and answers on how to game the system and get more out of the tax payers than you otherwise would have without gaming it.

Senator PRATT: I do hope that my good friends at the National Union of Students are listening so that they can give students some clear advice on paying down their fees.

CHAIR: I am pretty confident there are 13 people listening and they are all inside this building. For those 13 people, we will revert to questions.

Senator WATT: I have some good news for some departmental witnesses. We think within outcome 1, there are no questions for a small number of programs so perhaps some people can go home. Labor and the Greens do not have any questions on 1.2. We do have questions on 1.1, family tax benefit; we do not on 1.2, child payments; we do not on 1.3. I think Senator Siewert has questions on 1.4. Depending on time, we may have some questions for 1.5; we certainly do for 1.6; we do not for 1.7. Senator Siewert has questions for 1.8. I could probably knock over 1.9 in five minutes now, and we do not have questions for 1.11. There are probably three or four of those that we will not be asking about.

CHAIR: I appreciate you giving us the heads-up now. For officers who have been waiting, it would have been handy to have this information before now. I know that some of this comes down to time management, but there are people who have been waiting for some time.

Senator PRATT: We were expecting to want to ask questions, but it is now a factor of time and needing to drop questions. We can only apologise for that being the case.

CHAIR: We will do better next time. Senator Watt, you said you have five minutes on 1.9.

Senator WATT: Yes, and then some of the others will take a bit longer.

CHAIR: Senator Siewert, did you also have questions on 1.9?

Senator SIEWERT: Not 1.9.

CHAIR: We are done with 1.10—yes?

Senator SIEWERT: I have one supplementary question based on—

CHAIR: Let's finish 1.10, then go to 1.9.

Senator SIEWERT: I want to quickly go back to the demerit issue and to a point that I think applies here. It might apply tomorrow. I asked Employment on Monday about what happens when people get the four-week suspension and whether there would be emergency relief or crisis funding, and they said there may be crisis funding and to ask you.

Ms Wilson: There is nothing specific associated with these changes, but, as is the case with emergency relief, people are able to approach emergency relief agencies for assistance if they need it, but the rules around emergency relief and how that works is for tomorrow, I am sorry, Senator Siewert.

Mr Pratt: But there has been no change.

Senator SIEWERT: That is what I expected you would say, but I thought I had better check, given they said there may be crisis payments. I presumed that there would be ER. I will check about ER tomorrow.

CHAIR: That is 1.10 done.

Senator SIEWERT: Sorry—this relates to hardship assistance and the points that we were discussing before. What is the specific payment that you were referring to when I was asking about the delay in getting documentation?

Mr Pratt: Special benefit.

Senator SIEWERT: That is it. That is where I should ask. I have forgotten what number it is—1.4.

CHAIR: Special circumstances—1.4.

Ms Halbert: Emergency relief is separate to special benefits.

CHAIR: Yes, I know. Sorry. I was talking about emergency relief with respect to people who get a four-week penalty, whereas I am asking around the special benefit. Is that under 1.4?

Mr Pratt: You really can ask at any stage in this outcome.

Ms Wilson: I think it goes in 1.3, doesn't it?

Senator SIEWERT: It counts as vulnerable people.

Senator SIEWERT: Did they flee as soon as they heard us say we do not want to talk about that?

CHAIR: They are already on the Parkway heading back to—

Ms Wilson: No, it is all right. We are here for the duration, Senators, so we are in your hands.

Mr Pratt: They were very quiet if they sneaked out, I have to say!

CHAIR: I could hear them!

Senator SIEWERT: Special benefit under 1.3—basically, that counts as special benefit for deeming with people who are vulnerable under particular circumstances? Is that correct.

Ms Halbert: Yes—you are otherwise not qualified for any other payment.

Senator SIEWERT: Yes. People in those circumstances would apply for short-term relief?

Ms Halbert: Yes—for what we were talking about previously? Is that right?

Senator SIEWERT: Yes. Is there a particular phone line? I know you are going to tell me to go to DHS to ask about it, but are you aware of a particular phone line that people would ring?

Ms Halbert: I am not aware of that, but I know that many people in the vulnerable situation, where they would be eligible for special benefit, would probably be referred to a social worker. There is one group of people on special benefit who are not residentially qualified for the age pension. They are not necessarily particularly vulnerable, but those in hardship or those who are homeless or in dire financial circumstances or reasons to do with their vulnerability might well be seen by a social worker.

Senator SIEWERT: So I would need to talk to DHS about the timeliness of accessing that payment. Thank you.

[20:59]

CHAIR: Going once, going twice: we will move to 1.9.

Senator WATT: My understanding is that the government has provided access to a one-off energy assistance payment to almost all pension recipients but not recipients of carer payments. Is that correct?

Ms Halbert: It is not going to be paid to recipients of carer payment.

Senator WATT: Or to jobseekers.

Ms Halbert: Correct.

Senator SIEWERT: Or youth allowance.

Senator WATT: Or youth allowance?

Ms Halbert: Correct.

Mr Pratt: It will apply to age pension, disability support pension, parenting payment single, veterans.

Senator WATT: Which are the ones it will not apply to: carer, Newstart, youth allowance?

Mr Pratt: Austudy.

Senator SIEWERT: Basically, it applies to that pension group.

Mr Pratt: With the exception of carers.

Ms Halbert: That is right.

Senator SIEWERT: Not even carers payment?

Ms Halbert: No.

Senator SIEWERT: Or carers allowance.

Ms Halbert: Carers, as was mentioned earlier, receive a number of different supplements and payments, so it was not considered that carers would be in the same need for that payment as the other pension groups.

Senator WATT: There was going to be my question. Can you elaborate a little bit more on that.

Ms Halbert: Carers, I think Ms Wilson said, have the carers supplement, which is \$600 paid once a year. They can also be entitled, if they are caring for a child, for carer supplements per child of a thousand dollars.

Ms Wilson: The child disability assistance payment—if they also get carer allowance that also brings with it a supplement of \$600 per annum.

Ms Halbert: They have access to a range of other payments.

Ms Wilson: There was, I guess, a view taken that between different groups carers already received more assistance than others, so that they were not included in this measure.

Senator WATT: What was the rationale in relation to Newstart recipients?

