



COMMONWEALTH OF AUSTRALIA

# Official Committee Hansard

## SENATE

EMPLOYMENT, WORKPLACE RELATIONS AND EDUCATION  
LEGISLATION COMMITTEE

ESTIMATES

**(Budget Estimates)**

MONDAY, 30 MAY 2005

CANBERRA

BY AUTHORITY OF THE SENATE



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**SENATE**  
**EMPLOYMENT, WORKPLACE RELATIONS,**  
**AND EDUCATION LEGISLATION COMMITTEE**

**Monday, 30 May 2005**

**Members:** Senator Marshall (*Deputy Chair*), Senators Barnett, Johnston, Stott Despoja, Troeth and Wong

**Senators in attendance:** Senators Barnett, Buckland, Eggleston, Chris Evans, Fierravanti-Wells, Fifield, Johnston, Marshall, McLucas, Webber and Wong

**Committee met at 9.04 am**

**EMPLOYMENT AND WORKPLACE RELATIONS PORTFOLIO**

**In Attendance**

Senator Abetz, Special Minister of State

**Department of Employment and Workplace Relations**

**Portfolio overview and major corporate issues**

Dr Peter Boxall, Secretary

Mr Bob Correll, Deputy Secretary, Workforce Participation

Ms Malisa Golightly, Deputy Secretary, Employment

Mr Finn Pratt, Deputy Secretary, Workplace Relations

Ms Vanessa Graham, Chief Financial Officer, Financial Management Group

Mr Darren Hooper, Assistant Secretary, Business Services Branch, Corporate

Mr Brian Quade, Assistant Secretary, Parliamentary Performance and Communications Branch, Corporate

Ms Anya Moore, Acting General Manager, Corporate

Mr John Burston, Chief Information Officer, IT Services Group

Mr Simon Gotzinger, Assistant Secretary, Legal Branch, Corporate

Ms Su Kearns, Acting Assistant Secretary, Human Resources Branch, Corporate

Mr Henry Carr, Principal Government Lawyer, Legal Branch, Corporate

Mr Shayne Howard, Principal Government Lawyer, Legal Branch, Corporate

Ms Kari Ahmer, Assistant Secretary, Budgeting, Reporting and Treasury, Financial Management Group

**Outcome 1 Employment**

Mr Stephen Moore, Group Manager, Employment Systems Group

Mr Michael Manthorpe, Group Manager, Employment Business Services Group

Ms Alison Smith, Assistant Secretary, Disability Employment Services Branch

Ms Serena Wilson, Group Manager, Specialist Services and Income Support Group

Ms Margaret Kidd, Assistant Secretary, Employment Pathways Branch

Mr Pete Searle, Assistant Secretary, Working Age Payments and Assurance Branch

Ms Janine Pitt, Assistant Secretary, Work Experience Branch

Ms Jo Caldwell, Group Manager, Intensive Support Group  
Mr Anthony Parsons, Group Manager, Job Search Support Group  
Mr Matthew James, Assistant Secretary, Employment Exchange Branch  
Ms Sharon Stuart, Director, CWC Management, Work Experience Branch  
Ms Christine Burnett, Acting Assistant Secretary, Transition and Participation Branch

**Outcome 2 Workplace Relations**

Mr James Smythe, Chief Counsel, Workplace Relations Legal Group  
Mr Bob Bennett, Assistant Secretary, Legal Policy Branch  
Mr Jeremy O'Sullivan, Assistant Secretary, Legal Policy Branch  
Ms Natalie James, Acting Assistant Secretary, Legislation Reform  
Mr Peter Cully, Director, Organisations, FOA and International Section, Legal Policy Branch  
Ms Elen Perdikogiannis, Director, Employee Protections Section, Legal Policy Branch  
Mr Brien Armstrong, Director Strategic, Employee Entitlements Branch  
Ms Jenet Connell, Group Manager, Workplace Relations Services Group  
Ms Louise McDonough, Assistant Secretary, Wages and Conditions Policy Branch  
Mr Leigh Quealy, Assistant Secretary, Building Industry Branch  
Ms Dianne Merryfull, Assistant Secretary, Industries Branch  
Mr Michael Maynard, Assistant Secretary, Public Sector Branch  
Mr Craig Symon, Group Manager, Workplace Relations Implementation Group  
Ms Anna Clendinning, Acting Federal Safety Commissioner, Office of the Federal Safety Commissioner  
Ms Sandra Parker, Group Manager, The Office of the Australian Safety and Compensation Council  
Ms Helen Bull, Assistant Secretary, National Strategy and Information Branch  
Mr Nigel Hadgkiss, Director, Building Industry Taskforce  
Mr John Kovacic, Group Manager, Workplace Relations Policy Group  
Mr Les Andrews, Director, Wage Analysis Section, Workplace Relations Policy Group  
Mr Alfred Bonggi, Assistant Secretary, Employee Entitlements Branch  
Mr Stewart Thomas, Director, Employee Entitlements Branch

**Outcome 3 Workforce Participation**

Mr Graham Carters, Group Manager, Working Age Policy Group  
Mr Bob Harvey, Group Manager, Indigenous Employment and Business Group  
Ms Lynne Curran, Group Manager, Research, Evaluation and Legislation Group  
Mr Barry Sandison, Assistant Secretary, Disability Policy Branch  
Ms Mary Anne Sakkara, Acting Assistant Secretary, CDEP Business Development Branch  
Ms Jody Hamilton, Assistant Secretary, Business and Policy Development Branch  
Mr Bruce Whittingham, Manager, Welfare to Work Taskforce  
Ms Susan Devereux, Project Manager, Welfare to Work Taskforce  
Ms Jennifer Taylor, Group Manager, Labour Market Strategies Group

**Office of the Employment Advocate**

Mr Peter McIlwain, Employment Advocate  
Mr David Rushton, Senior Legal Manager  
Ms Ann Skarratt, Corporate Director

Mr Geoffrey Casson, Deputy Employment Advocate, CSN  
**Equal Opportunity for Women in the Workplace Agency**  
Ms Anna McPhee, Director

**Comcare**

Ms Barbara Bennett, Chief Executive Officer  
Mr Noel Swails, Deputy Chief Executive Officer  
Ms Janette Davis, Acting General Manager, OHS (CE) Act Policy and Support  
Mr Stewart Ellis, Acting Manager, Injury Management  
Mr Matt Goldrick, Acting General Manager, Claims Policy and Systems Improvement  
Mr Terry Langton, General Manager, Corporate Management Division  
Ms Jane Romeyn, General Manager, Research and Strategy

**Australian Industrial Registry**

Mr Nicholas Wilson, Industrial Registrar  
Mr Terry Nassios, General Manager, Statutory Services

**National Occupational Health and Safety Commission**

Mr Tom Fisher, Acting Chief Executive Officer

**Indigenous Business Australia**

Mr Ron Morony, General Manager  
Mr Ian Myers, Deputy General Manager  
Mr Ivan Parrett, Manager, Indigenous Economic Development Branch  
Mr Colin Clements, Manager, Home Ownership Programme  
Mr Anthony Lovell, Chief Finance Officer

**CHAIR (Senator Johnston)**—I declare open the Senate Employment, Workplace Relations and Education Legislation Committee. I welcome Senator the Hon. Eric Abetz, Minister representing the Minister for Employment and Workplace Relations, and the Secretary, Dr Peter Boxall, and officers of the Department of Employment and Workplace Relations and agencies, as well as observers, to this public hearing. On 10 May 2005 the Senate referred to this committee documents of proposed expenditure for the year ending 30 June 2006. The committee is required to consider these documents only in regard to the portfolios allocated to the committee by the Senate on 17 November 2004. We plan to examine the employment and workplace relations portfolio over the next two days, starting with outcomes 1 and 3. We will then move to the cross portfolio tomorrow at approximately 1.30 p.m. and continue with the rest of the agenda. The committee is required to report to the Senate on 20 June 2005.

The committee has resolved that answers to questions on notice are to be lodged with the committee by Friday, 22 July 2005 and has resolved to mention to senators that any written questions on notice should be lodged with the secretariat by close of business on Monday 6 June 2005. I remind officers that in its order of continuing effect the Senate has resolved that there is no area in connection with the expenditure of public funds where any person has the discretion to withhold details or explanations from the parliament or its committees unless the parliament has expressly provided otherwise. I also remind officers that they 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 the superior officers or to a minister. I also remind you that the giving of false or misleading evidence to the committee may constitute a contempt of the

Senate. I remind participants that oral evidence and documents in estimates proceedings are part of the public record. Minister, would you like to make an opening statement?

**Senator Abetz**—I do not, thank you.

[9.06 am]

### **Department of Employment and Workplace Relations**

**Senator WONG**—I would like to start with some clarification about the involvement of the department in the Welfare to Work package, in particular the task force which—we understand from previous estimates—was put together in order to prepare it. What was DEWR's involvement in the task force?

**Dr Boxall**—The task force was led by PM&C, and a number of departments seconded some staff to PM&C to work on that task force. DEWR seconded three people to work on the task force more or less full time. Of course, the task force required input from various departments including DEWR. We provided input essentially through the three people who were working on the task force, so there were many more people within the department working on the Welfare to Work proposals and providing input than just those three.

**Senator WONG**—At what level were the three officers?

**Dr Boxall**—They were very senior. They were all SES officers.

**Senator WONG**—Were you involved, Ms Golightly?

**Ms Golightly**—No.

**Senator WONG**—Can you tell us exactly what SES levels they were? Was it a deputy secretary?

**Dr Boxall**—There was one deputy secretary, one SES band 2 and one acting SES band 2.

**Senator WONG**—From when were those officials seconded to the task force?

**Dr Boxall**—From memory, from when it started until about the time of the budget—for roughly two months.

**Senator WONG**—When was the task force started? Were you on it, Mr Correll?

**Mr Correll**—Yes. The task force came into full operation in approximately February.

**Senator WONG**—Do we know when in February?

**Mr Correll**—We can check the precise date.

**Dr Boxall**—We can get that date for you. PM&C led the task force: they were in charge of dates—when it started and when it stopped. But clearly we can get that date for you.

**Mr Correll**—We can. I understand that the Department of Prime Minister and Cabinet responded to that question in their commentary earlier in the hearings.

**Senator WONG**—Yes, and I have to say they also fingered DEWR a fair bit in terms of it being a significant agency involved in the task force, so I am going to continue asking questions about it. When was the last meeting of the task force?



**Mr Correll**—The task force continued to operate right up until budget night. It stopped operating the day after the budget.

**Senator WONG**—As I recall from an answer to some questions on this, the recommendations to cabinet from the task force did not go through a specific minister?

**Dr Boxall**—These are questions for Prime Minister and Cabinet. The task force was led by PM&C. They made decisions in consultation with the relevant ministers about whether issues went to cabinet or did not go to cabinet and how they were to be handled and things like that. DEWR was no different from any other agency in that we provided staff to the task force. It is true that we probably provided more staff than other agencies, but it was clearly a PM&C led task force. They are the appropriate agency to answer questions such as the ones you have asked about the process and procedures. That was not DEWR's responsibility.

**Senator WONG**—Mr Correll, did your minister take forward recommendations to cabinet on the Welfare to Work package?

**Dr Boxall**—The task force prepared the material for cabinet. They are the ones who are responsible for how it was handled in cabinet and answering questions to that effect.

**Senator WONG**—I asked if the minister in this portfolio took recommendations to cabinet. If the answer is no then that is fine.

**Dr Boxall**—The answer is not no. The answer is that we cannot answer that question.

**Senator WONG**—You cannot answer whether your minister took something to cabinet?

**Dr Boxall**—It is not our job to answer questions about cabinet processes or about the Welfare to Work Taskforce, which was not led by this department.

**Senator WONG**—It is appropriate for a senator in estimates—and I remind you of the opening statement by the chair, Dr Boxall—to ask questions about timing. I am asking if your minister took recommendations to cabinet in relation to the Welfare to Work package.

**Senator Abetz**—As to who took what to cabinet and what decisions were made, at the end of the day, be it a Liberal government or Labor government, there is such a thing as cabinet solidarity. Whether things were changed in cabinet or not is not canvassed at committees such as this. You can canvass the cabinet's decision—and I think that is pretty clear—and any expenditures surrounding that decision of cabinet, but not how cabinet actually got to its decision.

**Senator WONG**—I am not asking that. I am asking timing questions.

**Senator ABETZ**—No, you asked who took it to cabinet.

**Senator WONG**—What was the date on which submissions on this issue went to cabinet?

**Senator Abetz**—That is different. I think Dr Boxall has indicated to you previously that PM&C were driving this, so it is a question that you should have asked of PM&C.

**Senator WONG**—I am asking about this minister. Did this minister take submissions to cabinet in relation to Welfare to Work? If so—

**Senator Abetz**—Every minister takes submissions to cabinet.

**Senator WONG**—I had not finished the question, Minister. If so, on what date?

**Senator Abetz**—I would have thought that you would not have wanted to finish your question given what I previously said. As to the situation of which minister takes what to cabinet and how, can I tell you that I have taken things to cabinet that I did not think I would win but which I have won. At other times I have been knocked out by cabinet when I have taken something to cabinet. I am not going to tell you what the things were—

**Senator WONG**—I am not asking that.

**Senator Abetz**—that I won and lost et cetera. It is a matter for the government internally. All this committee can be concerned about is the actual decision and the expenditures surrounding it.

**Senator WONG**—The fact is that questions about timing are perfectly appropriate at estimates. That is the case. I am not asking you what went to cabinet; I am asking for the date on which the submission was taken to cabinet.

**Dr Boxall**—Questions about timing are up for the committee chair and the committee, but these questions should be directed to PM&C, not to us.

**Senator WONG**—I assume that, if your minister took something to cabinet, it would be appropriate for you to tell me the date of that. Do I take it that nothing came from your minister?

**Dr Boxall**—No, you cannot take that. The government or cabinet decided to have a PM&C led task force. They were responsible for organising the process and they are the ones that are responsible for answering the questions.

**Senator WONG**—I would like a short meeting of the committee.

**CHAIR**—The committee will adjourn for a few minutes.

**Proceedings suspended from 9.14 am to 9.18 am**

**CHAIR**—The committee is reconvened. Senator Wong has the call.

**Senator WONG**—Do you know when the submission went to cabinet?

**Senator Abetz**—There seems to be something in the Senate Finance and Public Administration Legislation Committee *Hansard* dealing with PM&C on Tuesday 24 May 2005 where Senator Wong's leader in the Senate, Senator Chris Evans, asked a few questions. I think that may indicate what some of the answers are.

**Senator WONG**—I asked if the department was aware of when the decision went to cabinet, Minister.

**Dr Boxall**—Probably in about February.

**Senator WONG**—When in February?

**Dr Boxall**—We do not know because it is not our responsibility and we have not come prepared for it. Mr Chair, these questions are questions for PM&C. After all, the government elected to set up a task force headed by PM&C which was in charge of process to organise a whole-of-government consideration of these important issues. It is not fair to ask the officers of one department, who were part of that, detailed questions on when things were submitted

to cabinet, who submitted things to cabinet and processes like that. We cannot answer that because we do not have the information with us.

**CHAIR**—I think you have your answer, Senator.

**Senator WONG**—Do you know when this matter was last before cabinet?

**Dr Boxall**—No, we do not. We can roughly guess because we were a member of the task force. We can say that it was a few weeks before the budget, but we cannot be any more precise than that. We have not come briefed on it because it is not our responsibility.

**Senator WONG**—I am sure you are aware of it, Dr Boxall.

**Senator Abetz**—That is, for what it is worth, on page 48 of the *Hansard* I cited before. But really, Senator Wong ought to be asking these questions in another committee or reading the *Hansards* from the relevant committee. In trying to assist them, Ms Davidson said:

There was a task force, though the initial work was done by an IDC.

I dare say that is an interdepartmental committee.

The task force was established subsequently. So from about December 2004 there was an IDC working on it and in February a full-time task force was established.

**Senator WONG**—If the task force was continuing to work on the matter after February and your answer is that the submission went to cabinet in February, what was the task force doing post the matter going to cabinet? What was the nature of DEWR's role on the task force at that point?

**Dr Boxall**—The nature of DEWR's role was to provide input to the work of the task force to formulate policies and to provide input of costings for government to consider the whole policy package.

**Senator Abetz**—In fact the very next answer in this *Hansard* deals with that issue. Ms Davidson says:

The task force was coordinating a lot of work that was being commissioned from relevant departments, so they were not themselves doing all the work.

She goes through who the various departments were and then says:

So the people on the task force from those departments will be working with people in their home departments and getting input and advice from them.

Really, this is very much for the finance and public admin committee, and it seems as though Senator Wong's leader in the Senate has covered it more than adequately. It is there on the public record in the relevant portfolio.

**Senator WONG**—Why is the government not willing to disclose when this matter—

**Senator Abetz**—We disclosed it on 24 May.

**Senator WONG**—You actually did not. Why are you not willing to disclose when this matter went to cabinet?

**Senator Abetz**—We have been disclosing it in the relevant department in the relevant segment. The fact that you have come along to the wrong Senate estimates to ask your questions does not suggest that the government is trying to hide anything, especially when six

days ago the government did answer these questions in the estimates for PM&C and it is already on the record for all to see. If you had done your homework, you may have been aware of this information and saved yourself some embarrassment here.

**Senator WONG**—Thank you, Minister. Mr Correll, how many meetings of the task force did you attend?

**Dr Boxall**—We do not have a record of the number of meetings attended because there were three officers over there full time. They might have met all day, every day at any time of the day. It was not an issue where there was episodic scheduling of meetings.

**Senator WONG**—Okay. So the three staff were seconded full time for a period of time, were they?

**Dr Boxall**—That is correct.

**Senator WONG**—And where did the task force reside?

**Dr Boxall**—In PM&C.

**Senator WONG**—Mr Correll, for how long were you working full time on the task force?

**Dr Boxall**—Mr Correll was on the task force with two other SES officers basically for the duration of the task force.

**Senator WONG**—Tell me the dates over which the secondment occurred.

**Dr Boxall**—It started in February, as indicated in the testimony of PM&C, and finished on budget night.

**Senator WONG**—It finished on budget night?

**Dr Boxall**—That is correct.

**Senator WONG**—I could like to go through a number of apparent differences between the PBS and Budget Paper No. 2. Can I start with page 133 of Budget Paper No. 2 and page 22 of the PBS. There are a number of line items where the figures do not match up, and so I wondered if you could explain to me why that is the case. I would like to start with the information technology measure. In Budget Paper No. 2 the 2005-06 estimate is \$32.8 million; on page 22 of the PBS it is \$37.194 million.

**Ms Graham**—The differences between the portfolio budget submission and the measures in Budget Paper No. 2 are primarily because the PBS is the amount appropriated, which includes depreciation, whereas in Budget Paper No. 2 the measures are presented on a fiscal balance basis, which is a different measure, and therefore depreciation is not included.

**Senator WONG**—Can we go through in detail each of these line items, so you can explain to me exactly what the discrepancy is. Can we go back to the IT. So it is \$32.8 million versus \$37.194 million, a discrepancy of about \$5 million.

**Ms Graham**—It is depreciation; that is the sole difference.

**Senator WONG**—In that line item?

**Ms Graham**—Yes, that is right.

**Senator WONG**—And the same for 2006-07, which is \$33.4 million versus \$37 million.

**Ms Graham**—Yes.

**Senator WONG**—And \$29 million versus \$27 million?

**Ms Graham**—Yes.

**Senator WONG**—And \$21 million, so about half a million out that last year?

**Ms Graham**—Yes.

**Senator WONG**—So that is depreciation over the forward estimates period?

**Ms Graham**—Primarily, yes, that is right.

**Senator WONG**—What you mean by ‘primarily’? What else is it?

**Ms Graham**—In the IT measures it is definitely depreciation.

**Senator WONG**—Is there any other discount?

**Ms Graham**—The only other difference between fiscal balance and the appropriation figure can sometime be very small amounts around where staffing are included to do with leave entitlements, but it is a very small component.

**Senator WONG**—I am interested, for each of these line items, in the nature of the discrepancy. Do I understand your answer in relation to IT to be that it is depreciation only?

**Ms Graham**—Yes, that is right.

**Senator WONG**—For increasing participation for people with a disability, again there are some minor differences over the forward estimates period between the PBS and Budget Paper No. 2. Can you explain those to me? If you add the totals in the PBS, it is about \$2.2 million.

**Ms Graham**—Yes, that is right. There is a small depreciation component associated with each of the measures, and hence the reason for the differences in each case between the appropriation and the fiscal balance figure.

**Senator WONG**—In relation to the measure, what is the depreciation component?

**Ms Graham**—I do not have the exact figures for the depreciation with me.

**Senator WONG**—But what does it apply to in relation to that measure?

**Ms Graham**—Depreciation can apply to things like assets that are purchased in relation to the additional staff in each of those packages.

**Senator WONG**—Presumably, someone here has those figures.

**Ms Graham**—We can probably get a break-up. I will see if I can find it.

**Senator WONG**—Thank you. What I am interested in is that it is not clear to me what item is depreciable in those particular measures. IT I understand but—

**Ms Graham**—They are basically PCs for the staff involved in those measures. There were would have been PCs for the additional staff that would have been put on. There would also be additional fit-out of the buildings to fit them in.

**Senator WONG**—Can you tell me, then, what component of the funding in that matter—increasing participation for people with a disability—is capital expenditure that is subject to depreciation?

**Dr Boxall**—We can give you the figures for depreciation for the item ‘increasing participation for people with a disability’.

**Ms Graham**—The depreciation figure in 2006-07 is \$0.8 million, in 2007-08 it is \$0.7 million and in 2008-09 it is \$0.9 million.

**Senator WONG**—I am asking what that depreciation—

**Ms Graham**—Sorry, the last one was \$0.7 million. I read that wrongly.

**Senator WONG**—What does it relate to?

**Dr Boxall**—It would relate to depreciation of equipment for additional staff: for example, additional desks, additional PCs and various overheads like that.

**Senator WONG**—Can you tell me, then, what component of the whole funding measure over the forward estimates period, which is supposed to be \$481.9 million, relates to capital expenditure on which depreciation has been applied?

**Dr Boxall**—We would need to take that on notice because, as we have said, it is related to depreciation of the capital equipment required for the additional staff to implement and manage this measure.

**Senator WONG**—I do not have a problem with that. I am asking what proportion of that funding relates to that expenditure.

**Dr Boxall**—Ms Graham just gave the figures that relate to depreciation. That is the depreciation.

**Senator WONG**—Depreciation is different from the capital costs, presumably.

**Dr Boxall**—Yes, it is.

**Senator WONG**—Yes. I am asking what the capital expenditure is in that measure.

**Dr Boxall**—The capital expenditure will be the cost of the personal computers—

**Senator WONG**—I am asking for the number, Dr Boxall.

**Dr Boxall**—We will have to take that on notice.

**Ms Graham**—We do not have that level of data.

**Dr Boxall**—We do not have that figure with us.

**Senator WONG**—Is that difficult to provide?

**Dr Boxall**—It is something we will take on notice. No doubt we will be able to recommend to the minister that he answer that question.

**Senator WONG**—Okay. I would like details of the depreciation and the capital expenditure on all the measures set out at table 2.2.1 in the PBS.

**Dr Boxall**—Okay.

**Senator WONG**—Can we go through a couple of other things? ‘Employment preparation’ is another line item.

**Ms Graham**—Yes.

**Senator WONG**—There you see that there is a discretion. I am not clear why the figures in Budget Paper No. 2 are different from the figures in the PBS.

**Ms Graham**—My understanding is that they would be related to the difference between the appropriation and the fiscal balance measure and therefore relate to depreciation.

**Senator WONG**—That seems very odd when you are looking at the numbers concerned. The numbers you gave me on IT make sense but if you look at employment preparation, the budget measures document does not include \$146 million, \$930 million, \$665 million and \$542 million of departmental outputs.

**Dr Boxall**—Are you still on employment preparation?

**Senator WONG**—Correct. I am comparing the line item in the budget measures paper with the PBS statement, at page 22.

**Dr Boxall**—In 2006-07, we have \$16.7 million in Budget Paper No. 2 and in the PBS we have \$17.6 million.

**Senator WONG**—There is \$930 million in departmental outputs. I am clarifying what that is.

**Dr Boxall**—The \$930 million?

**Senator WONG**—There is \$146 million in 2005-06, \$930 million in 2006-07 and then \$606 million and \$542 million which are not in Budget Paper No. 2.

**Dr Boxall**—That is \$930,000, Senator Wong.

**Senator WONG**—Sorry, \$930,000.

**Dr Boxall**—That is less than \$1 million. Indeed, the \$930,000 is depreciation; the \$930,000 in the portfolio budget statement is depreciation.

**Senator WONG**—So the \$146,000, \$930,000, \$606,000 and \$542,000 in that line item in the PBS are all depreciation?

**Dr Boxall**—Yes. That is correct.

**Senator WONG**—I assume you do not apply depreciation if there is no capital measure included.

**Ms Graham**—There is a capital measure as well. The capital measures are in a different table. There is no capital measure for that one in particular because some of the capital is internally funded. It was not necessarily funded by a measure.

**Senator WONG**—Can you see my difficulty? There is quite a substantial amount of supposed additional funding in the measure in the PBS, at page 22. Dr Boxall is telling me that that is a depreciation component of well over a million dollars.

**Ms Graham**—That is correct.

**Senator WONG**—Yet there is no capital measure disclosed in table 2.2.3 for this line item?

**Dr Boxall**—That is correct. The issue, as Ms Graham has explained, is that the portfolio budget statement includes the money appropriated, which includes an appropriation for

depreciation. Some of the capital measures are funded internally. So they are funded from our reserves. That is obviously the case in employment preparation.

**Senator WONG**—Where is that money coming from—the money for employment preparation?

**Dr Boxall**—It comes from the reserves that the department has.

**Ms Graham**—Our accumulated reserves.

**Dr Boxall**—Our accumulated reserves, which are elsewhere in the PBS.

**Senator WONG**—What is the capital measure for increasing the participation of persons with a disability, at page 27 of the PBS, \$365,000?

**Ms Graham**—Each of the packages has its own component of capital. Some of these will be related to the depreciation that we discussed before in relation to additional fit-out or PCs.

**Senator WONG**—‘Some’. What is the rest?

**Ms Graham**—As we explained before, there are some that are internally funded.

**Dr Boxall**—The increasing participation of people with a disability is a capital measure of \$365,000—

**Ms Graham**—Yes, that is right.

**Dr Boxall**—which is a relatively small capital measure and it might well be all to do with overheads of providing for staff working on this project.

**Senator WONG**—I refer to the increasing participation of parents. Can you tell me about that as well?

**Ms Graham**—It will essentially be the same answer for each of those, in that it is the capital set up in the beginning for things like PCs and office equipment for each one of those measures and the staff associated with each one of those measures.

**Senator WONG**—That is about a \$3-plus million difference between the budget paper and the PBS. Is the entirety of that capital expenditure?

**Dr Boxall**—No, it is depreciation—0.7 in 2005-06, 0.8 in 2006-07, 0.8 in 2007-08 and 0.8 in 2008-09—and it is very similar to the other figures. It is the same concept.

**Senator WONG**—In administered expenses in 2008-09, what is the \$144,956 in that measure?

**Ms Graham**—Which measure are you referring to?

**Senator WONG**—Increasing participation of parents in the out year.

**Dr Boxall**—That would represent an expected decrease in payments of parenting allowances. As people move from being on benefits into work, there would be less payment of parenting allowance.

**Senator WONG**—Why is there not a similar figure for ‘increasing participation of people with a disability’? I accept your explanation, Dr Boxall. I assume what you are saying is that that is the net difference between the projected out years expenditure on the parenting payment before the policy change. Is that right?



**Dr Boxall**—That would be the net difference on administered items—primarily, parenting payments. Your question goes to increasing participation of people with a disability. That is also presented on a net basis. That shows that, in 2008-09, the budget measure is still anticipating an increase in administrative expenses of \$193.9 million.

**Senator WONG**—And they are net figures, are they?

**Dr Boxall**—Yes, they are.

**Senator WONG**—I am not sure how that can be the case, Dr Boxall, because the policy change reduces the payment to a proportion of persons who would otherwise have been on the DSP. I am not sure why you would have an increase in expenditure.

**Dr Boxall**—The reason is that increasing participation of people with disabilities is the impact of the government's measures against the forward estimates. The forward estimates were based on the previous bill, and this is therefore the impact.

**Senator WONG**—I see—because your previous bill already assumed the 15 hours?

**Dr Boxall**—Correct.

**Senator WONG**—Going back to the increasing participation of parents, are you suggesting to me that the \$3.1 million discrepancy or difference between Budget Paper No. 2 and the PBS is all depreciation?

**Ms Graham**—Yes.

**Dr Boxall**—Yes. The difference is depreciation of 0.7—

**Senator WONG**—Can you explain to me how you can claim that much depreciation—

**Dr Boxall**—Sorry, I just need to finish my answer. It is 0.7 in the first year and 0.8 in each of the three out years.

**Senator WONG**—Just under 0.8. Can you explain to me how you get that sort of depreciation with a capital expenditure of \$230,000, as itemised at page 27?

**Dr Boxall**—As Ms Graham pointed out, some capital expenditure measures are funded by additional new money and others are funded internally. This depreciation figure would have been calculated on the basis of additional staff and overheads required to do the task. I am advised that there is also a component for the price that we pay Centrelink, which would have an appreciation element as well.

**Senator WONG**—Do you mean the service agreement you have with Centrelink?

**Dr Boxall**—Yes.

**Senator WONG**—You have a depreciation component on that?

**Dr Boxall**—There would be a depreciation component within that, because we would pay Centrelink a certain amount of money and part of that would be to cover depreciation in Centrelink.

**Senator WONG**—You indicated before that some of the capital expenditure that is not itemised in the PBS comes out of your reserves. Is that right?

**Dr Boxall**—That is correct.

**Senator WONG**—What is the policy around that? When can you dip into your reserves and when can't you?

**Dr Boxall**—This goes to guidelines put out by the department of finance. In some well-run agencies like DEWR where we have accumulated reserves we are able to fund some of the capital items internally.

**Senator WONG**—What are your current accumulated reserves, Dr Boxall?

**Ms Graham**—The financial statements for the department go from page 68 through to page 73. Essentially, our cash reserves are in the statement of financial position on page 69, and it also includes a component of the receivables, because the receivables reflect an amount held in the official public account for cash held basically with the department of finance.

**Senator WONG**—Are the guidelines associated with utilisation of these reserves produced by the department of finance, or does DEWR have additional guidelines internally?

**Ms Graham**—No, they are produced by the department of finance.

**Senator WONG**—Can you tell me the extent of the amount in this package—the Welfare to Work package—that is being funded out of DEWR reserves?

**Ms Graham**—No, not offhand. I would have to get that number for you.

**Senator WONG**—Could you take that on notice? Also, to clarify my previous question on notice, what I want to know is the capital expenditure and depreciation in each of the Welfare to Work reform measures for DEWR and some indication of which of those capital expenditures are funded through the budget process—as set out at page 28, I think—and which are funded through the reserves.

**Ms Graham**—Yes.

**Senator WONG**—Are the administered expenses for the increasing participation of parents and those with a disability the entire payments?

**Ms Golightly**—They would possibly be a combination of both payments and program services.

**Senator WONG**—Do we have figures in the papers on just the administered appropriations associated with the disability support pension over the forward estimate period?

**Ms Golightly**—No.

**Senator WONG**—You have them for 2008-09, I think.

**Dr Boxall**—No, there are no forward estimates—

**Ms Golightly**—Only forward measures, on that table that you were just referring to.

**Senator WONG**—FaCS previously produced forecast costs for each program over the forward estimates period in relation to DSP, parenting payment and Newstart. Given they are now in your portfolios, do you have those figures for the forward estimates period for each of those payments?

**Dr Boxall**—Those figures are not made available publicly by the government.

**Senator WONG**—They were last budget.

**Dr Boxall**—I am not aware that those figures would have been in the FaCS portfolio budget statement.

**Senator WONG**—They were provided in answer to a question on notice. It is a fairly simple thing. These are very major expenditures of public moneys on four social security payments. You have provided them for only the next financial year.

**Dr Boxall**—We follow the guidelines for the preparation of portfolio budget statements. A decision was made long ago not to put the forward estimates in the portfolio budget statement but to put just the budget year and that is what DEWR has done.

**Senator WONG**—What is the difficulty in providing the public with an indication of what is going to be spent on administered appropriations across all output groups?

**Dr Boxall**—The government has elected not to do that, and the guidelines for the portfolio budget statements are clear. The guidelines say that you put the estimated actual for the current year and the amount for the budget year. It does not include the forward estimates.

**Senator WONG**—The government have decided not to tell the public what they are projecting to spend on social security over the forward estimates?

**Dr Boxall**—The department of finance, on behalf of the government, issues guidelines for the preparation of portfolio budget statements and DEWR follows the guidelines.

**Senator WONG**—So you are not prepared to provide on notice what FaCS provided last time?

**Dr Boxall**—We take lots of questions on notice from you and other senators and we are prepared to take that question on notice, but we will need to consult with the relevant people in government.

**Senator WONG**—As to whether or not you can tell the public how much taxpayers' money is being spent on administered appropriations, which include the largest social security expenditure by government over the forward estimates period?

**Dr Boxall**—We will not be consulting on that. We will be consulting with the relevant people in government about what information the government is prepared to release, given that we have followed the guidelines for the portfolio budget statement. Indeed, as Ms Golightly has just pointed out, the government does release it in the summary at page 6-12 of Budget Paper No. 1.

**Senator WONG**—I assume you must have calculated it because you have to decide it for the purposes of determining the surplus, don't you?

**Dr Boxall**—That is correct. Finance would have calculated it to work out the projected surplus.

**Senator WONG**—On page 6-12, what is included in 'Assistance to people with disabilities'? That is not the administered appropriation.

**Dr Boxall**—It is the total expenditure by government on assistance to people with disabilities.

**Senator WONG**—What is the administered appropriations for the same period?

**Dr Boxall**—That information is not provided. The government has elected to provide a summary of measures so that they can give an indication of what the government expenditure is over the forward estimates period, as in table 9 for ‘Social security and welfare’.

**Senator WONG**—We have administered appropriations, which are administered according to statute, in relation to four benefit groups. I am simply asking for information that has previously been provided by FaCS, which is the projections beyond this financial year for those administered appropriations.

**Dr Boxall**—We have agreed to take that on notice.

**Senator WONG**—Going back to the net savings of \$144 million on increasing participation with parents, presumably that is predicated on a view as to how many people will be on Newstart, as opposed to the parenting payment?

**Ms Graham**—Yes.

**Senator WONG**—What are the numbers that that is predicated on?

**Mr Correll**—We will take that question on notice.

**Senator WONG**—You will take that question on notice?

**Mr Correll**—Yes.

**Senator WONG**—You don’t know how many people you are projecting will go on to Newstart as a result of the Welfare to Work package?

**Dr Boxall**—We are saying that these costings are done by the government and prepared for the budget papers. We contributed to those costings. They are based on certain assumptions, and those assumptions have not been made available publicly. Therefore we will take the question on notice.

**Senator WONG**—What is being proposed here is the government’s so-called Welfare to Work package, and the government is refusing to detail how many people this will actually affect.

**Dr Boxall**—That is not really a question; I am not able to respond to that on behalf of the minister.

**Senator WONG**—How many people do the figures assume will be put into work as a result of the government’s measures?

**Dr Boxall**—The answer to that is the answer we just gave; that is, we have contributed to the costings of these measures and we are not in a position to disclose certain assumptions and certain figures underlying those costings. We will take it on notice.

**Senator WONG**—Okay. You said you participated in making some contribution to these costings. Did DEWR provide projections of the number of recipients who would move into work as part of its work on the task force?

**Mr Correll**—Yes.

**Senator WONG**—When did you provide those?

**Mr Correll**—It would have been over progressive periods during the life of the task force.

**Senator WONG**—And Treasury also provided to the task force some modelling of the number of people who would be affected?

**Mr Correll**—That is a question you would need to put to Treasury—for any detailed work they did.

**Senator WONG**—What did DEWR provide?

**Mr Correll**—DEWR, obviously, provided those inputs that were relevant to its portfolio relating to issues of services and flows of job seekers. Those contributions were made to the task force, and those and other contributions were taken in in presenting the final papers.

**Senator WONG**—When was the last occasion on which that information was provided to the task force by DEWR?

**Mr Correll**—I don't know the precise date. There was a constant flow of information to the task force from the department.

**Senator WONG**—How many additional people has DEWR costed to go into the Job Network under this package?

**Mr Correll**—Approximately 137,000.

**Senator WONG**—From which cohorts? Is that parents and people with a disability?

**Mr Correll**—And mature age.

**Senator WONG**—Can you tell me where the minister gets the figure of 190,000?

**Mr Correll**—I don't recall the Minister for Employment and Workplace Relations referring to 190,000.

**Senator WONG**—190,000 will get into work as a result of the package. Is that a figure that DEWR has provided?

**Mr Correll**—Not to my knowledge.

**Senator WONG**—The assumption of the 137,000—that is the assumption about how many people will access Job Network. Correct?

**Mr Correll**—Correct.

**Senator WONG**—From those cohorts you have identified, what is the assumption about those who will go in to employment without accessing the Job Network?

**Mr Correll**—There are other employment services apart from Job Network that also would be involved here.

**Senator WONG**—Okay. What are they? What are the figures for each of those?

**Mr Correll**—There are disability open employment services—a figure of approximately 21,000.

**Senator WONG**—Would be required?

**Mr Correll**—That is the estimated additional usage of services over the four years.

**Senator WONG**—Was the figure 21,200?

**Mr Correll**—It was 21,000 for disability open employment services; 42,000 for vocational rehabilitation; 25,000 for the personal support program—these are approximate figures—

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

**Mr Correll**—55,000 for Work for the Dole; 6,000 under the CDEP program; 1,000 under the New Enterprise Incentive Scheme; and 217 for the job placement, employment and training program.

**Senator WONG**—Individuals?

**Mr Correll**—No, they are places over four years.

**Senator WONG**—Anything on JET?

**Mr Correll**—Yes. That is part of the package. Of course, it is not part of the DEWR portfolio.

**Senator WONG**—How many additional places on JET?

**Mr Correll**—I think that is a question you should put to the appropriate portfolio.

**Senator WONG**—What are the assumptions about people who will move into work without access to any of those services on which the package is based?

**Mr Correll**—As I indicated, the department would have contributed inputs into the task force. I would have to take on notice any of the detailed assumptions in that area.

**Senator WONG**—But your portfolio budget statements, with your net costings, have to have those at the base. You have to make some assumptions about who is moving into the work force without access to the services, and the net savings.

**Mr Correll**—Yes, that is why I take it on notice. There are detailed aspects of those assumptions in models and it is not realistic to have that at one's fingertips.

**Senator WONG**—Mr Correll, didn't you prepare them? Isn't this DEWR's work?

**Dr Boxall**—No. These measures are a result of the work of Welfare to Work task force, led by PM&C and considered by government.

**Senator WONG**—The issue is that your budget papers are predicated on this. Does DEWR not have an understanding of what your budget papers are predicated on?

**Senator Abetz**—That is not what they said. They said they would take it on notice.

**Dr Boxall**—And DEWR does understand what is in the budget papers.

**Senator WONG**—But not how many people will not require services?

**Dr Boxall**—That is a question which Mr Correll has taken on notice.

**Senator WONG**—Dr Boxall, regarding your suggestion that the government has made a decision not to detail specific items of expenditure over the forward estimates, I refer you to page 165 of budget paper No. 2, where the increase in family tax benefit part A is clearly identified over the forward estimate period. Is it not possible, therefore, to provide a similar table for the disability support pension, Newstart and parenting payments?

**Dr Boxall**—This is for FaCS.

**Senator WONG**—Yes, I am making the point you made about the government having decided X. That is not the case. FaCS have previously provided to Senate estimates detailed expenditure over the forward estimates—

**Dr Boxall**—No, it is the case. The FaCS tables are prepared on the same basis as the DEWR tables, where the impacts of measures are provided over the forward estimates. That is different from a request for the total amount of an administered item over the forward estimates. The government, not DEWR, has decided to provide the impact of measures over the forward estimates, and that is why the FaCS tables are prepared on the same basis as DEWR's tables. But the FaCS portfolio budget statement will be prepared on the same basis as ours, which is in accord with Finance guidelines, which does not have the forward estimates of the administered items in which you are interested. This is a question about budget documentation which can be answered only by those agencies responsible for putting out the government's guidelines.

**Senator WONG**—It is a question about administered appropriations of very significant sums of money that your department is responsible for. I am asking a very simple question: what are you projecting to spend these very large payments on over four years? I would have thought the public were entitled to that information.

**Dr Boxall**—And the department have said they will take that on notice because under the budget guidelines for the PBS those items are not published.

**Senator WONG**—Can you tell me, in terms of the items you administer, what your projected fortnightly rates are assumed to be, firstly, for pensions? I am interested in the dollar figure.

**Mr Carters**—We can provide the current maximum rates that apply for the allowances and the relevant pension payments that are paid within the portfolio. However, they are not the rates that would be used to make projections; they would be an average rate and you would need to take into account CPI and MTAWA adjustments.