Ms Halbert: That these are people who are assessed as being capable of obtaining employment, and so would not be in the same need as people who are on payment for the long term.

Ms Wilson: It was a government decision in terms of the criteria.

Senator WATT: Is that the case also for all of the other categories that do not get it?

Ms Wilson: It was a government decision about who would receive it.

Senator WATT: It sounds like there were particular reasons for carers, but is it the case that for the remainder it was simply a government decision?

Ms Halbert: I think that the rest of the long-term pension recipients are in fact covered, so, yes, that rationale applies.

Senator WATT: That is it from me for 1.9.

Proceedings suspended from 21:03 to 21:18

CHAIR: We will get underway again. We will start with program 1.1.

Senator PRATT: I have some questions regarding changes to family tax benefit part A. I note that in March this year the government put through its two-year pause on the indexation of family tax benefit, with the support of the cross bench—I note that Senator Lambie did not. I say that by way of contextual information, so I am not going straight into the technical side of things. How much will families receiving family tax benefit part A be worse off by for each child under 13 in the first year of the pause?

Ms Halbert: I do not have that broken down by age. I can tell you that extending the pause—I hope I am on the right topic: FTB part A higher income freeze, is what you are talking about?

Senator PRATT: The pause—

Ms Halbert: The pause on the rate?

Senator PRATT: Yes.

By how much would it otherwise have gone up?

Ms Halbert: That would be determined by the CPI. I do not believe we have what it would have gone up by. We can take it on notice.

Senator PRATT: I am concerned that the government does not believe that the impact on families of that change in indexation is important. I guess, therefore, you are not able to tell us what the cumulative impact of that would be over a two-year period?

Ms Halbert: I am not in a position to answer that, no.

Senator WATT: That means that this advice, obviously, has not been provided to government?

Ms Halbert: Indexation is not my area. I do not know if it would be available already. No, we do not have that. We can take it on notice for you.

Senator PRATT: So you cannot tell us by how much families receiving FTB A would be worse off for each child over 13 in the first year of the rate pause or what the cumulative impact would be?

Ms Halbert: They would be on the same rate for the first year of the pause. They may be better off due to the areas that are being indexed. If they have income, they may experience an increase during that period increasing the amount they are entitled to because—

Senator PRATT: No, I am talking about their family tax benefit indexation relative to—

Ms Halbert: Yes, correct. Their rate would stay the same but they may be able to receive more family tax benefit due to indexation of the income free areas—

Ms Wilson: If they have the LIFA.

Ms Halbert: That is right.

Ms Wilson: The lower income free area will be indexed—

Ms Halbert: If they have income.

Ms Wilson: If they have income and they are on a part rate, the part rate may go up as a consequence of the indexation of the LIFA for some families.

Senator PRATT: But that is dependent not on government settings but on how much income a family is earning. Is that what you are saying?

Ms Wilson: Because the lower income free area is indexed, what a family can earn, if they are getting a part rate when they are within that taper range for the lower income free area, will go up potentially for some families.

Senator PRATT: And that is because A remains indexed?

Ms Wilson: It is because the lower income free area was indexed.

Ms Halbert: So they would be able to earn more before they lost payment—

Senator PRATT: So you changed the amount people could earn before they lost payment but not the indexation. So my question was: assuming their income was the same, what loss to their income, relative over time, would they have to what otherwise would have had?

Ms Halbert: You need to link that with indexation which we do not have.

Ms Wilson: We need to take that on notice. I am sorry; we do not have that here.

Senator WATT: It is true though that the maximum rate does not increase with CPI?

Ms Wilson: The maximum rate is to be frozen—

Ms Halbert: For two years.

Ms Wilson: For two years.

Senator WATT: So that does mean that people will be worse off in that sense.

Ms Wilson: It has been used by several governments in recent times.

Senator PRATT: If you could also take on notice how much worse off families will be who receive FTB B in the first year of the pause whose youngest child is under five, and what the cumulative impact will be as well.

Ms Wilson: We will take that on notice.

Senator PRATT: And what will be the cumulative impact over two years?

Ms Wilson: We will take that on notice.

Senator PRATT: How many families are impacted by these changes?

Ms Halbert: There are 310,000 FTB part A families who will no longer get the supplement and a further 64,000 higher income families would lose entitlement to FTB part A for 2016-17. But I think you are asking about the total number of families.

Senator PRATT: I was asking about the total number who are affected by the changes, indeed, but my question next question is: how many families will lose FTB part A entirely?

Ms Halbert: That is 64,000. But for the total number of families impacted it is 1,494,600 FTB part A families who are affected by the freeze and there are 1,174,000 FTB part B families. There is some considerable overlap though in that population.

Senator PRATT: And that is because they just fall out of the eligibility band because—

Ms Halbert: I was answering your first question with that one. That is families affected by the rate not increasing. The number of families that will lose entitlement to FTB part A for 2016-17 is 64,000 higher income families.

Senator PRATT: So 64,000 lose—

Ms Halbert: Higher income families—because their income would affect whether or not they could continue to receive FTB A and because it is not being indexed they would lose entitlement due to their income.

Ms Wilson: The cut-out is a function of the rate and the tapers and the indexation, and so with the rate not being frozen it has an impact on where people fall on the cut-out and therefore whether they are eligible for the payment.

Senator PRATT: Well it is hard to define them as higher income if their income has not actually changed and all that has changed is your setting.

Ms Halbert: They will just be in the upper—

Ms Wilson: They will be in the upper end of the taper.

Mr Whitecross: To lose the payment your income will have changed. Those estimates are based on an assumption that in any given year there is a certain amount of income growth in the population and that takes people off payment. If you actually had no change in your income you cannot be cancelled by this measure.

Senator PRATT: Okay, but you would have a reduced payment amount.

Ms Wilson: Your payment would not grow.

Mr Whitecross: The FTB would not go up.

Senator PRATT: So 64,000 will lose access to FTB part A. How many children are in those families? Do you know?

Ms Wilson: We do not have that. We will have to take that on notice.

Senator PRATT: So what is the average income of families and, if you do not have any average, what can you characterise that cut-off point as, for those who lose FTB A as a result of this change?

Ms Wilson: It depends upon the number of children. There is not a single figure.

Ms Halbert: We could provide some examples. We can take that on notice.