**Senator WONG**—Sure. Can we start then with the 2005-06 financial year, which is at page 29 of the PBS. What is the rate that is assumed in the budget estimates for 2005-06 for the DSP?

**Mr Carters**—We will need to take that on notice because, as I mentioned, it is an average rate which is used, and we only have the maximum rates at hand. I would have to check the average rate that is used to calculate this.

**Senator WONG**—What is the maximum rate for that financial year?

**Mr Carters**—For 2004-05, which is the current year—

**Senator WONG**—No, for 2005-06, the budget estimate.

**Mr Carters**—We do not have that for 2005-06, because that is a future year. We will need to take that into account CPI and MTAWA. They would only be estimates which—

**Senator WONG**—But you have costed it. You have got \$8 billion. You must have assumed a rate to get the expenditure on the administered appropriation for 2005-06 in the budget paper.

**Mr Carters**—Yes, there were assumptions made. But, as I said, the actual figure may change because of the impact of the CPI and MTAW—the real rate.

**Senator WONG**—What is the assumption?

**Mr Carters**—We will have to take that on notice.

**Senator WONG**—Can you come back later today? I am interested in all of those. These are figures in the budget estimates. Even if I do not have a conflict with Dr Boxall over the out years, we are talking about 2005-06. I am asking for details about that administered appropriation, and I would like to know the maximum rate. I would like to know a number of details about those assumptions. You have costed them in order to provide the budget estimates. Are you able later in the day to have someone here who understands them, so that I can ask about the rates?

**Mr Correll**—These estimates for the 2005-06 financial year are done in conjunction with Treasury. They include certain parameters and assumptions that are factored into the estimates that are applied by Treasury and are not made publicly available, under the Finance guidelines.

**Senator WONG**—Show me the bit of the Finance guidelines that says that? I am asking a very simple question about your budget papers, your PBS. I would like to know a number of details about the estimates which are contained on page 29—very simple things like the rate assumed in \$8 billion of payments.

**Mr Correll**—In responding immediately, I would have to take that on notice.

**Senator WONG**—I am asking you to come back. We have a day and a bit associated with these outcomes, and I would like to deal with them, so can someone in the department get here. I want to know simple things like the rate assumed, the maximum rate and the average rate. I assume you would need to know the number of people you are projecting in relation to each of those administered appropriations for the 2005-06 year. We are talking about \$21 billion of expenditure.

**Senator CHRIS EVANS**—Mr Correll, my apologies for coming in late. Senator Wong and I pursued these issues in a range of estimates last week. The promise held out by all other departments was: 'DEWR's your man. Go to DEWR; they'll tell you about it. DEWR's the lead agency. DEWR will have the figures.' We did try and put it on notice by mentioning it for those who might have been listening to estimates that DEWR would then be asked those questions, because PM&C and others all said that to understand the Welfare to Work package you had to go to DEWR. I accept that: one department has the lead responsibility. But it seems that we are not able to get what is key information about the assumptions that underline the Welfare to Work package. Now you are suggesting that we go and talk to Treasury or that Treasury have said you cannot tell us. It is a bit frustrating.

**Dr Boxall**—We are listening to what Senator Wong wants now and we will see what we can do. If Senator Wong said that she would like to have the figures underlying the \$8.5 billion disability support pension estimate for 2005-06—the maximum rate and the average rate—we will see what we can do.



**Senator WONG**—I will flag that I am interested in most of those line items—probably not sickness and widows, but Senator Evans might want that.

**Dr Boxall**—So are you interested in disability support pension?

**Senator WONG**—Mature age allowance, mobility, Newstart, the two parenting payments, partner allowance, pensioner education supplement and Youth Allowance. I think we want all of them.

**Dr Boxall**—We will investigate that during the morning and in the afternoon and see what we can do.

**Senator CHRIS EVANS**—Thank you. Mr Chairman, I suggest we have a chat about it after lunch and see how the department is going and how they feel they will be placed.

**CHAIR**—I think that is a good idea.

**Senator CHRIS EVANS**—We will have a discussion then about what the context is and what the problems are.

**CHAIR**—We will get Dr Boxall to give us an update after lunch as to the likelihood and the timing of that information.

**Senator CHRIS EVANS**—I came in late. I saw a bit at the start, but I had to be at another committee. Senator Wong was pursuing the numbers for the out years—the admin appropriations. Do we have the breakdown of how many clients we expect to flow into each of these categories? We have major welfare reform, new categories of payment and an enhanced Newstart—people who were formerly on, say, DSP et cetera. Is the department able to give us a breakdown of where they expect the client flow to go in the out years?

**Mr Correll**—In response to an earlier question, I took on notice the provision of some of that detail in terms of the parameters assumptions going to the flows and places for the future. It is part of the modelling work that was undertaken by the department and provided to the task force, but that modelling work is extremely complex. It involves more than 200 different parameters and it is not something that you can pick up off your fingertips. We will have to take it on notice.

**Senator CHRIS EVANS**—Sure. But, for instance, in 2006-07, I would like to know how many people are expected to go onto it. One of the major drivers of this change, as I understand it from the government, is that the government wants to provide greater incentive for people who would have gone onto the DSP to move into job search activities and enhanced Newstart. I think everyone would accept that is a major change. A key underpinning of that to understand what is going on, know how many people the government expects to go onto the DSP and how many people it expects will go onto enhanced Newstart, because against those figures you can make judgments about whether we have enough assistance, enough places in the Job Network et cetera. To understand the whole strategy, you have to know that. From my search of budget papers, I could not find any of that information and I have not been able to elicit that information from previous departments.

**Dr Boxall**—We understand what the question is and we understand the information that you and Senator Wong are seeking. We also note that the government has elected to provide

this information on a net basis and has not provided that type of information that you are requesting. That is one reason that we have taken the question on notice.

**Senator CHRIS EVANS**—The government has elected to provide this information on a net basis?

**Dr Boxall**—The government has provided the costings information on a net basis, and has not provided the parameters or details that you are requesting. As we mentioned to Senator Wong earlier, we are going to take that on notice.

**Senator CHRIS EVANS**—I appreciate that and, again, I apologise for being late to the hearing. But this is, as I am sure you can understand, a key issue, and I would like to tease it out. Are you telling me there has been a decision taken not to provide it?

**Dr Boxall**—No. I am telling you that the government has provided the information in Budget Paper No. 2. That is the information they have provided. You are requesting parameters which are not provided by the government and we are taking the question on notice.

**Senator CHRIS EVANS**—I will come back to why you are taking it on notice or why you can't tell me. But, for instance, on the night, I understand, journalists were briefed by the department and the government on figures about how many people would go on to DSP versus on to Newstart. The Prime Minister has used a figure of 190,000, I think; other ministers have said over 100,000. Clearly there are figures about being used in briefing journalists, but it seems the Senate estimates processes are not going to be provided with the sort of detail that was provided to journalists on budget night. It is some weeks on and we still haven't been able to get any sense of those numbers.

**Dr Boxall**—I can do nothing more than to repeat that we will take the question on notice. We are not able to provide information which the government has not provided.

**Senator CHRIS EVANS**—Does that mean you don't have the information or that you are not prepared to provide it? That is the difference I am trying to understand.

**Dr Boxall**—It means that we will take it on notice and see whether we can provide it.

**Senator CHRIS EVANS**—To be frank, I am not sure that is good enough. I would like an answer to the question: are you saying you haven't got authority to provide it or that you don't have it?

**Dr Boxall**—I am saying that this is a question requesting information which has not been provided in the budget papers—

**Senator CHRIS EVANS**—We agree on that.

**Dr Boxall**—and we will take it in notice and see whether the minister is prepared to provide it. As you know, we answer questions here on behalf of the minister; we are not going to provide information which is not in the budget papers without taking it on notice and consulting with our minister.

**Senator CHRIS EVANS**—Quite frankly, that is a new rule. You provide answers that are not in the budget papers every day of the week. I suspect you have provided about 30 already this morning. But I want to be clear on this: have you got an instruction not to tell us or not?

**Dr Boxall**—My answer remains the same. We are taking—

**Senator CHRIS EVANS**—That is not the answer to the question I asked you though.

**Senator Abetz**—Well, it is the answer you are getting.

**Senator CHRIS EVANS**—That is not good enough, Minister.

**Senator Abetz**—Next question.

**Senator CHRIS EVANS**—Dr Boxall, have you been instructed not to provide the Senate estimates with the underpinnings of the Welfare to Work reform package?

**Dr Boxall**—I can't go in to what my minister may or may not have requested that I do. I can't do that.

**Senator CHRIS EVANS**—Okay. Do you have that information available?

**Dr Boxall**—I am sure the information is available, otherwise the forward estimates could not have been calculated.

**Senator CHRIS EVANS**—Thank you. Minister, will the government allow the department to provide that information to the Senate estimates committee?

**Senator Abetz**—You can ask the question as many times as you like. You have already got an answer—and I will confirm it—that the question is being taken on notice.

**Senator CHRIS EVANS**—No, it is a different question, Minister. Let me be clear to you so that you understand. This will be an issue of quite some controversy.

**Senator Abetz**—You needn't be patronising. The question has been taken on notice.

**Senator CHRIS EVANS**—I am not trying to patronise you. I just want to be clear that you and I both understand the question: will the government—

**Senator Abetz**—I am sure the *Hansard* will adequately record the question, which has been taken on notice.

**Senator CHRIS EVANS**—Let me ask you a separate question, Minister, just so that we are perfectly clear. Will or will not the government authorise the department to release to the Senate estimates the costings assumptions and the numbers of expected clients that underpin the Welfare to Work reform package?

**Senator Abetz**—Readers of *Hansard* will find that an interesting question in comparison to the previous one. I will take that one on notice as well.

**Senator CHRIS EVANS**—Chair, could I ask you to call for a brief adjournment to have a private meeting with the committee?

**CHAIR**—Sure. The committee will stand suspended briefly.

**Proceedings suspended from 10.24 am to 10.33 am**

**CHAIR**—I call the committee to order, only to say that we will have an early morning tea.

**Senator Abetz**—Just before we adjourn, for the benefit of the committee, I refer committee members to pages 52 and following of the Finance and Public Administration *Hansard*, where Senator Wong asked virtually identical questions of Senator Minchin, who

gave virtually identical answers to those which Dr Boxall and I have been giving. But we can follow that through after morning tea.

**Proceedings suspended from 10.34 am to 10.54 am**

**CHAIR**—I call the committee to order. We continue outcomes 1 and 3.

**Senator CHRIS EVANS**—Mr Chairman, thank you for facilitating that private meeting of the committee. Dr Boxall, you would be aware that some senators on the committee feel a great deal of frustration at the inability to get answers to what we regard as key questions. That has been discussed by the committee and the Chairman's advice is that we ought to continue to pursue the answers that we want within the rules of Senate estimates. I am sure it is sound advice.

I would like as a starting point to refer you to section 32 of the Senate procedural orders, which was read by Senator Johnston in his opening remarks. It says:

The Senate reaffirms the principle, stated previously in resolutions of 9 December 1971, 23 October 1974, 18 September 1980, 4 June 1984 and 29 May 1997, that there are no areas in connection with the expenditure of public funds where any person has a discretion to withhold details or explanations from the Parliament or its committees unless the Parliament has expressly provided otherwise.

I would like you to think about that in relation to the argument you put that you have some sort of discretion about the out-years expenditure, because that is clearly not right. I think the Senate is clearly entitled to that information. Before we broke, you raised taking on notice the questions about the key assumptions that underpinned the welfare reform package. I want to follow that through. Are you saying to us that you will take them on notice because you do not have the information or because you are not sure whether you are allowed to provide it?

**Senator Abetz**—We want to give consideration to the totality of what is being asked. Just before the morning adjournment I referred the committee to pages 52 and 53 of the finance and public affairs committee. Senator Wong and Mr Bowen were having a discourse where Mr Bowen said:

... I can only comment here today on what is in the budget papers.

Senator Wong said:

Did you have something to add, Minister?

I will not go through all of what Senator Minchin said. But he said:

But we never reveal or itemise in the budget all of the individual elements that go into the formulation of the total cost of a new policy proposal which involves, as in this case, a continued costing for those who are currently on those benefits and, in the case of new entrants to those schemes, a different costing.

Senator Minchin later on said:

We never give all of the individual breakdowns that go to make up the package that is delivered.

Later still he said:

It is not something we normally provide. We will tell you what the cost of measures that we are taking is. But we never go through the netting out of how you actually get to the bottom line. We give you the

bottom line cost of all of the measures that are there and whether they have a plus or a minus next to them.

Senator Wong asked:

You are not prepared to give it?

Senator Minchin said:

No—we never do and we will not in this case.

That was the discourse that was had there. If it is being suggested that this is an inappropriate course of action—as is being asserted by senators—it is only fair that the department be allowed to take this on notice and give consideration to it, because this is a whole-of-government situation. Believe it or not, I am representing a cabinet minister in Kevin Andrews. With another cabinet minister in another committee saying something else, I am not going to be the brave white knight and lead a charge and disagree with Senator Minchin and the protocols that I understand have been in place for some time in relation to approaches to this. It may be asserted by Labor senators that governments have and do on a regular basis reveal all these costings and workings. I am not aware whether that is or is not the case. I am prepared to take Senator Minchin's word. But I am also prepared to indicate to the committee that we are willing to have a look at it.

**Senator CHRIS EVANS**—I appreciate you taking the chance to have a look at the question. I again refer you to the standing orders of the Senate, which make it very clear. I appreciate you reading the *Hansard* of what Senator Minchin said, but that was his statement in the heat of a discussion about releasing information. I appreciate you are taking a more considered view. I would also point out to you and Dr Boxall that some of the figures that Senator Wong was after were provided by FaCS last year for the four out years, but they are not seemingly able to be provided by DEWR this year.

**Dr Boxall**—Apparently they were not provided by FaCS last year.

**Senator WONG**—Sorry; it was the 2003-04 budget. It was question No. 165, and these were the figures provided.

**Dr Boxall**—That is correct, and I was advised over the tea-break that FaCS did it two years ago but did not do it last year.

**Senator WONG**—But they did it two years ago. Minister, was there a change in the government position? Are you telling us that there has been a political decision that information on very large items of expenditure—the disability support pension, the parenting payment and so forth—previously provided by the department which had responsibility for them will not be provided to the Senate now?

**Senator Abetz**—No political decision has been taken in that regard in relation to what FaCS may have done two years ago, but what FaCS may have done two years ago may not necessarily have been in step with the general approach. However, once again, I am willing for the department and the minister to take this on notice and give it considered consideration, but I am sure that, if you were in Dr Boxall's position or my position, you would not be deciding to change all that with 15 or 20 minutes notice to give consideration to what is being asserted.

**Senator CHRIS EVANS**—I appreciate that. We are happy to come back after lunch and discuss that. However, I make it clear that if Dr Boxall is to take these questions on notice I want to know why, because it seems perfectly obvious to me that the department has the information—I think Dr Boxall said as much. It is a question of why one would take the questions on notice. If it is not to unduly delay the Senate—

**Dr Boxall**—It is not for that reason, and it is not clear that the department has all the information at its fingertips.

**Senator WONG**—You have the information about the expenditure on the pensions and allowances that you administer for the out years. If you did not have that information, how would the government have prepared its surplus figures?

**Dr Boxall**—Of course the government has that information. That is how they have prepared the forward estimates, but that is not the information to do with costings that Senator Evans was talking about. I am happy to be corrected if he is talking about something else.

**Senator CHRIS EVANS**—There are two or three different sets of information that you seem unwilling to provide today which we think would, in the normal course of events, be provided at estimates, and that is a cause of great frustration to us because all the other departments have referred us to you. There is clearly some concern about providing that information, but these are very important underpinnings to the whole welfare reform package. To understand how it is going to work, you have to understand how many people have been affected and how much it is going to cost—and none of that has been made obvious to us at all.

**Dr Boxall**—Just to correct the record, I did not say that I am unwilling to provide the information. I did not say that.

**Senator CHRIS EVANS**—Then what is the reason for taking it on notice?

**Dr Boxall**—The reason is exactly as Senator Abetz said—to consider the matter from a whole-of-government perspective.

**Senator CHRIS EVANS**—So there is a question about whether the government is happy for you to provide that information.

**Dr Boxall**—I did not say that. The department said—I do not think I necessarily said it—and the department's position is that it is prepared to take it on notice so it can give consideration to the matters and consult accordingly. That is what was said.

**Senator CHRIS EVANS**—I would appreciate if we could have this discussion after lunch and have a better sense of it. However, I put it to you and the minister that I do not think it is unreasonable to find out how many people are going to be impacted by these changes and how many people are expected to move into the new streams of benefits. These are quite simple, basic questions that go to the welfare reform package. I understand that they may not have been in the budget because of the lateness of some of these decisions, but these are fundamental questions that have traditionally been answered at estimates, and it would be a huge change in practice if these questions were not to be answered at estimates. However, as I said, we will return to the subject after lunch, when the government has had a chance to give it consideration.

**Senator WONG**—I have some questions about the consultations in relation to the welfare package. On the last occasion that you were before this committee, the minister's commitment to consult regarding the proposed reforms was discussed. Were those consultations steered by the Welfare to Work task force or were they dealt with by the department?

**Mr Correll**—The consultations involved a number of sessions set up in a range of different capital cities. They were organised by the department. They were attended in most cases by Minister Andrews, Minister Dutton and departmental officials.

**Senator WONG**—How many sessions were there?

**Mr Correll**—We would need to check that. We can provide the precise numbers later today.

**Senator WONG**—If you could check, I will come back to it shortly. By the way, were there specific terms of reference for the task force?

**Mr Correll**—I do not believe so, but that is probably best put to the Department of the Prime Minister and Cabinet, which has responsibility for the task force.

**Senator WONG**—I understand that, but you were on it. Did you see any terms of reference?

**Mr Correll**—Not that I recall.

**Senator WONG**—How long will it take us to get the number of sessions?

**Mr Correll**—I think we can report that immediately after lunch.

**Senator WONG**—We will have a good session after lunch, I think. Where were they held?

**Mr Correll**—They were held in capital city locations.

**Senator WONG**—All capital cities?

**Mr Correll**—My recollection is that all were covered, yes. As I recall, a videoconference was conducted in relation to participants from the Northern Territory because of the numbers of participants involved.

**Senator WONG**—Did you have a standard procedure, like X number of advertisements and X number of days notice, or was it by invitation only? What was the procedure associated with the consultation?

**Mr Correll**—It was consultation by invitation, based on advice from the peak bodies concerned about who would be the appropriate people to invite.

**Senator WONG**—Which peak bodies were consulted about the advice as to the invitees?

**Mr Correll**—The Australian Federation of Disability Organisations would have been one organisation consulted. I would need to check the full listing of organisations involved.

**Senator WONG**—Are we going to do that after lunch too?

**Mr Correll**—We will attempt to do that after lunch. We can certainly do the number of sessions immediately after lunch.

**Senator WONG**—Did you advertise?

**Mr Correll**—No. The sessions were conducted by invitation.

**Senator WONG**—After lunch can you provide information on who you consulted to create the invitation list. Did you look at issues such as disability access in terms of where you located your consultation sessions?

**Mr Correll**—Yes.

**Senator WONG**—Did you require wherever it was being held to be accessible for people with a disability?

**Mr Correll**—Consideration was made in relation to both the venues and the facilities that we used to take account of the needs of people who would be attending the particular sessions. That included, in some cases, special facilities for hearing impaired people. But certainly that was taken into account wherever there was an issue known and it was attempted to be canvassed before the sessions.

**Senator WONG**—Were sessions held in venues which were not accessible to people in wheelchairs?

**Mr Correll**—Not any of the sessions I attended, but I would need to check more broadly to ascertain if there were any issues in that regard.

**Senator WONG**—Was there a standing requirement that the venue had to be wheelchair accessible?

**Mr Correll**—I would expect that, in organising the venues, the organisers would have made provision for people with a disability and people in a wheelchair. That would be my expectation, but I cannot categorically tell you that.

**Senator WONG**—I am not asking you about your expectation. Did you have responsibility for organising the sessions, Mr Correll?

**Mr Correll**—It was within my area of responsibility.

**Senator WONG**—Did you give any direction about requiring the venues utilised for these sessions to be accessible to someone in a wheelchair?

**Ms Golightly**—Perhaps I can assist. It was part of the requirements that we asked for the people who were organising the sessions that they take that into account.

**Senator WONG**—Take it into account? Does that mean they were required to hold it in a venue that was accessible?

**Ms Golightly**—We asked for the venues to take that into account.

**Senator WONG**—What does ‘take into account’ mean? Did the department indicate to whoever was organising the sessions—and we will come to that in a moment—that it was a requirement that the venues in which the sessions were located be wheelchair accessible?

**Ms Golightly**—We asked the people who were organising this to make sure that, wherever possible, they were.

**Senator WONG**—Wherever possible?

**Ms Golightly**—Yes.



**Senator WONG**—So it was not a requirement?

**Ms Golightly**—As much of a requirement that that is.

**Mr Correll**—These sessions were by invitation. We knew who was coming to the sessions. Therefore, facilities were put in place, including the venues and the additional facilities, included supporting those participants who were vision or hearing impaired. In a number of sessions that I participated in, they were all in place. I can certainly assure you that the sessions that I participated in, I can assure you that there was wheelchair access in all of those sessions. You are asking me categorically whether there were any issues with any problem with wheelchair access to any of the venues. I would need to check that. My understanding is that there were not, but I would need to check to give a categorical answer.

**Senator WONG**—I am not asking for an audit; I am asking whether it was a requirement. Was it a direction by DEWR to those organising these consultations on the welfare package, including for people with a disability, that the venues be wheelchair accessible?

**Ms Golightly**—It was a requirement that it be taken into account.

**Senator WONG**—Which is not a requirement that it be accessible.

**Ms Golightly**—It was required to be taken into account.

**Senator WONG**—What was the wording of the requirement? Do you have a letter there?

**Ms Golightly**—No, I do not.

**Senator WONG**—How did you communicate this?

**Ms Golightly**—It was a request by the departmental officials involved.

**Senator WONG**—Was that a verbal request?

**Ms Golightly**—It was at least verbal. I would have to check.

**Senator WONG**—Who was organising it?

**Ms Golightly**—Departmental officials were organising it.

**Senator WONG**—You said ‘of those organising the events’. Who organised the events?

**Ms Golightly**—Departmental officials.

**Senator WONG**—So there was no external body?

**Ms Golightly**—Not to my knowledge.

**Senator WONG**—Were those officials who fall beneath Mr Correll asked to ensure that the venues in which these sessions were held were accessible to people with a disability?

**Mr Correll**—I cannot point to a written document that said, ‘Thou shalt ensure that all venues cover wheelchair access.’ I can say that they were organised through our state officers and we would have had the strong expectation that, consistent with their normal practice, they would have ensured that all of the venues would have provided wheelchair access, particularly having a good knowledge of those people able to attend.

**Senator WONG**—This is your expectation, Mr Correll. What I am trying to clarify is whether there was a direction to ensure that that occurred?

**Mr Correll**—Not that I am aware of.

**Senator WONG**—Why was the decision made to have it by invitation only and not have public sessions?

**Mr Correll**—The decision was to ensure that the forums were of a scale where there could be active interaction and dialogue with the minister and the department—to keep them to a scale that would facilitate that.

**Senator WONG**—So why were there no public briefings?

**Mr Correll**—I think I answered that question: it is because these were pre-budget consultation sessions that were conducted by the ministers in May, and they were designed to be of a size to ensure effective interaction with the participants.

**Senator WONG**—So you wanted them small enough to be manageable?

**Mr Correll**—Small enough to ensure that there was an opportunity for dialogue, rather than it being more of a large-scale forum, which would have prevented that.

**Senator WONG**—If people were not invited but became aware of the forums through their network, were they able to arrange an invitation, to ring the department and say, ‘I want to come along to this’?

**Mr Correll**—The people who were invited to the forums were drawn on advice from the relevant organisations, so it would have been more appropriate for them to have done that through their relevant organisations. That is a fact we will be checking, based on an earlier question.

**Senator WONG**—I would like to know where the sessions were held, and I would like that after lunch because it seems that is not difficult to obtain. How many sessions are we talking about?

**Mr Correll**—In the order of 10 sessions across the country.

**Senator WONG**—So that is not difficult to get. I would also like the list of invitees for all of the sessions, on notice.

**Mr Correll**—I will take that on notice. I am not sure I can produce the list of invitees by after lunch.

**Senator WONG**—I appreciate that. That might take a bit longer. Were there sessions that were only attended by departmental officials and not by ministers?

**Mr Correll**—Yes.

**Senator WONG**—How many of those were there?

**Mr Correll**—The majority of the sessions were attended by ministers. There would have been a small handful where a departmental official was conducting the session. I will check that, and we should be able to provide that quickly after lunch as well.

**Senator WONG**—So this is within the 10 or so?

**Mr Correll**—Yes.

**Senator WONG**—Was there a session held at Coffs Harbour?

**Mr Correll**—Not from my recollection.

**Senator WONG**—There was no DEWR briefing on Welfare to Work at Coffs Harbour?

**Mr Correll**—Yes, but that is a different sort of briefing.

**Senator WONG**—Tell me about those briefings then.

**Mr Correll**—They were post-budget briefings.

**Senator WONG**—How many post-budget briefings have we had?

**Mr Correll**—We have had a large number of post-budget briefings, information sessions. They were conducted in 20 locations.

**Senator WONG**—Including Coffs Harbour, presumably?

**Mr Correll**—Yes.

**Senator WONG**—Are you able to provide me with a copy of the 20 locations?

**Mr Correll**—Yes.

**Senator WONG**—Are you proposing to table that?

**Mr Correll**—We can happily table that immediately after lunch as well. It is not very complicated: it is all capital cities and a number of regional centres, including Coffs Harbour, Bendigo and a few others.

**Senator WONG**—These are departmental only; these are not ministerial?

**Mr Correll**—Correct.

**Senator WONG**—Going back to the consultation, was the department the only organising body for those pre-budget consultation information sessions? You did not contract it out?

**Mr Correll**—I will certainly correct the record if I am wrong on this, but my understanding was that it was all handled by the department and through our state offices.

**Senator WONG**—Was the information session at Coffs Harbour held at the Nautilus resort?

**Mr Correll**—Yes.

**Senator WONG**—Is that about 10 kilometres out of town?

**Mr Correll**—Yes.

**Senator WONG**—Did you attend that, Mr Correll?

**Mr Correll**—No, I did not.

**Senator WONG**—Are you aware of what public transport is available to that venue?

**Mr Correll**—Not specifically.

**Senator WONG**—Would it surprise you to know that a number of people wanted to attend but were not able to access any public transport to that venue?

**Mr Correll**—That is not something I have heard before.

**Senator WONG**—Is it not a requirement that you hold public information briefing sessions on a major package somewhere that people can actually get to without a car?

**Mr Correll**—That would be desirable.

**Senator WONG**—Is the department ensuring the venues for these briefing sessions are places that are accessible by public transport?

**Mr Correll**—That would certainly be what we would be aiming for.

**Senator WONG**—Have you issued a direction to that effect?

**Mr Correll**—I would hope I did not need to issue a direction to that effect.

**Senator WONG**—So if a session has been held somewhere where there was no public transport would you be able to give me an explanation as to why?

**Mr Correll**—I think I will take that on notice because I would want to find out why that occurred.

**Senator WONG**—Perhaps we can come back to that. What is the contact number for RSVPing to these post-budget information sessions?

**Mr Correll**—The contact number for inquiries?

**Senator WONG**—Yes. Perhaps we should start from the beginning. Do you advertise these sessions?

**Mr Correll**—Yes. They have been advertised in the press.

**Senator WONG**—Okay. Do people have to indicate that they are going to attend or do they just turn up?

**Mr Correll**—There is a requirement to book a position.

**Senator WONG**—Okay. What is the number on which people book? Is it a Canberra number or a free-call number?

**Ms Golightly**—The person who would know that has just stepped out of the room. I will get it as soon as he comes back.

**Senator WONG**—We have a lot that we keep deferring here, haven't we? What about disability access to these information sessions? Is that a requirement, too, or is that another thing that there is just a general expectation about?

**Mr Correll**—We would expect that all of the venues would provide appropriate access for people who would be trying to access these sessions. If they did not, then I would consider that less than satisfactory.

**Senator WONG**—How many sessions post-budget?

**Mr Correll**—Twenty.

**Senator WONG**—How did DEWR decide when and where to stage these information sessions?

**Mr Correll**—They were pitched at all the capital cities plus large regional centres, such as Coffs Harbour, Bendigo and Alice Springs.

**Senator WONG**—Has the person returned yet, Ms Golightly? What steps have been taken to ensure disability access to the information sessions?

**Mr Manthorpe**—We asked our state offices, which were organising the sessions, to ensure that there was disability access to the post-budget information sessions.

**Senator WONG**—Did you do that in writing?

**Mr Manthorpe**—I believe so.

**Senator WONG**—Can you provide a copy of that?

**Mr Manthorpe**—I do not have it with me but I can take that on notice.

**Senator WONG**—Can you explain why the Coffs Harbour session was held at a place where there was no public transport access?

**Mr Manthorpe**—I would have to take that on notice. We are chasing that up at the moment.

**Senator WONG**—What about the RSVP? Was that a Canberra telephone number?

**Ms Golightly**—It is a different number in each location. There are 20 different numbers.

**Senator WONG**—Are they numbers in the states or Canberra numbers?

**Ms Golightly**—In some cases they were 1300 numbers; in other cases they were local numbers.

**Senator WONG**—It is not the case in relation to Coffs Harbour that the RSVP was a Canberra number, with no free-call number provided?

**Dr Boxall**—The number for Coffs Harbour was (02)49741700, according to the information that I have been provided, which is not a Canberra number.

**Senator WONG**—Mr Correll?

**Mr Correll**—I have nothing to add.

**Senator WONG**—I am sorry; I thought you were responding to something from before.

**Mr Correll**—I do have the list now in front of me of the venues for the post-budget information sessions, which I could run through quickly for the record, if you wish.

**Senator WONG**—I would prefer that you tabled them.

**Mr Correll**—Okay. We will do that.

**Senator WONG**—If you could, so that I could have a look at them.

**CHAIR**—That document is tabled.

**Senator WONG**—What are you tabling, Mr Correll? Is this the post-budget?

**Mr Correll**—Yes.

**Senator WONG**—Not the pre-budget?

**Mr Correll**—This would be the post-budget information sessions.

**Senator WONG**—Mr Manthorpe, were you also responsible for directions to the state offices regarding the pre-budget consultation process?

**Mr Manthorpe**—No.

**Senator WONG**—Who was responsible for that?

**Mr Correll**—The pre-budget consultation sessions fell within my responsibility.

**Senator WONG**—But there was no direction in relation to the accessibility of public transport on the pre-budget consultation.

**Mr Correll**—There was no firm direction but this was a case where there were specific lists of people invited to those sessions and specific requirements for the needs of those people, be they physical access or other needs, to be addressed in those sessions. So there was a very strong expectation and requirement that that would be the case. I cannot, however, point to a written document directly.

**Senator WONG**—I do not mean to be rude, Mr Correll, but how were staff made aware of a strong expectation in your head?

**Mr Correll**—When we invite people along who have a particular disability then the experienced staff in our state offices are such that they ensure that the facilities cover that disability. In every session I attended those facilities were in place.

**Senator WONG**—Where were the post-budget information sessions advertised?

**Mr Manthorpe**—They were advertised in metropolitan and major regional daily newspapers in those regions where the sessions were going to be held.

**Senator WONG**—I want to turn now to the measure increasing the participation in the work force of people with disabilities, but, before I do that, I will go to the evaluation under the Australians Working Together legislation. You might recall that on the last occasion that you were before the committee we discussed measures that were the subject of agreement between the government and the Australian Democrats in the context of the AWT bill. I think in the legislation there was a review or an evaluation proposed of the AWT legislation. Can you tell me what has happened on that, Mr Correll?

**Ms Curran**—The legislation requires the evaluation to be tabled in parliament by June 2006, and that is what we are working towards.

**Senator WONG**—Who is working on the evaluation?

**Ms Curran**—We have a number of staff in the department working on the evaluation. Then there are number of specific components of the evaluation which we have a series of consultants assisting us with.

**Senator WONG**—What are the issues being evaluated?

**Ms Curran**—The legislation prescribes the types of issues that need to be evaluated. The evaluation that will be tabled will cover the measures specified in the legislation.

**Senator WONG**—What are the consultants doing? Who are they, and what are they being asked to advise on?

**Ms Curran**—We have a range of consultants, looking at things such as—

**Senator WONG**—I would like to know all of them. Are we talking about five, 10, 20 consultants?

**Ms Curran**—There is a consultant assisting with the community attitudes—

**Senator WONG**—Can you stop there. How many consultants are engaged as part of this evaluation?

**Ms Curran**—Can you bear with me. There are four.

**Senator WONG**—Let us go through each of them. Who is the first one?

**Ms Curran**—The Social Research Centre is looking at community attitudes to participation.

**Senator WONG**—What is the cost of that consultancy and over what period?

**Ms Curran**—It is in the order of \$190,000.

**Senator WONG**—Over what period? What are the dates of the commencement—

**Ms Curran**—The fieldwork was completed towards the end of last year. We would anticipate that the report will be finalised this year.

**Senator WONG**—When did the consultancy commence?

**Ms Curran**—It commenced last year.

**Senator WONG**—When last year?

**Ms Curran**—I do not have the exact date that it commenced, but the fieldwork was completed at the end of last year—in November-December last year.

**Senator WONG**—Is \$190,000 the total cost of that consultancy?

**Ms Curran**—Yes, that is the estimated cost of the consultancy.

**Senator WONG**—Excluding expenditure? Is that the consultant's fees? Are there any costs on top of that?

**Ms Curran**—No, that is the all-inclusive cost. The start date was in July 2004.

**Senator WONG**—And that relates to community attitudes?

**Ms Curran**—That is correct.

**Senator WONG**—Can you explain that a bit more? What does that mean?

**Ms Curran**—In the legislation is a requirement to look at community attitudes towards participation. There are qualitative and quantitative elements to it. The report has not been finalised, so it would be premature for me to—

**Senator WONG**—I just wanted to know about the area for which you were requiring consultation. That is No. 1. What is the next one?

**Ms Curran**—There is another consultancy in respect of personal advisers. That began last year as well. Fieldwork was completed at the end of last year, and we anticipate that report will be finalised towards the middle of this year.

**Senator WONG**—Who is doing that?

**Ms Curran**—That is, again, the Social Research Centre.

**Senator WONG**—How much is the value of that consultancy?

**Ms Curran**—The total cost—because the consultancy is not finalised—is in the order of \$430,000.

**Senator WONG**—Were all of these put to tender?

**Ms Curran**—Yes; that is my understanding.

**Senator WONG**—This one commenced, you said, last year sometime. Do you know when?

**Ms Curran**—It commenced at the end of January 2004.

**Senator WONG**—What is the inquiry into? What are the terms of reference?

**Ms Curran**—It is looking at the impact of personal advisers, which were introduced as part of the AWT measure.

**Senator WONG**—That has not been finalised yet?

**Ms Curran**—No.

**Senator WONG**—Was there any consideration of the research done by the consultancy before the decision to reduce the number of personal advisers contained the budget?

**Ms Curran**—The evaluation program always feeds into policy development, but the report has not been finalised.

**Senator WONG**—Was there any information from the consultant on the personal advisor evaluation provided as part of the Welfare to Work package?

**Ms Curran**—Not that I am aware of.

**Senator WONG**—Was that information provided to the task force?

**Ms Curran**—Not that I am aware of.

**Senator WONG**—What is No. 3?

**Ms Curran**—ORIMA Research is undertaking an evaluation.

**Senator WONG**—What does that name stand for, or do you do not know?

**Ms Curran**—It is a Sanskrit word.

**Senator WONG**—And what is ORIMA doing? I am sorry; I am not so good on Sanskrit.

**Ms Curran**—They are looking at the personal support program.

**Senator WONG**—Another look at the personal support program?

**Ms Curran**—The other one was personal advisors.

**Senator WONG**—When did that commence?

**Ms Curran**—That commenced in the middle of last year. It was about the middle of April.

**Senator WONG**—What is the cost? When is that due to be finalised?

**Ms Curran**—That is still not finalised. The fieldwork was completed at the end of last year, and the estimated value of that contract is around \$280,000.

**Senator WONG**—And what is the fourth?



**Ms Curran**—We have Wallis Consulting doing some work around the types of participation and the impacts of AWT on different groups of customers.

**Senator WONG**—When did that commence?

**Ms Curran**—That has been in a couple of waves. We still have some work underway on that. It is nearing completion now.

**Senator WONG**—When did it commence?

**Ms Curran**—It began in 2002.

**Senator WONG**—What is the total cost of that consultancy?

**Ms Curran**—It is in the order of \$250,000.

**Senator WONG**—Were all four consultancies put to tender?

**Ms Curran**—It would have been done when they were in the FaCS portfolio. FaCS used to have an internal panel. I do not know the exact arrangements.

**Senator WONG**—Was any of the information from the Wallis Consulting research put through to the Welfare to Work task force?

**Ms Curran**—As I mentioned earlier, all evaluation work feeds into the policy development process.

**Senator WONG**—Everyone knows everything. Was there any information from the Wallis Consulting research put through to the Welfare to Work task force?

**Ms Curran**—As the consultancies progress, the role of an evaluation area is to feed that to the policy areas.

**Senator WONG**—Okay. Did you put it through to the Welfare to Work task force?

**Ms Curran**—I have only been in the department a month.

**Senator WONG**—That is all right. That covers most of the budget period, doesn't it? Mr Correll, did you have any information from the Wallis Consulting research put through to the Welfare to Work task force?

**Mr Correll**—Not specifically. But that research—and, for that matter, other research—is fed directly into the policy areas of the department, which was then contributing thinking into the task force in a range of different areas. It would have formed part of the knowledge base—

**Senator WONG**—The knowledge base.

**Mr Correll**—that went into policy deliberation.

**Senator WONG**—Is it proposed to release any of the evaluation or the consultancies' reports prior to the 2006 deadline, Ms Curran?

**Ms Curran**—That would be a decision for government.

**Senator WONG**—None of them are public currently?

**Ms Curran**—No.

**Senator WONG**—I want to ask some questions about the right of return to DSP. Can someone clarify for me what the current legal position is regarding return to DSP if somebody works for a period of time?

**Ms Wilson**—The current provision is that someone who leaves disability support pension because they have entered employment and their earnings preclude payment of the income support may return to disability support pension within two years without going through a reclaim process if as a consequence of their disability that employment is not sustained.

**Senator WONG**—So the first proviso is that the ending of the employment must be associated with or caused by the disability?

**Ms Wilson**—There must be some relationship with their disability, yes.

**Senator WONG**—Secondly, is it the policy that it is discretionary as to whether the applicant has to reclaim or can simply be put back on to payments?

**Ms Wilson**—Centrelink would examine each case against both the legislation and the guide to the legislation, which is the policy, and would have to make a decision based on the evidence that was presented to them about whether or not the employment had ceased as a consequence of the individual's disability.

**Senator WONG**—You misunderstand my point. I understand that. My point is this: it is not mandated that the—

**Ms Wilson**—It is a legislative provision that people have a right to return to DSP within two years if they left due to entering employment but, as a consequence of their disability, that employment ceased.

**Senator WONG**—At the point at which somebody goes and gets a job, what is the policy that Centrelink is required to comply with regarding suspension versus cancellation?

**Ms Wilson**—I am sorry: I do not have that detail with me in terms of the specific instructions in the guide. I could take that on notice for you.

**Senator WONG**—That is a policy issue, though. DEWR would have responsibility as the policy department to set that framework.

**Ms Wilson**—Yes, we would. It depends on whether Centrelink has been notified as to the reason that somebody has relinquished their DSP.

**Senator WONG**—I would like to come back to this this afternoon, because it has been suggested to us by a number of welfare advocates that the law in fact only gives Centrelink the discretion to suspend rather than cancel upon someone getting a job or earnings from employment when they are on the DSP. As I understand it, if the decision is made to cancel rather than suspend then—*notwithstanding whatever reason you might have for losing your job—you would be required, if their payment had been cancelled, to reapply and be reassessed.*

**Mr Carters**—My understanding is that the difference here is that to take advantage of the suspension rule Centrelink must be notified by the recipient who commences work within 14 days of commencing work.

**Senator WONG**—Is that the only basis on which cancellation might occur instead of suspension or visa versa? Is this set out in some sort of instruction?

**Ms Wilson**—It would be set out in the guide. I am sorry that I do not have that with me but I can get those provisions for you this afternoon.

**Senator WONG**—This policy is DEWR's responsibility?

**Ms Wilson**—Yes.

**Senator WONG**—So Centrelink presumably prepare a guide. They have a responsibility—

**Ms Wilson**—DEWR prepare the guide.

**Senator WONG**—I see.

**Ms Wilson**—DEWR is the author of the guide and we do the amendments to the guide for Centrelink to use. It is an online guide. It is a fairly lengthy resource.

**Senator WONG**—Yes, I have had a look at it. Do you want to come back to that when you have these sections of the guide?

**Ms Wilson**—Yes, thank you.

**Senator WONG**—I want to confirm this because some of the public statements do not seem to be quite consistent with your answer: the only basis on which you can reactivate your payments without being reassessed is if the loss of your job is associated with your disability?

**Ms Wilson**—That is the provision as I understand it. Centrelink have to make a decision about whether the evidence is that the job was not sustained due to disability. It may have been relinquished by the individual, or they may have lost it and be no longer employed by the employer.

**Senator CHRIS EVANS**—Say the employer made them redundant or went broke or ended the business: how would you treat that client? What process would they have to go through? Clearly it has nothing to do with their disability—the business closed or made all its employees redundant or whatever. It was clearly not a disability related termination. How then is the client treated?

**Ms Wilson**—My understanding is that, in that circumstance, the person would have to reclaim payment if there was no evidence that the loss of the job, or the relinquishment of the job, was associated with their disability.

**Senator CHRIS EVANS**—So they would have to make a new claim to Centrelink?

**Ms Wilson**—Yes.

**Senator CHRIS EVANS**—For DSP, or for newstart?

**Ms Wilson**—They would claim the payment they thought they were entitled to.

**Dr Boxall**—To clarify: this is the current situation; the policy proposal is different.

**Senator WONG**—We are coming to that.

**Senator CHRIS EVANS**—I jumped the gun. I will hand back to Senator Wong.

**Senator WONG**—When you say there is no evidence of the job being relinquished due to disability, it is not quite the case, is it, Ms Wilson? The issue is that there might be some evidence but Centrelink would have to come to a view as to the primary cause of the job ending, whether it was associated with the disability or associated with external factors.

**Ms Wilson**—Centrelink would have to make a decision, consistent with the legislation and the guide, as to whether or not the employment was not sustained because of the person's disability. They would base that on the evidence that the customer provided to them and possibly evidence that might be available from an employer.

**Senator WONG**—What changes to that situation does the budget announcement make?

**Mr Correll**—The Welfare to Work reform package includes the provision for individuals to return onto the disability support pension no matter what reason their employment has ended. That was certainly based on some of the findings of evaluation of work such as the disability support pensioner pilot project, which highlighted that as a major disincentive for people moving into work.

**Dr Boxall**—To clarify: that is within two years.

**Mr Correll**—Within two years.

**Senator WONG**—Yes, I am aware of that. Can you take me to where in the budget measure or the PBS this is detailed?

**Mr Correll**—I will attempt to find in the budget measure. From a quick scan, I do not see that there is a specific reference in the text to this point.

**Senator WONG**—Yes.

**Senator CHRIS EVANS**—So it was not just you, Senator Wong.

**Senator WONG**—I am just checking that I was not underpreparing for this. Why? This is an issue, as you correctly raised, Mr Correll, that I understand the DSP pilot made quite front and centre. Certainly the feedback I assume the government is getting, as I have got, is that people on a DSP who want to move into the work force are concerned about the prospect of losing their payment as a result of that. That is a very substantial measure. Can you explain why it is not included in Budget Paper No. 2?

**Dr Boxall**—We cannot explain that. It just did not make the write-up in the budget expense measure on pages 135 to 136.

**Senator WONG**—Where is it in the PBS?

**Dr Boxall**—It is not in there, because this year the portfolio budget statements do not have the measures' descriptions.

**Mr Correll**—I can flag that it is in the fact sheet.

**Senator WONG**—So it has got in the press releases; that is good!

**Mr Correll**—In the budget information sessions it was covered quite explicitly as well.

**Senator WONG**—When was the decision made to alter the re-entry criteria for the DSP?

**Mr Correll**—It was part of the Welfare to Work package of decisions.

**Senator WONG**—When was that decision made?

**Mr Correll**—In the lead-up to the budget.

**Senator WONG**—When did that matter go to cabinet?

**Mr Correll**—I think that is territory we covered earlier.

**Senator WONG**—No. This is a specific measure within your portfolio. When did that go to cabinet?

**Dr Boxall**—We do not know.

**Senator WONG**—Are you saying you do not know when the decision on the re-entry criteria for DSP went to cabinet?

**Dr Boxall**—A package of measures went to cabinet, and cabinet decided progressively on a package of measures. We do not know off the top of our heads when they specifically made a decision on this particular measure.

**Senator WONG**—Did this come through the Welfare to Work task force?

**Dr Boxall**—Everything went through the Welfare to Work task force.

**Senator WONG**—What, everything from genesis onwards?

**Dr Boxall**—No. Everything that is in the Welfare to Work package went through the Welfare to Work task force.

**Senator CHRIS EVANS**—So it was not as a submission from DEWR but as a submission from the task force?

**Dr Boxall**—We discussed this earlier. The task force was led by PM&C and—

**Senator CHRIS EVANS**—I understand about the task force; I am just confirming that DEWR did not make a separate submission on these measures.

**Dr Boxall**—No. This measure was part of the Welfare to Work task force package and was handled along with the other parts of the Welfare to Work package. There was no separate submission on it, to the best of my recollection.

**Senator WONG**—Was this submission taken by your minister?

**Dr Boxall**—No.

**Mr Correll**—That was covered earlier, but I will just make it clear: there was a body of policy knowledge from DEWR that was fed into the task force and that was based on research information that was available to DEWR. The task force then used all the knowledge available to it in formulating materials that went forward to government.

**Senator CHRIS EVANS**—Mr Correll, I am glad you said that it was clear, because one thing that I suspect is not clear to the Senate is that it is clear. The submissions all went via the task force. Did DEWR provide formal comment on those submissions? I understand that the general cabinet processes is that departments are circulated with a submission and then the departments comment. Was there a separate comment type process?

**Dr Boxall**—These issues go to the conduct of the cabinet process for the government to decide on Welfare to Work, which was managed by the PM&C led task force and by PM&C.

We cannot comment on the nature of submissions to cabinet. That is an issue for cabinet, and particularly for PM&C. Of course, in briefing our minister, we commented on issues which are relevant to our portfolio and relevant to the package.

**Senator CHRIS EVANS**—You say ‘of course’, but it was not obvious to me. I am not asking you what PM&C did, Dr Boxall. It seems that we are not able to ask a straight question and get a straight answer. I do not know if I am particularly obtuse or you are not being particularly helpful today. Did the department comment on these particular Welfare to Work reforms proposed by the task force for cabinet consideration?

**Dr Boxall**—I am being very straightforward. The cabinet process, whether submissions go to cabinet and what sort of material is presented to cabinet are in the purview of Prime Minister and Cabinet. I cannot answer that question without giving information about cabinet processes. So I am being very straightforward on this matter.

**Senator CHRIS EVANS**—My question is: did your department provide a submission to cabinet?

**Dr Boxall**—We did not provide a cabinet memorandum to cabinet.

**Senator CHRIS EVANS**—Thank you, that is what I was after.

**Senator WONG**—Mr Correll, I have not brought the fact sheet. Can you give me a copy of it so I can ask some questions of you about this policy? I apologise—I do have got a lot of other material!

**Senator Abetz**—If you had asked for the fact sheet that would have been okay. But you then stated the reason—so you could ask more questions. Really!

**Senator CHRIS EVANS**—Senator Wong is always open and transparent.

**Senator WONG**—That is right.

**Senator CHRIS EVANS**—Mr Correll is deciding whether or not this is in his interest, but she might move to a more difficult area.

**Mr Correll**—I am only too happy to assist.

**Senator CHRIS EVANS**—I knew you would be.

**Senator WONG**—Minister, I will just make the point that you chose not to put any of this in the budget papers.

**Senator Abetz**—We put it out in press releases to make it easier for you, and you still complain.

**Senator CHRIS EVANS**—And some of the press releases were a little contradictory depending on which minister issued them. I am happy to take you along that line if you like but we just want to find out what the budget means.

**Senator WONG**—I am interested in how the re-entry interacts with the change in criteria. You talked about the changes to the re-entry criteria: if you are working, you are on the DSP, you get a job, you lose your job, you go back onto the DSP within two years without having to re-apply or having the requirement that Ms Wilson talked about—that you have lost your job as a result of your disability. When does that start?

**Mr Correll**—That would come into operation on 1 July 2006.

**Senator WONG**—So everyone currently on the DSP now remains subject to the same conditions that were outlined earlier by Ms Wilson until July 2006?

**Mr Correll**—That is my understanding.

**Senator WONG**—So any current DSP recipients are still subject to the same disincentives that you identified between now and then?

**Mr Correll**—Yes. They would be subject to the existing provisions until the new policy comes into play.

**Senator WONG**—Post July 2006, when you have 15 hours less work capacity on the DSP—is that right? Sixteen and over and you are on newstart, or is it 14?

**Mr Correll**—Fifteen and over.

**Senator WONG**—Nought to 14 you are on the DSP, correct?

**Mr Correll**—Yes.

**Senator WONG**—Is a person who is currently on the DSP—an existing recipient—who, say, gets a job post 2006 subject to the current or the new criteria regarding suspension and re-entry? Are current DSP recipients who gain exit employment post July 2006 subject to the new or current criteria for re-entry and suspension?

**Mr Carters**—The right of return applies to the conditions in which they were granted DSP. If they were on DSP under the 30-hour rule their right of return would be under that rule.

**Senator WONG**—So the 700,000 people who are currently on the DSP and will stay on the program will retain the same disincentives in terms of suspension and re-entry as currently exist. They do not get access to this new—

**Mr Carters**—No, it is the exact opposite.

**Senator WONG**—The opposite?

**Mr Carters**—Yes. They do get access to it. The current DSP recipients will have a guaranteed right of return within two years, and their right of return will be on the basis of the current DSP rules, as in the 30-hour rule.

**Senator WONG**—No. I am not talking about the 30-15 now; I am talking about the issue that Ms Wilson and I were talking about: what tests are applied to you if you are on the DSP, you work for a period and you come back to the DSP? If someone is currently on the DSP, they get a job post July 2006 and they exit that job and they re-apply for the DSP, I understand that they are still assessed at the 30 hours, because they hold that entitlement.

**Mr Correll**—Yes.

**Senator WONG**—But are they required to meet the criteria that were outlined earlier—that their job has been lost as a result of their disability—or are they on the new criteria of re-entry without that requirement?

**Mr Carters**—It is the new criteria without the requirement, so they have a right of return for loss of job for any reason.

**Senator WONG**—So current recipients?

**Mr Carters**—Yes.

**Senator CHRIS EVANS**—A current recipient entering the work force after 2006 who then loses their job will have the right to go back onto the DSP on the new criteria?

**Mr Carters**—Yes.

**Senator WONG**—The new re-entry criteria.

**Senator CHRIS EVANS**—The new re-entry criteria.

**Senator WONG**—But assessed against the 30 hours.

**Mr Carters**—Yes.

**Senator WONG**—What about those who applied between 11 May 2005 and 30 June 2006 whose initial entry was assessed at 30 hours work capacity but who are periodically reassessed against the 15-hour test?

**Mr Carters**—While ever they stay on DSP they will have the right of return to DSP based on the 30-hour rule.

**Senator WONG**—What are the current figures on current suspension and successful reapplication?

**Ms Wilson**—For DSP?

**Senator WONG**—Yes, for DSP.

**Ms Wilson**—I am sorry, I will have to take that on notice. I can get those figures for you today; I just do not have them with me.

**Senator WONG**—Thank you. Presumably you track that data.

**Ms Wilson**—We do.

**Senator WONG**—That data has only been tracked by DEWR since the AEOs?

**Ms Wilson**—We would have a point-in-time figure for whatever we can get as latest available that would tell us the number of DSP customers who are suspended under the two-year provision.

**Senator WONG**—Do you have data on re-entry?

**Ms Wilson**—I will have to check that.

**Senator WONG**—Please do.

**Ms Wilson**—I think we may only have the point-in-time figure for who is suspended currently under that provision.

**Senator WONG**—Going back to that periodic review for that cohort between 11 May 2005 and 30 June 2006, what is proposed for those periodic reviews? Who will conduct them? How often will they be?

**Mr Correll**—It is intended that they would be conducted by Centrelink, as Centrelink currently conduct the reviews. In terms of the detail of those review processes, we would be



looking at developing that as part of the full development of the operational practices to follow from the welfare to work changes.

**Senator WONG**—What does that mean?

**Mr Correll**—It means that there is a whole lot of operational detail we now have to work out which underpins the Welfare to Work policy.

**Senator WONG**—Are you costing in one-, two-, three- or four-year reviews?

**Mr Correll**—No, we would base it on the similar time frame for reviews at the present stage, which is either a two-year or five-year cycle. My colleagues can correct me if I am wrong.

**Ms Wilson**—Currently, DSP recipients are reviewed periodically under what is called a service update or profiling review, which looks at a range of risk factors and identifies those customers who have those risk factors and then selects them for review. They tend to be every two to five years, depending on what the profile of the individual customer is against those risk factors.

**Senator WONG**—And that is conducted by a Centrelink adviser?

**Ms Wilson**—The review is conducted by Centrelink staff. If they need to obtain further information, such as a work capacity assessment or a medical assessment, under the existing provisions they would do that.

**Senator WONG**—What are the current costing assumptions—every two years or every five years? There are cost implications associated with this in terms of staff time and potentially, as Ms Wilson points out, assessments by external providers.

**Mr Correll**—Within the costing assumptions there is no deviation from that broad existing practice.

**Senator WONG**—Two to five years?

**Mr Correll**—Yes.

**Senator WONG**—Can you tell me more about that?

**Mr Correll**—Only to say that across the whole range of the welfare to work changes the detailed operational arrangements to be applied are now in the process of being developed. That will be just one of many detailed operational aspects, but that is not to suggest that there will automatically be any change to the existing approach—all will be looked at in terms of the operational processes.

**Senator WONG**—So it is possible the reviews could be more frequent than every two to five years?

**Mr Correll**—It is possible that a range of approaches could be looked at from the point of view of overall management of risks in that area. So, as Ms Wilson has indicated, at the present stage a risk based approach is applied and we would look at how a risk based approach could be improved.

**Senator WONG**—So it is possible you would have more regular reviews than are currently in place?

**Ms Wilson**—Indeed, we already do for some clients. If they have reported something to Centrelink that puts them into a particular risk group, that may trigger a review, or, if a data match has identified something that puts them into a particular risk group, that may trigger a review. So there are a broad range of reviews that people on income support payments participate in. For disability support pension customers there are compliance reviews, there are pensioner entitlement reviews, there are the service update reviews, as I mentioned, and there have been medical reviews.

**Senator WONG**—I just want to finish this off, because I think Senator Evans has a series of questions which no doubt he is itching to ask. But in relation to this cohort—that is, the ones who enter the payment between 11 May 2005 and 30 June 2006—when is the department contemplating that the reviews on those people will commence?

**Mr Correll**—We would look at a detailed contemplation of that as part of the operational practice. But, assuming a risk based approach, that group would simply be looked at consistent with a risk based approach.

**Senator WONG**—What does ‘consistent with a risk based approach’ mean? Are they more of a risk because if you review them you might be able to reduce their payments?

**Mr Correll**—No. They would continue to have the points of review within that two- to five-year period, but consistent with their current arrangements, depending on overall indicators of risk that there may be a change in the particular circumstances of those individuals. The frequency might then be more or less for particular individuals.

**Senator CHRIS EVANS**—Could I just go to some broader questions about the disability changes, because I know Senator Wong is getting into a lot of the fine detail. What changes will impact on those people currently on DSP, if any?

**Mr Correll**—I would suggest that a key change will certainly be the ability to return to DSP, which we were talking about earlier. It removes an existing disincentive for moving to work.

**Senator CHRIS EVANS**—This is the existing disincentive, which we are having trouble getting the detail on, but which you are telling us is in fact removed for those people?

**Mr Correll**—Correct.

**Senator CHRIS EVANS**—And that removal is effective from the day of the budget?

**Mr Correll**—No—1 July 2006.

**Senator CHRIS EVANS**—What other impacts arising from the welfare reform package are there on the, I think, 700,000 people currently on DSP?

**Mr Correll**—There is the introduction of a new comprehensive work capacity assessment, which such individuals would have the capacity to participate in, to help identify in a more positive and holistic way their capacity for work. There are a range of measures to expand and improve services for people with a disability in the package. That group would be able to look to accessing a range of those services as well. So there are a number of features. They would be accessed, of course, on a voluntary basis by those individuals—there are no obligations.

**Mr Carters**—There is also access to things like additional funding for workplace modifications, disability wage subsidies et cetera, which people on DSP are able to access. If people on DSP register with an employment services provider to look for work they can also access the increased amount of mobility allowance—\$100 a fortnight. So there are substantial elements within the package which people on DSP are able to participate in.

**Senator CHRIS EVANS**—Is it fair to say there are no additional or altered obligations on this group, but there are a range of initiatives in the budget which they would be able to access?

**Mr Correll**—Correct.

**Senator CHRIS EVANS**—Okay. Where are they in the queue for these new opportunities detailed in the budget? I do not mean this in a critical sense, but there are a limited number of them. Most of the new initiatives, I think, have set funding or a set number of places. How is that going to work in terms of priorities? You have a group coming on who you are trying to channel down a different path to the DSP to solve the problem of people going on to the DSP and sort of being dormant there, and I understand that. You have a new cohort that you are trying to target and provide programs for to have a different set of outcomes and to link them better to work. I assume they are going to get priority, or is it first in, best dressed? Is there a priority list? I don't mean this in a pejorative sense, but there will be limited access to wage subsidies, for example. How are you going to ration or determine priority on those places? Have those decisions been taken?

**Mr Correll**—In the area of comprehensive work capacity assessments, that is effectively a demand driven service. The Job Network is demand driven, so individuals on disability support pensions can access Job Network places.

**Senator CHRIS EVANS**—Are they funded?

**Mr Correll**—Yes. The Job Network is a demand driven service. The numbers I quoted earlier were the estimates of increases flowing through Job Network services.

**Senator CHRIS EVANS**—Yes, but I am just trying to ascertain whether these are the new people coming into the system, either on DSP or Newstart, or the people who are currently in the system, and whether the new entrants are getting priority or whether there is any distinction between the two. Am I making myself clear? What I am trying to get a feel for is whether these services are essentially designed for the new response you are trying to develop for people coming onto the DSP or whether there is equal access to those already on the DSP.

**Mr Correll**—The package includes demand driven places for job seekers who are on DSP who have a part-time obligation for work in areas like disability open employment services. People who are currently on DSP who wish to volunteer in that area would do so and would be accessing existing places that are available through the disability open employment services.

**Senator WONG**—So the demand driven is only for those who have MO requirements.

**Mr Correll**—Yes—those who have the additional part time obligations in that particular service.

**Senator CHRIS EVANS**—Do you want to take us through each of the services and tell us how they operate, because when you say demand driven, ultimately these things all carry a cost and I assume that you are going to be prioritising those who you think you are most able to assist into work by allocating the resources to them.

**Dr Boxall**—Demand driven means that if you are eligible you get the service.

**Senator CHRIS EVANS**—Yes, but it is now clear from what Mr Correll said that the demand is also linked to whether or not you have a part-time obligation.

**Dr Boxall**—Yes, and what Mr Correll was saying was that the people who have a part-time work obligation will get access to the service based on demand. The ones that do not will be allocated within the current cap.

**Senator WONG**—So, of the figures you gave me earlier, Mr Correll, when we went through the new places, how many are for current recipient groups as opposed to new entrants?

**Mr Correll**—They are all for new entrants.

**Senator WONG**—So none of them are for current recipients.

**Mr Correll**—Yes. Those are all additional places over and above what is there at the present time.

**Mr Carters**—What that means is that the existing places—for example, the 39,000 disability open employment places per year—will be available for people on DSP. The growth numbers will be available on a demand driven basis for the people who will go on to claim enhanced Newstart post 1 July 2006. But there are still all the existing places which are available for people on DSP.

**Senator CHRIS EVANS**—So it is fair to say that there is no change to their circumstances. You have that group of people which is accessing the same set of services. Is that right?

**Dr Boxall**—No, their circumstances have improved because at the moment they are all in that restricted number of places, but those who are currently accessing those places who have a mutual obligation under the new policy will then move to the demand driven section, which will free up some places for those who do not have a mutual obligation. So without question their circumstances are improved.

**Senator CHRIS EVANS**—Just so I can nail that down: you are saying that they get a flow-on benefit from the fact that the new entrants do not compete with them for the existing places? That is what I took you to mean Dr Boxall: that there are the same number of places and the same number of existing people on DSP, but they are not competing with the new entrants for the same number of places because the new entrants are going into the growth places. Is that a correct summary?

**Mr Correll**—That is correct. A disability employment service provider is basically managing two lots of places, one of which is the existing capped places and the other is a demand-driven pool of places, effectively.

**Senator CHRIS EVANS**—And that demand is driven by those who have a part-time obligation?

**Mr Correll**—Correct.

**Mr Carters**—In the case of Job Network that continues to be demand driven for all people on income support. So anyone on DSP where Job Network is the right service for them is guaranteed a place in Job Network. The comprehensive work capacity assessment would be utilised to determine whether Job Network was the right service for those individuals.

**Senator CHRIS EVANS**—Decoding that into layman's language—I am sure you are perfectly accurate but I just want to make sure that I understand it—someone on DSP will be able to access Job Network support in the same way as they do currently?

**Mr Carters**—Yes, that is right.

**Senator CHRIS EVANS**—Not enhanced or reduced?

**Mr Carters**—They are guaranteed a place. It is a bit hard to enhance something—

**Senator CHRIS EVANS**—No, I am just trying to understand how the package affects them. Basically you are saying that for them it is the status quo: they are entitled currently to go to the Job Network and in future they will be entitled to go to the Job Network?

**Mr Carters**—Yes.

**Senator CHRIS EVANS**—You listed for me—Senator Wong is much more expert in these things than I am—the different opportunities that the package provides. Can you take me through how they affect the existing group of clients who remain on the DSP? We have talked about the Job Network and disability places. What about the mobility allowance and those sorts of things? How are you working out the priorities on each of those measures?

**Mr Correll**—With the mobility allowance, if the individual volunteers and has a go at work they will be able to access the higher rate of mobility allowance, which is \$100 per fortnight, rather than \$69.70, I think it is, per fortnight. That would be available for that group. In other areas, as Mr Carters has flagged, there is an expansion of funding in the supported wages system and the workplace modification scheme, both of which would provide funding to assist those individuals.

**Senator CHRIS EVANS**—Tell me how the wage subsidy works. That is not restricted to the new entrants to the system; it is open to all those currently on the DSP?

**Mr Carters**—Yes, it is now and will continue to be. The disability wage subsidies are what we are talking about?

**Senator CHRIS EVANS**—Yes.

**Mr Carters**—There are extra places and extra funding of \$5 million for that but eligibility for the disability wage subsidy will not change. In essence, what is being costed there is the additional demand which might arise for disability wage subsidies because of the extra obligations placed on individuals.

**Senator CHRIS EVANS**—So is the extra money quarantined to those with a part-time obligation or not?

**Mr Carters**—No.

**Senator CHRIS EVANS**—So that is a self-selection thing, the whole wage subsidy system, is that right? It is not particularly allocated to the new part-time obligations of people; this is just extra money from an existing program, and the existing clients and the new clients compete, self-select or are selected—I am happy for you to get the term right for me; there is a suite of options—for that program. The \$5 million is not for the new entrants as part of the initiatives for that new group of people; it is just extra money for an existing program that is open to all comers?

**Mr Carters**—Yes, it is extra money for an existing program that is open to all comers but the funding was provided on the basis that there will be increased demand, particularly from the people who have an obligation.

**Senator CHRIS EVANS**—Hypothetically, it might be taken up in part by people who are existing on DSP. I am trying to get a sense of whether you are prioritising these funds and places or whether, in fact, this is just an expansion of the scheme and whoever takes it up is—

**Dr Boxall**—My understanding is that it is an expansion of the scheme, open to ‘all-comers’, to use your term, and it is the provider who decides what is appropriate in this instance.

**Senator CHRIS EVANS**—Is that then a question of—and Senator Wong will understand this better than me—how much support the provider is getting to help that applicant or client?

**Ms Wilson**—The wage subsidy scheme, as it currently operates, will provide for up to \$1,500 in wage subsidy for an individual on a reimbursement basis back to the provider who has negotiated a wage subsidy with an employer. The provider may keep \$100 of that \$1,500 for administrative costs. The providers who are eligible to access the wage subsidy scheme as currently constructed are disability open employment service providers and the Commonwealth Rehabilitation Service. Job Network providers have access to the job seeker account to perform the parallel function in terms of wage subsidies for people with disabilities in the Job Network.

**Senator CHRIS EVANS**—Will that stay as a distinction? Are you not opening up those services to competition in the longer term?

**Ms Wilson**—I beg your pardon?

**Senator CHRIS EVANS**—I may be getting confused. I thought part of the thrust was to open up to more providers those sorts of opportunities to provide those services. Is that not right?

**Ms Wilson**—The proposal is that the wage subsidy scheme would operate as currently. It is just that it has been expanded as part of this package.

**Senator CHRIS EVANS**—I am just trying to understand this. Is there any difference in the subsidy that the provider will be receiving to assist someone currently on the DSP versus a new entrant?

**Ms Wilson**—I believe the costing was done on the basis of the current arrangements whereby the subsidy is up to \$1,500 reimbursed to the providers.

**Senator CHRIS EVANS**—But there is no difference in the funding to the provider for the different types of clients?

**Mr Correll**—If a provider has in front of them one person who is an existing DSP recipient and one who is a new entrant, the provider will make a judgment on the use of the wage subsidy. But there is no prioritisation in either direction.

**Senator CHRIS EVANS**—That is what I am trying to work through. As you understand, part of the debate is in relation to what we are doing for the existing clients versus the ones being streamed. A lot of these measures are designed to have a different outcome for those coming into the system. One of the things that I am trying to understand is whether the new measures are linked to the new people coming into the system or they are general changes to the system that affect everybody. Those things were not necessarily clear to me from the budget papers or even the press releases. I am trying to work through each of the measures so I understand whether they are incentives for all or incentives for a particular group who have been targeted with a new system. It seems to me that the answer is a bit of both, depending on the measure. Is that fair?

**Ms Golightly**—In terms of wage subsidies, it is the same for either group. The same option is available to the provider for both its current clients and any new clients.

**Senator WONG**—Can you take us through the costings in relation to the wage subsidy in the budget papers?

**Mr Carters**—Approximately \$5 million will be allocated to the disability wage subsidy.

**Senator WONG**—Can you take me to where it is?

**Mr Carters**—It will not be separately identified in the budget papers. It may be in the press release, if we have a quick look there.

**Senator WONG**—We have another one of these, have we?

**Mr Correll**—It would fall within the increasing participation of people with disabilities.

**Senator WONG**—I am aware of that, Mr Correll. What is the costing of it? Is it \$5 million over the forward estimates?

**Mr Carters**—Yes.

**Senator WONG**—How is that broken down?

**Senator CHRIS EVANS**—I am enjoying this, because the answer always used to be: ‘Senator, you just can’t read budget papers.’ This proves that it is not just my incompetence—it is not there.

**Mr Carters**—It is actually covered in the employment preparation measure.

**Senator WONG**—So it is out of that.

**Mr Carters**—Sorry. It is not part of the employment preparation measure; it is part of the assistance for employers, the employer demand measure.

**Senator WONG**—I cannot see how wage subsidy is going to be part of employment preparation.

**Mr Carters**—No. So it is part of that \$50 million. As I said, it is \$4.7 million for the wage subsidy scheme, spread across—

**Senator WONG**—Can you give me that over the four years. I want to come back and break down this assistance for employers to find out what is in it, so can you give me what component of that \$50 million is wage subsidy over the four years.

**Mr Carters**—It is \$4.7 million, but I do not have it split by year.

**Senator WONG**—Perhaps you could provide that. What is the current expenditure?

**Ms Wilson**—For wage subsidies the estimated expenditure was \$3.5 million. That was for the full year. That is our estimate.

**Senator WONG**—That is for 2004-05?

**Ms Wilson**—Yes.

**Senator WONG**—So we have \$4.7 million over four years, and the existing expenditure for this financial year.

**Ms Wilson**—That was the estimate. I am not sure that I have a year-to-date figure.

**Senator WONG**—It is that or thereabouts. Can you just clarify which cohort the \$3.5 million expenditure is on?

**Ms Wilson**—It is on anyone who is eligible within the Commonwealth Rehabilitation Service clientele or the disability open employment services clientele.

**Senator WONG**—So it is DSP recipients within that group.

**Ms Wilson**—Yes.

**Senator WONG**—How many people were assisted?

**Ms Wilson**—To 27 April this year 3,958 people have accessed the scheme. You asked for year-to-date expenditure. That has been \$2.4 million to April 2005.

**Senator WONG**—Is the \$100 administration hold-back the current arrangement too?

**Ms Wilson**—That is the current arrangement.

**Senator WONG**—Did I understand, Mr Carters or Mr Correll, your answer to Senator Evans being that the current wage subsidy allocation, which is \$3.5 million, would be available to existing DSP recipients and the \$4.7 million over the four years has been quarantined for MO? No.

**Mr Carters**—No. It is available for existing and new.

**Senator WONG**—That decision is made by either the disability open employment services or the CRS.

**Mr Carters**—In consultation with the client, yes.

**Senator WONG**—So DEWR will not have any policy parameters associated with the expenditure of that as between recipients who have mutual obligation requirements, or part-time work requirements, and those who do not.

**Mr Carters**—There is no expectation that they will.



**Senator WONG**—I want to go back to one of your answers to Senator Evans on the open employment services. What component is demand driven in terms of the budget measures for open employment services?

**Mr Correll**—The demand driven component of the service would be those people who have a part-time work obligation and who are referred to disability open employment services. That would be over and above the existing places in the service.

**Proceedings suspended from 12.30 pm to 1.32 pm**

**CHAIR**—Dr Boxall and Minister, I have received a copy of an opinion from the Clerk of the Senate with respect to matters that have been before the committee this morning. I propose to adjourn for five minutes. The committee has resolved to provide you with a copy of that opinion. Should you need further time, please feel free to request it, just so that, when Senator Evans and Senator Wong appear—and I believe they have a copy of this document—we are all singing from the same song sheet. So I will now adjourn the committee for five minutes and you will be presented with a copy of this document so that you can see what the senators have before them.

**Senator Abetz**—It is up to the committee how it wants to use its time, but I am not sure that this will make much difference—but that is fine.

**CHAIR**—It may not.

**Senator MARSHALL**—Maybe you should read it first, Minister, and then consider your position.

**Proceedings suspended from 1.33 pm to 1.39 pm**

**Senator CHRIS EVANS**—I appreciate that the chair has now provided the advice of the Senate Clerk, Mr Harry Evans, to the minister. I received it during the break as well; I did not realise the minister had not got it but obviously it was a decision of the committee to pass it on. I understand that has now been provided to the minister and the department. Earlier I sought advice about the discussion we were having this morning about certain information. I suppose the starting point, Chair, is the agreement we had that we would put off the argument about the access to information about the assumptions that underlie the welfare reform package until after lunch so that the government could consider its willingness or otherwise to provide that information. I think the minister referred to something like a ‘cross-government’ response. I guess we are at the point of coming back to that subject and seeing what the government has to say about the request for the information.

**Senator Abetz**—I am happy to lead off on that. With respect to the Clerk’s opinion, the second paragraph says, ‘At an early stage of the discussion it appeared that there was a refusal.’ I suggest to the Clerk that he might like to read the *Hansard* and carefully consider what I said. I read out certain sections of the *Hansard* relating to the Senate Finance and Public Administration Legislation Committee. I then indicated that we would take the questions on notice to consider the attitude taken in Finance and Public Administration. So to suggest that there was a refusal is, with respect, a misunderstanding of what taking a question on notice actually means. I believe that for many years now the Senate standing orders and the protocols of the Senate have accepted that taking a question on notice does not constitute a

refusal to answer the question. So whilst a lot of paper has been churned out—and I hope the Tasmanian paper industry is a beneficiary of the activity that has been occasioned by this—it really does not get us any further. We have taken the question on notice. We will consider it and we will get back to the committee in due course, given that there are a number of issues to be considered.

**Senator CHRIS EVANS**—First of all, it is not for me to argue about what the Clerk said or your commentary on that. I think he was probably referring to Dr Boxall's answer about the out years. But that is not the main point I want to debate. I do not think he was actually referring to your answer but, anyway, that is by the bye. Are you saying, Senator Abetz, that the government still has not concluded a view on this? Or are you saying that it is your intention to take all those questions on notice and determine a view later?

**Senator Abetz**—We will determine a view on all that. But also, even if our view was to make all that information available, my advice is that all that information is not available in any event and the question would need to be taken on notice. So we can have a skirmish about all this but, at the end of the day, even if the committee or the Senate or whoever were to rule that the questions needed to be answered, the issue would still be for the department to go away and get all the information together.

**Senator CHRIS EVANS**—There were a range of questions asked which went to costings and numbers. If that answer is to apply to all those questions then that is palpably wrong. You are telling me that the government does not know how many people its welfare reform measures are expected to get into work in the next four years.

**CHAIR**—With respect, Senator, he is not telling you that—

**Senator CHRIS EVANS**—That was one of the questions I asked.

**CHAIR**—He is not telling you that; he is telling you that he will take those questions on notice. My reading of *Odgers* suggests to me that the competing principles that apply to these matters are such that the department and the minister are entitled to take the question on notice, and such an approach is not a refusal to answer.

I suggest that the resolution of this is that we look at other matters surrounding the taking of the matter on notice and look at the time frames attaching to that. But it seems clear to me that the competing principles as set out on pages 465 to 467 of *Odgers* mean that the department and the minister are entitled to take all of those questions on notice and to present detailed argument to you one way or the other. If they are unwilling to answer they have the prerogative of supporting that refusal with a number of points raised legitimately in line with, as I say, the competing cases and principles set out in *Odgers*. Alternatively, it may be that they answer the questions. It seems to me that the head of the department requires to take advice—I think that is clear—and that you should give him such leeway.

**Senator CHRIS EVANS**—That is fine as far as it goes but it avoids the key question: what is the reason for taking the question on notice? Is it because the department does not have the information available or is it because it chooses not to provide it at this stage? It seems to me that the answer to a simple question such as 'what is the government's expectation of the number of people who will move from welfare to work as a result of their reforms?' is an answer that the department must have at its disposal now and is capable of being provided to

the committee, and there is no reason why it should not be provided now. It is not a detailed question. The Treasurer is quoted as saying '190,000'; the Prime Minister is quoted in various media reports as saying 'somewhere over 100,000'. I am asking the department here and now: what is the estimate of the number of people who will move from welfare to work under the government's reform program? It is straightforward. It is simply available. I am sure it is available to officials now. It seems to me that a refusal to answer now is a refusal to give information that is available to the committee, and I want to know why.

**CHAIR**—But that is the point: it is not a refusal. They are saying, 'We will take that question on notice.'

**Senator CHRIS EVANS**—What is the reason for taking it on notice?

**CHAIR**—You can ask that question.

**Senator CHRIS EVANS**—What is the reason for taking that question on notice, Dr Boxall?

**Senator Abetz**—Because the government wants to consider its position, No. 1; and, No. 2, I am advised that not all the information is available, even in the event that the government does not need to consider its position.

**Senator CHRIS EVANS**—Let us go through the question—

**Senator Abetz**—It is a two-pronged answer and we have taken it on notice. Senator Chris Evans can approach it in a hundred different ways; it will not change the fact that it has been taken on notice.

**Senator CHRIS EVANS**—Minister, you may become the minister for secrecy in the new regime, but it is a perfectly valid question. How many people does the government expect to move from welfare to work under its reform package?

**Senator Abetz**—And I can raise my voice too and say that we have taken it on notice.

**Senator CHRIS EVANS**—So you cannot tell me—you do not know?

**Senator Abetz**—And that really adds—

**Senator CHRIS EVANS**—You do not know or you will not tell us?

**Senator Abetz**—That really adds for tonight's TV—

**Senator CHRIS EVANS**—It does not. This is a basic question—\$21 million and you will not tell us.

**Senator Abetz**—You are following the very unfortunate and ugly precedent of Senator Faulkner in trying to be dramatic at Senate estimates—

**Senator CHRIS EVANS**—You are following the ugly precedents of secrecy in refusing to answer legitimate questions.

**Senator Abetz**—I can tell you that Senator Faulkner went down like a lead balloon at the last federal election. I would encourage you to follow him along similar lines, because in 2007 I am sure the people of Australia will reach a similar verdict.

**Senator CHRIS EVANS**—You just stick to slush funds and fixing up the electoral laws. The question is: why can't this committee get an answer to a straightforward question about something that was allegedly the centrepiece of the budget? What have you got to hide? What are you covering up? Why can't you tell us?

**Senator Abetz**—Here we go for the media yet again. Enough of the histrionics.

**CHAIR**—Order! The minister is not obliged to answer that question.

**Senator Abetz**—Chances are you will get 15 seconds on the evening news for that one.

**Senator CHRIS EVANS**—I am not interested; I am interested in the answer.

**Senator Abetz**—Come on, Senator.

**Senator CHRIS EVANS**—I do not know how many people are going to have to be on lower rates of payment as a result of these measures. You must know—you do know. You have done the calculations and you are refusing to share them with us. Why the secrecy?

**CHAIR**—There is no secrecy, Senator.

**Senator CHRIS EVANS**—There is secrecy. He is not telling me what the answer is.

**CHAIR**—The minister is not refusing to share them with you; he is simply taking the question on notice. I told you why and how he is entitled to take the question on notice.

**Senator Abetz**—So every time I take a question on notice there is secrecy involved?

**Senator CHRIS EVANS**—That is not the question that I put to the Clerk, with all due respect. That was not the advice you gave me earlier.

**CHAIR**—If you have a look at what the Clerk says you will see that he intimates in a number of areas that it is a very open question.

**Senator WONG**—He says there is no doubt that the questions concerned were questions permitted by rules of the Senate. It is not very equivocal.

**CHAIR**—If you have a read of the law, with great respect, Senator, you will see that the government has the opportunity of taking matters as cabinet-in-confidence—

**Senator CHRIS EVANS**—That defence has not been used.

**Senator Abetz**—They may well have done.

**CHAIR**—There are a whole host of issues, but they want to get advice on that.

**Senator CHRIS EVANS**—They said they would get advice and come back after lunch. It is after lunch—we are back.

**CHAIR**—What defence they ultimately use is entirely up to them. They are taking the questions on notice.

**Senator CHRIS EVANS**—So we are supposed to wait until they work out a defence?

**CHAIR**—That is the system.

**Senator CHRIS EVANS**—No, it is not. With due respect, it is not the system.

**CHAIR**—That is the system and I am—

**Senator CHRIS EVANS**—The system is they say, ‘If we can’t provide it now, we’ll take it on notice’ or ‘We won’t answer it.’

**CHAIR**—Senator, I am ruling that the question is one which the department and the minister are entitled to take on notice. If you further wish to specify questions to be taken on notice, feel free to proceed.

**Senator CHRIS EVANS**—No, I do not want to specify questions to be taken on notice. That is not your role at all, Mr Chairman.

**CHAIR**—We are simply wasting good, valuable time.

**Senator CHRIS EVANS**—It is not your role to tell us what questions are to be taken on notice. Our obligation here is to ask questions of the government, the minister and the department arising from the budget papers. These questions go directly to the budget papers.

**Senator Abetz**—The chair’s role is to stop boring repetition and there is a standing order on that.

**Senator WONG**—This is the centrepiece of your budget. The Prime Minister and the Treasurer have been out there touting this. The Treasurer has come out publicly and said—

**Senator Abetz**—I am not interested in statements; are there any questions?

**Senator WONG**—there will be 190,000 people, and you are refusing to tell us how many people you say will move into work.

**CHAIR**—Senators, do you have some questions?

**Senator CHRIS EVANS**—Yes! Was Mr Costello, the Treasurer, right when he estimated that 190,000 people would move from welfare to work under these reforms?

**Senator Abetz**—The Treasury estimates will be held later this week and you can ask Treasury. Does the secretariat provide quietening camomile tea for an infusion for these good senators? I think it might be helpful for them.

**Senator CHRIS EVANS**—Senator Abetz, you cannot run and you cannot hide from answering the key question—

**Senator Abetz**—There is a well-worn line that we have heard many times from Senator Faulkner.

**Senator CHRIS EVANS**—You have to provide the answers.

**Senator Abetz**—You have been reading his *Hansards* again and it is not a good look.

**Senator CHRIS EVANS**—You cannot spend \$21 million of taxpayers’ money and not tell us what you are going to spend it on.

**Senator Abetz**—It is not a good look, Senator Evans. If you have questions—

**Senator CHRIS EVANS**—You can run all the commentary you like; the smart alec stuff does not go down well in Tasmania and it does not go down very well anywhere else. People want to know why you will not tell us the truth.

**Senator Abetz**—Can I tell you that I got the highest vote ever of any senator in Tasmanian history—

**Senator CHRIS EVANS**—Why won't you tell us the answer? What do you have to hide?

**Senator Abetz**—and I think I am doing something right!

**CHAIR**—Order, Senator Evans! This is not helpful.

**Senator CHRIS EVANS**—It is not helpful, but this is what estimates are about. Governments do not like being held accountable. They do not want to tell. That is why we are here—to hold them accountable.

**Senator Abetz**—Absolutely.

**CHAIR**—It is not about haranguing the witnesses with no questions. It is not about making statements. Please ask some questions.