Senator PRATT: Can you provide some general examples now?

Ms Wilson: No.

Senator PRATT: Is it correct that families who lose FTB part A as a result of this measure will also lose rent assistance?

Mr Whitecross: Rent assistance is part of FTB part A. In calculating whether you are receiving FTB A we include the amount of rent assistance in the calculation. If you are a renter you will have a higher level of payment but you also have a higher cut-out depending on the number of children you have got.

Senator PRATT: In other words the answer is yes.

Mr Whitecross: It is possible that someone who is receiving rent assistance could be cancelled, but it would just be the marginal dollars. It is not like you will suddenly lose all your rent assistance all at once.

Ms Wilson: So you would be at the end of the taper for rent assistance because it is tapered after family tax benefits.

Senator PRATT: Yes. How many families who would lose FTB A do currently receive rent assistance?

Ms Wilson: We would have to take that on notice.

Senator PRATT: Is it correct to say that a family with two children over 13 years of age and an income of \$105,000 would be \$1,700 worse off on 1 July 2018 as a result this measure?

Ms Wilson: Again, we will need to take that on notice. I cannot do a cameo or a calculation for you at the table, I am sorry.

Senator PRATT: You did not bring any examples with you about these measures?

Ms Wilson: Not in terms of that detail.

Senator PRATT: It is hard for us to have a discussion about how to characterise people's circumstances without this.

Mr Pratt: I agree, Senator. I have been observing this for a few sessions. I wonder if the committee might want to think about whether, on very specific issues like this, they give us several days' notice on specific—

CHAIR: That is a fine idea. I just wonder if the cameos that the department has previously provided on some of these things are still of any relevance, because there were some provided.

Ms Wilson: This is a measure that has been negotiated subsequent to the last estimates.

CHAIR: Yes, but I take the point—

Senator WATT: It will be cut.

CHAIR: that it will take a lot of time to work them out on the spot I suspect.

Senator PRATT: But it is very difficult for us to try to characterise what happens to people's circumstances.

Ms Halbert: It is just that there are so many permutations due to the number of children et cetera—

CHAIR: The secretary's suggestion of advanced notice would be—

Ms Halbert: but if you wanted, we could produce some examples.

Ms Wilson: If you ask us some questions about the circumstances that people are in, we can do the calculations for you. If you want to put those on notice, we are very happy to do that for you.

CHAIR: Or, as the secretary suggested, give them in advance and we could have them on the day.

Senator PRATT: And that way we have got some examples we can then ask questions about. It is very difficult to look at what the real circumstances of people are and how they might be otherwise affected.

Mr Pratt: It is almost impossible for us to try to anticipate what proposal might come forward. We are not going to just do a whole bunch of cameos on spec.

Senator PRATT: Okay.

Senator REYNOLDS: You would end up doing thousands of them in that case.

Mr Pratt: Yes.

Unidentified speaker: Well every family is different.

Senator WATT: In advising government, are there any cameos that you have prepared that you can share with us, rather than us throwing different ones at you?

Ms Halbert: No, not on specific families.

Ms Wilson: No. This was done as part of the negotiation for legislation.

Senator PRATT: We do not really know what the impact is on households?

Ms Wilson: It was not done as part of a budget process, which has a whole costing exercise around it.

Senator WATT: I am not having a go at the department here, but it does sound like that negotiation occurred in the absence of advice.

Ms Wilson: I would not say that. No, I did not say that, Senator. But we did not produce cameos.

Senator WATT: Yes, you did not produce cameos. But there have obviously been quite a number of questions Senator Pratt has asked that the department has not been able to answer because that work has not occurred.

Ms Wilson: No, we do not have that work. We do not have the material that would enable us to answer those questions with us. We could do those on notice, but, because there are so many different combinations of families with numbers and ages of children, we cannot anticipate the specific question that we are going to be asked to be able to have that cameo available.

Senator WATT: The cameos might be a different matter, but there are a number of other questions from Senator Pratt that you have taken on notice that are not cameos. If it is a matter that material has been prepared but is not here, is it even possible to get that as early as tomorrow when people are back here tomorrow?

Mr Pratt: As Ms Wilson indicated, we did not do cameos for these areas—

Senator WATT: No, I am not going to the cameos. I know that.

Mr Pratt: and, I must admit, I am stretching to think of any other cameos we have done that fit into those categories. That is why, Senator, my suggestion is that for future estimates perhaps if we get a couple of days' notice on these things it would help us actually do the calculations.

CHAIR: I think that is a fine idea.

Senator PRATT: Perhaps you could take on notice—

Ms Halbert: There is some information that we could provide tomorrow, so we will give you what we can.

Senator WATT: That would be of assistance. Thank you.

Senator PRATT: That would be great. If you could therefore take on notice whether it is correct or not to say that a family with three children under 13 on an income of \$110,000 would be about \$2,600 worse off. From what I can tell they will be from the advice I have been given.

Ms Halbert: We should be able to give you that answer tomorrow.

Senator PRATT: And a family with two children in primary school and one in high school and an income of \$110,000 would be around \$4,000 worse off as a result of this change.

Senator REYNOLDS: Can I just clarify that—with those two examples that Senator Pratt just went through, is it that clear cut? Would you need additional information, because it might vary from family to family in terms of other circumstances, or is it that black and white?

Senator PRATT: It would depend on how many incomes.

Senator REYNOLDS: That is what I am saying. My point is: out of those two scenarios, how many permutations would come out of that in terms of other potential options? Is it a black and white question?

Ms Halbert: You would need to know if they are single or partnered, but otherwise income and children are the—

Senator REYNOLDS: The primary determinants?

Mr Whitecross: We are still talking about the indexation forces on the maximum rate, though, aren't we?

Senator PRATT: That is right.

Mr Whitecross: Because other measures come into play.

Mr Pratt: We will undertake our best endeavours to see what we can do.

Senator PRATT: What analysis has the department done on the impact of this measure on the effective marginal tax rate for families in those income ranges, or in any income ranges?

Mr Whitecross: The last couple of questions and this question sound like they relate to the measure for more consistent means testing of FTB over the HIFA.

Senator PRATT: Rather than the rate change.

Ms Wilson: The last three questions do not seem to relate to the maximum rate pause, from what we can tell. The maximum rate pause, of itself—

Mr Whitecross: The maximum rate pause could have affected those families, but they sound like they are about the other measure, which is increasing the taper over the High Income Free Area from 20c in the dollar to 30c in the dollar.

Senator WATT: Can I just be clear that Senator Pratt's question did relate to the taper rate change, rather than the pause.

Mr Pratt: Okay.

Ms Wilson: Okay.

Mr Whitecross: The effective marginal tax rate is 10c in the dollar.

Senator WATT: The effect?

Ms Wilson: So it has an increase of 10c.

Senator WATT: Of the taper rate change.

Mr Whitecross: Senator Pratt's question was: what was the effect on the effective marginal tax rate, and that is 10c in the dollar for people with incomes over the \$94,000, until they reach the FTB cut-off.

Senator PRATT: So it increases the marginal tax rate by how much?

Ms Wilson: Ten cents in the dollar.

Mr Whitecross: Ten cents in the dollar, if they are affected by this measure. The measure mainly affects people with more than one child. Well, it only affects people with more than one child, but it mainly affects people with more than two children.

Senator PRATT: What documentation can you give us? Is there a chart that looks at the impact on marginal tax rates?

Mr Whitecross: There would be a chart somewhere. I have not got a chart here.

Ms Wilson: We can take that on notice. We can provide that tomorrow.

CHAIR: If there is nothing further on this area, that then takes us to outcome 1.5, from memory.

Senator WATT: I have some questions about the pensioner education supplement and education entry payment. I understand that those previous measures that had become known as the 'zombie measures' to abolish the pensioner education supplement were removed in this budget. However, a new savings measure has been introduced which restructures the two payments, and I think it is intended to achieve savings of \$94.7 million over five years.

Ms Wilson: That is correct—over four years, actually.

Senator WATT: Over four years from 2016-17?

Ms Wilson: No, from 2017-18.

Senator WATT: To cut to the chase: how many people will be worse off as a result of this measure?

Ms Wilson: Around 31,100 full and 1,200 part-rate PES recipients and around 56,100 education entry payment recipients will be paid a lower rate.

Ms Halbert: And all PES recipients will be affected by the change to only pay PES during periods of study. That is 39,700.

Senator WATT: For each of those groups that you just went through, are you able to quantify how much they will be worse off?

Ms Halbert: We have not got that.

Ms Wilson: We will take it on notice. I have not got that broken down in a granular way.

Senator WATT: Okay. Is there any further breaking down you can do by payment type, or will what you are going to give me address that?

Ms Wilson: We could possibly do it by payment type—

Ms Halbert: I can give you the payments it applies to, but we would have to take on notice the numbers—

Ms Wilson: of each payment type.

Senator WATT: Okay. Could you do that for the impacts in numerical terms and dollar terms.

Ms Wilson: So the average impact per person on each of the payments?

Senator WATT: Yes—and the number of people that those changes apply to.

Ms Wilson: Yes, we can do that.

Senator WATT: Do you know what 25 per cent of the PES amounts to?

Ms Halbert: It is \$15.60 a fortnight for someone undertaking a 25 per cent study load.

Mr Pratt: Current full rate is \$62.40 per fortnight.

Senator WATT: Okay. What about EEP?

Ms Wilson: They get \$52 per annum for study loads of 25 per cent compared to the full amount, which is \$208 per annum.

Senator WATT: That is the change, is it? It is going from \$208?

Ms Wilson: It depends on your study load. If you have a got a study load of 76 per cent to 100 per cent, you still receive the maximum rate of \$208 per annum. If you have a study load of 51 per cent to 75 per cent, you receive \$156 per annum—this is the proposal. If the study load is 26 per cent to 50 per cent, the proposal is that you would get \$104 per annum. For those with study loads of 25 per cent, it is \$52 per annum.

Senator WATT: Did the department undertake any analysis to consider the impact of this new budget measure on the people who will be affected, who are largely on pretty low incomes, and their ability to undertake study?

Ms Wilson: Part of the rationale for these changes is that there is a much broader range of student assistance available than was the case when PES and EdEP were first introduced. There is a broader range of HECS HELP measures, relocation scholarships—a whole range of things that were not available at the time that PES and EdEP were introduced.

Senator WATT: Okay. I think that is it for 1.5

Senator SIEWERT: I want to ask about some figures around defined benefits. Is this where I ask about that?

Ms Halbert: I have not brought that with me.

Ms Wilson: Yes, it is where you would ask under age pension, but we will probably have to take the questions on notice. I am sorry.

Senator SIEWERT: I suspect you probably would anyway. The changes to defined benefits have been in place now for a little while, so I am wondering if you are able to provide data on the number of people who in fact had a reduced part pension or lost their part pension as a result.

Ms Wilson: Yes, we can do that on notice.

Senator SIEWERT: Okay. Could you take that for the numbers and also give us an indication of—

Ms Wilson: the average impacts?

Senator SIEWERT: Yes. That would be much appreciated.

Ms Wilson: We should be able to do that.

Senator SIEWERT: Thank you.

CHAIR: We will move to 1.6.

[21:44]

Senator PRATT: As I understand it, to currently be eligible for the aged or disability pension, you need to have been an Australian resident for at least 10 years in total, and for five of those years there must be no break in your residence—that is the current rule. In the budget, the government announced it would save \$119 million over five years from 2016-17 by revising claimants and advising them that they would be required to have 15 years of continuous Australian residence before being eligible to receive the age pension or DSP, with some exceptions.

Ms Halbert: The measure will be from July 2018 and the change is that, to qualify for age pension or DSP, you will now have to have 10 years continuous Australian residence, with five of those years of residence being during your working life, which is between the ages of 16 and age pension age; or, where the person has less than five years working life residence, they would be required to have 10 years continuous residence and have a period of not being in receipt of an activity tested income support payment for cumulative periods greater than five years. If they did not meet either of those criteria, then they would have to have 15 years continuous residence.

Senator WATT: Does that period of continuous Australian residence need to be immediately before they seek the pension or at any point over their—

Ms Halbert: No.

Ms Wilson: Over their working age years.

Senator PRATT: What is the estimation of the number of people who will not be eligible for a pension as a result of this measure each year over the next four years?