**Senator CHRIS EVANS**—How many people will be assisted from welfare to work, under the government's reforms?

**Senator Abetz**—That question has been taken on notice.

**Senator CHRIS EVANS**—How many people will be on enhanced Newstart in 2006-07?

**Senator Abetz**—We will take that on notice.

**Senator CHRIS EVANS**—How many people will be on enhanced Newstart in 2007-08?

**Senator Abetz**—Chair, Senator Evans is asking, 'How many people will be'—and of course that is a hypothetical question because nobody knows—

**Senator WONG**—You have costed it; you have had to have costed it. Your surplus is predicated on the costings!

**Senator CHRIS EVANS**—That is \$21 million of taxpayers' money.

**Senator Abetz**—Your question should be, 'What are the figures predicated on?' but, given the rush of blood to the head, you have forgotten, once again, how to ask questions in Senate estimates. I think you should be rephrasing that questions and then, when you ask about what the projections are based on, we will take those questions on notice. But when you ask, 'How many people are going to be on a particular type of payment in a particular year?' then I doubt that anybody will be able to give you an accurate figure for that because nobody can look into the future. However, you can make estimates, and they are the things you were asking about before lunch and they are the things that we agreed to take on notice.

**Senator CHRIS EVANS**—No, you agreed to get a whole-of-government response. You have not provided that, other than that you are still ducking and diving.

**Senator Abetz**—We will do that.

**Senator CHRIS EVANS**—You will do in the fullness of time?

**Senator WONG**—When are you going to do it?

**Senator CHRIS EVANS**—It is more than two weeks after the budget and you cannot tell us. We know that the decisions were not made until after the—

**Senator Abetz**—I think the chair has indicated to us the date—I think, some time in July—by which time questions on notice need to be answered. What is the date again? Can you remind me?

**CHAIR**—I think it is within 30 days.

**Senator CHRIS EVANS**—It is 22 July. I hold no confidence in any question being answered after 1 July, and this is the sort of performance we are going to have to put up with, obviously. The question is: why can't the department and the minister tell us now? That is what Senate estimates are for.

**Senator Abetz**—Dear, oh dear!

**Senator CHRIS EVANS**—It is basic information, directly related to the costs that you want the parliament to approve.

**Senator Abetz**—Another bit of hyperbole.

**Senator CHRIS EVANS**—Is that right or not?

**Senator Abetz**—There is no question and—

**Senator CHRIS EVANS**—How many people will be on enhanced Newstart who would have been on DSP under the old regime?

**Senator Abetz**—We can be here until 11 pm.

**CHAIR**—The question is not a proper question. With great respect, Senator Evans, you need to specify the question. That question cannot possibly be answered.

**Senator CHRIS EVANS**—Why is that, Chair? Has the minister told you or—

**CHAIR**—Are you talking about the out years? Are you talking about the first year of the out years? Do I need to sit down and write—

**Senator Abetz**—You could ask us what the population of Australia is going to be on a particular date in the future and nobody could give you an accurate figure. You can ask us about estimates of—

**Senator CHRIS EVANS**—Look, this suburban lawyer smart Alec stuff is fine, but the minister knows what the question is. It goes to the estimates and the assumptions underpinning the estimates.

**Senator Abetz**—And we took those proper questions on notice—

**Senator CHRIS EVANS**—No, you haven't.

**Senator Abetz**—but the silly questions that you haven't thought about, that are gushing out of your mouth because there is a bit too much blood running around there at the moment—

**Senator CHRIS EVANS**—Is this all in order, Chair?

**Senator WONG**—So that is in order?

**CHAIR**—I tell you what: if you ask a proper question I will ensure that a proper answer is provided—

**Senator WONG**—You will ensure it will you?

**Senator CHRIS EVANS**—When?

**Senator WONG**—When will you—

**Senator Abetz**—22 July.

**CHAIR**—and a proper answer includes taking it on notice.

**Senator CHRIS EVANS**—No, it doesn't.

**CHAIR**—It does.

**Senator CHRIS EVANS**—Minister, is the reason you want to take these questions on notice that you don't know the answers and the department is still working them out?

**Senator Abetz**—I personally don't know the answers.

**Senator CHRIS EVANS**—Well, that is clear.

**Senator Abetz**—I can indicate that. But I have been advised that the department would not have all the information available. I have also given you the other reason as well: the government needs to consider its position.

**Senator CHRIS EVANS**—Dr Boxall, do you maintain that you don't have that information available? Or is it purely due to the second ground that the minister uses?

**Dr Boxall**—I have nothing to add to what Senator Abetz just said.

**Senator CHRIS EVANS**—I am asking you a direct question: does the department have access to the figures of the projected number of people who will be on enhanced Newstart rather than DSP in 2006-07—your estimates? Do you have access to that information?

**Dr Boxall**—Yes, we do over time, but we do not have it now and it takes several days to do it. That is one of the reasons, apart from the other reason that Senator Abetz outlined, that we have taken it on notice.

**Senator CHRIS EVANS**—You have access to it but you don't have it now?

**Dr Boxall**—To repeat: yes, we have access to it, but it will take several days—a period of time—to pull it all together to answer that question. That is one reason why we took it on notice. The other reason why we are proposing to take it on notice is the second reason given by Senator Abetz.

**Senator CHRIS EVANS**—In terms of the primary question about how many people the government has projected will move from welfare to work under these reforms, do you have that information available now?

**Dr Boxall**—The answer to that question is the same as the answer to the last question.

**Senator CHRIS EVANS**—It would take you days to find out?

**Dr Boxall**—The answer to that question—

**Senator CHRIS EVANS**—I have to say I don't believe you, Dr Boxall.

**Senator Abetz**—Witnesses should not be subjected to this.

**CHAIR**—Whether you believe the witness or not is immaterial. Would you please just ask the questions?

**Senator WONG**—It would take you days to find out how many people the government says under its package will move from welfare to work—is that the answer, Dr Boxall?



**Dr Boxall**—No. The answer is that the department needs to pull that information together to provide the answer. The other reason is as Senator Abetz said. Those are the two reasons why we are taking it on notice.

**Senator CHRIS EVANS**—You have not provided that advice to your minister, the Prime Minister or the Treasurer previously?

**CHAIR**—He doesn't have to answer that. That is advice to ministers and prime ministers.

**Senator CHRIS EVANS**—He does. I am not asking the content of advice, Chair. Don't get carried away with rulings that are well beyond your power. I am asking about the process—was advice provided?—not about what was in the advice.

**Senator Abetz**—Wait a minute—this is different. You are now asking whether advice was provided. Previously you asked the specific advice as to the specific numbers—

**Senator CHRIS EVANS**—I am asking a separate question—I agree.

**Senator Abetz**—Don't try this sort of changing of questions to try and get yourself back out on the front foot—

**Senator WONG**—Try to move on to the next question, Minister; it is quite possible to do.

**Senator Abetz**—I don't know why, but we are listening carefully to your questions, and we do know and pick up on when you change the wording.

**Senator CHRIS EVANS**—I have given you time to catch up. The question to the department is this: has the department provided advice to its minister, the Prime Minister or the Treasurer about the projected number of persons who would move from welfare to work under the government's reform package?

**Dr Boxall**—Having consulted with my colleagues, the answer is no. Any information provided along those lines, including components of that question, were provided by us into the PM&C led welfare task force.

**Senator WONG**—Have you provided advice to your minister subsequent to the task force being finalised?

**Senator CHRIS EVANS**—And subsequent to the budget; otherwise, Mr Andrews is running around not knowing anything.

**Dr Boxall**—The answer, having consulted my colleagues, is no.

**Senator CHRIS EVANS**—So Mr Andrews does not know the answer to that question—or not based on advice provided by you?

**Dr Boxall**—I do not know what Minister Andrews knows or does not know.

**Senator CHRIS EVANS**—But you know that you have not told him?

**Dr Boxall**—I have just answered the question. The question from Senator Wong was: have you provided advice a figure to the Treasurer, the Prime Minister and Minister Andrews since the budget? I am advised the answer is no.

**Senator WONG**—Can you explain to us how it is that the department that is charged with moving people from welfare to work, that has responsibility for working age payments,

employment services and essentially managing the whole welfare reform package, does not know the number of people that that package is supposed to move from welfare to work?

**Mr Correll**—We know, and have contributed through modelling into the task force, a vast array of information. Pulling together a response to your question, covering issues of the flows of various different benefit recipient groups over out years and also looking at the assumption bases against that, is a non-trivial question and it will require substantive compilation of material over several days to be able to pull that out and present that information in the way you have asked the question.

**Senator WONG**—You must have done that in order to cost this package. There is no way you could do the costing of this package on a net basis, which is the basis that is asserted, if you had not made assumptions about who would move off benefits and into work. This work must already have been done. Do you not agree?

**Mr Correll**—As I outlined, the department has contributed that sort of information in a vast amount of costings of various different approaches that went into the task force and has that information available to it in various models that have been used. To extract the information in a meaningful form to respond to your question would take several days.

**Senator WONG**—You tell me this: what is the estimate of people moving off benefits and into work that the budget estimates are costed on?

**Mr Correll**—We have taken that question on notice.

**Senator WONG**—Can you explain to us how we have the Treasurer on 10 May and in the budget lockup saying 190,000 people by 2008, we have the Prime Minister saying 100,000 people—

**Senator Abetz**—We have already dealt with this.

**Senator WONG**—on 11 May, and now we have here in late May, over two weeks later, the department responsible for moving people from welfare to work unable to answer the question? Even the government's own leader and Treasurer can only manage to get it half right—100,000 versus 190,000. And now you are say in that you would have to go away and calculate it?

**CHAIR**—That is right. That is what they are saying.

**Senator Abetz**—That has been taken on notice.

**CHAIR**—Do you have a question, Senator Wong?

**Senator WONG**—How have you costed the policy if you have not got that information?

**Mr Correll**—To cost these policies involves the use of models that have hundreds of different variables involved in them. You can pick up a model and put it on the table, but that does not answer your question. You have to be able to extract all of the relevant data from that model to be able to respond to your question. That is the nature of it.

**Senator WONG**—Haven't you done that in order to cost the policy?

**Mr Correll**—We have done that on multiple occasions to cost various different—

**Senator CHRIS EVANS**—I am sure you would have before the budget.

**CHAIR**—Let the witness answer the question, please.

**Mr Correll**—We have done that on multiple occasions leading up to the budget in providing multiple costings. To respond to your question we will need to go into those models and extract all of that data and then be able to present it. That will take several days. I cannot give you an answer off the top of my head.

**Senator WONG**—I guess we could always come back Friday, couldn't we?

**Senator CHRIS EVANS**—I accept that, in the lead-up to the budget, there were a lot of different proposals floating around and a lot of different ministers with different opinions pushing for various options. In the budget process that is normal—a bit of cut and thrust—but, in the end, the government determines a position. It seems from earlier evidence that that occurred post the cabinet budget meeting but those decisions were eventually made and announced in the budget. I accept that there were lots of models around before, but in the end you chose one, did you not? You said, 'We're going to do this,' and the government announced, 'We are going to do this,' and said, 'We're going to have an enhanced Newstart and fewer people going onto the DSP, because that is one of our key welfare reform changes.' I want to know how many fewer people are estimated to go on the DSP—under the budget; not the models discussed beforehand.

**Senator Abetz**—That is the question we have taken on notice, I do not know how many times, but we will take it on notice yet again.

**Senator CHRIS EVANS**—Dr Boxall, how are we going to assess your performance as a department in implementing these changes? What do you think a fair measure of assessing it against is?

**Dr Boxall**—It is in the portfolio budget statement. There are performance indicators starting on page 41 for outcome 1 and starting on page 58 for outcome 3, which is possibly more relevant here. The minister has tabled in the PBS performance indicators against which the department will be measured in the annual report in 12 months to 15 months time. That is how the budget system works. The parliament is called to appropriate the moneys in the portfolio budget statement, with the agencies—obviously with the minister signing off on it—indicating what the performance indicators are and then the annual report reports directly against them. That is how the performance of the department will be measured. My performance is separate. That is dealt with under another arrangement.

**Senator CHRIS EVANS**—I was not trying to personalise it. I was not after your performance; I am just trying to understand the welfare reform package.

**Dr Boxall**—The top of table 3.2.3 on page 58—

**Senator CHRIS EVANS**—Where it talks about things like labour force participation rates, employment to population rate for civilians et cetera?

**Dr Boxall**—That is right.

**Senator CHRIS EVANS**—I think we all accept, therefore, that the success or otherwise of the measures will be worked out by how many people actually get into jobs.

**Dr Boxall**—That is correct. It will be based on how many people get into the labour force, how many people get into employment and the proportion of the population of working age people who are on income support—obviously, the lower the better.

**Senator CHRIS EVANS**—So, clearly, a key indicator for assessing this policy will be the number of people who move off welfare into employment in the out years. Is that fair?

**Dr Boxall**—There are four key indicators mentioned on the top of that page.

**Senator CHRIS EVANS**—It does not seem to cover people going off welfare, which surprised me a bit. Is that covered somewhere else?

**Dr Boxall**—It actually does in a sense—under proportion of the population of work force age on working age income support payment.

**Senator CHRIS EVANS**—So it is effectively the other half of the argument, is it not?

**Dr Boxall**—That is correct.

**Senator CHRIS EVANS**—That is why I am trying to say that clearly the key measure for your department and this program will be how many people are in work, how many people are still on welfare and what success you have had or otherwise in moving people from one to the other.

**Dr Boxall**—That is correct.

**Senator CHRIS EVANS**—Do you accept that it is fair for us as a Senate estimates committee to look at those results and assess the program against those results?

**Dr Boxall**—Indeed. That is what the annual report is: it is a report of the department to the parliament so that parliament can hold the department accountable. I might add at this juncture that we have started measuring these indicators and in the first quarter of this year we have already made good progress. For example, the employment rate has gone up in the first quarter of the year, the participation rate has gone up and I believe the number of people on benefits has gone down. So we are already off to a very good start with this program, even before the budget measures were announced. That is following the machinery of government changes and various other administrative changes put in place in the run-up to the budget.

**Senator CHRIS EVANS**—We have taken other departments through that and there are some encouraging signs, and that is pleasing. I tried with the other departments to work out what was cause and what was effect. As you say, there were a lot of administrative changes as well. We were trying to work out what was actually working. We discussed with Centrelink, for instance, the referrals of sole parents and how that is going. That is interesting work. But getting back to the key issue, in order for me and other senators to assess whether this is a success we need to look at the outcomes—the number of people who have been on welfare and who are now in work—and the amount of money we have spent on it and see whether we are getting good value for money. Is that fair?

**Dr Boxall**—That is correct.

**Senator CHRIS EVANS**—So you would accept that we do need to know those numbers?

**Dr Boxall**—Indeed, and we can give you the numbers for labour force participation for civilians aged 15 to 64 years at the beginning of the year and at the end of the first quarter. We

can then track whether that is going up or down. Similarly, with employment. These numbers are available and will be reported on in the annual report that reports against this portfolio budget statement.

**Senator CHRIS EVANS**—I am not wishing to labour the point, but obviously we will have to look at how we are going against departmental assessments of what they hoped to get from the reforms.

**Dr Boxall**—That is correct. Indeed, these performance indicators—not just for our portfolio but for most portfolios—can always be finetuned over time. The department has done this. This is the initial set of performance indicators that the department, signed off by the minister, has put to parliament.

**Senator CHRIS EVANS**—Obviously we will have more detailed performance indicators. One of the things off the top of my head I would be looking at is how many people who would have gone onto the DSP under the old rules have been channelled into the Newstart area and have found work and are no longer reliant on benefits. That would be another key performance indicator, wouldn't it?

**Dr Boxall**—That is a relevant performance indicator and that is clearly a subset of (a) and (b).

**Senator CHRIS EVANS**—That is what I am saying—there is a whole set of subsets—

**Dr Boxall**—At this time next year we will be able to answer that and show you what progress has been made in the year, even before the Welfare to Work measures took effect on 1 July. So here is a case where a department and a minister have already signed up to report to parliament on these indicators even before the Welfare to Work reforms take effect on 1 July. We will be able to track this next year.

**Senator CHRIS EVANS**—Do you mean 1 July 2006?

**Dr Boxall**—That is right.

**Senator CHRIS EVANS**—But you have a range of changes coming in from 1 July 2005, haven't you?

**Dr Boxall**—Not as part of Welfare to Work, but there are one or two changes coming in from 1 July 2005.

**Senator CHRIS EVANS**—There are transitional changes?

**Dr Boxall**—Yes, there is the issue we discussed before lunch where people who go on disability support pension from budget night, 11 May, to 30 June 2006. Those are the sorts of transitional issues. The bulk of the measures in the budget measures document—probably close to all of them—take effect on 1 July 2006. The point I am making in answer to your question is that we have already put in place performance indicators for next year, which is a year ahead of the Welfare to Work package, and clearly we would hope to be able to finetune those indicators for next year's portfolio budget statement, which would then be relevant to the first year of the Welfare to Work package.

**Senator CHRIS EVANS**—I put it to you that one of the ways that senators can follow and measure how you are going is to look at your targets and at whether you are meeting them, as a subset of these broader indicators.

**Dr Boxall**—We note that constructive suggestion. We will take that on board.

**Senator CHRIS EVANS**—I make that point so that you clearly understand why I want the information I want. It seems to me that it is an important indicator of whether or not the welfare reforms are successful as to whether or not the decisions taken and the objectives set are being met. We would obviously want to measure, discuss and analyse that long before the end of the 2008-09 financial year to make some assessment about whether \$21 billion of working age payments are getting the sorts of results that the government is hoping for.

**Dr Boxall**—That is correct. We will be able to have another discussion this time next year on the performance indicators for the next portfolio budget statements and we will be able to look at how well we are tracking against these performance indicators.

**Senator CHRIS EVANS**—I hope that it is a much better informed debate next time, Dr Boxall. The more information we have the better informed the debate will be.

**Dr Boxall**—That is not a question.

**Senator Abetz**—That is not a question. Let us move on.

**Senator CHRIS EVANS**—I never said it was a question.

**Senator Abetz**—Which highlights that you are out of order.

**CHAIR**—We are about questions, not statements.

**Senator CHRIS EVANS**—Senator Abetz, if you want to talk about making comments today, I am happy to have that debate.

**CHAIR**—We are going so well. Let us keep on with the questions.

**Senator Abetz**—That is what I am encouraging, Chair.

**Senator CHRIS EVANS**—I want to make the point very clearly that without that information we cannot monitor—

**Senator Abetz**—You are making points yet again.

**CHAIR**—Senator Evans, with great respect, you know that this is not a forum for making points.

**Senator CHRIS EVANS**—It is actually, in that the department need to know what senators will be looking for. I think it is helpful for them.

**CHAIR**—What we are about today is you asking questions.

**Senator WONG**—We are trying to do that.

**Senator CHRIS EVANS**—I am asking the department to be prepared to provide that sort of performance indicator measure against the raw statistics in the future.

**Senator Abetz**—Thank you for that forward notice. Let us move on.

**Senator CHRIS EVANS**—I gave forward notice at three other estimates last week. People did not seem prepared to answer the questions today, which surprises me because the department is so efficient generally. I am surprised that people are not prepared to come along and provide the information that we flagged at earlier estimates.

**Senator Abetz**—Senator Evans must be very happy because he is surprised so often.

**CHAIR**—Questions, senators.

**Senator CHRIS EVANS**—Was that commentary, Chair?

**CHAIR**—I think it was commentary, but let us get to the questions.

**Senator WONG**—You will not pick him up.

**Senator CHRIS EVANS**—I just want to make sure that your left ear is working as well as your right, Chair.

**Senator WONG**—Can we just clarify precisely what it is that you are refusing to give us today.

**Senator Abetz**—There is no refusal.

**Senator WONG**—You are refusing to give us these figures today.

**Senator Abetz**—No, we are not refusing. Unfortunately, I only have the ninth edition of Odgers with me but I am sure this has not changed. What is the latest edition?

**CHAIR**—The 11th.

**Senator WONG**—Are you a bit behind the times, Minister?

**Senator Abetz**—At page 375 it states:

Most questions are answered at the hearings, but witnesses may also choose to take questions on notice and provide written responses after the hearing.

**Senator CHRIS EVANS**—It is fair to say that we have not had much answered today, have we? We have had nothing answered.

**Senator Abetz**—Odgers goes on to say that members may also place questions on notice and that there is no limit placed on the types of questions et cetera that can be taken on notice. So to try to dress it up, yet again, as some sort of refusal—which I note appears in the Clerk's letter, unfortunately—is wrong. There has been no refusal to answer any question. They have all been taken on notice, which the standing orders clearly allow.

**Senator WONG**—Thank you for that very long dissertation again, Minister.

**CHAIR**—Senator Wong, do you have a question?

**Senator WONG**—I have a question, Chair.

**CHAIR**—Good. Let us have the question.

**Senator WONG**—Are you going to do that when the minister decides to make a point too, Chair, or is that just reserved for those who are sitting on your right?

**CHAIR**—We are asking questions. What the witnesses say and do in invitation to dissertations from here cannot be helped. But we are asking questions and I would be obliged if you would ask one.

**Senator WONG**—I want to clarify precisely what information is not being provided today and has been taken on notice.

**Senator Abetz**—Those questions that you have asked have been taken on notice. That is the information that is clearly being sought.

**Senator WONG**—I am about to summarise it again, Minister.

**Senator Abetz**—I would imagine that your questions are sufficiently well framed—that is, unless you want to redraft your questions. The questions, I would have thought, stand on their own merit—dare I use that term.

**Senator WONG**—I will summarise it again. First, the department wants to take the question on notice because it either does not have the information—

**CHAIR**—Just ask the question.

**Senator WONG**—Actually, Chair, I think it is up to me to phrase my questions.

**CHAIR**—You are putting in a lot of commentary, which is unnecessary.

**Senator WONG**—This is the minister's answer. I am actually being reasonable to the government by putting in their answers.

**CHAIR**—Get on with the questions. Ask the questions that you want to review.

**Senator WONG**—Firstly, precisely how many people are the costings in the budget assuming will move from welfare to work? Secondly, exactly how many people who would previously have been on the DSP will be on enhanced newstart under the welfare reform package? Thirdly, exactly how many people would be on either of the parenting payments but will be on enhanced newstart as a result of the welfare reform package? Fourthly, what are the savings that result to government of people moving onto enhanced newstart as opposed to the DSP, parenting payment partnered or parenting payment single?

**Senator Abetz**—So they are the four questions. Without seeking to be provocative, can I ask whether those four questions now encapsulate all the previous questions that we had prior to lunch and also after lunch? These are now the four specific questions that we can take on notice?

**Senator WONG**—No, I think you should be looking through the *Hansard*, Minister. There are a range of issues which are canvassed.

**Senator Abetz**—In that case, if it is just boring repetition of previous questions being asked in different ways, it is not helpful—

**Senator WONG**—Actually, Minister, we were trying to be of assistance to you so precisely what was being asked could be clarified.

**Senator Abetz**—That is why I said that I hope I was not being provocative.



**Senator CHRIS EVANS**—To be fair, Senator Wong has indicated that there are a range of questions that came at the same issue—from the financial angle before—and she has summarised them in terms of the payments, but we are after both.

**Senator Abetz**—All right. I will take them on notice. We will trawl through the lot.

**CHAIR**—The simple answer is this, Minister: to every question where the response was, ‘We will take it on notice.’ That is a question, plus the four that have been solidified now. Are we all clear on that? Good. Next question.

**Senator CHRIS EVANS**—Could I be clear on the question of what other entitlements apply to enhanced Newstart in terms of concession cards and access to other programs? It is not clear to me from the budget papers exactly what the conditions applying to enhanced Newstart are. Could someone take me through those, please?

**Mr Carters**—Do you also want to know what the change in the taper rates and income-free area—

**Senator CHRIS EVANS**—The taper rates, the income level and concession cards. Is there one enhanced Newstart and a Newstart or just an enhanced Newstart?

**Mr Carters**—I can do that.

**Senator CHRIS EVANS**—I want a description of what the best Newstart is now in the new system.

**Mr Carters**—Firstly, from 1 July 2006, there will be only one Newstart, which will be the enhanced Newstart. A significant change to—

**Senator WONG**—Sorry, just to clarify: are you saying it applies to those who are currently on Newstart too?

**Mr Carters**—Yes, absolutely.

**Senator CHRIS EVANS**—So there will be only one payment in the Newstart category after 1 July, and that is like New Apprenticeships but it is called enhanced Newstart?

**Mr Carters**—It is called newstart allowance but it is an enhanced version, just to differentiate between the current Newstart and the future Newstart.

**Senator CHRIS EVANS**—So what is the formal name of Newstart post-July 2006?

**Mr Carters**—As of today, it is still newstart allowance.

**Senator CHRIS EVANS**—So when we refer to enhanced Newstart, that is not its formal title; it is a descriptor.

**Mr Carters**—It is a descriptor used to make it clear whether we are talking about the current Newstart or the future Newstart. It is a good term because the future one is better. I will give you a description of how it is better. Firstly, there is a change to the income tests and taper rate. Basically, at the moment people can earn \$62 a fortnight and they get to keep that—that is called a free area. That same amount will apply under enhanced Newstart. Currently people lose 50c in the dollar, which is called a 50 per cent taper rate, through to \$142 per fortnight. Under the enhanced Newstart, that will run out to \$250 a fortnight.

**Senator CHRIS EVANS**—It is still a 50 per cent taper but up to \$200 per fortnight.

**Mr Carters**—Up to \$250 a fortnight. Under the current system, a 70c in the dollar—70 per cent—taper comes in with earnings above \$142. Two things will happen. That will not come in until \$250 under the new enhanced Newstart, and it will be a 60 per cent taper, not a 70 per cent taper. For partnered people, the impact on the partner's income under enhanced Newstart will also be 60c in the dollar, not 70c in the dollar. It also impacts on student allowances, in particular Abstudy, Austudy and Youth Allowance students. Likewise, they already have very generous income-free areas but at the top level the withdrawal rate will drop from the 70 per cent taper to a 60 per cent taper.

**Senator CHRIS EVANS**—Is that the only change or are you changing the income level for them as well?

**Mr Carters**—No, we are not changing the income level for those people because it is already very generous. I think the free area is \$236 a fortnight.

**Senator CHRIS EVANS**—So there is no change. All you are changing is the taper rate from 70 to 60?

**Mr Carters**—Yes. And the 50 per cent taper goes up to \$316 for students. Students have a free area of \$236 a fortnight then they lose 50c in the dollar up to \$316, then in future they will lose 60c in the dollar. There is one other slight change, and that is for parenting payment recipients. This is parenting payment partnered. They currently have a free area of \$245, so that will go up to \$250 a fortnight.

**Senator CHRIS EVANS**—So that goes from what to what?

**Mr Carters**—From \$245 to \$250.

**Senator CHRIS EVANS**—A \$5 change?

**Mr Carters**—Yes.

**Senator CHRIS EVANS**—And that is to bring them into line with the other Newstart conditions?

**Mr Carters**—That is right, yes.

**Senator CHRIS EVANS**—And is that for parenting payment partnered existing clients and new clients? I am not even sure if the question makes sense.

**Mr Carters**—Yes, all allowances.

**Senator CHRIS EVANS**—So the question does make sense and the answer is yes?

**Mr Carters**—Yes.

**Senator CHRIS EVANS**—I am sorry, with some of these transitions I am not sure—

**Mr Carters**—Parenting payment is paid at the newstart allowance rates, so any change to the newstart allowance will apply to the parenting payment partnered.

**Senator CHRIS EVANS**—So those are the changes to newstart allowance, and there will be one set of conditions for newstart recipients from 1 July 2006, is that fair?

**Mr Carters**—That is correct in terms of the income tests and taper rates. I will go through other changes. Sole parents will have access to a pensioner concession card under enhanced Newstart.

**Senator CHRIS EVANS**—So these are sole parents who are now on the newstart allowance?

**Mr Carters**—Yes.

**Senator CHRIS EVANS**—They have access to?

**Mr Carters**—The pensioner concession card. They will also have access to pharmaceutical allowance and to telephone allowance. Partnered parents on enhanced Newstart will continue to have access to the health care card. There will also be an employment entry payment which people will be eligible for. Sole parents will be eligible for an employment entry payment of \$312.

**Senator WONG**—This is just a one-off payment?

**Mr Carters**—Yes, once a year. Parenting payment partnered and newstart recipients will be eligible for a \$104 employment entry payment. That is what newstart recipients receive now.

**Senator CHRIS EVANS**—That is for sole parents?

**Mr Carters**—No, that is for partnered parents and for other Newstart people.

**Senator WONG**—So it is \$312 for sole parents on newstart per year?

**Mr Carters**—You can access it once per year.

**Senator WONG**—Once per year if you are in employment. Is \$104 the current Newstart rate?

**Mr Carters**—It is.

**Senator WONG**—Are partnered parents and all other recipients of Newstart able to access it once a year or just the once?

**Mr Carters**—Once a year.

**Senator WONG**—Is that only upon entry though?

**Mr Carters**—Entry into employment, yes.

**Senator WONG**—Not maintenance of employment?

**Mr Carters**—No. There is a four-week rule—you have to be in employment for four weeks. The other thing is that people with disabilities who are assessed as being able to work 15 to 29 hours will also be eligible for the pensioner concession card, the pharmaceutical allowance, the telephone allowance and the \$312 employment entry payment.

**Senator CHRIS EVANS**—Is this for the disabled on Newstart?

**Mr Carters**—It is for the people with disabilities who go onto enhanced Newstart.

**Senator CHRIS EVANS**—What about the mobility allowance?

**Mr Carters**—As I said earlier, people on the disability support pension will be able to claim that \$100 a fortnight if they have significant difficulty using public transport and register with an employment services provider to seek work of the same level as the other group, which is the 15 hours. People on enhanced Newstart are eligible for the \$100 per fortnight under the same conditions if they are unable to use public transport.

**Senator McLUCAS**—Are you saying there is no change between current recipients of DSP and recipients of enhanced Newstart?

**Mr Carters**—There is no change in terms of what they are entitled to, as long as they meet those eligibility conditions. However, the current mobility allowance is only \$69.70 a fortnight. People on DSP who are not choosing to register and seek that work would remain eligible for the \$69.70 per fortnight. There is also a concession that, if people then move off income support into substantial work, they are able to keep that \$100 a week mobility allowance, even if they are off income support, as an incentive for them to seek longer hours of work.

**Senator CHRIS EVANS**—It is very complex. Have you got a chart that lays out the new post July 2006 conditions that you could table for the committee? You have just given us a description. Have you got a ready chart? I or my staff can compile it from what you have said, but if you have a document that would aid the committee that would be helpful.

**Mr Carters**—We do not have a chart that is complete in terms of the changes I have described.

**Senator CHRIS EVANS**—Is it fair to say that there is no debate about those changes? All the allowances and concession card treatments are finalised as part of the budget decision. This is not a work in progress; these are budget decisions that have been taken.

**Mr Carters**—Yes, the decisions have been taken.

**Senator CHRIS EVANS**—So there is no reason why you could not provide that to us, if you had it. It is not because there are still decisions being taken that you are not doing it; it is purely because you do not have it readily at hand and finalised. There are no decisions affecting those entitlements yet to be made?

**Mr Carters**—I could not be absolute about that. There may be some very small micropolicy there but, essentially, 99 per cent yes.

**Senator CHRIS EVANS**—Could you take it on notice to provide a chart to the committee that sets out those key conditions?

**Mr Carters**—Yes.

**Senator CHRIS EVANS**—I am asking you to show us in writing what you have just described. I can do it, but I want to double-check, because it is quite complex. I want to make sure that we have it right. Are there any other changes? For instance, are there any changes in the rates or eligibilities of the pharmaceutical allowance?

**Mr Carters**—No. The only changes are what I have already told you about in terms of employment entry payment et cetera. The other change is the Workplace Modification Scheme. As well as an extra \$25 million being provided there, it will include the ability to

increase the amount that is paid. Generally, there is a limit of \$5,000; that will go up to \$10,000. And it will be more open in terms of more people being able to access it. The conditions under which it is available will be broadened.

**Senator CHRIS EVANS**—All right. So what is happening with the pensioner education supplement?

**Mr Carters**—The pensioner education supplement remains payable for people who are on a pension. It is not included as part of the enhanced Newstart.

**Senator CHRIS EVANS**—So the eligibility is restricted to those on the DSP or on other pensions.

**Mr Carters**—Or on parenting payment.

**Senator CHRIS EVANS**—But not to anyone on Newstart.

**Mr Carters**—That is correct.

**Senator CHRIS EVANS**—What about in the transition period?

**Mr Carters**—Do you mean for people with disabilities, or what?

**Senator CHRIS EVANS**—For both! Quite frankly, I am a bit confused about the transition period, but, for those who are in the transition period, has—

**Mr Carters**—It is just a fixed position. If you are on DSP or parenting payment you get it and, if you are not, you do not.

**Senator CHRIS EVANS**—You are knocked off. So it is effectively: pension, you get it; allowance, you do not. Is that right?

**Mr Carters**—That is it.

**Senator CHRIS EVANS**—Okay.

**Senator WONG**—Can you explain to me which of the current parenting payment recipients get the health care card and which do not?

**Mr Carters**—Under the current system, the health care card goes to parenting payment, partnered and newstart payment recipients.

**Ms Wilson**—Essentially, all the allowees—people receiving working-age allowances— attract the health care card, whilst those on pensions attract the pensioner concession card. That is the present arrangement.

**Senator WONG**—That is the split. So you have retained that for people moving onto Newstart.

**Mr Carters**—No. Sole parents will be eligible for the pensioner concession card.

**Senator WONG**—As currently.

**Ms Wilson**—Yes. Those categories of—

**Senator CHRIS EVANS**—I thought, Ms Wilson, you provided clarity, and now I am not so sure, so could you say that again?

**Ms Wilson**—Essentially, those people who have a partial capacity to work because of disability who are on enhanced Newstart or those people who have a partial availability because they are a sole parent will retain an entitlement to a pensioner concession card in enhanced Newstart.

**Senator WONG**—Which they currently have if they are on the DSP or the PPS.

**Ms Wilson**—Yes, currently on PPS or DSP they have a pensioner concession card.

**Senator CHRIS EVANS**—So which group of people will not get the pensioner concession card any longer and only attract the health care card? Is that the other half of that answer?

**Ms Wilson**—No.

**Senator CHRIS EVANS**—So effectively they will all retain it.

**Mr Carters**—It is not a matter of retaining it. The eligibility for the—

**Senator WONG**—It is, because the parents are moving from parenting payment to enhanced newstart, depending on the age of their child.

**Senator CHRIS EVANS**—Because they are not quarantined, are they; they move into the new system depending on their circumstances?

**Mr Carters**—Yes. When their eligibility for parenting payment ceases, enhanced Newstart would include the pensioner concession card.

**Senator WONG**—They currently retain a pensioner concession card if they are on the parenting payment single benefit. Is that correct?

**Ms Wilson**—Yes, they are entitled to a pensioner concession card if they receive a parenting payment single.

**Senator WONG**—Okay. So, when those sole parents move onto enhanced Newstart, do they retain that pensioner concession card?

**Mr Carters**—Yes, they are eligible for a pensioner concession card on enhanced Newstart as well.

**Senator CHRIS EVANS**—And that is both for those who transfer off the pension and those who come onto Newstart in the future?

**Mr Carters**—Yes, if they are sole parents.

**Senator CHRIS EVANS**—I think that is why this table will be very helpful, Mr Carters. At the moment I think you are the only one in the world who understands it or has the ability to answer questions. Sorry, Ms Wilson, there are probably two of you! I was not trying to be rude—I certainly do not make the third!

**Senator WONG**—Mr Carters, you went through the free area and taper rate issue. What is the current free area on the disability support pension?

**Mr Carters**—I think it is \$120 a fortnight, but I will have to check.

**Senator WONG**—So possibly around double what is available under enhanced Newstart?

**Mr Carters**—Yes.

**Senator WONG**—I thought it was about \$140, but I could be wrong.

**Ms Wilson**—It depends on the number of children.

**Senator WONG**—Did I ask about disability, or parenting?

**Ms Wilson**—Nevertheless, if you are a pensioner there is an additional free area for every child.

**Senator WONG**—What is the base rate?

**Ms Wilson**—For a single pensioner the per fortnight free area is \$122, with an additional \$24.60 a fortnight for every child. For a couple, the combined—

**Senator WONG**—Let us just stay with single for the moment. So on the payment people are currently on—either parenting or disability—they have almost double the free area they would under enhanced Newstart. Is that right?

**Mr Carters**—Yes.

**Senator WONG**—And the taper rate is 40 per cent above that?

**Ms Wilson**—Yes. It is 40c in the dollar above—

**Senator WONG**—The taper rate is 10 per cent lower, and it cuts in a higher rate of earnings?

**Mr Carters**—The free area is \$122. In the taper beyond that there is a 10 per cent difference, yes.

**Senator WONG**—So it is 10 per cent more advantageous?

**Mr Carters**—There is a 40 per cent taper rate for DSP; there is a 50 per cent taper rate for enhanced newstart.

**Senator WONG**—What does it mean if you on a 40 per cent taper rate, as opposed to 50 per cent—which is more advantageous in terms of retention of earnings?

**Mr Carters**—Losing 40c in the dollar is more advantageous than losing 50c in the dollar.

**Senator WONG**—So, essentially, enhanced newstart is a less beneficial payment in terms of the next effect on income than the pensions these people are currently on?

**Mr Carters**—Yes.

**Senator CHRIS EVANS**—It the philosophical underpinning of this that there is still a clear distinction between those on pensions and those on allowances?

**Mr Carters**—Yes.

**Senator CHRIS EVANS**—You have taken us through the decisions; I am just trying to understand the logic that underpins them. I am assuming that there is a logic, and you can tell me if there is or not. Maybe that is the first question: is there a logic, and is there still a separate approach to pensions versus allowances? I know that is a broad question. I am trying to get a sense of the reasoning.

**Mr Correll**—The retention of things like the pensioner concession card for someone going onto enhanced newstart is basically recognising that tools like that are important in the

transition from welfare into work and it would be a disincentive if that tool were not available to support that move from welfare into work. That is the primary policy underpinning the retention of those cards.

**Senator CHRIS EVANS**—So is it fair to say the logic has changed from an argument about a pension versus an allowance to one about a work incentive? Is that what you are indicating to me?

**Mr Correll**—Under the whole package there is a focus on looking at people's capacity to work and therefore how the income support system can help facilitate movement into work and not represent a disincentive for people to move from welfare into work.

**Senator CHRIS EVANS**—So is the traditional thinking about an allowance as separate from a pension relevant or is that a less useful underpinning now? I know it is a broad question. I am just trying to get a sense of how the department views that sort of stuff.

**Mr Correll**—I guess there is a difference because the basic provision of things like the pensioner concession card have applied to the pension rather than to allowance payments. Now the provision of the pensioner concession card also relates to allowance payments in some circumstances where people have an assessed capacity or availability to work.

**Senator CHRIS EVANS**—So the traditional divide between pensions and their treatment and allowances and their treatment has been broken down a bit by this measure, hasn't it? I am not saying this is a wrong emphasis but it is a new emphasis and a slightly different approach. Is the pensioner/allowance distinction now redundant?

**Mr Correll**—No. There remain differences between the two. But it is a structuring of the payment system to support the objectives of encouraging increased work force participation. From the point of view of the policy rationale, it is there to support increased work force participation. The designs of the payments support that.

**Senator CHRIS EVANS**—But effectively we now have pensioner concessions—so named—applying to allowance recipients?

**Mr Correll**—In some cases, yes.

**Senator CHRIS EVANS**—So in terms of the concessions that go with pensions or allowances, there has been a breaking down of that traditional barrier.

**Ms Wilson**—There is already a provision for those who are aged over 60 and who have been on an allowance for more than nine months to access a pensioner concession card. There is already, if you like, a precedent in—

**Senator CHRIS EVANS**—That was the first chip into the wall, I suppose.

**Ms Wilson**—That provision has been around for well over a decade.

**Senator CHRIS EVANS**—I am not necessarily mounting an argument; I am just trying to understand. It seems to me that there has been a particular philosophical underpinning of the system and now it is quite different. I am trying to understand what the thinking is behind some of these measures.

**Mr Correll**—If one was to take a broad, philosophical view it would be that the pension is something that would be available in the future for someone who does not have the capacity



or availability for work, whereas the allowance is there for someone who does have the capacity and availability for work.

**Senator CHRIS EVANS**—Dr Boxall, did you want to add to that? You looked like—

**Dr Boxall**—I cannot add to that. It was a very good answer.

**Senator CHRIS EVANS**—You moved forward and I did not know whether that was to add something or—

**Senator Abetz**—No, he was just complimenting the answer—as do I.

**Senator CHRIS EVANS**—That is all on that. Thanks. That is what I was after: some understanding of how you define that.

**Senator WONG**—I want to go back to the performance information that is in the PBS and that was being discussed earlier. At page 41, there are targets for various income groups or benefit recipients. A percentage of those with certain earnings is set out as a target. Let us start with Newstart allowance, which has a target of 16 per cent. Is this only for the coming financial year?

**Ms Golightly**—Yes.

**Senator WONG**—Is it meant to be people exiting the payment or people on the payment who are also receiving earnings?

**Ms Wilson**—It is for people who are recipients with earnings.

**Senator WONG**—Only for the 2005-06 year?

**Ms Wilson**—Yes.

**Ms Golightly**—Yes.

**Senator WONG**—I also have a question about the obligations which will be on those persons who apply for DSP but who are assessed as having the relevant work capacity and so will be on Newstart. What is proposed to be the nature of the obligations upon that cohort?