Ms Halbert: It is expected that about 2,390 people on average each year over the forward estimates will be affected by having to wait longer to achieve their Australian residence.

Senator PRATT: So they would have to wait longer until they have achieved it—

Ms Halbert: Wait longer than they have to now.

Senator PRATT: So, essentially, it becomes a delay in your eligibility because, if you stayed a resident and kept working, you would then become eligible.

Ms Halbert: Correct.

Ms Wilson: It pushes out the date at which you become eligible.

Senator PRATT: Can you break down the number of people by age and disability?

Ms Halbert: We could by age. Sorry, I should have said that, with disability, it does not apply to people who acquire their disability in Australia. They are currently exempt from the residence requirement and will continue to be, as are humanitarian entrants, but we could break down the population that is affected by age and by payment.

Senator WATT: I do not think we are talking so much about how many at each age; it is more about age pension—

Ms Wilson: You want to know the figures across age pension and DSP?

Senator PRATT: That is right.

Ms Wilson: We can give those to you on notice.

Senator PRATT: If you would otherwise be eligible for a DSP because you are unable to work, what would you expect those people to do to survive in terms of income support?

Ms Wilson: Currently they can access special benefit. A large proportion of people who are on special benefit are not residentially qualified for DSP or age pension.

Senator WATT: How does that rate compare to the DSP?

Ms Wilson: It is the same rate as Newstart allowance, so it is lower than the DSP and lower than the age pension.

Senator PRATT: So the saving comes from pushing those people onto a special benefit rather than precluding them from income support.

Ms Halbert: There will be a longer period that they will not be in receipt of DSP.

Senator PRATT: You are precluded from the aged pension or the aged version of the disability support pension; you are not precluded from all income support, so you would still be entitled to jobseeker support—

Ms Halbert: There are other waiting periods for people coming to Australia. You would be subject to them in the first instance, but, having served the two-year waiting period, for example, you would be eligible for Newstart or the jobseeker payment.

Senator PRATT: If you were an aged person of, say, 75 but you had spent the last three or four years out of the country, would you be expected to do a work activity?

Ms Wilson: No, if you are on special benefit and you are over age-pension age, you do not have a mutual obligation.

Senator PRATT: Would special benefits, job seeker allowance or Newstart be the primary income support available to them?

Ms Halbert: Usually if you are below age-pension age it would be an unemployment payment or possibly a carer payment but there is—

Senator PRATT: Moving from that into the age-pension age?

Ms Halbert: If you are of age-pension age and you are not residentially qualified it is normally special benefits.

Ms Wilson: If you are of age-pension age, it would be special benefit; if you are younger and in the working years, it could be Newstart with a partial capacity to work or it could presumably be Special Benefit.

Ms Halbert: In some circumstances.

Ms Wilson: In some circumstances, and it might be that you qualify for another payment. Some people might qualify for carer payment, if they have served the two-year waiting period that all people serve. The vast majority of those would be people who are over the age-pension age and would be on Special Benefit. Some may well stay in the workforce, as now.

Senator PRATT: But there is not anything that anyone can do to make different decisions about where they have spent their time over the last 15 years? This change is a bit retrospective, isn't it?

Ms Halbert: From 2018 people will be expected to meet one of those criteria to access DSP or age pension.

Senator PRATT: You cannot retrospectively meet your residency requirements in order to plan to your retirement with more certainty, can you?

Ms Halbert: No, I cannot see how you would be able to do that.

Mr Pratt: At the risk of stating the obvious, it is a savings measure.

Senator SIEWERT: We have worked that one out.

Senator Ryan: If one could get around it, it may defeat the purpose.

Senator PRATT: It is simply a savings measure.

Senator WATT: This is a serious question: was there any evidence of abuse of the old residency requirements that formed part of the thinking?

Ms Wilson: I do not think anyone would characterise abuse as being the issue. It is probably fair to say that the government's view was that they wanted to strengthen the residence-based requirements for access to age pension and disability support pension. A number of overseas countries have stronger, more stringent residency requirements than Australia has had. So that was the rationale for the change.

Mr Pratt: It is also worth pointing out that of applicants for the age pension, 98 per cent of them are going to be unaffected—they will qualify under these rules—and the exemptions for humanitarian entrants continue.

Ms Halbert: And for people who acquire their disability—

Ms Wilson: Acquire their disability after they come to Australia.

Senator PRATT: Do you have any information or evidence about the sort of incomes people are earning before they move on to the age pension currently—particularly if they have some break in their residency requirement? They may be overseas working and that might impact their retirement savings. Have you looked at that at all?

Ms Halbert: We know what means they have at the time they claim age pension.

Ms Wilson: But we do not usually have that longitude, unless they have already been in our income support system and we can track an individual who has moved from one payment to another. We would not have that back analysis of their income.

Senator PRATT: I just wonder whether you have had a look at whether the savings in this are entirely real. For example, if someone was intending to spend the two years before their retirement overseas, but they otherwise would have been on some other income support—

Senator Ryan: While overseas?

Senator PRATT: No. They are not on income support because they are overseas, but they have broken their residency requirement by being overseas; so, future people will decide not to go overseas and therefore might be claiming some other benefit, so that they get their continuity.

Senator Ryan: Costings go through a very rigorous process. I think it is fair to say, I would have expected this to be one of the least controversial measures in the budget, but I will take your question—I think it is more of a policy question—on notice, if the minister has anything to add. I genuinely thought this was one of the least controversial measures that could be announced.

Senator PRATT: I think it is fairly controversial to retrospectively change someone's eligibility—

Senator Ryan: It applies for in the future.

Senator PRATT: —when you cannot make different decisions.

Senator Ryan: The age pension is an extraordinarily generous payment we provide to people. Given the speed with which it is growing, due to the ageing of the population, I do not think most Australians would consider this to be an unreasonable measure.

Senator WATT: What did you think would be the most controversial measure?

CHAIR: Senator Pratt.

Senator Ryan: I could predict that some people would get upset about drug testing, for example.

Senator PRATT: It has an impact on the 2,390 people that you—

Senator WATT: Hence, it went forward.

CHAIR: Questions not statements, so let's get onto questions.

Senator PRATT: I am trying to work out how someone might otherwise make a decision that they are not going to spend the next year of their life living overseas with their children at no expense to the taxpayer, because it might impact on their eligibility for the pension when they come back home.