**Mr Carters**—For the cohort who are assessed as being able to work for 15 to 29 hours on enhanced Newstart, the obligation would be to seek work of at least 15 hours per week and to participate in appropriate services and programs. There will also be a mutual obligation requirement placed on them which will be to undertake a mutual obligation activity of 150 hours over a six-month period for each year. So for six months of each year they have to undertake 150 hours—

**Senator WONG**—That is on top of the part-time—

**Mr Carters**—That is on top of seeking work of 15 hours or more per week.

**Senator WONG**—Could you show me where that is outlined? Is it in another facts sheet?

**Mr Carters**—It is definitely in the facts sheets.

**Senator WONG**—It does not appear on 135, I do not think, but I could be wrong.

**Mr Carters**—It is mentioned in budget paper No. 2, on page 137, under ‘increasing participation of parents’. It talks about—

**Senator WONG**—I think I was asking about DSP, regarding the 15 to 29 hours. I am asking about people who apply for the DSP but are assessed as being able to work for 15 to 29 hours.

**Dr Boxall**—On page 135, at the bottom of the page?

**Senator WONG**—Yes. It says ‘15 hours of work per week at award wages’, ‘obligation to seek part-time work’ and ‘receive enhanced Newstart’, but I understand Mr Carters is saying that there is a second level of obligation, which is 150 hours of some form of activity on top of that. Did I misunderstand your answer, Mr Carters?

**Mr Carters**—No, you are correct. That is right.

**Senator WONG**—So they have two sets of obligations?

**Mr Carters**—Yes.

**Senator WONG**—They have to look for part-time work for 15 hours a week and, on top of that, they have to do 150 hours every six months?

**Mr Carters**—Yes, of mutual obligation.

**Senator WONG**—Let us do those separately. Are job search or work the only activities that will meet the obligations in relation to the 15 hours per week at award wages?

**Mr Carters**—No.

**Senator WONG**—Tell me how that will work then? What precisely is that aspect of the obligation?

**Mr Carters**—The 15 hours per week is essentially what is expected of people if they are not doing other things. For example, a job search plan would be undertaken which would set out exactly what that job search requirement would be. Although you are seeking work of 15 hours a week, that can be anything from one or two actual job searches a week versus up to about 10 a fortnight, I think. That would be part of the job search plan. Another reason why that might vary, besides the state of the local labour market, is if the person is also undertaking some other activity. Some other activity could be some part-time work, some part-time education or training or a particular program that is quite intensive. So it is very tailored and very flexible. On average, the general expectation, unless you are doing these other things, is that you will be seeking work of 15 hours a week.

**Senator WONG**—So there is an obligation for people with a disability, assessed as being able to work between 15 and 29 hours a week, to seek work of 15 hours a week and they will be subject to a job search plan which may involve anything from two interviews a fortnight to 10 interviews a fortnight.

**Ms Wilson**—Job contacts are important.

**Senator WONG**—Job contacts? So two to 10 contacts with employers a fortnight and there may be amelioration of that depending on their specific circumstances.

**Mr Carters**—Yes.

**Senator WONG**—And, on top of that, they will be asked to do 150 hours of some form of mutual obligation activity per six months?

**Mr Carters**—Yes.

**Senator WONG**—Is voluntary activity—community engagement and those sorts of things—permitted to discharge the 150-hour obligation?

**Mr Carters**—It is. Voluntary work is one of the activities on the mutual obligation list.

**Senator WONG**—So this 150 hours over six months is a bit like what currently applies to parents of primary school age children?

**Mr Carters**—That is high school age children—13- to 15-year-olds.

**Senator WONG**—Yes, secondary school. But the voluntary activity does not meet your two to 10 job contract requirement—in other words, they are separate requirements?

**Mr Carters**—That is correct. The current mutual obligation requirement for the youngest children in secondary school is 150 hours, but that can include job search.

**Senator WONG**—But you are saying that it is different.

**Mr Carters**—Yes.

**Senator WONG**—So here we are going to have the job search plus the 150 hours?

**Mr Carters**—That is correct.

**Senator WONG**—Will people with a disability in this cohort that we are talking about be required to participate in Work for the Dole?

**Mr Carters**—Work for the Dole is one of the options in meeting the mutual obligation requirement. It is also the default option if people do not choose one of the other activities. So, yes, there is certainly the possibility that people will be expected to do Work for the Dole. Again, that will be only 150 hours over six months. It will not be the full Work for the Dole. At the moment, full Work for the Dole is about 390 hours.

**Senator WONG**—Have you done any calculations on how many people in this cohort are likely to go into Work for the Dole?

**Mr Carters**—We have a figure for Work for the Dole—55,000 additional places over the four years.

**Senator WONG**—How many places?

**Mr Carters**—55,000 additional places.

**Senator WONG**—Over four years?

**Mr Carters**—Yes. We also have a figure which shows that, of that 55,000, 49,500 will be the new full-time Work for the Dole for the very long-term unemployed. So the residual will be an estimate of the extra Work for the Dole places which will be required.

**Senator WONG**—And that would include DSP, parents and mature age?

**Mr Carters**—Not mature age. There is no mutual obligation requirement for mature age who are 50 or more.

**Senator CHRIS EVANS**—So does that mean that you have 5,500 places left for those other categories?

**Mr Carters**—Yes, in addition to the Work for the Dole places now. But, again, that is an estimate based on take-up. As I said, there is a whole range of mutual obligation activities that people can choose to do instead of Work for the Dole, including voluntary work, part-time work, part-time study et cetera.

**Senator WONG**—Of the 5,500 places, have you assumed what proportion of those will be for people with a disability?

**Mr Carters**—I will have to take that question on notice. I do not have a clear perspective on that, I have to say.

**Senator WONG**—Are you proposing any modifications to the Work for the Dole program to ensure people with a disability are able to undertake it?

**Mr Carters**—Certainly they will need to be activities which people are able to participate in—

**Senator WONG**—That is self-evident.

**Mr Carters**—and that will need to take into account people's capacity to undertake those activities.

**Senator WONG**—How are you proposing to ensure it is taken into account in terms of the Work for the Dole providers?

**Mr Carters**—As part of the implementation processes this area would be discussed—consulted on—with the service provider group. But it is worth noting that there are already Work for the Dole activities out there relating to people with a disability at the present stage.

**Senator WONG**—But you are talking about larger numbers having to participate or potentially being required to participate. How many—

**Ms Golightly**—They would have a mutual obligation. They could choose Work for the Dole or it could be the default if they do not want to make a choice.

**Senator WONG**—It is the default option. So potentially you could have a lot more people with a disability entering Work for the Dole than you do currently, surely?

**Ms Golightly**—We will have more people—yes, that is right.

**Senator WONG**—So what modifications are proposed to the program?

**Mr Parsons**—Senator, I look after Work for the Dole for the department. The sort of modifications that I imagine we will be proposing for the Work for the Dole programs would be recognition that you would need a different ratio between the supervisors in the programs and the number of participants, taking into account some of the disabilities that they would be undertaking the program with.

**Senator WONG**—What else?

**Ms Golightly**—The type of activities will also come into it. These are things that we will be discussing with industry and the Work for the Dole providers when we are nutting through the detailed implementation.

**Senator CHRIS EVANS**—Do I take it therefore that the unit cost for the department is going to be higher?

**Mr Parsons**—That is yet to be determined.

**Ms Golightly**—Yes, they will not necessarily be higher.

**Senator CHRIS EVANS**—More supervisors per numbers generally means more wage costs and more subsidy, doesn't it?

**Mr Parsons**—On the one hand, perhaps. But, on the other hand, some of the Work for the Dole activities are dealing with parents or volunteers, where there is a higher motivation factor, which may in fact tip the scales the other way.

**Senator WONG**—But you have not costed in any increase for increased costs, such as for the measure you outlined; that is, increased numbers of supervisors?

**Mr Parsons**—No. That is still work in progress.

**Senator WONG**—But it is not costed in? The additional places that Mr Carters spoke about are costed in at the current unit cost—correct?

**Mr Parsons**—Yes.

**Ms Golightly**—What has been costed is the extra demand on Work for the Dole that is expected. The actual next contract for Work for the Dole is up for renewal by the end of this coming financial year—30 June—and it will be subject to a new tender.

**Senator WONG**—But, in terms of the cost to government, the costings in the budget papers are predicated on the existing unit costs?

**Ms Golightly**—Yes. That is my understanding.

**Senator WONG**—There are no additional costings for measures such as the one Mr Parsons talked about?

**Ms Golightly**—As Mr Parsons mentioned, we are not entirely sure that overall it will be an additional cost. There are additional places, and they have been costed.

**Senator WONG**—But the answer is that you are using the same unit cost in terms of your costings?

**Ms Golightly**—That is correct.

**Senator WONG**—Can we now consider mature age people? I have to say, and I do not know if it is just me, but I found page 139 of Budget Paper No. 2 a bit difficult to understand as to exactly who fell into which category. It says:

... the same job search obligations will apply to persons aged 50 – 64 receiving Newstart Allowance as they do for other jobseekers.

It then says:

... mature aged Newstart Allowance recipients will not be required to participate in work for the dole. Those aged over 55 will also be able to meet their obligations through part-time and voluntary work.

**Mr Carters**—Yes.

**Senator WONG**—Do I understand from that that people between 50 and 54 could be required to work for the dole, or are all persons over 50 not required to work for the dole?

**Mr Carters**—Nobody over 50 is required to work for the dole under the current Work for the Dole program. It means that the 50- to 54-year-olds will need to undertake Job Search even if they are undertaking voluntary work. They can still do voluntary work but they have to do Job Search. But the 55s and over will be able to undertake voluntary work in place of Job Search, as they are now.

**Senator WONG**—But can they do that only if they also do part-time work?

**Mr Carters**—No, they can just do the straight 15 hours of voluntary work per week.

**Senator WONG**—So it should possibly be part-time or voluntary work.

**Mr Carters**—It should be and/or, yes. The other change is that the full-time Work for the Dole for the very long-term unemployed includes people to age 60, so up to and including 59-year-olds may be required to participate in that. But that is treated separately. This is the normal ongoing Work for the Dole.

**Senator WONG**—This is the ‘if you have been a bad person’ measure.

**Mr Carters**—Work avoidance, yes.

**Senator WONG**—So you are not exempt if you are—did you say to 64?

**Mr Carters**—No, 59.

**Senator WONG**—So those up to 59, if they are avoiding work, may still be required to do full-time work for the dole.

**Mr Carters**—That is correct.

**Senator WONG**—If people do not engage in voluntary work between 55 and 54, which is their obligation, you may then impose upon them a requirement to work for the dole up to age 59.

**Mr Carters**—If they are very long-term unemployed and fall into the categories of having a history of work avoidance et cetera.

**Senator WONG**—That is what I am a bit confused about. What is the history of work avoidance? It is a voluntary activity for 55- to 59-year-olds. Does a history of work avoidance mean avoiding a voluntary activity?

**Mr Carters**—If they are undertaking voluntary work in lieu of Job Search then that would not necessarily be deemed as work avoidance, because they are meeting their obligation. The assessment of people who are work avoiders would be made by the Job Network member, based on a whole range of different criteria, one of which is likely to be whether or not they turn up for interviews to discuss work options et cetera.

**Senator WONG**—This is what I am confused about. If you are 54 to 59, I understood from the categories that you gave me that you can discharge your obligations by engaging in voluntary activity.

**Mr Carters**—Yes.

**Senator WONG**—You are not required to turn up for interviews.

**Mr Carters**—You are if you are not doing voluntary work. Just because you can do it does not mean that that is what everybody does. There are many people in that age group who are in the Job Network, are seeking work and are keen to get work.

**Senator WONG**—So would work for the dole be a punishment for not engaging in your voluntary activity, if that is what you have chosen to do?

**Senator Abetz**—Work for the dole is not a punishment.

**Senator WONG**—It is under this program. It is a compliance measure. It is saying, ‘If you don’t comply you have to go on Work for the Dole full time.’ Is that right?

**Senator CHRIS EVANS**—The nature of Work for the Dole has changed as a result of the budget measures, Minister.

**Mr Carters**—It is 25 hours a week.

**Senator CHRIS EVANS**—It is now a compliance measure.

**Senator Abetz**—We would reject the term ‘punishment’.

**Senator WONG**—Okay. It is a compliance measure. This is what I am confused about.

**Mr Carters**—It is a significant work experience program supported by a strong compliance regime.

**Senator WONG**—Thank you for that, but my question is this: you are saying that people aged 55 to 59 may, if they come under the work avoidance test, have to do full-time work for the dole. Correct?

**Mr Carters**—Yes, if they avoid work.

**Senator WONG**—But people who are 55 and over can discharge their mutual obligation requirements by doing voluntary activity.

**Dr Boxall**—That is the point that Mr Carters is making. In the event that they are not discharging their compliance responsibilities they might be subject to long-term work for the dole for avoidance.

**Senator WONG**—The question is this: does that mean that a person in this situation might be required to engage in full-time work for the dole because they have not turned up to their voluntary community activity?

**Mr Correll**—No. It would not be because they had not turned up to their voluntary community activities; it would be because they were not engaging in voluntary community activities and had failed to meet their Job Search requirements.

**Senator WONG**—They do not have a Job Search requirement, do they?

**Mr Carters**—If they do not attend their voluntary work, it is a default and they then have a Job Search requirement. So if they do neither, then, yes, they could—

**Senator WONG**—So you do voluntary, if you do not do voluntary you then have a Job Search requirement, and you then may have to do work for the dole full time if you have not complied?

**Mr Correll**—Yes, if you have shown a pattern of avoidance.

**Senator WONG**—So the statement in the budget papers that those aged over 55 will be able to meet their obligations through part-time and voluntary work—I think we agreed that probably should say ‘and/or voluntary work’—is not quite correct. They can meet it through voluntary work but if they fail to adequately discharge that they may then have a Job Search requirement imposed upon them. Is that right?

**Mr Carters**—I would have thought that was one and the same. It says that they can meet their requirements through voluntary work. But then if they do not do the voluntary work it is pretty clear that they have a Job Search requirement instead. They have to do one or the other.

**Senator WONG**—If they do not do the Job Search they then potentially have to do work for the dole full time, or for 25 hours.

**Mr Carters**—There is that potential, yes.

**Senator WONG**—That is for people aged 55 to 64?

**Mr Carters**—People aged 55 to 59, so for people aged 50 to 59.

**Senator WONG**—What happens to the people aged 59 to 64?

**Mr Carters**—People aged 60 to 64 will not have a requirement to undertake full-time work for the dole.

**Senator WONG**—Do they have any Job Search requirements?

**Mr Carters**—For the Job Search requirements it is the same rule as for the 55- to 59-year-olds: they can do 15 hours of voluntary work or part-time work in lieu of Job Search.

**Senator WONG**—How many Job Search contacts?

**Mr Carters**—That is tailored to the local conditions and the circumstances of the individual.

**Senator WONG**—But, if they do not comply, they do not have to do the 25 hours of work for the dole?

**Mr Carters**—That is true for the 60- to 64-year-olds.

**Senator CHRIS EVANS**—Can you do us another chart? Seriously, this is quite complicated, and on the night I found the different ministers’ press releases, as compared to the budget papers, contradictory. It may be because I did not have a full understanding. But it is not abundantly clear, and that is why Senator Wong has asked the questions. They are not trick questions. It is not clear to us what conditions had been applied to mature age workers. Again, I think it would be useful if we could have a simple explanation of those changes. We will draw our own conclusions from your information, but something that set that out in a tabular form, or something, would be helpful.

**Mr Carters**—Yes, we can take that on notice.

**Senator WONG**—In terms of the Job Search requirements on mature aged and disability support pensioners, is it proposed that the current structure which is in place, where I think currently Centrelink or the Job Network has a discretion as to how many job contacts are required in relation to a particular job seeker, be retained?

**Mr Carters**—Yes, that is part of what the Job Search plan aims to achieve.



**Senator WONG**—The Job Search plan will be drawn up between the Job Network provider and the client?

**Mr Carters**—Yes.

**Senator WONG**—What are the statutory or policy issues the Job Network provider will be required to take into account?

**Mr Carters**—They will need to take into account the reasonableness of the requirement, bearing in mind the circumstances of the individual person and the local labour market.

**Senator WONG**—Where will this be set out—in the legislation?

**Mr Carters**—It currently is in legislation. Legislation is being developed for the package. That will be looked at in that context.

**Mr Parsons**—Can I add that the department has recently published on our intranet page some very detailed guidelines on Job Search plans and the obligations of Job Network members in dealing with job seekers.

**Senator WONG**—Thank you. Just remind me about the Job Search plan. Does Centrelink have an involvement in that, or is it the Job Network?

**Mr Parsons**—Centrelink had an involvement in that until very recently. In pursuit of increasing efficiency and so on and minimising double handling, we have recently given the Job Network the ability to draft and approve Job Search plans.

**Senator WONG**—When did that happen?

**Mr Parsons**—It was in May. I can get an exact date for you but—

**Senator WONG**—This May or last May? Is it the month we are in?

**Mr Parsons**—The current month—correct.

**Senator WONG**—Was that decision made as part of the budget or pre budget?

**Mr Parsons**—It had nothing to do with the budget.

**Senator WONG**—Was the decision made by your minister—Minister Andrews, Minister Dutton or elsewhere?

**Ms Golightly**—It was a delegation that the department holds. It was a decision by the department.

**Senator WONG**—So a decision by Dr Boxall?

**Ms Golightly**—Yes—by the department.

**Senator WONG**—Because legally that is a delegation of the secretary, is that right?

**Ms Golightly**—Yes.

**Senator WONG**—Previously it would have been the Secretary of FaCS.

**Ms Golightly**—That is correct.

**Senator WONG**—Was there consultation? Perhaps you can tell me what led to that decision.

**Ms Golightly**—As Mr Parsons mentioned, we constantly look at the various processes involved—whether they be Centelink, Job Network or Work for the Dole processes—and look for ways of minimising double handling, as Mr Parsons mentioned. As part of the review of Job Search plans, that was one decision that was taken.

**Senator WONG**—Who was the review of Job Search plans done by?

**Ms Golightly**—It was internal. As I said, it was part of our normal program management, looking at what is efficient and what is effective.

**Mr Parsons**—We delegated it out on 16 May.

**Senator WONG**—Was that announced?

**Mr Parsons**—Very widely. It was announced in the lead-up to 16 May to ensure that all Job Network members understood that that change was coming. Indeed, it was announced so that they had adequate time to research the material that we published and to understand their obligations.

**Senator WONG**—What are the appeal mechanisms? Are they the same as they were when Centrelink was dealing with this?

**Mr Parsons**—Yes. Consistent with our risk management approach, five per cent of Job Search plans that are now approved by the Job Network will be inspected at random by the department for conformance with our guidelines.

**Senator WONG**—I recall that Centrelink—I cannot remember if it was in the guide or the Centrelink handbook—had a range of two to 10 job contacts and quite a range of other issues associated with those obligations. What is the situation now in relation to Job Network providers—the guidelines associated with the Job Search plan?

**Mr Parsons**—That is unchanged.

**Senator WONG**—It must be changed, because it is a different person who is authorised to deal with it.

**Mr Parsons**—The material that we published, though, that informed the Job Network of their obligations basically reinforced the current policy or the policy that predated the change in approval.

**Senator WONG**—I am sorry?

**Mr Parsons**—The material that we published in the lead-up to allowing the Job Network to approve the Job Search plans was reiterating our instruction and our policy that was in place prior to that.

**Ms Golightly**—Both the Job Network and Centrelink were operating under the same guidelines, and they continue to operate.

**Senator WONG**—The paper, you say, is on your intranet or—

**Mr Parsons**—It is on the secure site for Job Network to be able to access.

**Senator WONG**—But you can provide us with a copy of that?

**Mr Parsons**—I will take that on notice, if I can.

**Senator WONG**—Because you do not have a copy here?

**Mr Parsons**—I certainly do not have a copy with me, no.

**Senator WONG**—Is there going to be difficulty in providing that one too, Dr Boxall?

**Dr Boxall**—As Mr Parsons said, the department will take that on notice.

**Senator WONG**—Why is the department taking this one on notice? If it is simply that he does not have it here and he needs time to get it, I am not going to cause an issue.

**Senator Abetz**—Mr Chairman, we have been getting on a number of occasions today requests for a justification for taking questions on notice. I am not sure that Odgers or the standing orders require any detailed explanation to be provided for questions being taken on notice.

**Senator WONG**—I ask the question anyway: on what basis is this being taken on notice?

**Senator Abetz**—I know you have. But I do not think it is very fruitful or helpful. The question is being taken on notice.

**Senator WONG**—Is it a state secret?

**CHAIR**—Order! Minister, I think it might be reasonable. If the information is not at hand and is sought to be provided—

**Senator WONG**—Then I do not have an issue.

**CHAIR**—then it might be reasonable for the departmental officers to elaborate on why they want to take that on notice. But that would suffice at the end of the day. We are going over old ground again.

**Senator CHRIS EVANS**—But what the senators are saying is that it is not sufficient for officers to say, ‘We’ll take it on notice because we can’t be bothered looking it up or because we would rather not have it today.’

**CHAIR**—No-one is saying that.

**Senator WONG**—We do not know what they are saying.

**CHAIR**—Just ask the questions.

**Senator WONG**—I am asking the question: on what basis is that being taken on notice?

**Dr Boxall**—That is not the case, Senator Evans. We are taking it on notice because (a) we do not have it and (b) we want to have a look at it because it goes to contractual issues between the department and the Job Network.

**Senator WONG**—These are the documents which set out the legal obligations on persons and organisations to which you as secretary have delegate significant legal authority.

**Dr Boxall**—That is correct.

**Senator WONG**—Surely the Senate should be entitled to look at what instructions you are giving people? These people can determine what obligations—

**Senator Abetz**—This is not a refusal.

**Senator WONG**—are imposed on job seekers.

**CHAIR**—You may get an answer to your question. It is being taken on notice.

**Senator CHRIS EVANS**—I do not want to go over old ground, but I think it is important that we recognise that the senators are not going to accept that things are being taken on notice for no reason.

**CHAIR**—A reason has been given.

**Senator CHRIS EVANS**—The purpose of the estimates hearings is to elicit information from the department. I would be very surprised if DEWR is not like all other departments. I am sure it puts a great deal of preparation into estimates and that officers are involved in preparing at great length and over long hours to be able to be helpful to the Senate estimates process. It is just a bit surprising today that things seem to have to be taken on notice when there does not seem to be a reason for that.

**CHAIR**—You have been given a reason. The reason seems to me to be very reasonable. The question is to be taken on notice and will fall into the large body of questions to be answered in due course according to the convention.

**Senator CHRIS EVANS**—I am a bit fearful that we are going to be doing Senate estimates by email if we are not careful, Mr Chairman.

**CHAIR**—That is the way we do it. The complex nature—

**Senator CHRIS EVANS**—The default position is that we take it on notice?

**CHAIR**—of questions is such that there is a large body of material in the ether being prepared by the department at any given moment to be returned to the committee for analysis by the person who asked the question. That is what happens.

**Senator CHRIS EVANS**—I accept that. I guess the point I am making is that we do not want taking questions on notice to be a default position. We want to actually examine evidence at the Senate estimates process.

**CHAIR**—I have asked the departmental officer to substantiate his reason for wanting to take that on notice and I am satisfied with his answer.

**Senator CHRIS EVANS**—With respect, it is up to the questioner. But nevertheless—and this was Senator Wong's question—I gather, Dr Boxall, that your evidence is that you want to examine whether or not it is appropriate that you provide that information to us?

**Dr Boxall**—The answer is two fold, Senator Evans. The first reason is that we do not have it to give to you right this minute. The other is that we want to examine the document because the document is not publicly available. It is on a secure site and it is related, I am advised, to the contract between the department and the Job Network members. That does not mean to say we will not be recommending that it be released. It just says that we would like to take it on notice.

**Senator CHRIS EVANS**—Dr Boxall, I am happy with that explanation. I am happy to receive that when there is a proper reason for it; I am quite relaxed about that.

**Dr Boxall**—Thank you.

**Senator WONG**—On the last occasion I asked some questions about the mature age employment policy that was being dealt with by the Prime Minister's community and business partnerships there was a report that we discussed. I understand that is a matter that occurs in FaCS. But I asked whether DEWR had been asked to provide any advice in relation to the report. I think I was asking you, Mr Carters. You may recall the discussion.

**Mr Carters**—Yes.

**Senator WONG**—Have you been asked to provide any advice to date on that report?

**Mr Carters**—No, we have not.

**Senator WONG**—What about the mature age help line in New South Wales? When does the funding for that conclude?

**Mr Carters**—I would have to take that on notice. I do not have that information. We can get it to you quickly.

**Senator WONG**—Surely it is in the budget? Is there funding in the 2005-06 budget for the mature age help line? This was an announcement by your minister. We discussed it on the last occasion. Minister Andrews announced this with some fanfare earlier this year, on 4 February 2005. Is there funding beyond 2005-06? Is there funding for 2005-06? Does no-one in the department know that?

**Mr Carters**—There is funding for the help line, but I do not know how much it is and when it runs out, which is what your question is asking.

**Senator WONG**—How long will it take us to get that?

**Mr Carters**—Not long. We will make a phone call.

**Senator WONG**—Do we have any of the things that we discussed before lunch that we were going to discuss after lunch?

**Mr Correll**—Yes. At the start of the post-lunch session we tabled with the secretariat all of the information on the pre-budget consultation sessions, including the venues, participation by ministers, organisations consulted and attendees in relation to the appearance form.

**Senator WONG**—You have not tabled it, in effect.

**Senator CHRIS EVANS**—Chair, I think Mr Correll has handed it up to the secretary, but we have not actually formally done that. Perhaps we ought to do that now. Mr Correll wants to table a document entitled 'Workforce participation forums for people with disabilities'.

**CHAIR**—If there are no objections, the document is tabled.

**Ms Golightly**—We also have two other answers to questions from this morning. Ms Wilson will give you those.

**Ms Wilson**—Senator Wong, you wanted to have some data on the number of DSP recipients suspended within that two-year provision for returning to work. The latest available data I have is in respect to the 2003-04 financial year. A total of 11,745 DSP recipients were suspended for returning to work.

**Senator WONG**—Do you have re-entry information?

**Ms Wilson**—No, I am sorry—re-entry information is not available.

**Senator WONG**—Do you have any data prior to that? I am just trying to work out the trend.

**Ms Wilson**—I do not have that with me. I would have to take that on notice. But I am sure we can provide that.

**Mr Correll**—While we are doing things from before lunch, Ms Curran would just like to add something to her response to an earlier question.

**Ms Curran**—Senator Wong, you asked about the consultancies for the AWT evaluation. I would like to correct the record in two respects. There is an AIFS study as well, which started in March 2004. The approximate value of the contract is \$97,000. You also asked about the contractual arrangements for Wallis Consulting. I am advised that that was a contract variation for the GCS—the general customer survey—that FaCS conducts. So it was not an open tender. There were two small Indigenous consultancies let, one to Edith Cowan University and one to James Cook University. They were both in respect of remote area services.

**Senator WONG**—What was the cost of those?

**Ms Curran**—The Edith Cowan consultancy was 39½ thousand dollars and the James Cook consultancy was \$62,000.

**Senator WONG**—Thank you.

#### **Proceedings suspended from 3.29 pm to 3.50 pm**

**CHAIR**—Before going to further questions, I draw to the attention of witnesses and committee members correspondence received from the Clerk of the Senate. The committee has resolved to receive that and I do not propose to say anything more than it be noted.

**Dr Boxall**—We have three, maybe four, answers to other questions which have been asked during the day.

**CHAIR**—I am obliged to you. We will go to those answers. I am sure senators would be interested to know what they are.

**Ms Wilson**—Senator Wong, you asked what the terms of the extension provisions were, and I am able to read you an extract from the guide:

DSP payment **MUST** be suspended immediately, if the customer notifies Centrelink that they have started full-time work, on a long term basis, within the required notification period—

which is 14 days—

and they do not have a working credit balance.

If they have a working credit balance, the suspension takes effect from when their working credit balance reduces to zero.

In this event, DSP can remain suspended for up to 2 years.

It goes on:

The intention of SS—

that is, Social Security—

(Administration) Act, section 96—

which is the legislative provision that pertains to this—

is to allow customers the advantage of having DSP suspended for 2 years rather than being cancelled, where customers lose qualification because they obtain paid work of at least 30 hours per week at award wages or above, or earn sufficient income to make DSP not payable.

So if they had a higher hourly rate but, under the income test, DSP was not payable then, again, the suspension provisions would apply.

Section 96 is intended to cover customers who are likely to go off DSP on a long term basis because of employment. Section 96 is not intended to cover situations where customers work 30 hours a week, or earn higher income, on a one-off basis or only occasionally, but cannot sustain this work over a longer period because of their disability. In this situation, DSP should be continued and the earnings assessed under the income test.

Then there is a note:

The customer undertaking substantial work may be an indication that they can work for at least 30 hours a week in open employment—

at full award wages—

and may prompt the Centrelink delegate to arrange a medical review.

... ..

For the first 12 months after returning to work, the customer retains qualification for a PCC—

that is, a pensioner concession card—

This applies even if the customer fails to notify Centrelink of the commencement of that work within 14 days—

in which case their payment is cancelled rather than suspended and they do not have that two-year re-entry provision available.

**Senator WONG**—Do they get a concession card for 12 months in those circumstances?

**Ms Wilson**—Yes, they retain their concession card for 12 months.

**Senator WONG**—Under the revised arrangements, is that decision to suspend to be made by the Job Network provider or by Centrelink?

**Ms Wilson**—My understanding is that the suspension provisions, like all provisions relating to income support eligibility, will continue to be made by Centrelink.

**Senator WONG**—But that is still a delegated decision?

**Ms Wilson**—It is.

**Senator WONG**—Currently, in whose remit is the delegation?

**Ms Wilson**—The Secretary of the Department of Employment and Workplace Relations delegates that decision-making power to Centrelink.

**Senator WONG**—So is there a proposition, Dr Boxall, for you to delegate that to the Job Network, as opposed to Centrelink?

**Dr Boxall**—Not that I am aware of.

**Senator WONG**—Do you have further answers before we go to further questions?

**Dr Boxall**—Yes, we do.

**Ms Graham**—You asked a question earlier in the day on the difference between the Welfare to Work numbers for the measures in Budget Paper No. 2 and the portfolio budget statements. I responded that the difference related to the reporting of depreciation—that is, that the PBS includes depreciation and Budget Paper No. 2 does not. In preparing the response for the breakdown of depreciation, which I will come to in a moment, we have become aware that the departmental component of the measure relating to employment preparation has been omitted from Budget Paper No. 2, and that amounts to \$2.2 million over four years.

In response to your question, the total package for Welfare to Work in Budget Paper No. 2 is \$2,451.3 million, and in the PBS the total package is \$2,470.3 million, which gives a total difference between the two documents of \$19 million. I can confirm that \$16.8 million of that relates to depreciation and the remaining \$2.2 million relates to departmental expenses that I just discussed that had been omitted.

In terms of the depreciation, I can tell you that it relates to \$4,000 in compliance; \$9,000 in the employers measure; \$6,000 in relation to the communication package; \$12,000 in relation to employment preparation; \$41,000 in relation to evaluation and monitoring; \$11.1 million in regard to depreciation for IT, being the largest component; \$3.1 million in relation to the parents package; \$2.3 million for disability; \$13,000 in relation to the mature age measure; and \$43,000 for the very long-term unemployed. That gives you the total of \$16.8 million in depreciation for the difference.

**Senator WONG**—And the difference—excluding the \$2.2 million that was omitted from Budget Paper No. 2—is expenditure on what sort of equipment?

**Ms Graham**—The depreciation?

**Senator WONG**—Yes. What expenditure does the depreciation relate to?

**Ms Graham**—It is in relation to the items that I mentioned this morning—the purchase of PCs and equipment for the staff. The IT component of course is the larger component, and that relates to depreciation on IT software and infrastructure.

**Senator WONG**—Is that additional to the measure at page 141 of Budget Paper No. 2 which is the \$174 million over four years, including \$159.2 million capital funding? Is the depreciation relating to that measure?

**Ms Graham**—Yes. As I said, of the IT measure that is in Budget Paper No. 2, \$11.1 million of the total depreciation relates to that particular measure.

**Senator WONG**—Explain again the bit that was left out of Budget Paper No. 2. Where should it have been?

**Ms Graham**—The employment preparation measure?

**Senator WONG**—Yes.



**Ms Graham**—The departmental components that are in the PBS on page 22, which are \$146,000, \$930,000, \$606,000 and \$542,000, add up to \$2.2 million. They have been omitted from Budget Paper No. 2.

**Senator WONG**—Why is that?

**Ms Graham**—We don't prepare Budget Paper No. 2. That is a question for the Department of Finance and Administration, and Treasury.

**Senator WONG**—Did you provide that to them?

**Ms Graham**—Pardon?

**Senator WONG**—Did they know about the \$2.2 million?

**Ms Graham**—I am not aware of whether or not they know.

**Senator WONG**—When was the \$2.2 million determined?

**Ms Graham**—We have just done a reconciliation between the portfolio budget statements.

**Senator WONG**—I appreciate that. But the inclusion of the \$2.2 million—when was that decision taken?

**Dr Boxall**—It would have been taken in time for us to have put it in the portfolio budget statement. And it was part of the whole package.

**Senator WONG**—\$2.2 million was left out of the budget measures paper?

**Dr Boxall**—That is correct.

**Ms Wilson**—That is correct.

**Senator WONG**—And you can't explain to me how that has occurred?

**Ms Graham**—We don't have responsibility for preparing that document.

**Senator WONG**—Presumably you provided them with these costings though, in order for Budget Paper No. 2 to be prepared.

**Ms Graham**—We provide the costings through a central budget management system.

**Senator WONG**—And the \$2.2 million was provided?

**Ms Graham**—It was included in that system, yes.

**Senator WONG**—Which is correct—the PBS?

**Ms Graham**—The portfolio budget statement is correct.

**Senator WONG**—Are you still going to provide me with a document or are you relying on the evidence you have just given?

**Ms Graham**—I was relying on just reading it out—it is just a handwritten note.

**Senator WONG**—It is quite possible I just did not get it all down, but I am not clear: is the \$2.2 million the only discrepancy that does not relate to depreciation on capital expenditure?

**Ms Graham**—Yes.

**Senator WONG**—Are you able to give me any more detail about what the capital expenditure is on?

**Ms Graham**—I can tell you that the capital measures in the PBS and Budget Paper No.2 give a total of \$75.1 million in additional appropriation. This relates to \$60.1 million for DEWR and \$15 million for Centrelink and an estimated \$450,000 in relation to internally funded capital.

**Senator WONG**—Is that \$450,000 the amount that is out of reserves?

**Ms Graham**—That is right.

**Senator WONG**—So when I asked you earlier what the amount out of your accumulated reserves was, that was the amount of capital expenditure?

**Ms Graham**—That is correct.

**Senator WONG**—How does the \$60.1 million compare with the \$21.1? That is the total of the measure at page 141 of Budget Paper No.2, is it?

**Ms Graham**—Yes, over four years.

**Senator WONG**—And the \$0.5 million there is your \$450,000 is it?

**Ms Graham**—Yes, that is right. That is not included in the measures tables, because it is internally funded.

**Senator WONG**—So what are the two components of the IT measure? You have got the capital expenditure, and you are telling me that that bottom line on page 141 calculates the \$60.1 million?

**Ms Graham**—There are a number of small components for capital. I direct you to page 27 of the portfolio budget statements. The \$60.1 million for DEWR is in that table. The largest component, of course, is the improved IT to support participation measure. The totals in that table total the \$60.1 million for DEWR. The \$15 million for Centrelink is not in the portfolio budget statements.

**Senator WONG**—I understand that. Can we compare this with page 141? I accept that \$40.1 million is pretty similar—

**Ms Graham**—They are just the rounded numbers.

**Senator WONG**—So \$0.5 million is the number rounded up?

**Ms Graham**—Yes.

**Senator WONG**—That is capital expenditure. What is the measure above that, which is the departmental appropriation? It is page 141 of Budget Paper No.2. The capital expenditure is the second italicised line item: what is the funding above that?

**Ms Graham**—The \$32.8 million is the departmental expenses—they are departmental in this particular measure, but it is the total expenses associated with that measure.

**Senator WONG**—What is it for? You have the capital expenditure of \$40.1 million: what is the \$32.8 million for?

**Ms Graham**—It is the expenses associated with delivering the additional IT.

**Senator WONG**—What does that mean?

**Ms Graham**—There will be support costs and a whole range of cost components of IT delivery that cannot be capitalised, and those sorts of things.

**Dr Boxall**—It is that part of the expense that cannot be capitalised under the rules. There is certain software development and things like that where the accounting treatment is that you can capitalise it, so that is the \$40.1 million and then the \$32.8 million in 2005-06 is current expenditure—expenditure on development of the IT staff costs, rent and overheads and things like that which cannot be capitalised.

**Senator WONG**—Are there consultancy fees proposed as part of the departmental expenditure for that measure?

**Dr Boxall**—There might be some consultancy fees and most likely there will be some use of consultants, but there will also be contractors and we will engage additional staff.

**Senator WONG**—How many additional staff?

**Ms Golightly**—Approximately 200.

**Senator WONG**—Just for the IT?

**Ms Golightly**—That is correct. I should also mention that the accounting treatment is not related to whether it is for staffing or contractors; it is related to the stage of the development process at which those people are working. There is an accounting standard which goes through which bits can be capitalised and which cannot be.

**Senator WONG**—Yes, I understand that. There was a lot of discussion in another committee about the accounting standards. What I am trying to clarify is precisely what the line item—32.8 et cetera—relates to. You are telling me 200 staff.

**Ms Golightly**—No. That is why I added what I just did. The 200 staff would be spread across both lines, because it depends on what they are working on as to whether that expense can be capitalised or not.

**Senator WONG**—So have you costed in some consultants' contracts?

**Ms Golightly**—Yes, we use contractors. We currently do and I would presume that will extend into the future as well.

**Senator WONG**—Are you able to tell us what is costed in, in terms of contractor use there?

**Ms Golightly**—No, we cannot not. For costing purposes we do not have to break that down. It is a matter of how many people and how many work hours or person hours you need to develop—

**Senator WONG**—Yes, but do you have an estimate that is based on?

**Ms Golightly**—The 200 staff or contracting equivalents?

**Senator WONG**—The 200 staff includes contractors, but there should be contract costs on top of that, presumably?

**Ms Golightly**—No. That salary money can be used for either permanent staff or contract staff.

**Senator WONG**—Is there intended to be a tender process associated with this?

**Ms Golightly**—With the Welfare to Work—

**Senator WONG**—With the development of a new integrated and streamlined service delivery model.

**Ms Golightly**—There are certainly tenders for the various programs affected. It really depends on which contract we are looking at. For example, some programs have contracts that run out between now and 1 July 2006. Again, some of those contracts have extension clauses in them which we can take advantage of, so for me to be able to answer that question it really depends on which program we are talking about.

**Senator WONG**—Do you have other answers, Mr Boxall?

**Dr Boxall**—Yes.

**Ms Golightly**—This morning you asked about the locations, I think, of the post-budget information sessions?

**Senator WONG**—Yes.

**Ms Golightly**—I think an early version of that schedule was tabled, but I have the final version here, which I would like to table.

**Senator WONG**—Was an early version tabled? I have only the pre-budget—

**Ms Golightly**—In that case I will table this one. You also had a question about the Coffs Harbour venue. I am advised that the hotel we used is a regular venue which has good facilities, including wheelchair access. Some of those attending the budget consultation also stayed on for the disability and JPET consultations in the afternoon. We also note that it was a regional consultation and, therefore, many people travelled from various parts of the region to attend that venue.

**Senator WONG**—Was there public transport?

**Ms Golightly**—I am not sure if there was public transport in the vicinity, but the point is that people could be coming from all over northern New South Wales.

**Senator WONG**—The reason I am asking is that we have had some contact from people who wanted to attend but had difficulty doing so because there was a lack of public transport to that event.

**Ms Golightly**—I will note that for future reference.

**Mr Carters**—I can answer your question about the mature age hotline. The finish date for that is the end of this financial year, 30 June 2005, and the funding for that is \$46,675.

**Senator WONG**—There is nothing in the budget to continue this beyond the end of next month?

**Mr Carters**—The end of this financial year, that is correct.

**Senator WONG**—Have you done an evaluation of the effectiveness of the hotline?

**Mr Carters**—No, because it is still running, but the intention is that that would become self-supporting. We certainly will evaluate it when it is nearer completion.

**Senator WONG**—You obviously have not bid for it to continue—maybe you did and it was not successful but there is no continuation of funding for the hotline beyond the end of next month. Is that right?

**Mr Correll**—This was an initiative under the Employment Innovation Fund. By definition, projects under that fund are short-term in character. They are seed projects. If the worth is shown and they are delivering a tangible benefit we then would expect potential sponsors to come and take it up. There was never an intention with this project for the continuation of funding.

**Senator WONG**—I am not sure that that is what the minister's press release said about it. It says:

The Howard Government is funding a new telephone helpline

... ..

The phonenumber ... will be an advisory, referral and support service

... ..

Minister Kevin Andrews launched the Mature Employment Line in Sydney today. It will be run by COTA

... ..

“With Australia's rapidly ageing population it is important we do all we can to promote mature age employment ...

“This helpline is a great initiative ...

I cannot see anything saying, ‘We are only going to fund it for four months,’ at that stage.

**Mr Correll**—That would have been very much the nature of the project proposal and the nature of what was approved very clearly with the project proponent.

**Senator WONG**—Has the Council on the Ageing requested further funding?

**Mr Correll**—Not that I am aware of.

**Mr Carters**—I do not know.

**Senator WONG**—Who is responsible for this? Is it your section, Mr Correll?

**Mr Correll**—The Employment Innovation Fund operates out of outcome 1, but specific projects relate to the relevant area. In this case it relates to our mature age work force strategy—Mr Carters' area.

**Senator WONG**—You do not think that this is a worthwhile initiative?

**Mr Carters**—As Mr Correll said, it is funded under the Employment Innovation Fund, which, by definition, is short-duration funding. The intention was that it would become self-funded beyond 30 June—funding through employers et cetera, if they thought it was worth while. Part of the process through them is to demonstrate its worth and then attempt to find an alternative source of funding.

**Mr Manthorpe**—The Employment Innovation Fund lives in my group. We have not had a request for further funding from COTA for the hotline initiative. As Mr Carters and Mr

Correll have indicated, the objective of the project is that sponsorship be gained to run it without that ongoing seed funding after this financial year.

**Senator WONG**—Has the department made any efforts to secure sponsorship or is that an issue for COTA?

**Mr Manthorpe**—COTA, not the department, was the proponent, so that is an issue for COTA.

**Senator WONG**—I wanted to go back to the participation forums but are there more answers, Dr Boxall?

**Dr Boxall**—No, there are not.

**Senator WONG**—I go back to those forums. Did you say you tabled the post-budget forums?

**Mr Correll**—Yes, they were the most recent. You should now have both pre and post.

**Senator WONG**—No, I do not. Perhaps they are being photocopied. Let us deal with the pre-budget forums. Do I understand from this that you held eight in relation to people with a disability?

**Mr Correll**—Correct.

**Senator WONG**—And all up 180 attended the various sessions listed there, is that right?

**Mr Correll**—Some 180 were invited and approximately 130 people attended, representing the organisations listed on the attachment.

**Senator WONG**—So only representatives of those organisations were invited?

**Mr Correll**—Yes. As you will note, a couple of dot points higher it says:

The Australian Federation of Disability Organisations ... was asked to provide the names of people interested in attending the forums. ACE, ACROD and the state disability advisory bodies were invited to send representatives. All the invitees were notified by phone and by email by the department with details of the date, time and location of the forums ... They were also provided with copies of the presentation being used in the forums.

As part of the invitation, invitees were asked to advise the department of any special needs.

**Senator WONG**—I can read it, Mr Correll. I am really happy for you to read the entire document if you want, but what I am asking is whether only persons representing the organisations as listed on the second page were invited.

**Mr Correll**—Yes, on advice from the peak bodies concerned.

**Senator WONG**—Why was only one work force participation forum pre budget held in relation to parents?

**Mr Correll**—There was a much broader range of constituent bodies and groups involved in the disability sector.

**Senator WONG**—There are parents all over the country who are potentially affected by this.

**Mr Correll**—But there is not the breadth of representative bodies that exist in the disability sector.

**Senator WONG**—So the only consultation pre budget in relation to a change which will require all new entrants when their child turns six to go on to a different form of obligations and payment was held in Melbourne?

**Mr Correll**—That is correct.

**Senator WONG**—Nothing in Adelaide?

**Mr Correll**—No, but there were representatives from across the country invited to the Melbourne session, including representatives who were located in South Australia.

**Senator WONG**—I presume you paid for the National Council of Single Mothers and their Children to come over

**Mr Correll**—I think that those who were invited to attend had their costs covered, but I want to check that.

**Senator WONG**—So there was nothing anywhere else? There was nothing in Sydney, Darwin, Brisbane, Perth or Hobart? It was just in Melbourne?

**Mr Correll**—This was a national consultation conducted in Melbourne.

**Senator WONG**—What has been the number of annual inflows into the DSP over the last couple of years?

**Ms Wilson**—I believe there are about 70,000 grants a year of disability support pension. I will see whether I have the exact figure with me. The latest figures I have are for the 2003-04 financial year. There were 117,000 claims. The rejection rate was 36.6 per cent. So the grant rate was 63.4 per cent.

**Senator WONG**—So what does that end up in raw numbers—70,000 or thereabouts? No, it would be more than that.

**Ms Wilson**—I will do the maths for you. It is just over 70,000.

**Senator WONG**—Has the department had an analysis of the approximate number of those 70,000 who would fall into the 15 to 29 work capacity cohort?

**Mr Correll**—The answer to that is clearly yes, as part of the modelling work we undertook in relation to looking at the Welfare to Work policy.

**Senator WONG**—So about how many do fall into that category of 70,000?

**Mr Correll**—I want to confirm this as part of examining our answer to the question that we have taken on notice in terms of a detailed examination of the modelling components, but I have an estimate here of the proportion of people on the disability support pension with a part-time capacity, and it is around 140,000—that would be out of the approximately 700,000 people on a disability support pension. However, I emphasise that I want to confirm that figure in looking at the detailed modelling.

**Senator WONG**—I understand that.

**Senator CHRIS EVANS**—But that is the existing stock, as it were.

**Mr Correll**—Yes.

**Senator WONG**—Is that proportion your assessment of the inflows? Is a similar proportion retained? Do you understand? Of the 70,000 per year that Ms Wilson talks about—what is 140,000 of 700,000? 30 per cent?

**Mr Correll**—I am not sure that you can extrapolate that completely.

**Senator WONG**—That is what I am asking.

**Mr Correll**—This is an issue based on the existing stock of people on the payment. You cannot necessarily extrapolate the same thing. This is one of the reasons why your earlier questions are not trivial questions and it takes some analysis to pull the information out—and it is another reason why I would like to check against our modelling that that figure is actually what has been picked up. However, that would be a reasonable estimate based on the stock of people who have a part-time work capacity.

**Senator WONG**—What is the inflow into the disability support pension then?

**Ms Wilson**—The annual inflow is about 70,000.

**Senator WONG**—After you remove the 15- to 29-hour work capacity cohort, what would the inflow be?

**Ms Wilson**—One cannot extrapolate what the new provisions would be from the existing data that we have about new claimants who go onto DSP. I am not able to give you that answer, because the assessments that we currently do are against the current legislative provisions.

**Senator WONG**—I understand that. I am going back to Mr Correll's comment that your current stock is about 140,000.

**Mr Correll**—Yes, which is about one-fifth.

**Senator WONG**—So we are talking about 20 per cent of the 70,000 who are not likely to access the DSP and go on to a different form.

**Mr Correll**—Not necessarily. That is the danger of jumping to that conclusion.

**Senator CHRIS EVANS**—Let us examine what we are talking about then. Would it be making it harder? Do you think more or less people will be able to work under the new assessment procedures?

**Mr Correll**—My concern in taking that conclusion is that you are then assuming that the inflow is the same homogenous population as the stock, and I do not think that you can make that assumption at all.

**Senator CHRIS EVANS**—I am not making that assumption either, so I think we can agree that that is a proviso written in blood and you will never be held to it in Senate estimates or in the parliament by me or Senator Wong, so you can rest easy. Having said that, what is the expectation about the inflow group in terms of whether they are more or less likely to be seen as being able to participate in part-time work? I am not asking for the numbers. You are making the point that they are not necessarily the same sort of group and you would not want



to draw conclusions. What, in general terms, is the department's view about whether these people are more or less likely to be able to meet some sort of part-time obligation?

**Mr Correll**—That will, in part, be influenced by the new comprehensive work capacity assessment service, which has a strong focus on a holistic view of the individual and their capacity to participate, rather than on the individual's disability. That may have some impact.

**Senator CHRIS EVANS**—Positive or negative? It is a great answer, but it did not actually tell me anything. I think you knew that. But I am going to persist. Are you telling me that you think, therefore, more people would be able to work under this regime than would have been the case with the old client base, or fewer people?

**Mr Correll**—That would be certainly be a wonderful outcome if that were achieved.

**Senator CHRIS EVANS**—Have you ever thought of going into politics, Mr Correll? You would be a bugger at question time!

**Mr Correll**—That would certainly be an expectation, but it is difficult to form a view on that. As we move through the current pilots that are being undertaken on the early intervention and engagement pilot projects we will perhaps gets some feel for that emerging.

**Senator CHRIS EVANS**—But you do not have a feel at the moment?

**Mr Correll**—No, I do not have a view to present. We would like to see some of the hard data before we do that.

**Senator WONG**—Do you have projected inflows for the DSP post 2006?

**Mr Correll**—I think that goes to the questions we have taken on notice. That goes to the whole modelling issue.

**Senator WONG**—Senator Evans might have asked about this, but will those who receive youth allowance as a result of the government's package still be eligible, where appropriate, for the youth disability supplement?

**Mr Carters**—Yes, they will. They will not have a parental means test applied either.

**Senator WONG**—I have a question about the vocational education training places in the budget. My recollection, and I could be wrong, is that there are a number of VET places funded through the AWT package for this cohort.

**Mr Correll**—I am not sure of the answer to the question, but I would flag that the VET places fall within the DEST portfolio, not within the DEWR portfolio.

**Senator WONG**—I will do that with them later in the week.

**Senator CHRIS EVANS**—That is the one you missed out on, is it? You got everything else.

**Senator WONG**—It is very impressive. All the money is here. Has DEWR conducted an audit of Commonwealth Public Service buildings to ascertain the extent of disability access?

**Ms Wilson**—Questions of general disability access remain a responsibility of the Office of Disability Policy, which is within the Department of Family and Community Services.

**Senator WONG**—DEWR is responsible for trying to get people with disability into work. Has DEWR had any discussions with the relevant agency regarding that issue?

**Dr Boxall**—No, not that I am aware of. The Public Service Commissioner looks at issues that go to Australian government employment, recruitment of Indigenous peoples, people with disabilities, and things like that.

**Senator WONG**—I am coming to employment, but I was actually asking about disability access to Public Service buildings.

**Dr Boxall**—The answer is, no, not that I am aware of. Issues of access and employment tend to fall under the bailiwick of the Public Service Commissioner.

**Senator WONG**—Has DEWR, as the department responsible for trying to encourage people with a disability to get into work, had any discussions with the Public Service Commissioner regarding Commonwealth employment of people with a disability?

**Dr Boxall**—Yes.

**Mr Correll**—Yes. Minister Andrews has established an employer roundtable to advise him on an action plan to improve the employment opportunities for people with a disability. The Australian Public Service Commissioner is a member of that employer roundtable.

**Senator WONG**—Are you on that, Mr Correll?

**Mr Correll**—Yes, I am.

**Senator WONG**—So has the issue of employment by the public sector of people with a disability been discussed? What strategies have been put in place to encourage that?

**Mr Correll**—To date there has been one meeting of the roundtable. It is scheduling a full-day workshop in June. I have no doubt that that will be on the agenda in that workshop, as will the employment of people with a disability in a range of different industries.

**Senator WONG**—Are you aware that the Commonwealth employment of people with a disability has reduced over the period of this government?

**Mr Correll**—I do not have the precise figures, but anecdotally I am aware of that.

**Senator WONG**—Are there any strategies in place to improve that?

**Mr Correll**—That is part of the focus of the employer roundtable. That is why the Public Service Commissioner is a member.

**Senator WONG**—But this is an issue that could simply be a determination within government. It does not require the roundtable, surely?

**Mr Correll**—It is a matter of looking at what sensible strategies are going to work best.

**Senator WONG**—So you are comfortable with the reduction over the period of the Howard government of 5.6 per cent to 3.8 per cent in the employment of people with a disability.

**Dr Boxall**—We cannot give a view on what might or might not have happened over the period of the Howard government. The Public Service Commissioner, we understand, is looking at this issue and this will be raised at the employment roundtable in June.

**Senator WONG**—Are you comfortable, Minister, that the number of people with a disability employed by your government has reduced so markedly over the period of time you have been in government?

**Senator Abetz**—It depends on what the reason is. I am not going to speculate on that. It is flattering to know that you are concerned about my comfort levels, but I am not sure that that is relevant to these estimates.

**Senator WONG**—You have just announced a Welfare to Work package which supposedly is designed to try to get people with disability, amongst others, from welfare into work at a time when your government is reducing the number of people with a disability employed by it.

**Senator Abetz**—You have two issues mixed up there, I think. The Public Service Commissioner is looking at one issue and the minister has a roundtable on the other issue.

**Senator WONG**—You do not think the Commonwealth should be leading by example, Minister?

**Senator Abetz**—I can do a lot of thinking. I am not sure—

**Senator WONG**—Actively seeking to employ people with a disability.

**Senator Abetz**—That might be one of the reasons why we are having a roundtable and why the Public Service Commissioner is making inquiries.

**Senator WONG**—What other aspects of government employment policy are discussed at an employers' roundtable as opposed to being an issue for government? You do not determine your AWA policy through discussion with an employer roundtable; you just determine it. Why is the employment of people with a disability different?

**Senator Abetz**—I am not sure that is right.

**Senator WONG**—Dr Boxall and I have had long discussions about the fact that he determines his department's AWA policy.

**Senator Abetz**—His department's?

**Senator WONG**—Yes. We are talking about the Commonwealth Public Service.

**Senator Abetz**—It must be late in the afternoon, but I am not getting the drift of the question.

**Senator WONG**—You cannot answer. The drift of the question is: why is the government dragging its feet on encouraging the employment of people with a disability in the Public Service?

**Senator Abetz**—I would reject that we are dragging our feet.

**Senator WONG**—You have reduced it from 5.6 per cent to 3.8 per cent over the period of your time in government, and your only answer to me now is not that there is a direction of the Public Service Commissioner but that there will be discussions about it at the employer roundtable.

**Senator Abetz**—If that is what I have, yes.

**Senator CHRIS EVANS**—Dr Boxall, there used to be ‘government as a model employer’ guidelines. Have those guidelines been abandoned? Do you receive directions or guidance from central agencies—I know the central agency structure has changed—about such things as people with disabilities and Indigenous Australians? There used to be encouragement for Commonwealth departments to employ, for want of a better term, minority groups or people who might otherwise be underrepresented in the Public Service and there was a bit of a concept of leadership by example. Is that still the case or is it a thing of the past in a formal sense?

**Dr Boxall**—As you know, Senator Evans, the responsibility for employment, financial management and the management of agencies has been devolved to agency heads. It has been devolved within a set of guidelines. The Public Service Commissioner does issue suggestions or directives. You would have to ask the Public Service Commissioner exactly what she issues to agency heads. That is the way it is done: it is devolved responsibility. Many agencies have their own disability employment agenda, mature age agenda and other agendas like that. The question that Senator Abetz was dealing with is that the Public Service Commissioner is part of the roundtable, so she will be able to learn from other employers around the roundtable what might be best practice and maybe whether there is a case for issuing a new guidance.

**Senator CHRIS EVANS**—I appreciate that because, as I say, it has been a while since I dealt with some of these disability issues. Does your department have guidelines or an agenda for dealing with people with disability, the mature age or Indigenous Australians?

**Dr Boxall**—Yes indeed.

**Senator CHRIS EVANS**—Can you give me a brief description of them? How do you deal with that?

**Dr Boxall**—I can do that at cross-portfolio tomorrow when I have my corporate management here. We have a published agenda or strategy for Indigenous peoples, mature age people and, I believe, for people with disabilities. We have definitely got it for mature age and Indigenous. We have done some work on people with disabilities but, whether that has actually been posted or not, I do not know. We will be able to find out tomorrow after lunch.

**Senator CHRIS EVANS**—I am happy to come back to it. It was really designed not to hold your particular department up to examination on its performance on those things but to get a sense of how government implemented those broader objectives. So it is basically left to you as departmental head to drive within the department a set of objectives in a particular area through the policy of the department? Is that a fair description?

**Dr Boxall**—That is a fair description.

**Senator CHRIS EVANS**—So you, in consultation with your senior group, would say that you were attempting to increase or meet a particular benchmark level of Indigenous Australians employed within the department? You did say that you had an Indigenous program.

**Dr Boxall**—We have a program on Indigenous employment, which we are more than happy to talk about when the experts are up here tomorrow. We have a program on mature age employment. I cannot quite remember whether we have a program posted on people with

disabilities, but we definitely have given the matter some consideration. We might well have a draft program. Indeed, we have people with disabilities within the department.

**Senator CHRIS EVANS**—So it does not work like in the old days when the Public Service Board used to say, ‘You ought to try to get five per cent of your employees as Indigenous Australians’? So there is not the sort of central direction that there used to be?

**Dr Boxall**—I do not know what it was like in the old days, because I was not around. I am not aware of the Public Service Commissioner issuing directives such as five per cent.

**Senator CHRIS EVANS**—I think at one stage there were targets sets—so maybe not directives but targets.

**Dr Boxall**—You would appreciate, I am sure, that the Public Service Commission would be able to provide specific answers on this.

**Senator CHRIS EVANS**—At the moment, I am trying to explore how an agency head handles it under the new system. I do not know whether, with your long experience, you might have some recollection of that.

**Dr Boxall**—I have just been handed a briefing on the Indigenous strategy and we have a very comprehensive Indigenous recruitment and career development strategy which has run since 2002. The management board has recently reviewed this and is about to issue—if they have not already—a new one. That is the sort of process that goes on with minority groups, for want of a better descriptor, in all agencies across the government. We posted a strategy on mature age some time within the last 12 months. With people with disabilities, I know we have discussed it but I cannot quite give you the exact stuff.

**Senator CHRIS EVANS**—I am happy to take it up with you tomorrow, or you could take it on notice. I do not want you trying to answer questions that are not fairly put. I am happy to wait until tomorrow for you to answer that. In terms of the Indigenous employment policy, is there a target set? Is there an objective set in terms of a percentage of staffing? How is it expressed?

**Dr Boxall**—We will confirm this tomorrow after lunch, but as far as I am aware there is no specific target of X per cent. Mind you, the department’s employment of Indigenous peoples is probably something like the second highest, by percentage of total employees, in the Commonwealth. We have a number of programs which we would be happy to elaborate on tomorrow, such as the Indigenous Australian contract management program and the Indigenous Australian cadetship program. So we have a number of programs like that, which is one reason why our record is so good in this area.

**Senator CHRIS EVANS**—I am happy to take you through that, along with the mature age and disability groups, tomorrow.

**Dr Boxall**—Certainly.

**Senator CHRIS EVANS**—I am just trying to understand whether that is done now by the setting of a percentage objective or just as a general policy.

**Dr Boxall**—It is a general policy, it is fair to say, pursued by agency heads within their own agencies.

**Senator CHRIS EVANS**—Thanks for that.

**Senator WONG**—I want to go back to the employers roundtable. Is that what it is called? Is that you, Mr Correll?

**Mr Correll**—Yes.

**Senator WONG**—You might recall that in 2001, I think it was, there was, under the Australians Working Together community and business engagement funding, funding for an Australian employers forum.

**Mr Correll**—Yes.

**Senator WONG**—You are aware of that?

**Mr Correll**—Yes.

**Senator WONG**—Is the funding for the roundtable drawn from that funding stream?

**Mr Correll**—The roundtable is somewhat different. The roundtable has been charged with a specific task by the minister, and that is to develop within a fairly rapid time frame an ongoing strategic action plan that will see the taking on of more people with a disability through substantial engagement with a wide range of employers in the private and public sectors and a wide range of industry groups. That may or may not lead to a recommendation for some type of ongoing body like that which emerged in that previous case. Once the action plan is submitted and considered by the minister, there will be a determination of the way forward and that will be linked in to the resourcing that forms part of the employer demand element of the Welfare to Work package.

**Senator WONG**—I am not sure that answers my question. I asked if any of the funding for the employers roundtable was drawn from that previously allocated funding for the AEF.

**Mr Correll**—I would have to check whether it is the precise funding source. I am not sure that it is. I would need to check that.

**Senator WONG**—Perhaps you could do that later in the hearing. What is your knowledge of the Australian employers forum? You were aware of it when I asked about it.

**Mr Correll**—I was aware that previously under the Australians Working Together initiative there had been some funding made available for a type of forum like that. It had previously existed within the FaCS portfolio and it was administered in that area. That funding that was available has been transferred over to this portfolio and the future direction in that area is being considered as part of the employer demand element within the Welfare to Work initiative. It will be very much informed by the employer roundtable advice.

**Senator WONG**—Was any of the work of the forum handed onto DEWR when you took responsibility for these areas?

**Mr Correll**—I would have to check some of the details. I am not aware that a forum as such was actually formed.

**Ms Wilson**—My understanding is that there was a feasibility study into the idea of having a forum and a report was prepared on that, but there was no forum as such established under

that funding stream within the FaCS portfolio prior to the responsibility being transferred to DEWR.

**Senator WONG**—I think that is right. I understand that \$40,000 was expended, but significantly more than that was actually allocated in the previous budgets.

**Ms Wilson**—I believe that was the case, but I do not have the precise details, I am sorry.

**Senator WONG**—So we had an announcement and a feasibility study, but nothing actually happened?

**Ms Wilson**—A feasibility study was completed. That is my understanding. But a forum has not yet been established.

**Senator WONG**—This is four years on. Is that right?

**Ms Wilson**—That is my understanding.

**Senator WONG**—Can we go back to disability open employment services. You are dealing with that now, aren't you—it is not FaCS now?

**Dr Boxall**—Yes. The current program is with Ms Wilson.

**Senator WONG**—Budget Paper No. 2 says that a further 11,600 places will be funded at a cost of \$97.3 million. That is at page 136.

**Ms Wilson**—That is not the current program. That is new places, which my colleague Mr Carters is responsible for.

**Mr Carters**—That is correct.

**Senator WONG**—Where does the 20,000 figure come from?

**Mr Carters**—It is based on a split of the different measures. The 20,700 figure is an accumulation of a couple of measures, one of which is the 11,600 places, which you mentioned from the disability measure.

**Senator WONG**—What about the other 8,000?

**Mr Correll**—The other ones are people with disabilities who also happen to be parents, very long-term unemployed or mature age.

**Senator WONG**—Where is that funded?

**Mr Carters**—Under those separate categories.

**Senator WONG**—Sorry, I am not clear where, under increasing participation of parents, there is disability open employment service funding. There is a 650 figure under mature age. That is at page 139. So that deals with 650 of the 9,000 difference.

**Mr Carters**—That is correct, yes.

**Senator WONG**—So where is the parents bit?

**Mr Carters**—It is just not necessarily mentioned in every category. But there is funding for it.

**Senator WONG**—It is not mentioned in the budget measures paper, so where is it mentioned? This is new funding, you are saying?

**Mr Carters**—Yes, it is new funding.

**Senator WONG**—So where is it?

**Mr Carters**—It is possibly in the FaCS sheets.

**Senator WONG**—So it is not in the PBS either?

**Mr Carters**—I do not think so.

**Senator CHRIS EVANS**—Senator Wong and I made the mistake of going to the budget lock-up. We were told that gives us advanced knowledge of what is in the budget because they present you with these papers. I think we would have been better off going to the departmental briefing and reading the press releases, because a lot of this stuff does not actually seem to be in the budget papers. The head start we allegedly got through going to the lock-up just meant that we were actually excluded from a lot of the detail. You do not think this is actually in the budget either? It is not just us not finding it?

**Mr Carters**—Again, the responsibility for the budget papers is with the department of finance and Treasury.

**Senator WONG**—The PBS is yours.

**Mr Carters**—The PBS does not have the description of the measures, so again it is very difficult to include that level of detail.

**Senator CHRIS EVANS**—I am not trying to be argumentative but again people like us trying to find answers find it is not actually contained in the budget documentation. As far as you are aware, it is not in there?

**Mr Carters**—No.

**Senator WONG**—So we have 11,600 places for people with a disability and 650 places for the mature aged; is that right?

**Mr Carters**—Yes.

**Senator WONG**—So presumably that means we have 8,500 places for parents; is that right?

**Mr Carters**—No, there are also some for the very long-term unemployed.

**Senator WONG**—Can you give me a breakdown of the figures then? It does not appear in the budget papers.

**Mr Carters**—Yes. For parents it is 5,100 places and for the VLTU it is 3,300 places.

**Senator WONG**—So what is the cost of the 5,100 places? Where is that coming out of?

**Mr Carters**—We do not have separate costings that have been produced for those elements.

**Senator WONG**—There are costings on the 11,600 places. They are in Budget Paper No. 2 and cost \$97.3 million. That is on page 136. You have costed the 650 places at \$6.6 million. That is on page 139. I am asking for the others.

**Mr Carters**—The parents is \$38 million and the very long-term unemployed is \$32 million.



**Senator WONG**—And where are those costings reflected in either the PBS or Budget Paper No. 2?

**Mr Carters**—Again, they are part of an aggregated figure which is in the PBS.

**Senator WONG**—Which is the aggregate figure? Can we be clear about this? Is this one of the figures that are included in the top line item on page 137—that is, \$26.5 million, \$90.7 million, \$163 million and \$2.2 million?

**Mr Carters**—Yes, that is where the parents figure is.

**Senator WONG**—So \$38 million is included in that.

**Mr Carters**—Yes.

**Senator WONG**—So if I add up the various things that are included in that measure, there is no double counting—the \$38 million would be included in the aggregate sum?

**Mr Carters**—Yes, that is right. It would be in there.

**Senator WONG**—Can you give me a breakdown over the out years over the forward estimates period of the \$38 million?

**Mr Carters**—No, I only had a total figure.

**Senator WONG**—Can that be provided? I presume it is staged over four years.

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

**Senator WONG**—And the same with the very long-term unemployed figure?

**Mr Carters**—Yes, we will take that on notice.

**Senator WONG**—You are not able to explain why it is that the budget papers do not include this very central aspect of the government's scheme, which is the number of support places for people with a disability?

**Dr Boxall**—We have nothing to add to the discussion this morning on that. The decision was made to prepare the PBS as it has been prepared and to prepare the Budget Paper No. 2 as budget measures which are aggregate measures on a net basis.

**Senator WONG**—But they got it wrong.

**Dr Boxall**—Pardon?

**Senator WONG**—They did not put it in. Is this because everything was so late that things just got missed?

**Dr Boxall**—You would need to ask—

**Senator WONG**—It seems odd that you have 20,000 places and yet you articulate and cost only about 12,000 of those in the budget papers. About 9,000 of them miss being articulated or identified at all.

**Dr Boxall**—They did not put them in there. That is what happened.

**Senator WONG**—You do not know why that might be?

**Dr Boxall**—No, I do not. What is more, the department was not responsible for it.

**Senator CHRIS EVANS**—But it is a reasonable question for us to try and follow through on, isn't it?

**Dr Boxall**—Indeed. But it is something that we cannot help you with.

**Senator CHRIS EVANS**—No, but we keep trying.

**Dr Boxall**—My corporate team was obviously watching the Senate estimates broadcast, so they have been able to provide some information further to the answer to your question, Senator Evans—if you would like it.

**Senator CHRIS EVANS**—Sure—if it suits you to do it now.

**Dr Boxall**—Our new Indigenous plan, which has been approved by the management board, will be launched in NAIDOC Week. That is in early July. For people with a disability, we are, as I have mentioned, actively working at developing a strategy which will pull together existing strategies. It will make it a more focused effort. These existing strategies have fed into our workplace diversity plan, which is well established in the department and which is a strategy covering broad diversity, including people with disabilities. But we would be happy to answer more detailed questions tomorrow when the experts are here.

**Senator CHRIS EVANS**—Okay. While we are on it, do you know whether there are any targets involved in those strategies?

**Dr Boxall**—I have not noticed any. But again we will confirm that tomorrow.

**Senator CHRIS EVANS**—Thank you.

**Mr Correll**—Also in response to an earlier question: the employer roundtable is being funded through the funding that transferred across from the Department of Family and Community Services, together with several other projects targeted at improving employment outcomes for people with disabilities.

**Senator WONG**—So how much of the funding from what used to be the FaCS funding for the employers funding has now been allocated to DEWR?

**Mr Correll**—The total figure of what came across is \$200,000. Of that figure, it was approximately \$15,000, which is the cost associated with the reimbursement of travel costs for roundtable members. There are several other projects, one relating to the Mental Health Council, one relating to the National Retail Association, one relating to a Subway project for placement of people with disabilities and one relating to the Gippsland Area Consultative Committee.

**Senator WONG**—Gippsland? Is this Taskmaster?

**Mr Correll**—No. The Gippsland project is specifically focusing on more mature age persons with disabilities. Of the other projects, both the National Retail Association and the Subway projects are specific initiatives to take on job seekers into the retail industry.

**Senator WONG**—When you say 'subway' is that Subway?

**Mr Correll**—It is indeed.

**Senator WONG**—Okay. How much money are you giving them?

**Mr Correll**—Subway are being funded just under \$19,000 to train and place 15 to 20 jobseekers with a disability into work at a Subway outlet on the North Coast of New South Wales. Subway have shown themselves to be quite an active player in the area of employment of people with disabilities and one of their franchise operators is in fact a member of the employer roundtable.

**Senator WONG**—So what is the \$19,000 for 15 to 20 jobseekers associated with?

**Mr Correll**—It is support for the costs of training the job seekers with a disability who would be coming into work. No doubt the Subway outlet would be linking in closely with the local employment service providers.

**Senator WONG**—Is that money being delivered through a Job Network provider or directly to the Subway franchise?

**Mr Correll**—Direct.

**Senator WONG**—Is a wage or training subsidy included in that cost?

**Mr Correll**—No.

**Senator WONG**—So when you say \$19,000 for training costs, what does it involve?

**Mr Correll**—It is specific costs associated with the development and delivery of a training program for that group.

**Senator WONG**—So \$19,000 for between 15 and 20?

**Mr Correll**—Yes.

**Senator WONG**—Presumably that did not go to tender or anything; it was just an expression of interest from Subway or a willingness to participate. Let us start from the beginning: how much money is costs associated with the forum and how much money is there for projects such as the one you have just outlined?

**Mr Correll**—There is the \$200,000 that transferred across from FaCS but, within the Welfare to Work budget initiative, there is a substantial component in there relating to the employer demand issues. The total employer demand component of that package is \$50 million over four years. One element within that package is specific initiatives to increase employment opportunities for people with disabilities, including increasing workplace flexibilities. In relation to the employer roundtable, we do not know yet whether the employer roundtable has a long life or a short life: it will depend on the recommended actions that come out of its work. The roundtable has been asked by the minister to report on those directions within a fairly rapid time frame. Based on that, there will then be calls made by the minister as to the future role of some ongoing roundtable or forum as well as a range of other measures that one would expect to come out of their deliberations.

**Senator WONG**—Basically, I want to get a breakdown of the \$50 million over the four years. I am trying to get some sense of how that is going to be spent. So currently you have got around \$200,000 indicated for the employer roundtable, dependent on how long it lasts and so forth?

**Mr Correll**—Yes. My colleague can probably help with the employer demand component and spell that out in more detail.

**Ms Taylor**—In relation to the \$50 million, \$30 million of that relates to the workplace modification and wage subsidy component.

**Senator WONG**—Is there a breakdown between those two?

**Ms Taylor**—I can probably get that for you.

**Senator WONG**—That is the wage subsidy of \$1,500, is it?

**Ms Taylor**—Yes.

**Senator WONG**—With \$100 being held by the Job Network provider? But that won't apply here, will it?

**Ms Wilson**—Disability Open Employment Services supervises CRS, who are currently able to retain \$100 of up to \$1,500.

**Senator WONG**—So \$30 million for workplace modifications and wage subsidies—go on, Ms Taylor.

**Mr Carters**—The split is \$25 million for the workplace modifications and \$5 million for the disability wage subsidies.

**Senator WONG**—I have here that it is \$4.7 million—it was an answer from earlier.

**Mr Carters**—Yes, I was rounding it up: it is the same figure.

**Ms Taylor**—The other \$20 million is for demand-led strategies, workplace flexibility, mature age people and mental health. I can get you breakdowns within those. The demonstration projects—and these are estimates at the moment, of course—are around about \$7 million, and the mature age component is around about \$2 million. There are Better Connections workshops and portal development, which account for about \$1.8 million.

**Senator WONG**—Are you able to give me a document that sets out that breakdown?

**Ms Taylor**—I can get that for you.

**Senator WONG**—When you refer to the demonstration projects, are Subway and the National Retail demonstration projects or are they separate allocations?

**Ms Taylor**—They are separate allocations from the \$200,000 that came over this financial year.

**Senator WONG**—From FaCS?

**Ms Taylor**—Yes.

**Senator WONG**—Who made the decision as to the allocation of funding for those three projects—National Retail, Subway and Gippsland?

**Ms Taylor**—The department made the decision about them.

**Senator WONG**—Can you give me the funding parameters for that? It is \$19,000 for Subway. What is it for the National Retail Association?

**Ms Taylor**—The National Retail Association will be \$95,000 this year and \$4,990 next year. The Gippsland Area Consultative Committee will be \$25,000 and the Mental Health Council project will be \$75,900.

**Senator WONG**—Are those the only projects currently funded out of that \$200,000?

**Ms Taylor**—Yes.

**Senator WONG**—What were the guidelines associated with the granting of those projects?

**Ms Taylor**—The guidelines were similar to those of the Employment Innovation Fund.

**Senator WONG**—When were those guidelines finalised?

**Ms Taylor**—The guidelines for the Employment Innovation Fund are already in existence.

**Senator WONG**—What were the guidelines which were applicable to the decision to grant those funds?

**Ms Taylor**—They were, I guess, the Employment Innovation Fund guidelines.

**Senator WONG**—You guess?

**Ms Taylor**—They were the Employment Innovation Fund guidelines.

**Senator WONG**—Who made the decision to apply the innovation guidelines?

**Ms Taylor**—The department.

**Senator WONG**—When was the decision made?

**Ms Taylor**—Late April, I understand. I do not have an exact date.

**Senator WONG**—Isn't this funding that was allocated only subsequent to the budget?

**Ms Taylor**—Not as I understand it.

**Senator WONG**—When was the funding transferred?

**Mr Correll**—It was transferred with the machinery of government changes.

**Senator WONG**—When was the decision made to allocate some of this funding to projects?

**Ms Taylor**—With the machinery of government changes.

**Senator WONG**—Was the ability for organisations to apply for this funding advertised?

**Ms Taylor**—No, I do not believe it was.

**Senator WONG**—Did you say it was the Gippsland Area Consultative Committee?

**Ms Taylor**—Yes.

**Senator WONG**—Did they approach the department?

**Ms Taylor**—It was an outcome of one of the Better Connections workshops that we had run in Gippsland. Following all of the Better Connections workshops that we have run, we establish action plans and it was one of the actions that came out of a Better Connections workshop.

**Senator WONG**—How many Better Connections workshops have you held?

**Ms Taylor**—We are holding 15 this financial year and we have held 12 so far.

**Senator WONG**—Out of which, one resulted in this innovation fund grant?

**Ms Taylor**—Yes, it did.

**Senator WONG**—When was the decision made to provide the money?

**Ms Taylor**—Just for the Gippsland one?

**Senator WONG**—Yes, at this stage.

**Ms Taylor**—It was this month.

**Senator WONG**—When?

**Ms Taylor**—I would have to get the exact date for you. I am not sure.

**Senator WONG**—What was the form of the application?

**Ms Taylor**—A proposal was apparently provided by the proponent.

**Senator WONG**—Who was the proponent?

**Ms Taylor**—The proponent for the Gippsland one was the area consultative committee.

**Senator WONG**—Was it provided to the department or to the minister?

**Ms Taylor**—It was provided to the department.

**Senator WONG**—Was there any contact with the relevant member of the House of Representatives about this issue?

**Ms Taylor**—Not that I understand.

**Senator WONG**—No correspondence was received by the minister or by the department on this funding application?

**Ms Taylor**—Not to my knowledge, no.

**Senator WONG**—And it is \$25,000?

**Ms Taylor**—So I understand, yes.

**Senator WONG**—What do you mean by ‘I understand’?

**Ms Taylor**—I mean: yes, that is the figure I have in front of me—\$25,000.

**Senator WONG**—What about further funding beyond this year? The \$25,000 is for 2005-06?

**Ms Taylor**—The \$25,000 is for this year.

**Senator WONG**—For 2004-05?

**Ms Taylor**—Yes, for 2004-05.

**Senator WONG**—So you are backdating, essentially?

**Ms Taylor**—We are still in this year, so it is a current project.

**Senator WONG**—What is the funding for 2005-06?

**Ms Taylor**—There is no further funding.

**Senator WONG**—What was the \$25,000 for?

**Ms Taylor**—It was for a proposal to research and develop a business plan exploring barriers to recruiting mature age people with a disability in the Gippsland area.

**Senator WONG**—I have looked at the electorates in which there is a very high DSP recipient group. Is Gippsland amongst the top 10?

**Ms Taylor**—I am not aware of that. I can find out for you.

**Senator WONG**—Why this consultative committee?

**Ms Taylor**—It arose out of a Better Connections workshop, it was a project that was addressing the barriers, and we had received the application from the proponent.

**Senator WONG**—When was that Better Connections workshop held?

**Ms Taylor**—On 10 February this year.

**Senator WONG**—Who attended?

**Ms Taylor**—The Better Connections workshops are not just for Job Network providers but for service providers across a range: local training organisations; local RTOs; disability employment providers; state government; local government; the area consultative committees, of course; and any major groups or projects that are represented in the area.

**Senator WONG**—Were there no other Better Connections workshops? Was there an indication from a regional group or any other group that a funding request was in place or that they would like funding for a certain project or certain activities? I am a bit confused as to why Gippsland got money so quickly.

**Ms Taylor**—A number of the actions arising out of the Better Connections workshops have established projects. Some are funded by already existing resources. For example, in northern Adelaide, which was one of the first workshops, the funding was offered by the Office of the North for some of the projects that have come out of there—

**Senator WONG**—State funding?

**Ms Taylor**—Yes. The funding offered by the Office of the North was offered to engage in a particular activity, and that was a web site for local employers. For example, if Job Network providers are engaged in a local project, funding will come through the normal Job Network provision.

**Senator WONG**—For how long have you been holding Better Connections workshops?

**Ms Taylor**—This is the first year that we have held the Better Connections workshops.

**Senator WONG**—In 2004-05?

**Ms Taylor**—Yes—2004-05.

**Senator WONG**—And how many other area consultative committees have been funded by DEWR?

**Ms Taylor**—To my knowledge there is no other area consultative committee that has applied for funding.

**Senator WONG**—None have applied?

**Ms Taylor**—Not through the Better Connections workshop process, no.

**Mr Manthorpe**—There may have been some area consultative committees funded through the Employment Innovation Fund for other projects that are not dissimilar to some of these.

**Senator WONG**—Perhaps you can tell me in a minute which ones were funded through that.

**Mr Manthorpe**—I will check that.

**Senator WONG**—What form did the application take? Were they requested to write a letter?

**Ms Taylor**—It would have been a project plan in accordance with the Employment Innovation Fund guidelines.

**Senator WONG**—Have you made public to interested parties that there is funding available and the EIF guidelines apply?

**Ms Taylor**—No, we have not made that public.

**Senator WONG**—Why is that?

**Ms Taylor**—I guess it has not been an issue. When we discuss it at the Better Connections workshops, it is about looking at what projects come out of that and then looking, I guess, at possible ways that they can be funded.

**Mr Correll**—The Employment Innovation Fund guidelines are, however, notified on our public web site. Information on project proposals and approved projects are published there. There are opportunities at any time for organisations to lodge proposals under the Employment Innovation Fund. It is a publicly well-known area. The Better Connections workshops are about establishing better connections between labour supply and demand at a local regional level. It is quite usual for innovative projects to come out of those Better Connections workshops. Indeed, we would actively encourage it.

**Senator WONG**—Do you tell the Better Connections workshop attendees that there is money available over and above the Employment Innovation Fund for worthy projects?

**Ms Taylor**—We discuss options for funding such projects. That is usually developed as part of the action plan that comes after the workshop. We develop an action plan at the workshop and generally there are groups who volunteer to participate in the action plans. We assist them to look up ways in which those projects can be funded.

**Senator WONG**—Mr Correll, on your point that this is all on the web site and so forth, as I understand Ms Taylor's evidence, this is not being funded through the Employment Innovation Fund; this is being funded through the separate, additional block of funding transferred from FaCS which was previously allocated to the Australian employers forum. Is that correct?

**Ms Taylor**—For these projects, yes.

**Mr Correll**—That is correct.

**Senator WONG**—Is this publicly disclosed on the web site? Is the allocation to those four organisations publicly disclosed somewhere?

**Ms Taylor**—Not on the web site, no.



**Senator WONG**—Is it disclosed anywhere?

**Ms Taylor**—Once the contracts are completed I understand that they are gazetted.

**Mr Correll**—They will appear in the annual report as well.

**Mr Manthorpe**—In answer to your question about whether we have funded other area consultative committees, we have funded one area consultative committee through the Employment Innovation Fund—that was the Westernport Area Consultative Committee in south-east Melbourne in relation to a mature age project.