Ms Halbert: The vast majority of people accumulate their residency well before they get close to age pension and only two per cent or so—is it?—are going to be affected by this.

Senator PRATT: Okay.

Senator WATT: If you want to knock over 1.6, we have just got one last section, last set of questions.

CHAIR: Okay.

Senator WATT: I think that might then be it, for us, for the rest of the night. The increase in the pension age to 70: the budget did confirm that it remains government policy to increase the pension age to 70, so I take it that does remain government policy?

Ms Wilson: Yes.

Ms Halbert: Yes.

Mr Pratt: Yes.

Senator PRATT: Can you confirm the saving to the budget over the next 10 years that arises from increasing the eligibility age to 70?

Mr Pratt: We would have to take that on notice.

Senator WATT: That has not been worked out?

Mr Pratt: It may have been worked out.

Ms Halbert: The savings start to accumulate from 2025.

Senator WATT: Do you have any figures there on that?

Mr Pratt: I would be surprised, but I may be pleasantly surprised.

Ms Halbert: Do you want them?

Senator WATT: Yes.

Ms Halbert: From 2025 to 2029, it is estimated at approximately \$3.6 billion, but as you can see—

Senator WATT: \$3.6 billion?

Ms Halbert: Over that period.

Senator WATT: Right.

Mr Pratt: I am pleasantly surprised.

Senator WATT: There you go. I could not say I am pleasantly surprised. How many people currently in the workforce will be affected by increasing the pension age to 70?

Ms Wilson: You might have us there. We may not know.

Ms Halbert: No I do not.

Ms Wilson: I am sorry; we will have to take that on notice.

Senator WATT: That would be something that has been determined in providing advice?

Ms Halbert: Only people who are born from 1 July 1958 onwards will be affected. So, the age pension age has already being raised to 67. Only people born from July 1958 onwards will be affected by the lifting of the age from 67 to 70.

Senator WATT: I presume that you could kind of work that number out by extrapolating back from the dollar value of the saving as well.

Ms Halbert: There will be a number we can get for you.

Ms Wilson: There will be an estimate, because the savings fee has to have been calculated on some assumptions. We just do not have that with us.

Senator WATT: Has the department done any modelling on the number of Australians who will be affected by this change?

Ms Halbert: It will be people born from 1 July 1958 onwards.

Ms Wilson: The costings will have that data in them.

Senator WATT: Could you provide that as part of your answer, so how you arrived at that figure and the steps along the way?

Ms Halbert: Sure.

Senator WATT: Has the department done the modelling on how the increase to the pension age to 70 will affect payments such as Newstart, the DSP or any others?

Ms Wilson: There will be assumptions in the costing about what alternative payments people might go on, just as there was when the age increase to 67 was costed. We should be able to find this on notice.

Senator WATT: Is it correct to say that the rate that people receive for the age pension does tend to be higher than pretty much any other type of payment?

Ms Wilson: It is a pension-level payment. It is the same as all other pensions. That is except for carer payment, which in addition receives a supplement that makes it the largest payment the people receive. As for the difference between DSP and age pension, for example, there is none. The carer payment is more than the age pension; Newstart allowance is less. Clearly, if people are still in the workforce, then they may not be receiving an income support payment.

Senator WATT: It would be fair to assume that there will be an increase in the number of people who receive those other payments after the pension age is lifted?

Ms Halbert: Or who receive them for longer.

Ms Wilson: There will be elements of the costing that breakdown what the assumptions are in respect of substitute payment for age pension and those who stay the workforce.

Senator WATT: So you are saying to the figures that have been calculated to determine the savings do take into account the offsetting increase in payments?

Ms Wilson: Yes, that would be a net.

Senator WATT: Has the department done any modelling on life expectancy by workforce sector or geographical area?

Ms Wilson: There is mortality information available. We have not modelled different assumptions, so I would have to take on notice the assumptions that were applied to this costing. But there are assumptions about mortality that factor into such modelling.

Senator WATT: Do you know whether those assumptions differ, for want of a better term, between workforce sectors or is it an across the board, in Australia—

Ms Wilson: I would have to take that on notice. I am sorry, I do not have that knowledge and I do not have someone with me in the room who would be able to explain that. Whether they are done by workforce sector, I do not know.

Senator WATT: I think things like workforce sector or geographical distribution would be something we would be quite interested in.

Ms Wilson: There are things like indigeneity and disability, so health status, that impact on mortality rates and life expectancy. Whether it has been broken down by workforce sector for this costing, I could not tell you at the table. We would have to look at that.

Mr Pratt: Perhaps time spent in Senate estimate committee, we could—

Senator WATT: Say it again?

Ms Wilson: The impact on mortality?

Senator WATT: You can feel yourself ageing! You did mention indigeneity. There is some work being done around—

Ms Wilson: There are different life expectancies that are calculated for people with different characteristics; indigeneity is one of those characteristics.

Senator WATT: Yes, non-English speaking background, perhaps?

Ms Wilson: I am not sure that NESB is one. I am not a demographer, so I really do not want to try to do this on the fly. Gender, et cetera—

Senator WATT: If you can just make sure that put the things that they set out in the assumptions.

Mr Pratt: We will come back to you with an indication of what these—

Senator WATT: Sure, that was it for us anyway.

Senator SIEWERT: In terms of indigeneity, at the moment for certain payments there are lower age thresholds for Aboriginal—

Ms Wilson: No, there are not. Access to age care subsidies is determined by a lower age threshold for Indigenous people.

Senator SIEWERT: There are a couple of other things along the way.

Ms Wilson: Not in income support.

Senator SIEWERT: Okay.

Mr Pratt: You might be thinking NDIS access.

Senator SIEWERT: Yes.

Ms Halbert: That is in line with the age care—

Senator SIEWERT: Sorry, I did not just mean payments per se; I thought it was NDIS as well. Are they going to be changed as well?

Ms Wilson: I think that is a question for NDIS, sorry.

Senator SIEWERT: In terms of aged care.

Ms Wilson: I could not answer that. Any consequences for NDIS eligibility or for aged care eligibility would need to be asked of NDIS.

Mr Pratt: We will take that on notice. I think the answer is no. For example, the cut-off for access to the NDIS is at 65, even though the aged pension age is going to 67. We will take that on notice.