**Senator WONG**—But that was a normal funding application through the EIF process?

**Mr Manthorpe**—That is right.

**Senator WONG**—But we are not talking about these—we are talking about this separate allocation here. Just remind me again when the decision was made that the EIF guidelines would apply to this block of funding.

**Ms Taylor**—I think I said that decision was made in late April. Certainly, it was when the machinery of government changes happened and the funding came over.

**Senator WONG**—Who made that decision? Was it departmental or ministerial?

**Ms Taylor**—It was departmental.

**Senator WONG**—And that was decided by Dr Boxall or Mr Correll or someone else?

**Ms Taylor**—That decision would have been made by me.

**Senator WONG**—Was that made public?

**Ms Taylor**—No.

**Senator WONG**—Were proponents or people requesting funding advised that these were the guidelines under which their request for funding was assessed?

**Ms Taylor**—Sorry, I may have misled you. The proponents were aware that the EIF guidelines would apply.

**Senator WONG**—What about other people who might want some funding? Did you say to them, ‘These are the guidelines which will apply,’ or have you had no other requests for funding?

**Ms Taylor**—As I understand it, there has been no other formal request for funding that.

**Senator WONG**—What is a formal request? It seems to me that you are telling me that you had a Better Connections workshop at Gippsland and, as a result of that, there was a request for consideration of a further project dealing with mature aged people with a disability, and that came from the area consultative committee. Presumably there was some discussion where a departmental person said, ‘There is a possibility that you can apply for funding here.’

**Ms Taylor**—Certainly.

**Senator WONG**—Is that how the project came forward?

**Ms Taylor**—Yes.

**Senator WONG**—I am asking: how many other conversations like that have occurred in the various Better Connections workshops?

**Ms Taylor**—There have been a number of conversations like that which I guess arise out of the action plans that I mentioned earlier. We look at what is the most appropriate source of funding that we could suggest to the project proponents. As I say, if it is in direct employment, then the most appropriate source of funding may be through something like the job seeker account, the Employment Innovation Fund, the Department of Education, Science and Training, local or state governments or local groups and organisations. They are the sorts of conversations that we have.

**Senator WONG**—How much money is in this block pool of funding—just the \$200,000?

**Ms Taylor**—Yes.

**Senator WONG**—Will the EIF guidelines apply to that?

**Ms Taylor**—Yes.

**Senator WONG**—Is your decision that the guidelines will apply documented?

**Ms Taylor**—No, I do not believe it is.

**Senator WONG**—Why is that the case?

**Ms Taylor**—I suppose it is because each of the proposals came forward in the format of the Employment Innovation Fund. I did not consider it necessary at the time to document my decision that these guidelines would apply.

**Senator WONG**—Presumably you are not at all of these Better Connections workshops?

**Ms Taylor**—I have been at most of them.

**Senator WONG**—When people raise this with you, you say that they can apply for funding.

**Ms Taylor**—Yes. We have discussions about where the most appropriate source of funding might be.

**Senator WONG**—Let us say that it is one of these. You then say to them that they can apply. Do you say that they have to meet the guidelines associated with the Employment Innovation Fund?

**Ms Taylor**—Yes, if that is where I am directing them or if I am providing advice that that is the most appropriate source of funding.

**Senator WONG**—Did you discuss that with the Gippsland project proponents?

**Ms Taylor**—I was not at the Gippsland workshop.

**Senator WONG**—Were they advised that they were the Employment Innovation Fund guidelines?

**Ms Taylor**—I will check that. I understand that it was our Victorian state office that did the final negotiations with the area consultative committee.

**Senator WONG**—So there is \$25,000 for them. Was it \$95,000 and \$4,990 for the National Retail Association? Was that all on that project?

**Ms Taylor**—Yes.

**Senator WONG**—Did Subway get a total of \$19,000?

**Ms Taylor**—Yes.

**Senator WONG**—What was the other organisation?

**Ms Taylor**—The Mental Health Council of Australia got \$75,900.

**Senator WONG**—Is there anything more for the next financial year?

**Ms Taylor**—No.

**Senator WONG**—Are these all 2004-05 figures?

**Ms Taylor**—Yes.

**Senator WONG**—How much is left of the \$200,000?

**Ms Taylor**—I think you will find that that just about covers the \$200,000.

**Senator WONG**—How did the funding for the National Retail Association come about?

**Ms Taylor**—I understand that they sent a submission to the department.

**Senator WONG**—What precipitated that? You said that you have not advertised this; you have not put something up on your web site saying that you have a couple of hundred thousand dollars—

**Ms Taylor**—It was originally a submission to the employment innovation fund.

**Senator WONG**—Why was this referred to you?

**Ms Taylor**—Because of the type of project that it was. It was to train and place 30 job seekers with a disability into retail jobs, so this was an appropriate use of the funding.

**Senator WONG**—Why is an appropriate? If it has gone to Mr Manthorpe, what was the decision there?

**Mr Manthorpe**—This project has been partly funded from the funds that Ms Taylor was talking about, and in 2005-06 a residual component will be funded out of the employment innovation fund.

**Senator WONG**—But you did not agree to the first part of the funding?

**Mr Manthorpe**—A decision was made to use the funds that Ms Taylor was talking about to fund the component for this financial year.

**Senator WONG**—I am a bit confused, because the same guidelines apply to both funding pools, as I understand the evidence today.

**Mr Manthorpe**—So it therefore meets both sets of guidelines.

**Senator WONG**—Why was it transferred to this? Was it just because you had to get the \$200,000 spent?

**Ms Taylor**—It was an appropriate use of the funds. It fitted what we were trying to achieve in terms of disability.

**Mr Correll**—What we try to encourage, be it a Better Connections workshop or whatever, is good, innovative proposals coming out of the industry bodies. Then we look at how we can link in the funding support through the various programs. It is not unusual for us to be looking at industry strategy projects, for example, that will draw on elements of job seeker account usage from the Job Network, employment innovation fund usage and other forms of funding to package together a sensible solution on the ground.

**Senator WONG**—I do not have a problem with that; it just seems a little odd that this component of funding is not advertised, and it just happens to be accessed by people who are lucky enough to be told about it.

**Mr Correll**—There is open information and knowledge of the employment innovation fund and there is open ability for people to put forward proposals. Similarly, if there are great ideas coming out of those Better Connections workshops, we will try to work with the people who have the good ideas to make them happen. In the case of the Gippsland proposal, that is clearly what has occurred. The National Retail Association has already got a project which is relatively recent that has already got off to a flying start and looks to be a highly successful and very important project, given the part-time work opportunities in the retail industry in Australia. This is a very important nut to crack from the point of view of people with disabilities in this country.

**Senator WONG**—Can you tell me what the \$95,000 and \$4,990 for the National Retail Association project is for again?

**Ms Taylor**—To train and place 30 job seekers with a disability into retail jobs.

**Senator WONG**—The per person cost of that compared to the Subway project is quite significant. I assume there are sound reasons for that.

**Ms Taylor**—Yes, there are. I do not have the details in front of me of what each project involves.

**Senator WONG**—Could you on notice provide details in relation to all of those projects as to precisely what is being funded.

**Ms Taylor**—Yes.

**Mr Correll**—Senator, can I update you on an earlier question?

**Senator WONG**—Can I just finish this while it is in my head. Greater minds than mine might be able to do both, but I have a few threads running at once. Was there any contact with the minister's office regarding any of these four projects?

**Ms Taylor**—Not that I am aware of.

**Senator WONG**—Not with you or from you?

**Ms Taylor**—From me?

**Senator WONG**—Not with your section?

**Ms Taylor**—No, not that I am aware of.

**Senator WONG**—You will provide me with details about the grant to the Mental Health Council, but can you outline generally what that grant is for?

**Ms Taylor**—The Mental Health Council project will involve the employment of a project officer to conduct two employer forums, in Sydney and in Melbourne, to discuss with employer groups and individual employers issues surrounding the employment of people with mental health issues.

**Senator WONG**—Thank you, Ms Taylor. I will wait for the questions on notice on that. Mr Carters, I go back to the open employment service places. I think you mentioned 20,700, is that right?

**Mr Carters**—Yes.

**Senator WONG**—And 11,600 in the budget papers, plus the 650, and then, as you have indicated today, 5,100 and 3,300. Are these new places?

**Mr Carters**—Yes, they are.

**Senator WONG**—So these are additional to the current allocation for Disability Open Employment Services?

**Mr Carters**—Yes.

**Senator WONG**—Just remind me what that is in the current financial year, Ms Wilson.

**Ms Golightly**—I think it is about 38,000. We will check that.

**Ms Wilson**—That is correct—38,000.

**Senator WONG**—As I understood your answers to Senator Chris Evans, it is suggested that the 38,000 remains accessible by people who voluntarily are seeking employment—say from the current 700,000 or people with a disability who are on other payments. Is that correct?

**Ms Golightly**—Yes.

**Senator WONG**—Then the 20,000 new places are reserved for people with a part-time work search obligation, is that correct?

**Mr Carters**—Yes, in the case of parents and people with disabilities. The mature aged and very long-term unemployed are yet to be determined. They would need to go through a comprehensive work capacity assessment to determine what their work capacity was. But if it is 15 to 21 hours they will access those places, yes.

**Senator WONG**—So which is the demand-driven component, or is there no demand-driven component?

**Mr Correll**—There is a demand-driven component. It is for the people with the part-time work obligations. It is the 21,000 overall places. Because it is demand driven, if it is more or less than that, they will have a place available. The 21,000 is an estimate.

**Senator WONG**—Subject to Finance giving you the money, presumably.

**Mr Correll**—No.

**Dr Boxall**—No, Finance will need to give the money because it is demand driven.

**Senator WONG**—Ms Wilson and I had a previous discussion on this. The 38,000 is the capped program.

**Ms Wilson**—Yes. That is the current level.

**Mr Correll**—This goes to an earlier question by Senator Chris Evans. Effectively, for a Disability Open Employment Services provider beyond 1 July 2006 they will have two elements that they will be managing: an element of service that will be an uncapped service—

**Senator WONG**—Yes, I understood that, Mr Correll. I am asking where in the budget papers it is clarified that this component is demand driven. If it is not in the budget papers—it might be that I have just not seen it and have missed it—can you show me the fact sheet where that is clarified?

**Mr Correll**—I am not sure of the extent to which that is spelt out in the fact sheet.

**Senator WONG**—Is it spelt out in the budget papers?

**Mr Correll**—I do not think so. I do not think that level of detail is in the budget papers. Certainly it has been covered in our budget information sessions that we have been running across the country.

**Senator WONG**—I am pleased to hear that the public get it. It is just unfortunate that the parliament does not get it. Is it in the fact sheets? I did make sure that I brought them so that the minister did not have another go at me about being unprepared.

**Mr Correll**—We are just checking the fact sheet. On our first check it does not appear to be spelt out in detail in the fact sheet.

**Senator WONG**—So it is not in the PBS, not in the press releases, not in the fact sheet and not in the budget measures paper.

**Mr Correll**—But it was in the budget information session papers.

**Senator WONG**—One wonders if this was pulled together very late, given the lack of detail that is in fact in the budget papers. These are not minor components.

**Mr Correll**—Was that a question?

**Senator WONG**—You would agree, wouldn't you, Mr Correll, that there are many aspects of the welfare reform package which are not set out in the budget papers? They are simple things such as the precise number of disability open employment services places. They are only partly identified.

**Mr Correll**—This was a very big package and it was one of the reasons we felt it was essential to be on the road immediately after the budget, having wide-ranging information sessions.

**Senator Wong**—But you cannot offer an explanation as to why some of these facts, such as the number of open employment services places available to people with a disability and the assertion that they are demand driven, do not appear anywhere in the budget papers or the press releases or the fact sheets. The fact sheets are your minister's.

**Dr Boxall**—We are not in a position to offer an explanation about that. Obviously the people who prepared the budget papers made a judgment about what level of detail to put in.

**Senator WONG**—You did not put it in your fact sheets that you prepared for your minister, Dr Boxall.

**Dr Boxall**—Maybe we made a judgment about what level of detail to put in the fact sheets too.

**Senator WONG**—The level of support places for people with a disability who are seeking employment was a minor issue that escaped the attention of the department for the purposes of inclusion in the fact sheets?

**Dr Boxall**—No. They are the minister's fact sheets. The minister made a decision about what level of detail to put in the fact sheets.

**Senator WONG**—When were the fact sheets finalised?

**Dr Boxall**—Shortly before the budget.

**Senator WONG**—When?

**Dr Boxall**—I honestly do not know.

**Senator WONG**—When were the fact sheets relating to the measures for people with a disability finalised?

**Mr Correll**—In the days leading up to the budget cut-off. I do not have the precise timing.

**Dr Boxall**—That is normally when they are finalised.

**Senator WONG**—I know that is when they are normally finalised. The point is: I want to know if the normal process occurred, given how much is not in them.

**Dr Boxall**—That is a question you will need to ask Treasury and Finance.

**Senator WONG**—No, this is the fact sheets.

**Dr Boxall**—The minister and his staff made a judgment about what level of detail to put in, and they presented the fact sheets. The department assists the minister by preparing the fact sheets.

**Senator WONG**—When were the fact sheets provided to the minister's office?

**Dr Boxall**—The usual practice is that they are provided in various stages. Some things are able to be provided earlier than others. Often there needs to be consultation with other departments and other agencies. Sometimes the minister's office and the minister might want changes to the presentation and things like that. It is an ongoing process. Eventually they are printed so that they can be distributed on budget day.

**Senator WONG**—When were the fact sheets associated with the measures for people with a disability provided to the minister's office?

**Dr Boxall**—We do not know when that happened.

**Senator WONG**—I am sure that someone in the department knows that.

**Dr Boxall**—I do not think anybody would keep that level of detail. This is a busy time. There are lots of measures, particularly with all these measures. I doubt whether anybody could actually put their finger on when a draft of the disability—

**Senator WONG**—Have you asked them or are you just asserting that? I am asking the question.

**Dr Boxall**—I am giving a departmental perspective on this. Having lived through a number of budgets, I am saying that I doubt whether anybody in the department could put their finger on when a draft of a particular measure, such as that for the disability support pension, was sent to the minister's office.

**Senator WONG**—Who prepared the drafts for the people with a disability measure.

**Mr Correll**—The drafts would have been prepared in our policy areas.

**Senator WONG**—Was that in your area, Mr Carters, or yours, Mr Correll?

**Mr Correll**—Yes.

**Mr Carters**—Both of us.

**Mr Correll**—Us and our people.

**Senator WONG**—You both would have had to sign-off on them?

**Mr Carters**—Yes, at various stages, like with any draft. There were a lot of them over a period of time.

**Senator WONG**—When were the drafts finalised?

**Mr Carters**—I could not tell you exactly but it would have been in the days leading up to the budget. It would have been in the last week before the budget.

**Senator WONG**—Do you have something to add, Mr Correll, from what has been handed to you?

**Mr Correll**—Not really. I am just looking at the precise wording in the facts sheets and it does make a statement about what extra services will be available to help people with disabilities get jobs. It makes it clear that there will be extra employment services—

**Senator WONG**—Yes, it does. The minister and the department said on the night that there would be 20,000 but that does not appear anywhere in the facts sheets or the budget papers. But you were briefing people on it—just not the parliament.

**Mr Correll**—There is nothing more I can add on that.

**Senator WONG**—Someone was saying there was an answer to an earlier question and I batted them away. Did we go back to that? Have we dealt with that?

**Mr Correll**—I am quite happy to hold that one for a moment or two. There are, I am advised, some further updates that are coming in answer to that question, so I will hold back.

**Senator WONG**—Okay. How do you propose to quarantine, I suppose, the new places for people who have a part-time work obligation? How will that administratively work? We have had a discussion before and there is some unmet demand from the existing cohort that the 30,000 does not meet.

**Ms Wilson**—There are reports of unmet demand in some locations. However, as I stated at the previous estimates it is difficult to ascertain the true picture because we do not have a centralised waiting list.

**Senator WONG**—I am not going down that path again. It was a different question. What procedures, guidelines et cetera will be in place to quarantine the new places for people who



will have a part-time work obligation as opposed to anybody of the current cohort who might not be able to get a place?

**Mr Correll**—We do not have the answer to that question at the moment because that is part of the development of the detailed operational aspects that now follow from this policy. But I guess we are not envisaging that to be a monumental problem. It will simply mean that there will be two components in the overall caseload. There is a new automated computer system going in to all disability open employment service providers from July this year. That will become a key support tool in managing this.

**Senator WONG**—Sorry: what will be a useful portal?

**Mr Correll**—There is a new employment computer system going into disability open employment service providers. They will be on the same type of computer system as Job Network members and other employment service providers. They will have sophisticated technological support for their business.

**Senator WONG**—Ms Wilson, the last occasion you said to me that you could not pin down the extent of unmet demand et cetera, but you did say you had:

... identified a number of employment service areas where there is a lower provision of this form of assistance against a benchmark of disability support pension recipients, and therefore these places will go to those employment service areas.

**Ms Wilson**—That is right.

**Senator WONG**—Which of the places do not meet the benchmarks? Do we have those?

**Ms Wilson**—I can give you the locations where the additional places have been offered, if you will bear with me.

**Senator WONG**—How do they match against the benchmarks after the provision of the places?

**Ms Wilson**—In terms of the process that we went through in identifying where those locations should be, we compared the demand for assistance with supply—that is, the number of people with a disability as measured by DSP recipients with the current number of places in ESAs—and we used a number of variables to look at that—

**Senator WONG**—I am sorry—ESAs?

**Ms Wilson**—Employment service areas.

**Senator WONG**—Right.

**Ms Wilson**—We also talked with the two peak bodies, ACE and ACROD, about the methodology. We looked at the utilisation of existing case base funded places. We looked at growth in new DSP grants. We looked at the ratio of the number of places and services to every 100 people receiving DSP. From that analysis we then ranked all 137 employment service areas across Australia according to their need for additional services. The 1,500 new places went to the 30 ESAs assessed as having the highest need. Those locations were—

**Senator WONG**—Are you going to read out all 30? Can you provide us with the list instead?

**Ms Wilson**—I can provide that on notice.

**Senator WONG**—I would actually like to see the rankings of the 137—

**Senator Abetz**—Damned if you do and damned if you don't!

**Senator WONG**—I won't remember all 30—you might, Minister, but I am not going to.

**Ms Wilson**—If you would like the rankings of the 137, I will have to take that on notice as I do not have that with me. But I can certainly provide on notice the information on the 30 ESAs that got the places.

**Senator WONG**—Can you provide the ranking as well?

**Ms Wilson**—Yes, I should be able to do that

**Senator WONG**—What is the benchmark ratio for that 100?

**Ms Wilson**—There wasn't a specific benchmark. We looked at what the places were per 100 people on DSP in each ESA, and then looked at it according to the distribution of current places across Australia through the current program and the utilisation of case base funded places. With a block grant it is very difficult to get a picture of places because it is not funding for places per se.

**Senator WONG**—Do you have a document I can look at concerning the 30?

**Ms Wilson**—I do not believe I have it in my folder, but I will be able to get that for you, probably tonight.

**Senator WONG**—In terms of how you rank them, they are ranked in order of what?

**Ms Wilson**—They are ranked in order of those with the lowest level of provision per 100 DSP recipients, and in order of those who had evidence of some level of utilisation of case base funded places and some level of demand. So there were a number of variables that were put together to make up this composite picture.

**Senator WONG**—Why was the decision for 30? Presumably there is an acceptable ratio, but you could have done more places for 20 and above—correct?

**Ms Wilson**—We could have. It was a judgment about how widely we wanted the places distributed according to what number of places would make a difference for a service. It is silly to go down to one place per ESA, so we set a low level and then looked above that in terms of what number of places might make a difference.

**Senator WONG**—What is the average ratio of places per 100 DSP recipients?

**Ms Wilson**—I do not have that with me but I can supply it on notice.

**Senator WONG**—All right. What was an acceptable ratio; that is, people ranked higher?

**Ms Wilson**—I am sorry—I do not have all of the detail with me. In terms of the number of places allocated to each ESA—each employment service area—it ranged from two to 179. So you can see there was a desire from the industry to have a fairly wide distribution.

**Senator WONG**—Sure.

**Ms Wilson**—So they wanted as many ESAs as possible to get some access to these new places.

**Senator WONG**—Can you give me just the top five?

**Ms Wilson**—Yes, certainly.

**Senator WONG**—Now?

**Ms Wilson**—I do not have it with me—I am sorry.

**Senator WONG**—I thought you were going to answer that question earlier when I told you not to bother reading the list out.

**Ms Wilson**—No—I said I could answer the question for you tonight.

**Senator WONG**—If you could provide it tonight I would appreciate it. I would like the ranking and I would also like the 30 that were provided with grants. I am just trying to get a sense of what the benchmarks are in terms of ratio per 100 DSP recipients.

**Ms Wilson**—Again, I will have to take that on notice. I am sorry but I do not have that technical working-through with me. It was a number of variables that were put together to come up with this composite index.

**Senator WONG**—We had some discussion on the last occasion regarding the script that was prepared for Centrelink by, I understand, DEWR, in relation to contact with DSP recipients.

**Dr Boxall**—Is this the Penrith issue?

**Senator WONG**—That was one of them. I am not going there again. I have a number of other questions. Was that you, Mr Manthorpe?

**Mr Manthorpe**—Yes.

**Senator WONG**—Did you see the *Hansard* of the Centrelink estimates last week?

**Mr Manthorpe**—I have seen the amount that was published by the time we could get hold of it—

**Senator WONG**—Yes, it is a bit slower than we all would like, isn't it?

**Mr Manthorpe**—Yes, but it did include some commentary about the scripts.

**Senator WONG**—I queried Mr Whalan about why the script did not refer to disability open employment services and only referred to job network providers. I think it is not verballing him to say that he conceded that it was probably something that should have been included in the script. Can you tell me why it was not included in the script prepared by DEWR?

**Mr Manthorpe**—I have a couple of comments on that. First of all, we, like Centrelink, are always happy to consider ways to improve the scripts that we might have in operation in Centrelink at any given point in time. The key issue from our perspective is that the script about referring more job seekers with a disability to Job Network is but one part of a total process that Centrelink goes through in determining where to send a job seeker. As I think I indicated last time, we do not have a preference that people with a disability go to Job Network versus disability open employment.

**Senator WONG**—But you did not put it in the script.

**Mr Manthorpe**—The script was about referring people to Job Network where that was the right place to go.

**Senator WONG**—No, it was not.

**Mr Manthorpe**—The point I am making is that the script about referring someone to Job Network is but one part of an overall process.

**Senator WONG**—You do not have another script for disability open employment service. As I understand the evidence from Centrelink, that is the script that they used in relation to contact with people with a disability. I cannot remember whether it was inbound or outbound, but it was one of the scripts. So it is not only the Job Network script; it is the script. I do not understand why there is no reference to the possibility of referral to a different service.

**Mr Manthorpe**—As I said, we are always happy to look at the scripts and see whether they can be improved, but, yes, that was the script about increasing referrals to Job Network, but that does not mean that other Centrelink procedures about assessment and streaming people to the right place do not also apply to ensure that people with a disability on DSP or what have you are referred to the right place.

**Ms Wilson**—There are streaming and referral protocols according to how people are assessed and what service is identified as appropriate for them, which Centrelink are required to use in identifying the right service for an individual and taking into account the advice of assessors—

**Senator WONG**—Yes, you gave evidence about this last time. The point is that I did raise this on the last occasion, and the other point is that the script that is prepared by DEWR and used by Centrelink is all about the Job Network. I note also that it advises people that it is voluntary only if that question is actually asked. It is not volunteered.

**Mr Manthorpe**—Yes. The script is a guide to cover off the key issues that a Centrelink staff member would cover in discussion with a job seeker. It was certainly our intention and Centrelink's intention to make it clear to job seekers in the DSP or, indeed, the parenting payment categories that any referral to Job Network is voluntary under the current arrangements.

**Senator WONG**—So you have no difficulty with the indication by Centrelink at estimates that it might be appropriate to include that?

**Mr Manthorpe**—As I said, we are happy to talk to Centrelink about ways in which the scripts can be finetuned, so I have no difficulty with what they said.

**Senator WONG**—Could I now talk about Taskmasters in disability employment. Does anybody know about that? Somebody must know about it.

**Dr Boxall**—Could you elaborate a little more about Taskmasters?

**Senator WONG**—I am sorry—I thought that Mr Manthorpe was being briefed on it, but it is a different issue. I am advised:

The Federal Government has promised to help find placements for disabled workers affected by the voluntary liquidation of the Morwell-based employment agency Taskmasters.

The south-east Victorian agency will fold because of debts it says it has incurred while trying to pay staff new award wages.

The Federal Member for Gippsland ... says Taskmasters moved to the new system before the Government's commitment to underwrite the move came into force.

Mr McGauran says ... its clients will be protected.

**Ms Wilson**—I believe that the component of that service that relates to people with disabilities is actually a supported employment service or a business service, which is the responsibility of Family and Community Services.

**Senator WONG**—So is there no funding out of DEWR for this?

**Ms Wilson**—Not for the service, no.

**Senator WONG**—What do you fund?

**Ms Wilson**—We do not fund that service.

**Senator WONG**—There is no Job Network component?

**Ms Wilson**—I believe that there was some advice given about the eligibility of the non-disabled workers in the service for Job Network services in terms of becoming redundant employees. Like other redundant employees, they would have access to Job Network services. But, apart from that, there has been no DEWR involvement.

**Senator WONG**—Do we have responses to some other questions that were flagged before?

**Senator Abetz**—Not yet.

**Dr Boxall**—Senator Wong, on the last question, Ms Wilson, we believe, has not analysed the situation correctly. The people who are not disabled who were working at Taskmasters would, if they lost their jobs and were redundant, be eligible for certain Job Network services just as people who are made redundant in other organisations would be. Maybe Ms Taylor can add some points.

**Ms Taylor**—Where there are redundancies advised, we provide information about eligibility for Job Network services in conjunction with Centrelink.

**Senator WONG**—Can I interrupt. Is this a general discussion about policy or are you telling me that this is what you have done in relation to Taskmasters?

**Ms Taylor**—This is what we have done in relation to Taskmasters, but it is generally what we do. We provide information on what is available through Job Network; make an offer, if it is appropriate, to attend on-site; and, with Centrelink, advise what the appropriate action might be.

**Senator WONG**—Ms Golightly, can I go to an issue we were dealing with in February, which was the DSP pilot. I presume you might have some updated costs associated with that.

**Ms Golightly**—The overall budget is unchanged as far as I am aware.

**Senator WONG**—But we were talking about actual expenditure, weren't we?

**Ms Golightly**—Ms Caldwell will have the update on that.

**Senator WONG**—Are there any adjustments to the figures you gave me—they are in *Hansard* at page 96—on the last occasion?

**Ms Golightly**—I will check.

**Ms Caldwell**—There has been no change to the budgeted cost of the pilot as discussed in the February hearings.

**Senator WONG**—It was not just the budgeted costs; it was the actual costs.

**Ms Caldwell**—And the actuals.

**Senator WONG**—So they are still \$120 million?

**Ms Caldwell**—The Employment Innovation Fund, as we discussed in February, contributed \$303,000.

**Ms Golightly**—The total was \$1.33 million, and still is.

**Senator WONG**—What about outcomes? Presumably there has been some alteration of outcomes. There were 671 who went beyond the first meeting. What are the figures on employment, training or other outcomes?

**Ms Caldwell**—I have those details. By 6 May 2005, 320 of those job seekers who commenced in the pilot had been placed in employment or education.

**Senator WONG**—So there were 320 and I think 1,130 was the initial attendance at the first meeting. I think we discussed that on the last occasion.

**Ms Caldwell**—We discussed that last time.

**Senator WONG**—And 671 went beyond that initial—

**Ms Caldwell**—It was 675.

**Senator WONG**—I thought Ms Golightly said that 671 people commenced the pilot.

**Ms Caldwell**—We had three formal commencements to the end of February 2005—people who had made inquiries and commenced subsequent to—

**Senator WONG**—Okay, so 675 is the figure, of which there are 320 outcomes.

**Ms Caldwell**—Yes, placed into employment or education.

**Senator WONG**—Have we some time frames? How many are still in jobs? Are all the 320—

**Ms Caldwell**—As we said at the last hearings, the further evaluation of the sustainability of that employment is currently under way.

**Senator WONG**—What does that mean?

**Ms Caldwell**—That means the—

**Senator WONG**—You do not have the information now? Is that what that means?

**Ms Caldwell**—It means the evaluation has not been concluded because, to measure sustainability, a certain amount of time has to elapse from the time of placement—usually 13 in 26 weeks—and that analysis is still under way.

**Senator WONG**—When would 13 weeks expire?

**Ms Caldwell**—It would depend on the time that they got their job.

**Senator WONG**—How many have made 13 weeks?

**Ms Caldwell**—Some 192 participants have achieved a 13-week outcome this far, and 102 have achieved a final 26-week outcome, and six of those 102 are still pending final confirmation. So we expect it to be 102 but six of those are still waiting for final confirmation.

**Senator WONG**—These are not cumulative, presumably. Some of the 102 are included in the 192?

**Ms Caldwell**—Yes.

**Senator WONG**—Or all of them?

**Ms Caldwell**—Yes.

**Senator WONG**—You talked about the interim evaluation report. Has that been finalised? I am sorry, that was finalised before, wasn't it? So you are talking about the final evaluation.

**Ms Caldwell**—We anticipated having an update of the interim to give us insight into how the DSP was progressing and then having a further report and a final report—essentially three reports. The first interim report was published prior to the last hearings. The second updated interim report is still in preparation. We would expect a final report when all the participants are tracked through.

**Senator WONG**—What time frame are we talking about?

**Ms Curran**—We anticipate that the second stage of the interim report will be available later this year—probably July or August—and that the final report will be available in early 2006.

**Senator WONG**—Just remind me: is that being done internally?

**Ms Curran**—Yes.

**Senator WONG**—I will move now to answers to a number of previous questions on notice arising out of the last hearing. I want to talk about question on notice W207 05.

**Dr Boxall**—Do you have a topic for that?

**Senator WONG**—Which would you like me to read it? Efficient and effective labour market assistance, working age payments, information referral and support services.

**Dr Boxall**—It might help us if we knew what area the question was in.

**Senator WONG**—It was in relation to parents attending a participation interview.

**Dr Boxall**—Okay.

**Senator WONG**—So who do I address my question to?

**Dr Boxall**—Ms Wilson.

**Ms Wilson**—Was that 247 05?

**Senator WONG**—20705. I presume you can provide me with some updated figures post this period here. These are, as I understand it, referrals to services on a voluntary basis for people receiving those benefit groups.

**Ms Golightly**—My understanding is that we source those figures from Centrelink data, so if you like I can take that on notice and get an update from Centrelink.

**Senator WONG**—Okay. Is it the case that the Welfare to Work task force, Mr Correll, considered the substantial increase in the number of voluntary referrals?

**Mr Correll**—It would have been aware of what was happening with the increasing number of referrals of parents and others to the Job Network services, yes.

**Senator WONG**—Was there an evaluation done of the effectiveness of those referral processes?

**Mr Correll**—Not by the Welfare to Work task force. But we certainly have been tracking very closely progress of placements through Job Network as the referrals have grown. Indeed, there has been an enormous increase in placements for the three months to the end of April for parenting payment partnered, parenting payment single and disability support pension recipients.

**Senator WONG**—A very substantial increase, particularly in relation to sole parents. It is over 100-and-something per cent from figures that were provided by Centrelink.

**Mr Correll**—Yes, it is a huge growth. The month of March is a good month to look at. Historically, Job Network has been placing, from these figures, 600 or 700 parenting payment single recipients into work. In March 2005 it placed something like 2,700. That was a 400 per cent increase, I think.

**Senator WONG**—The increase in referrals is also very large. My question is: given that there is such a substantial increase in the voluntary participation of this cohort, why was it felt necessary to mandate a requirement?

**Mr Correll**—That is a policy issue. It is interesting to note that there is a substantive gap between the referral numbers and the actual commencement numbers. Indeed, the commencement numbers are approximately a little over half of the referral numbers. That would be a reason.

**Senator WONG**—Was that information before the ministers making the decision about the Welfare to Work package?

**Mr Correll**—No doubt that is all part of the knowledge base.

**Senator WONG**—No, was it before them? Was that provided through the task force to cabinet?

**Mr Correll**—I am not sure. I do not know the answer as to whether that specific information was there. But it was certainly knowledge available to the task force members.

**Senator WONG**—I have just found something on disability that I forgot to ask, about the early intervention pilot, which I think the minister spoke about at the Sustaining Prosperity conference. I think it was flagged, perhaps by you, Ms Golightly, at the last estimates.



**Ms Golightly**—It could have been. It affects a couple of areas of the department. It really depends on the nature of your question.

**Senator WONG**—It was Mr Sandison. Is he here? I am reading from the *Hansard*.

**Mr Correll**—We can answer questions on that area.

**Senator WONG**—Tell me about what is happening with that.

**Mr Correll**—It is under way.

**Senator WONG**—What does that mean?

**Mr Correll**—It commenced, from recollection, on 11 April. It is being very closely monitored. It is basically being used to inform the detailed design of the comprehensive work capacity assessment services.

**Senator WONG**—What is it called?

**Ms Wilson**—The early intervention and engagement pilot.

**Senator WONG**—We have got the name—wow, big hit! What is the cost of it again?

**Ms Wilson**—I do not have the cost information with me. I can get that for you.

**Senator WONG**—Is that another thing I have to remember to come back to, or will someone remind me to come back to that?

**Ms Golightly**—I have made a note of it.

**Senator WONG**—Can you tell me about the form of it? How is it working, and what is it going to do?

**Ms Wilson**—Essentially it is piloting the consolidation of medical assessment and work capacity assessment for job seekers who are either claiming an incapacity exemption from Newstart allowance or claiming disability support pension. Its key goals are to test that consolidated approach, test whether direct referral of the assessors to interventions improves the timeliness level and take-up of referral to those interventions. There are three assessment organisation in the pilot as well as Centrelink. They are Advanced Personnel Management, Health Services Australia and CRS Australia. Up to 2,000 assessments will be completed during the course of the pilot.

**Senator WONG**—What was that number?

**Ms Wilson**—Up to 2,000 assessments. The minimum number we were seeking was 1,000. We exceeded that early in the pilot and so decided to keep it going to ensure that we got to the 2,000 mark, to give us a bigger sample.

**Senator WONG**—Can you give us the dates again? When was the pilot commenced?

**Ms Wilson**—It commenced on 11 April. At present we are doing some qualitative review work. As I mentioned, in only half the time forecast we had reached the target of 1,000 job seekers, and therefore we proposed to continue the pilot for a further four weeks at that point, to get up to 2,000 job seekers participating in the pilot.

**Senator WONG**—What is the date of conclusion?

**Ms Wilson**—The referrals to assessment have now concluded, but people will continue to be assessed up until the end of June. That would be the latest point at which an assessment would be likely to occur.

**Ms Golightly**—In relation to the cost, we think that those 2,000 places will cost up to half a million dollars.

**Senator WONG**—How is that broken up between APM, HSA CRS and other components?

**Ms Golightly**—It would depend on which of those services had which places. They all charge different fees.

**Senator WONG**—Precisely what is the half million buying?

**Ms Golightly**—It is buying a place.

**Ms Wilson**—It is buying an assessment, essentially, and a referral.

**Senator WONG**—So it is buying an initial assessment of the needs of the job seeker.

**Ms Wilson**—It is assessing two things. It is assessing their work capacity in respect of both their eligibility criteria for Newstart incapacitated exemptions from the activity test and their disability pension eligibility. That recommendation goes to Centrelink and they then make a decision based on the information they have from those assessors and any other information about the person's eligibility for income support. The second purpose of the assessment is to assess the individual's work capacity and the extent to which they would benefit from a range of interventions, from mainstream Job Network assistance through to vocational rehabilitation, disability open employment services, the personal support program and so on.

Related to that is the ability to identify whether there are other short-term interventions that might improve a job seeker's capacity such that they were able to take part in one of those services with that assistance—for example, counselling, pain management and those sorts of things. We have asked that, as part of this pilot, the assessors directly refer people for those interventions where possible. For those who go to the Job Network, the job seeker account can be used to purchase those interventions. We now have a further iteration of the pilot that will be put in place for the remaining weeks, which is the provision of a small amount of funding to the assessors, where those short, pre-vocational interventions are not otherwise available, to purchase them to test whether that would improve a person's capacity to undertake mainstream or other employment assistance more quickly.

**Senator WONG**—All three of the assessment organisations do not deal with the same job seeker.

**Ms Wilson**—They do not deal with the same individual, no.

**Senator WONG**—That is what I mean.

**Ms Wilson**—There are four organisations. Centrelink is not a contracted organisation, if you like, but it undertakes work capacity assessments using a range of in-house staff.

**Senator WONG**—Suppose I am a person seeking DSP. Firstly, how do I get put through the pilot? Is that something that is administratively decided?

**Ms Wilson**—You would have to be in one of the pilot sites. The sites are in Western Australia, North Central Victoria and Area Pacific Central. In Western Australia they are: Bunbury, Mandurah, Fremantle, Spearwood and Victoria Park. In North Central Victoria they are: Broadmeadows, South Melbourne, Windsor, Epping and Greensborough. In Area Pacific Central they are: Southport, Biggera Waters, Browns Plains and Inala.

**Senator WONG**—So I am not in South Australia.

**Ms Wilson**—No.

**Senator WONG**—I am in Mandurah or somewhere like that.

**CHAIR**—Nice place!

**Senator WONG**—I go in, and what happens?

**Ms Wilson**—You go in and make a claim for payment.

**Senator WONG**—Do I have to agree to go through this process or is that just administratively determined?

**Ms Wilson**—It is administratively determined. If you are claiming newstart with an incapacity exemption or DSP, you are currently required to have a work capacity assessment or a medical assessment.

**Senator WONG**—I understand that. So then what happens, if I am in the trial? What does Centrelink do?

**Ms Wilson**—If an individual triggers a JSCI supplementary assessment, which suggests that they need this additional assessment, Centrelink refers the individual to one of the providers in that pilot site.

**Senator WONG**—How does Centrelink decide which of the three providers?

**Ms Wilson**—Each of the providers has a different site.

**Senator WONG**—They do the assessment and, presumably through their assessment process, you have a multidisciplinary approach. Is that how it works?

**Ms Wilson**—Each of the providers uses whatever expertise they think is necessary to make that assessment. It is a bit of a black box in a sense, as we have not mandated the sort of person who should be involved other than to state that they need to be capable and equipped to provide that advice. There are timeliness standards that we have asked the providers to meet, and clearly we are doing quality checks to make sure that the reports meet what is required for Centrelink and other service providers to make their own decisions.

**Senator WONG**—I am sorry, but I thought one of the reasons that this was being piloted was that you had a multidisciplinary capacity as opposed to Centrelink making some sort of decision on the basis of medical evidence.

**Ms Wilson**—Each of the providers vary a little from the others in terms of the allied health professionals or other professionals that they employ in respect of providing those assessments. We have not mandated what people they should employ.

**Ms Golightly**—But the bottom line here is that what we are trialling is a multidisciplinary approach.

**Ms Wilson**—So if the individual needed, for example, a psychological assessment, the assessing organisation would have to ensure that they either had the in-house capacity or could bring in some capacity to be in a position to make that assessment

**Senator WONG**—How are they funded for that assessment?

**Ms Wilson**—They are funded on a per assessment price, which is the price that they are currently contracted to provide the assessment on.

**Senator WONG**—But what if a particular job seeker requires, say, an additional psychological assessment? There will be different levels of assessment required for different types of clients. Is that just averaged out, or is there another fee-for-service component in the costings framework?

**Ms Wilson**—I believe it is a flat fee-for-service based on what the organisations tendered for in respect of the pilot. We asked them to come to us with a price in respect of the pilot.

**Senator WONG**—In the \$500,000, is there also funding per job seeker for training, rehabilitation or other service?

**Ms Wilson**—We have not provided additional funding in respect of the services that those job seekers would access. They will be accessing mainstream services on the basis of the current level of funding provided for those services, except in respect of the prevocational interventions, where we have agreed to provide funding up to around a cap of \$1,000 per participant. However, we have developed guidelines about the sorts of things that would be appropriate there and made some estimates, based on early results, about the number that would be likely to benefit from that intervention and be unable to get it without that funding.

**Senator WONG**—Sorry?

**Ms Wilson**—There are state funded programs and other funded programs available in the general community that people might be referred to. However, in the absence of that access or sufficiently timely access, we have, as this further iteration of the pilot, agreed to provide this additional top-up for that prevocational assistance.

**Senator WONG**—So there is \$500,000 for 2,000 people. What was the cost per job seeker assessment?

**Ms Wilson**—It varied according to providers.

**Ms Golightly**—Because they all tendered a different price.

**Ms Wilson**—From memory, I think it ranged between \$280 and \$450.

**Ms Golightly**—I have just been advised that \$250 was the average per place.

**Senator WONG**—And the \$500,000 includes up to 1,000 short-term training, services, prevocational—

**Ms Wilson**—Yes.

**Senator WONG**—What else? Is there any other service provision in that?

**Ms Wilson**—No.

**Senator Wong**—So there is no rehabilitation?

**Ms Wilson**—People would be referred to existing programs.

**Senator WONG**—Yes, I understand that, but out of the \$500,000 there is nothing additional for that.

**Ms Wilson**—No.

**Senator WONG**—So out of that people then get referred to whatever.

**Ms Wilson**—That is right.

**Senator WONG**—Through other employment services like Open Employment Services and so on. Can CSR refer to themselves?

**Ms Wilson**—No, I do not believe so, but we can check that for you.

**Ms Golightly**—We will have to check that for you.

**Senator WONG**—I have raised this question before. Oddly, although you are running the pilot it is supposedly a pilot for the comprehensive work capacity assessment which is going to be handled by the Department of Human Services. So why did you get to do the pilot when they are going to handle it?