Senator SIEWERT: There is some legislation making some change already to take it up to 67.

Ms Halbert: There is a change in the disability employment services.

Senator SIEWERT: Yes, that is it. Will this then have consequences for other areas?

Ms Wilson: It could, potentially, but I am not in a position to answer that.

Ms Halbert: Access to disability employment services will be linked to aged pension age, whatever the aged pension age is.

Senator SIEWERT: It is taking it up to 67. The bigger question is: did you look at this when developing the proposals for the retirement age to go up to 70 and the implication it has for some of these other areas?

Ms Wilson: Consequences and interactions would have been part of the advice provided to government. It was some time ago that this decision was taken.

Senator SIEWERT: I understand. But it has not been brought up for debate because the government realised it was not going to get through. It is back on the agenda again.

Mr Pratt: I guess Ms Wilson's point is that the work on this was done three years ago.

Senator SIEWERT: I understand. Can you take on notice whether that was. I will chase up with Health about the issue around Aboriginal and Torres Strait Islander access. Chair, I have questions on disability if we are finished.

CHAIR: Yes, we have finished on everything else. It is the Rachel Siewert show!

Senator SIEWERT: No pressure!

CHAIR: Only a little bit of pressure.

Senator SIEWERT: Can I go back to this issue about the impairment tables. I just want to clarify a point first. In the Treasurer's budget statement, towards the very last comment he makes before he goes to his conclusion, he says, '... and denying welfare for a disability caused solely by their own substance abuse'. Can you explain the difference between that and the impairment table change?

Ms Wilson: I cannot explain the Treasurer's statement. I did not write it and I cannot speak for what that was about specifically. I can explain how the impairment tables work currently and what the proposed changes are.

Senator SIEWERT: I want to clarify that so it is clear that it is not about the disability caused solely by their own substance abuse.

Ms Wilson: What is happening is, rather than a table that looks at a behaviour, an addiction or a substance misuse and makes an assessment for eligibility for disability support pension—unlike all of the other tables it is not functionally based; it is a hangover from the old tables before they were revised in 2011—we will remove that table and look only at the functional impairments that arise and are measured on the table. So it could be and will be the case that there will be people who have functional impairments severe enough in terms of self-care or cognition who are eligible for the DSP where that impairment has come about as a consequence of substance misuse or addiction. So it is consistent with the view that you should look at impairment. That is the sort of gold standard, international classification of functioning approach to measuring the impact of disability. That impairment will be measured across the five tables, instead of having a specific table that relates only to drug and alcohol misuse.

Senator SIEWERT: Because that statement is a very different statement from what you are saying.

Ms Wilson: Well, I cannot comment on the Treasurer's statement.

Mr Pratt: Without commenting on the Treasurer's speech, I do want to clarify, though, what I thought I heard you say before Ms Wilson's answer. Just to be very clear, I will read this to you: 'From 1 July 2017, the assessment criteria for the disability support pension will change to ensure no-one qualifies for this payment solely on the basis of drug or alcohol dependency without demonstrating a permanent functional impairment'—without demonstrating a permanent functional impairment.

Senator SIEWERT: Yes. But that is different to the statement. Literally on budget night, what I thought when I heard and read that statement, was that, for example, a functional impairment caused by petrol sniffing—which we know can have significant functional impairment—would be caught up under this definition, but it is not caught up under the explanation you just gave.

Ms Wilson: Someone could have a very severe impairment of intellectual function, or other functions like communication and brain function, which are different tables, as a consequence of a long history of petrol sniffing or alcohol misuse or taking other drugs at very high levels. So it would be possible for someone, if they demonstrated that it was permanent—it was not reversible—and it had been treated, diagnosed, stabilised and all the other things that are about DSP eligibility, and then had in impact on their functioning such that the impairment was measured at a severe enough level, they would be able to acquire the points to be eligible for DSP on those other tables.

Senator SIEWERT: Because FASD is potentially the same, although it is not caused by their substance abuse. But that is another matter that has been raised with me. The same applies: as long as they meet those eligibility criteria on the other tables, they would still get DSP?

Ms Wilson: Yes.

Senator SIEWERT: Thank you for helping me clear that up. Will the people who have been assessed against table 6 be reassessed?

Ms Halbert: They may be reviewed, but it will mostly apply to new claimants for DSP.

Senator SIEWERT: Okay. Under what circumstances would they be reassessed?

Ms Halbert: If they meet the criteria for other reviews that are being undertaken.

Senator SIEWERT: Okay. I want to come to that. Of the 90,000—

Ms Halbert: Yes.

Senator SIEWERT: I thought I had got something wrong then!

Ms Halbert: No, no.

Senator SIEWERT: Of the 90,000 that are currently being done in three tranches, the next tranche would be assessed under—

Ms Wilson: A tranche that was assessed after July 2017, when table 6 is removed from the impairment tables, would be assessed under the revised impairment tables, which will be missing table 6 but will contain all the other tables. It could be the case that someone who had previously qualified against table 6 might not qualify against the remaining tables, as has been the case for others who qualified in the past against what were then the impairment tables and have been reviewed against the revised impairment tables.

Senator SIEWERT: Okay. So there is not an intention, besides those additional 90,000 that are being—sorry, it will be one tranche—

Ms Halbert: There is no review specifically attached.

Ms Wilson: There is no specific review measure attached to this removal of the table, Senator.

Senator SIEWERT: And you will not go back to the other tranches that you have already assessed to reassess under this either?

Ms Halbert: Unless they are caught up in our review for other circumstances.

Senator SIEWERT: What other reason?

Ms Wilson: It might be that there are earnings being reported at a very high level that were not previously. Or there might be some other reason that would trigger a review.

Ms Halbert: And the random sample survey, for example, reviews people's entitlement.

Senator SIEWERT: The normal process?

Ms Wilson: Yes, the normal process. That is right.

Senator SIEWERT: I want to ask about the process I have been following up for some time, which is the review of the 90,000. Can you provide the updated figures?

Ms Wilson: I knew you were going to ask that, and I am really sorry, but we do not have that information with us. Could I ask you to ask DHS tomorrow? We are just not able to tell you where it is up to, and they will have the most recent information.

Senator SIEWERT: I am likely to run out of time tomorrow. I am aware there are a lot of questions for DHS tomorrow.

Ms Wilson: We will take that on notice. I am sorry, but I just do not have it.

Senator SIEWERT: I will pursue them, and if I do not get them I will put them on notice. They will be able to provide the work. I am still interested in the employment outcomes. They should be able to provide those to me, shouldn't they? Or do you have them?

Ms Halbert: Probably not, but we have provided you with information in relation to the under 35.

Senator SIEWERT: Yes, we have had this discussion before.

Ms Halbert: Oh, no—that was compulsory participation requirements.

Senator SIEWERT: I am trying to track where they end up.

Ms Halbert: If you would not mind, do ask DHS tomorrow. But if not, bring the question back to us on notice.

Ms Wilson: We will take it on notice, if they are not able to answer.

Senator SIEWERT: I suspect you may say that I need to ask DHS these questions as well, and in fact, I am pretty certain you will. I want the number of income support recipients, DSP, who receive DSP specifically for mental illness.

Ms Halbert: We can provide that for you on notice, but I do not think we have it here.

Senator SIEWERT: This may be a little more difficult, but I also want those that are not on DSP but have mental health flagged as a vulnerability.

Ms Halbert: I think we can provide that for you. Do you mean those who are on Newstart allowance?

Senator SIEWERT: Yes, and youth allowance.

Ms Halbert: We will be able to provide you something on that on notice.

Senator SIEWERT: Have you done any analysis of the HILDA work in regard to the percentage of people who are receiving income support and who have mental illness? Have you interrogated any of that information?

Ms Wilson: We look at the HILDA output. I will need to take it back to the department to talk to people who are not here now as to what we have done with it, but I can take it on notice for you.

Senator SIEWERT: Have you done that work against drug addiction as well? I am interested in the number of people who have mental illness and have identified as having a drug addiction or have been identified as having a drug addiction as part of their diagnosis.

Ms Wilson: I do not know. I will have to take that on notice.

Senator SIEWERT: If you have, I would also like to know the percentage of those that do.

Ms Wilson: Dual diagnoses are not always easy to tell with DSP, because it can be the main presenting diagnosis, and then you have to actually go quite into the data to look at the others that are attracting points. It is not an easy thing to do administratively with the DSP data, from memory.

Senator SIEWERT: I understand that. It is quite an important point, though, when you are looking at that comorbidity issue.

Ms Wilson: I understand that.

Senator SIEWERT: If you could take that on notice, that would be great.

Ms Wilson: Sometimes with survey data, like for the survey of disability, ageing and carers data, there are trade-offs as to where you get the better sense of those issues compared to the administrative data, so we will have to look at that for you.

Senator SIEWERT: That would be appreciated, thank you. One of the issues that I have not actually followed up for a little while but that I have asked about in the past is: do you have any more recent data on the number of people that are on DSP and/or Newstart or youth allowance in terms of chronic pain?

Ms Halbert: I have not got that here. I am not sure whether we can get that, but we will have a look.

Senator SIEWERT: If you could, that would be good. It is quite a difficult area—I understand that.

Ms Wilson: Again, I am not sure that our data fields would pin that down, so we will have a look at that. We did do some work in a project a couple of years ago looking at older workers and pain. We were just a participant in a project that was done by an external organisation. I might see what we can find from that as well. Just to let you know, the other thing we are embarking on is a piece of work in collaboration with Employment and Comcare and a range of others. This is to do a real exploration of the intersection and what we can tell from the data across workers compensation, other compensation schemes and our own DSP administrative data to see what that tells us about the patterns of impacts of different disability and the efficacy of interventions, to try and identify where better points of intervention might be between those interfaces. That is something that we are opening up to look at in future. It is in prospect. We are just kicking that off.

Senator SIEWERT: Is that something you will be releasing publicly once you have done that?

Ms Wilson: Once the work is done, I would imagine it would be. We are just at very early scoping activity for it. We are holding a workshop in partnership with others next week—I think it is next Wednesday—to kick off that work and scope the research project. It is going to be quite a significant research project that we think will take some time, but we would anticipate that it could be published.

Senator SIEWERT: That sounds like a really interesting piece of work, so it would be great when you complete it and are able to release it. That will pick up that issue around chronic pain?

Ms Wilson: I would expect very much that it would be one of the things it would look at, because we do know that chronic pain has an impact on workforce participation. Depending on how it has come about—whether it is chronic disease, arthritis or what have you, or whether it is a workplace accident—there will be different stories around that and different trajectories. But we do know it is one of the things that impact on employment and, therefore, on subsequent income support receipt.

Senator SIEWERT: Exactly, and is not necessarily picked up. It is very difficult in terms of quantifying the functionality of disability, so it sometimes seems to me to be one of those hidden disabilities.

Ms Wilson: When we did the impairment tables revision, it was one of the things that we did further work on—before the impairment tables were finalised—in conjunction with some experts around chronic pain, so it was one of the bits of evidence in the then committee hearing on the proposed new impairment tables that encouraged us to go and do some further work. It does seem to impact on both intellectual function and mobility in a range of domains.

Senator SIEWERT: I look forward to seeing that work. In regard to taking out table 6, that will be done by regulation?

Ms Wilson: It is a disallowable instrument. It is not primary legislation.

Senator SIEWERT: What is the timing for that?

Ms Halbert: It has to be done before the implementation date of 1 July.

Senator SIEWERT: So we are going to see very shortly.

Ms Halbert: Yes.

Senator SIEWERT: Okay. With regard to any other amendments to the impairment tables, the same process applies now; it is a delegated instrument.

Ms Wilson: That is right. Because they are in an instrument, any change has to be done by a new instrument.

Senator SIEWERT: Thank you. I thought that was the case but I wanted to double-check. I have a lot of data questions which I will put on notice.

Ms Wilson: Okay, thanks.

CHAIR: Delightful.

Senator SIEWERT: I thought you would be happy.

CHAIR: I think that is an understatement. That now concludes today's examination of the Social Services portfolio. I thank the minister, the secretary and officers from the department. I thank Hansard, Broadcasting, the secretariat staff and the attendants. Written questions on notice should be provided to the secretariat by close of business on Friday, 9 June.

Committee adjourned at 22:26