**Dr Boxall**—It is part of the whole-of-government approach, where we do this good work—

**Senator WONG**—Was this the bit they fought you for?

**Dr Boxall**—And then we share it with them.

**Senator WONG**—Only if you want to, I am sure, Dr Boxall! I asked some questions before about whether probity guidelines et cetera would be open to the assessor referring to their own service. Is that currently permitted under the pilot?

**Ms Wilson**—What we have said is that for the future CRS can refer to themselves but the person would have to meet all of the requirements to be an eligible person for a rehabilitation program as governed in the legislation—so they have to demonstrate a capacity to benefit and the other provisions. It operates in the same way as when Job Network members are able to refer a person to their own Work for the Dole project.

**Dr Boxall**—As you would appreciate, Senator, our minister has policy responsibility for the disability support pension so in a sense DHS will be undertaking a comprehensive workplace assessment.

**Senator WONG**—I am sure you will be watching them closely.

**Dr Boxall**—That is correct.

**Senator WONG**—Can APM refer to themselves under the pilot as well?

**Ms Wilson**—It would be the same for any of the providers in respect of what services they were able to offer that would be something for which they are already funded.

**Senator WONG**—If they get people. There is core funding but there is also case based funding, isn't there?

**Ms Golightly**—For DOE services there is.

**Ms Wilson**—APM are not one of the providers funded out of the DEWR portfolio at the moment.

**Ms Golightly**—They are, but for assessment purposes.

**Ms Wilson**—Yes—I beg your pardon—but they are not funded for program interventions.

**Senator WONG**—But CRS is?

**Ms Wilson**—Yes.

**Senator WONG**—What about Health Services Australia?

**Ms Golightly**—No. Except for CRS, the only thing we purchase from the others is assessments.

**Ms Wilson**—Health Services Australia have an arm that does provide some personal support program places.

**Senator WONG**—So they could presumably refer people through the PSP.

**Ms Wilson**—But there are protocols for—

**Senator WONG**—What are the protocols?

**Ms Wilson**—It depends on what the assessment finds, but in respect of PSP you have to have multiple non-vocational barriers to employment which mean that you are not yet suitable for referral to employment services—

**Senator WONG**—Can I just stop you there? I understand there are general protocols about this being what you have to show in order to get it, but are there specific probity protocols about organisations referring people to themselves for services?

**Ms Wilson**—We take the same approach to these services as is taken in respect of the Job Network and Work for the Dole.

**Senator WONG**—Are there specific probity protocols there?

**Mr Correll**—There are basically risks involved from a probity point of view where you have an agency referring to themselves.

**Senator WONG**—Yes.

**Mr Correll**—What that means is that you put in appropriate risk management approaches and you can do that through multiple means. The information technology tools that you use can be used to very closely monitor exactly what is happening there and then you also use contract management techniques to monitor what is happening as well. The detailed design of the comprehensive work capacity assessment arrangements for the future have certainly not yet been settled—they will be informed. But that design would also take into consideration those risk management approaches to that issue, in the same way that those risk management approaches are used at the present stage in the management of referrals from Job Network to Work for the Dole.

**Ms Wilson**—And in respect of the clients, we are looking at the pattern of referrals in comparison to the pattern of general referrals and looking at the reports that are provided by the assessors, and sampling those reports to ensure that the referral recommendations are

consistent with what we would anticipate should be appropriate in respect of what the assessment has found.

**CHAIR**—Senator, is it an appropriate time for us to pause for the evening break?

**Senator WONG**—Sure.

**Proceedings suspended from 6.30 pm to 7.34 pm**

**Senator WONG**—Is this very similar to the disability panel approach which existed in the nineties?

**Ms Wilson**—It is used for similar purposes, but perhaps I could give you some background on the panel arrangements. The panels came into being as part of the disability reform package that was implemented in about 1991. They included a Department of Social Security officer; what was then a DEETYA officer, who was a disability specialist—I think the acronym used for them was a JSA, but I cannot remember very well off the top of my head—and a representative from the Commonwealth Rehabilitation Service.

Those panels operated until about 1997 or 1998 when, as a consequence of the formation of Centrelink, it was quite clear that the function that had previously been performed by CES staff—who were the DEETYA staff—and the social security staff should be performed by a single officer, which was the case, and they became the Centrelink disability officer. At the same time, because there had been problems of commitment across all departments in ensuring that they always had officers available for those panels, it became apparent that that single officer could suffice in place of the previous panel arrangement and the CRS no longer participated. In effect, the panels were abandoned because they had outlived their usefulness.

**Mr Correll**—There are a lot of major differences between the previous panel arrangements and the comprehensive work capacity assessment arrangements. Even in the genesis of the current pilot that is running, it was based on looking at all of the issues that currently exist in the operation of the current assessment referral processes, and the pilots that have emerged were designed by a working group that came out of the existing providers.

**Senator WONG**—Yes, I understand that. Perhaps I misheard Ms Wilson's answer, but who was previously on the panels? CRS—is that correct?

**Ms Wilson**—CRS, CES staff—that is, the JSA staff member—and a social security officer.

**Mr Correll**—The comprehensive work capacity assessments are effectively trying to do four things. They are trying to aim for a much earlier intervention in dealing with people who not only have a disability but also have a medical impairment. They are looking to have a much more rapid referral to the right service. There is a question of ensuring individuals get into the right service. That is a problem at present. There is the assessment of the work capacity—which is based on a much greater focus on the capacity aspects rather than on the disability—and there is the advice to Centrelink on income support. I do not believe the previous panel arrangement was designed to do that range of things.

**Senator WONG**—What do you say it was designed to do?

**Mr Correll**—I think it was attempting to draw things together so that there was a better coordinated view. From that point of view, there are elements of similarity, but it did not cover the range of other issues involved in the work capacity assessments.

**Ms Wilson**—A particular difference is that the people who were assessed by the panels were voluntary, so it was a much smaller subset of the client group.

**Senator WONG**—What is the percentage of parenting payment recipients with a disability? Do we have that for the current cohort?

**Ms Golightly**—We will need to take that on notice, because I think we will have to source that from Centrelink data.

**Senator WONG**—Presumably, the figure of 5,100 places that Mr Carters gave me earlier—as one of the components of the new disability open employment service places—which was for parents, must be predicated on some assumption as to the proportion of parenting payment recipients who have a disability.

**Mr Carters**—That is correct, but we do not have the figure here so I will have to take it on notice.

**Senator WONG**—Did DEWR analyse that data for the purposes of the disability open employment services places?

**Mr Correll**—In our modelling we would have looked at that information.

**Senator WONG**—So you do not know the current cohort?

**Mr Correll**—I think the information is available. It is just not available at our fingertips.

**Senator WONG**—Sure. I presume it would only actually be the category of parenting payment recipients with the youngest child above the age of six that we would be looking at?

**Ms Wilson**—I think there is possibly a range of data available. I do not believe it is something that is systematically recorded by Centrelink because it does not affect entitlement to payment. One has to go to secondary sources such as survey data to round out the understanding of that issue.

**Senator WONG**—Who did that work? Did DEWR do it?

**Mr Correll**—Yes. We will have to take this on notice. It may not be the transactional data but more the survey data.

**Senator WONG**—What I am interested in is getting some assessment of the proportion of parents with a disability and consequently what was relied on for the purposes of developing the 5,100 places.

**Mr Correll**—All right.

**Senator WONG**—I am about to move to another topic. I do not recall if there are outstanding questions that people were going to get back to me about, but I can go back through my notes. Are we able to deal with any of them now?

**Ms Wilson**—We have one answer, which was on the 30 ESAs that were identified as having the highest level of need for additional places in the open employment services. I can table that.



**CHAIR**—It is tabled.

**Mr Correll**—You also asked a question about whether the department paid the costs for the parents that attended the consultation forum with the minister on 24 March. The answer to that is that the department paid the costs of all parent groups coming from interstate to Melbourne to attend that. Also, to supplement my answer to that question, I should add that, in addition to that national consultation meeting, there were also two meetings in Canberra, where the ministers met with the National Council of Single Mothers and their Children, during that consultation period.

**Ms Wilson**—Also, we would like to confirm the total cost of the Early Intervention and Engagement Pilot and the average cost of assessment. We can come back with that tomorrow morning.

**Senator WONG**—You are assuming we will be here tomorrow morning!

**Ms Wilson**—You will be, Senator—I am hopeful that I may not be!

**Senator WONG**—But how are you going to come back and tell me if you are not? Now you have given me an incentive to stay here. Everyone in the department will be after you. As to the rankings you described earlier, I know you are going to tell me it was a whole range of data, but, presumably, you must have distilled it down to some criteria for the rankings. Was it ratio per hundred?

**Ms Wilson**—It was an index based on a range of variables, as I indicated, which was seeking to move closer towards a benchmark of one place for every 10 people on DSP in each ESA. Perhaps I could come back to you with a write-up of the range of variables and the way in which they were put together in the index. I think it is a bit too complex to do it verbally.

**Senator WONG**—I am quite happy at this time of night for you to do that. But, in general terms, one to 10 is the target. Would that be a reasonable way of putting it?

**Ms Wilson**—That is right, but I need to clarify that it is one to 10 looking across the range of services funded in both supported employment and open employment for people with disabilities. It was based on an allocation method that had been used for new places in the past in the FaCS portfolio.

**Senator WONG**—When they were together.

**Ms Wilson**—Therefore, for this particular allocation, we clearly did not look at the supported employment component. But that index was trying to get closer to that benchmark of provision.

**Senator WONG**—So with one to 10, if that used to be supported employment and Disability Open Employment Services, the figures would be lower, presumably—the ratio would be smaller?

**Ms Wilson**—Yes. It would probably be in the order of one to 20. I think there are around 35,000 or 38,000 supported employment places.

**Senator WONG**—Are there any ESAs outside the 30 which do not meet the benchmark?

**Ms Wilson**—I am sorry, I do not have that information with me. These are, if you like, the bottom 30 in respect of approaching that benchmark.

**Senator WONG**—Yes. I understood that. What I am trying to ascertain is: how much further up would the benchmark not be met, or is the evidence that these are the only ones that do not meet the benchmarks?

**Ms Wilson**—I do not have that information; I will have to take it on notice.

**Senator WONG**—This is your only copy, isn't it?

**Ms Wilson**—Yes, it is.

**Senator WONG**—I refer to question on notice W208-05 on output 1.1.1, working age payments and compliance and employment outcomes for parents under AWT. I asked about the number of sustained exits of parenting payments due to earnings for 2001-04 for sole and partnered parents and about the age of the child. Can you explain to me why it is that 'data on sustained exits of parenting payment recipients due to earnings in each of these years is not readily available'?

**Ms Wilson**—To answer that sort of question would require quite detailed longitudinal analysis.

**Senator WONG**—That has been done.

**Ms Wilson**—I am not aware that that work has been done in respect of the question that you asked.

**Senator WONG**—Are you saying that the government does not know how many people come off parenting payment and go into employment?

**Ms Wilson**—We would have information on exits at any point in time due to earnings but in terms of sustained and defining the sustained and showing causality over that period and in respect of the AWT package would be the issue. People relinquish parenting payment for all sorts of reasons. They do not necessarily tell Centrelink what that is, so you have to set up some way of identifying that there had been a pattern of earnings or an exit due to earnings, and then calculate the period for which it had been sustained and make some assessment of how to define 'sustained'.

**Senator WONG**—Let us leave 'sustained' to the side. As I understand your evidence, you are telling me that the government is unable to get the data regarding how many people exit the parenting payments due to earnings for the period 2001-04, is that right?

**Ms Wilson**—What the answer to the question said is that it was not readily available.

**Senator WONG**—What does that mean?

**Ms Wilson**—It is a very complex piece of longitudinal analysis that would be required in order to be able to answer that, and we did not have that to hand.

**Senator WONG**—So does that mean that that analysis was not done as part of the preparation for the welfare to work package?

**Ms Wilson**—I am not able to answer that.

**Senator WONG**—What do you mean?

**Ms Wilson**—I do not know the answer to that question.

**Senator WONG**—Was that done in the context of the preparation for the budget—an analysis of exits of parenting payment due to earnings?

**Mr Correll**—I do not believe so. The data was not available.

**Senator WONG**—I do not think that the evidence is that the data is not available. The evidence is that the data is not readily available. Is that right, Ms Wilson?

**Dr Boxall**—That is the answer to the question.

**Senator WONG**—What I am wondering is how we are going to benchmark the government's welfare to work package if we do not know how many people currently exit without the threat of a reduction in payment or an imposition of Jobsearch requirements. You do not know that?

**Mr Correll**—No. When we look at our evaluation and monitoring strategy for the welfare to work package we will make sure that we capture all the data that is necessary to properly evaluate it.

**Senator WONG**—That is not an answer. From your evidence today, you do not know how many people for the period 2001-04 moved off parenting payment due to earnings.

**Mr Carters**—The new measures are not necessarily aimed at getting people off income support. That is the ideal, but basically it is a part-time Job Search requirement. The improved income test and taper rates are there to basically make it more reasonable for people to seek part-time work. We do know the percentage of parenting payment recipients who are earning, so we can use those sorts of figures as a benchmark, rather than the number that go off payment due to earnings.

**Senator WONG**—What is the percentage who are earning?

**Mr Carters**—It is 30 per cent for parenting payment single and 11 per cent for parenting payment partnered.

**Senator WONG**—Did you say 11 per cent?

**Mr Carters**—Yes.

**Senator WONG**—Was that your evidence—11 per cent?

**Ms Wilson**—Yes. I will just check that, but I believe that to be correct. As at December 2004, in any fortnight around 30 per cent of PPS recipients and 11 per cent of parenting payment partnered were declaring earnings.

**Senator WONG**—Dr Boxall, can you tell me why your performance indicator then is only to retain the current figure? You are not even seeking an improvement.

**Dr Boxall**—Which performance indicators are you referring to?

**Senator WONG**—I am referring to page 41.

**Dr Boxall**—These performance indicators are for 2005-06, which is before the introduction of the Welfare to Work package.

**Senator WONG**—That is not the issue that we are discussing. I am sorry if I have not made myself clear. I am making the point that the performance indicator that the department

has set itself, or is proposing to set itself, through the PBS is actually only to retain the current number of people on earnings. Are you saying that it is not part of your job to get more people on these payments earning before the Welfare to Work package reductions and income cut in?

**Dr Boxall**—I am not saying that at all. You asked me why the performance indicator is 30 per cent and 11 per cent respectively. I am saying that the performance indicator in the budget, which is the department's performance indicator, is to at least maintain that percentage in 2005-06.

**Senator WONG**—So you are not even setting yourself a bigger target. That is a good performance indicator—just maintain the current performance.

**Dr Boxall**—That is right. It is at least to maintain the current performance, given that the policy changes do not take effect until the following year.

**Senator WONG**—So are all your targets for the percentage of income support recipients with earnings simply to maintain the existing position for the 2005-06 year?

**Dr Boxall**—All the performance targets are not to achieve what was achieved last year—

**Senator WONG**—But I am asking in relation to the percentage of income support recipients.

**Dr Boxall**—But these ones here are, and one reason was that we do not have a lot of data to go on because we have just inherited these programs. This will be the first full year of this program, and we are hoping to at least attain what we did last year and then we will review the performance indicators next year, when we have the benefit of a full year under our management, plus we will be able to set the performance indicator with the new policies taking effect.

**Senator WONG**—It is not like you to be so unambitious, Dr Boxall.

**Dr Boxall**—That is not really a question.

**Senator WONG**—So are you able to give me figures on the number of parents estimated to move into work as a result of the measures from 2006 onwards?

**Mr Correll**—I think that is part of the information we have taken on notice several times today.

**Senator WONG**—I want to be clear about the obligations on parents. I assume that is you, Mr Carters.

**Mr Carters**—Yes.

**Senator WONG**—Current recipients—that is, people on the payment until 1 July 2006—continue on parenting payment until their youngest child turns 16. Is that right?

**Mr Carters**—Yes.

**Senator WONG**—They have a year to seek work voluntarily from the latest of July 2006 or when their youngest child turns six.

**Mr Carters**—Yes.

**Senator WONG**—And after that they will have an obligation to seek part-time work?

**Mr Carters**—Yes.

**Senator WONG**—So it will be from July 2007 or onwards that they will have the obligation, depending on the age of the child?

**Mr Carters**—That is right.

**Senator WONG**—Those who enter the payment after July 2006 get parenting payment until the youngest child is six and then go onto the enhanced Newstart and at that time also have the part-time work search obligation.

**Mr Carters**—Yes, that is right.

**Senator WONG**—I want to be clear about the nature of that obligation. Once a parent enters the part-time work search phase, will the details of that obligation be included in an agreement?

**Mr Carters**—A Job Search plan?

**Senator WONG**—A Job Search plan. Do these essentially replace the participation agreements?

**Mr Carters**—No. It is an activity agreement, and a Job Search plan forms part of the activity agreement. Overall, you could call them a participation agreement.

**Senator WONG**—The activity agreement is between whom and whom?

**Mr Carters**—In this example it would be between the Job Network member and the job seeker.

**Senator WONG**—So you are going to move people with a disability and parents on to enhanced Newstart, both with part-time work requirements. Their participation requirements will be agreed as between them and the Job Network provider.

**Mr Carters**—That is correct for those who go to Job Network.

**Senator WONG**—What about those who do not?

**Mr Carters**—Then the relevant service provider will determine what the requirements are there. That will be someone like the disability open employment service provider or a vocational rehabilitation service with a personal support program.

**Senator WONG**—But the delegation that is currently being signed off by Dr Boxall only relates to Job Network providers?

**Ms Golightly**—Perhaps I can clarify. The delegation we were speaking about earlier is the Job Search plan, which is part of the preparing for work agreement. The preparing for work agreement delegation is still held by Centrelink. This is the document I believe Mr Carters is talking about at the moment. The provider will still prepare it, in consultation with their client—

**Senator WONG**—Sorry: who are we talking about now? Are we talking about parents of people with a disability?

**Ms Golightly**—Anybody who has a—

**Senator WONG**—Can we go back a step? I am sorry: I am not as familiar with all of this as you are, obviously. What is the delegation that was signed off by Dr Boxall on 16 May?

**Ms Golightly**—That is a delegation to the Job Network providers to prepare a Job Search plan.

**Senator WONG**—What is the status of a Job Search plan legally?

**Mr Parsons**—A Job Search plan is a document that is formulated and tailored by the service provider—the Job Network member in this example—and the job seeker which spells out a plan of attack to improve the job seekers chances of gaining employment.

**Senator WONG**—And the Job Search plan used to be done with Centrelink?

**Mr Parsons**—The Job Search plan used to be passed through DEWR for a quick look before going to Centrelink for approval.

**Senator WONG**—Was there consultation with welfare rights or disability groups before this delegation was signed off?

**Ms Golightly**—No. It is an administrative process.

**Senator WONG**—Some people might not think so.

**Ms Golightly**—The Job Search plan has always been prepared by the Job Network provider with their client. What we are talking about is the final approval.

**Senator WONG**—Yes, that is right. So there has always been Centrelink oversight, essentially, because Centrelink was the approving authority—correct?

**Ms Golightly**—For both the Job Search plan and the preparing for work agreement, yes.

**Senator WONG**—And the legal obligation on the job seeker is as set out in the Job Search plan?

**Ms Golightly**—And, as I understand it, the preparing for work agreement as well. The Job Search plan is only part of the overarching agreement.

**Senator WONG**—Who signs off on the preparing for work agreement?

**Ms Golightly**—Centrelink.

**Senator WONG**—But they do not have the authority to override the Job Search plan under the current arrangements?

**Ms Golightly**—No, not under the current arrangements, unless at the preparing for work agreement level they change it.

**Senator WONG**—Does the Job Search plan sit underneath the preparing for work agreement, as one detailed aspect of the agreement? Is that how it works?

**Ms Golightly**—Yes, that is my understanding.

**Senator WONG**—So everyone will have a preparing for work agreement that is subject to an obligation.

**Ms Golightly**—Everyone with a mutual obligation requirement, yes.

**Senator WONG**—Do all of them also have a Job Search plan, or only those who have Job Search requirements?

**Ms Wilson**—They would have either a Job Search plan or some variant of it, depending on which service they were with. So if they were with an open employment service provider they would have an employment assistance plan, they would have a vocational rehabilitation plan if they were with a rehabilitation provider, and so on—all of which would form part of the preparing for work agreement.

**Senator WONG**—Thank you for that explanation. That has made it clearer. Mr Carters, what happens for parents and people with a disability who are subject to the part-time work requirement?

**Mr Carters**—It is exactly the same process, except their requirement will be to seek part-time work. They will have met their obligation once they found part-time work of 15 hours.

**Senator WONG**—Let us take a step back: presuming not all of them find part-time work, will all of these people have a preparing for work agreement with Centrelink?

**Mr Carters**—Yes, they should have a preparing for work agreement with Centrelink.

**Senator WONG**—And those who go to the Job Network will have a Job Search plan prepared and signed off by the Job Network provider.

**Mr Carters**—Yes.

**Senator WONG**—That is in accordance, presumably, with guidelines provided by DEWR, which you are going to think about giving me a copy of?

**Mr Carters**—Yes, once they are written.

**Senator WONG**—I thought there was already an instruction.

**Ms Golightly**—We have guidelines in place for the current policy arrangements. Obviously, we would need to update them from time to time because of changes.

**Senator WONG**—Is it envisaged that disability open employment service providers would have a similar authority to prepare a Job Search plan or equivalent?

**Mr Carters**—They will provide a similar version, which Ms Wilson talked about. It is an employment assistance plan.

**Senator WONG**—These are separate, presumably, from things like access to JET and those sorts of assistance?

**Mr Carters**—Yes, they are.

**Senator WONG**—So you do not get referred to a JET officer to develop these plans; this is within the realm of the Job Network or the disability open employment service provider?

**Ms Golightly**—Or the vocational rehabilitation provider, depending on which service the person is referred to.

**Senator WONG**—In that case, it would be called a vocational rehabilitation plan, presumably?

**Ms Wilson**—Yes, I would assume it would be called a vocational rehabilitation plan.

**Senator WONG**—So there are three streams, essentially.

**Ms Wilson**—Essentially, yes.

**Senator WONG**—Do they overlap?

**Ms Wilson**—Generally not, in that there are different issues that present in respect of the need for each of those services.

**Senator WONG**—Do we know about how many people fall under reach of the three categories—Job Search, employment assistance or vocational rehabilitation?

**Ms Golightly**—Currently?

**Senator WONG**—No, post 2006.

**Ms Golightly**—That goes to the modelling.

**Mr Carters**—The additional places, which we have talked about earlier, are an indication of how many people would fall into each of those different services. But, as we have said, they are demand driven so it may vary from that.

**Senator WONG**—Which of them are demand driven? The rehab as well?

**Mr Carters**—All three, yes. For the people with the part-time work requirement.

**Senator WONG**—The Job Search plan would include requirements as to the number of job contacts a fortnight presumably?

**Mr Carters**—Yes.

**Senator WONG**—That is the current system?

**Mr Parsons**—Correct.

**Senator WONG**—Is two to 10 the range generally?

**Mr Parsons**—Yes, generally speaking.

**Senator WONG**—Is it envisaged there would be a significant deviation from that range for the new cohort?

**Mr Carters**—No. It could be zero; it could be one—two is not a fixed figure. But up to 10 job searches a fortnight is the limit that is applied.

**Senator WONG**—Is there a similar additional requirement for parents over and above the Job Search requirement, as there is for people with a disability?

**Mr Carters**—Yes.

**Senator WONG**—That is the 150 hours over six months of each year?

**Mr Carters**—Yes.

**Senator WONG**—That is on top of the Job Search requirement?

**Mr Carters**—Yes, it is.

**Senator WONG**—And voluntary work or community engagement will only meet the obligation in respect of the 150 hours?

**Mr Carters**—Yes, unless the parent is 55 or over.



**Senator WONG**—I am sorry?

**Mr Carters**—If they are aged 55 or over then the voluntary work can replace the Job Search.

**Senator WONG**—We are talking about parents of kids that are sick; I do not know how many of them are going to be over 55, but it always possible, I suppose. Can you explain to me why the minister said this:

... we do know that when children start school ... that we would be asking people to partake in work for 15 hours. Now that equates obviously to about three hours a day, it can involve volunteer work as well.

That is not your understanding of the policy requirement is it, Mr Carters?

**Mr Carters**—It can involve voluntary work as well as job search.

**Senator WONG**—Yes.

**Mr Carters**—You can do Job Search and voluntary work.

**Senator WONG**—No, he is talking about the 15 hours requirement.

**Senator Abetz**—Perhaps we could have a look at the full transcript or quote or whatever it is so we can contextualise it. Unfortunately, Chair, I have been too often relying on Labor senators allegedly quoting things.

**Senator WONG**—I am happy to provide you with this. It is the *Insiders* debate from 15 May. Presumably the department might have seen what the minister was saying there. Do you have that transcript?

**Mr Correll**—Not necessarily with us, but obviously we did access the transcript at the time.

**Senator WONG**—I am happy if you want to look at it, Minister, but this is my only copy.

**Senator Abetz**—I am sure the secretariat could photocopy it, as they do for us.

**Mr Carters**—I might just add that the Job Search plan is negotiated between the job seeker and, as an example, the Job Network member. If the two decide that voluntary work is an appropriate form of work experience for that person—particularly if that voluntary work is likely to move them into employment—there is the possibility for that plan to allow voluntary work.

**Senator WONG**—I would like to look at the *Hansard* on this, Mr Carters. I thought I asked you what voluntary work could be utilised for and you indicated it could be utilised for the requirement for 150 hours over six months but not for the part-time work requirement.

**Mr Carters**—Yes, but that was when I was talking about mature age—the 50- to 54-year-olds and the 55-plus age group.

**Senator WONG**—Yes, but regarding the 150 hours over six months requirement which applies to parents in this cohort on top of the 15 hours of part-time work requirement, I understood your answer to be—and I am certainly going to go back and look at it—that the voluntary work could only apply to the 150 hours component. Is that not right?

**Mr Carters**—That is voluntary work that is chosen by the jobseeker. The jobseeker undertakes the voluntary work and therefore does not have a job search requirement and could

not be required to job search if they are aged 55. Under the scenario I am talking about, there may be a particular circumstance where voluntary work may be sufficiently beneficial to an individual that the job search requirement could be substantially reduced. It would be very rare for there to be no job search requirement, but certainly a reduced job search requirement together with voluntary work is a possibility.

**Senator WONG**—But the legal obligation will be 15 hours of part-time work or the equivalent job search?

**Mr Carters**—The legal obligation will be to undertake job search as written in the job search plan and to meet a mutual obligation requirement of 150 hours for six months of each year.

**Senator WONG**—So voluntary work will not meet the job search requirement and/or the 15 hours of part-time work requirement?

**Mr Carters**—No, unless it is negotiated in the job search plan.

**Senator WONG**—Can you explain to me then whether you are right or the minister is right?

**Mr Carters**—He says:

... that equates obviously to about three hours a day, it can involve volunteer work as well.

**Senator WONG**—But that is not your evidence. Your evidence is that volunteer work goes to the 150 hours for six months, not to the part-time work requirement.

**Mr Carters**—It is not clear—to me, this is ambiguous. It mentions three hours a day, but the volunteer work could be on top of the three hours.

**Senator WONG**—But the previous sentence is about the 15 hours. It says, ‘We would be asking people to partake in work for 15 hours.’ That is the context. I understand Minister Abetz wanting to make sure he has the context of it. The context is the discussion about the 15 hours of part-time work requirement. So who is right—the minister or you? What is the policy?

**Mr Carters**—I just outlined the policy.

**Senator WONG**—So it is 15 hours or the job search equivalent, and volunteer work meets the 150 hours over six months requirement?

**Mr Carters**—The volunteer work meets the 150 hours over six months requirement, which is the mutual obligation requirement. There is a separate activity test requirement, which is negotiated with the Job Network member in the job search plan. That plan would normally have a job search requirement of up to 10 job searches per fortnight. However, there is the ability to negotiate a plan in particular circumstances where it is appropriate to have a much smaller job search requirement together with voluntary work as part of the plan.

**Senator WONG**—Will it be possible under this policy for someone to work, say, five hours a week and do 10 hours of voluntary work to meet the 15 hours requirement?

**Mr Carters**—Which 15 hours requirement are you asking about?

**Senator WONG**—There is only one.

**Mr Carters**—Is this the mutual obligation requirement?

**Senator WONG**—Yes. There is only one 15 hours requirement.

**Mr Carters**—Five hours of part-time work and 10 hours of voluntary work meet the mutual obligation requirement.

**Senator WONG**—It does? On what basis? You have just told me they have to do part-time work. I am not talking about the 150 hours.

**Mr Carters**—I thought you were. That is the mutual obligation requirement.

**Senator WONG**—Will someone be able to do, say, five hours of paid work and 10 hours of voluntary work to meet the 15 hours of part-time work requirement?

**Mr Carters**—No, not normally. They would need to do five hours of part-time work and then do some job search as well.

**Senator WONG**—So hours of voluntary work done in a week do not go towards meeting the 15 hours of part-time work requirement?

**Mr Carters**—They do not go towards meeting it, but they may influence the provider to reduce the job search requirement.

**Senator WONG**—I understand that. But they do not go towards meeting the 15 hours of part-time work requirement?

**Mr Carters**—No, they do not.

**Senator WONG**—So you cannot explain to me how the minister indicated that volunteer work would go to meeting the 15-hour requirement?

**Mr Correll**—The minister's words are that it equates to about three hours a day. It can involve volunteer work as well. I just do not see that that is any different from what Mr Carters has been explaining.

**Senator WONG**—It is quite substantially different, Mr Correll.

**Senator Abetz**—Would you support the policy one way or the other?

**Senator WONG**—I tell you what, if you looked at community activity—women working in tuckshops, doing reading at school and all the sorts of things that mothers do—the Labor Party might have a different view about some aspects of this proposal.

**Senator Abetz**—Can I tell you that I happen to be married to a mother of three children. I have some idea of what mothers of school-age children do, so I do not need a lecture from you, Senator Wong.

**Senator WONG**—Your policy is that they do not count for the purposes of the 15-hour test.

**Senator MARSHALL**—What is that supposed to mean?

**Senator WONG**—Yes, what is that supposed to mean?

**Senator Abetz**—Exactly what I said.

**Senator MARSHALL**—Are you saying that only people who have school-age children can have an opinion about this policy?

**Senator Abetz**—No. I was just being given a homily by Senator Wong that if I understood the work that mothers do in tuckshops et cetera I might then understand why the Labor Party has a certain attitude. I happen to be married to such a person and I have a very good understanding—

*Senator Marshall interjecting—*

**CHAIR**—Order! Let us return to the questions or we will be here all night.

**Senator Abetz**—I have no idea what Senator Marshall's point is.

**CHAIR**—Senator Wong, do you have any more questions?

**Senator WONG**—I want to know what the minister's suggestion is to me. What are you suggesting?

**Senator Abetz**—You made an attack on the government as not understanding mothers that work in tuckshops et cetera.

**Senator WONG**—So you have to bring in the personal? You always have to go to the personal, don't you?

**Senator Abetz**—I made the point that I happen to be married to such a person and I thought I had a good understanding and, as a result, did not need a lecture from Senator Wong about it.

**Senator EGGLESTON**—Or anybody else.

**Senator Abetz**—Or indeed anybody else from the Labor Party, but Senator Wong was leading the attack on the government, hence my comment. I do not know what else you would want to read into it.

**Senator WONG**—We know your style, Minister.

**CHAIR**—Ask the question, Senator.

**Senator WONG**—Am I clear, Mr Carters, that the 15-hour requirement relating to part-time work is not going to be met by voluntary activity such as working in a tuckshop?

**Mr Correll**—That is right. The 15-hour work requirement is met by work in some circumstances if it is built into a Job Search plan, then voluntary work can meet part of the Job Search requirements.

**Senator WONG**—But not the part-time work requirement.

**Mr Correll**—Not the part-time work requirement.

**Senator WONG**—Can anyone explain exactly which policy the minister was articulating?

**Mr Correll**—I can only repeat the comment earlier: I do not see from any reading of that that there is any conflict in those positions.

**Senator WONG**—I quote:

... we would be asking people to partake in work for 15 hours. Now that equates obviously to about three hours a day, it can involve volunteer work as well.

**Mr Correll**—That is true. It can involve volunteer work as well.

**Senator WONG**—Not for the 15 hours. You have just said that.

**Mr Correll**—In addition to the 15 hours.

**Senator MARSHALL**—Are you suggesting that it is not referring to the 15 hours? Is that what you are really putting to us? He is referring to the hours. Are you suggesting that that is not talking about the 15 hours?

**Mr Correll**—I do not read it to be giving that clear message at all, no. So I can only repeat my answer to the earlier—

**Senator WONG**—What do you read it as?

**Senator Abetz**—Let us have a look at Barry Cassidy's question: 'what about a parent inconsistency'—I am not sure what a 'parent inconsistency' is but he goes on to talk about two parents. I am not sure as to the full status of this transcript. We can spend a lot of time on what was actually said in a transcript—

**Senator WONG**—I am sure you want to move off this very quickly.

**CHAIR**—I am happy for you to ask questions.

**Senator Abetz**—If she does not want an explanation, I am happy not to give one; let us move on.

**Senator WONG**—I am happy to listen to the minister explain this.

**Senator Abetz**—Clearly you are not.

**Senator WONG**—What is your explanation, Minister?

**Senator Abetz**—Make up your mind. I am saying that we have a free-flowing discussion on a program where the transcript is not necessarily complete, where Barry Cassidy asks: 'What about a parent inconsistency'. If I were to ask you, Senator Wong, what 'a parent inconsistency' means to you, the chances are that you would be scratching your head.

**Senator WONG**—I assumed that it was a typo and it was meant to be 'patent', but that might be wrong.

**Senator Abetz**—It might be 'an apparent inconsistency', or what about 'an inconsistency between two parents'? It might be a whole lot of things. If you are willing to give that to Barry Cassidy, why not accept that there might be little slip-up on Peter Dutton's as well? But of course you would afford that only to Barry Cassidy and not to Peter Dutton. Not much swings on this, I would have thought.

**Senator MARSHALL**—Minister, do you agree with Mr Correll that the 15 hours cannot include an element of part-time work?

**Senator Abetz**—I fully agree with Mr Correll's reading of it that the inconsistency that is being asserted is not necessarily an inconsistency.

**Senator MARSHALL**—Are you saying that there is inconsistency in what Mr Correll has said?

**Senator Abetz**—No.

**Senator MARSHALL**—So you agree with Mr Correll that the 15 hours cannot include a part-time element.

**Senator Abetz**—Well done.

**Senator MARSHALL**—You then went on to talk about an inconsistency.

**Senator Abetz**—Read the *Hansard*.

**Senator MARSHALL**—Let us be clear about that: you agree with Mr Correll; there is no inconsistency.

**Senator Abetz**—This was Senator Wong's line of questioning. I think you are confusing yourself and everybody else.

**Senator MARSHALL**—The 15 hours cannot include an element of part time. Are we clear on that?

**CHAIR**—He has answered that three times.

**Senator Abetz**—I think you should leave Senator Wong to ask those questions.

**Senator CHRIS EVANS**—I just came back to make sure things were moving smoothly, Chair, to be a help to you.

**CHAIR**—I am obliged.

**Senator WONG**—I want to go to the language, literacy and numeracy supplement. In a question on notice on the last occasion, I asked the number of grants since the commencement of the payment. It was question W209-05. Is that 42,914 places?

**Ms Wilson**—No, it is individuals who attracted the payment. The payment is a fortnightly supplement paid to people for the duration of their participation in a language, literacy or numeracy program.

**Senator WONG**—So that is people?

**Ms Wilson**—Yes.

**Senator WONG**—It is not payments.

**Ms Wilson**—No. It is perhaps not as precisely expressed as it should be.

**Senator WONG**—I probably should have clarified that in the question. Can you remind me, Ms Wilson, when this payment commenced? Are these figures for 2003-05?

**Ms Wilson**—My understanding is that it commenced in September 2003. It was part of the Australians Working Together package.

**Senator WONG**—Are you able to give me the average over a 12-month period?

**Ms Wilson**—In terms of the amount received?

**Senator WONG**—No, the number of payments.

**Ms Wilson**—For the 2003-04 financial year, 18,874 people received the language, literacy and numeracy supplement. For the year to date, 2004-05, 18,678 people have received it.

**Senator WONG**—So it is tracking not dissimilarly.

**Ms Wilson**—Yes.

**Senator WONG**—How does this relate to the places announced in the budget measures—for example, at page 136 of Budget Paper No. 2? What is the relationship between places in the program and payments?

**Ms Wilson**—I am not really able to answer that question in that those places are the responsibility of the Department of Education, Science and Training.

**Senator WONG**—But the supplement is paid through you?

**Ms Wilson**—The supplement is paid by Centrelink. It is our payment.

**Senator WONG**—Do they have to be in the program to get the payment?

**Ms Wilson**—Yes.

**Senator WONG**—So a place in the program is required to get the payment?

**Ms Wilson**—That is right.

**Senator WONG**—Does that mean that in that budget measure only 800 more people will get the payment?

**Ms Wilson**—The eligibility for the payment obviously depends upon being in a language, literacy or numeracy program. I am not aware of what the criteria are for participation in that program. As I mentioned, it is a DEST responsibility.

**Senator WONG**—And I will ask them that.

**Ms Wilson**—I cannot explain what the relationship of the number receiving the supplement would be to participants in those programs as a consequence.

**Senator WONG**—But from DEWR's perspective you pay the supplement only to people who have places in the program?

**Ms Wilson**—Yes, to people who attend the program.

**Senator WONG**—But who have places in it?

**Ms Wilson**—Yes.

**Senator WONG**—I move on to mature age participation. I refer to page 139 of Budget Paper No. 2. Articulated there are the savings of \$70.5 million over three years. What is that predicated on?

**CHAIR**—Dr Boxall, it is apparent to the active committee members that they are not going to get to the Job Network aspects of tonight's inquiry and, accordingly, they have suggested that those people involved in that side of the examinations can go tonight and then start in the morning. Does that help you at all?

**Dr Boxall**—That is very helpful. Thank you very much. I am sure they would all like to go home to their families.

**Senator WONG**—I am not sure how many of them have to stay anyway, because we are asking policy questions. I do not understand who does what particularly, but we thought it would be appropriate to indicate that.

**Senator CHRIS EVANS**—I am sure those of you who have been told by the secretary that you can go should be heading for the door quickly before there is a reconsideration of these matters.

**CHAIR**—Are there further questions?

**Senator WONG**—I was asking about the \$70.5 million savings in the mature age participation.

**Mr Correll**—We have that as a work in progress item. Would you like to halt that question while we do a little bit of research?

**Senator WONG**—You are asking a lot of me, Mr Correll, especially as it is getting later.

**Senator CHRIS EVANS**—Why don't I do an ad break as a bit of light relief while you are looking for that one. Can someone take me through the break-up? I want to understand the appropriations in terms of administrative expenses and departmental outputs. I was talking to Centrelink the other day. A lot of the money for the compliance framework, as I understand it, is actually going to Centrelink rather than to DEWR. Is that right? I am starting from table 2.2.1 on page 22, 'expense measures disclosed in the 2005 budget, admin expenses and departmental outputs'. My staff have had a bit of a look into those to try and work out where the money is going. I want someone to help take me through those so I understand those properly.

**Dr Boxall**—As a general rule, we have departmental funds—which are in our departmental budget—which we pay to Centrelink to purchase services from them.

**Senator CHRIS EVANS**—Yes, because when I spoke to them the other day I got the sense that most of the compliance money was actually going to Centrelink. Is that going through you?

**Dr Boxall**—That is correct.

**Senator CHRIS EVANS**—When I talk to them, they say they are getting \$190-odd million to—

**Dr Boxall**—\$198.2 million.

**Senator CHRIS EVANS**—That is to do the extra compliance measures?

**Dr Boxall**—Yes.

**Senator CHRIS EVANS**—When I spoke to them about that, though, a number of those measures were not actually related to the Welfare to Work measures.

**Ms Golightly**—There are a number of different things with compliance in the title. The Welfare to Work package has a measure which is about an improved compliance regime—I think that is the name; I will find the correct name for you.

**Senator CHRIS EVANS**—But a lot of that money seems to be going on arrangements with eight new countries for pension arrangements.

**Ms Golightly**—In terms of the income support payments that were administered previously by FaCS—and some still are, and some have come to us—there have been longstanding measures in the budget to do with checking compliance against eligibility and



declaration of income. It is data matching and that sort of thing. They are separate measures to the Welfare to Work package, which in itself has a measure entitled 'an improved compliance framework'. That is the framework that is replacing the current breaching model.

**Senator CHRIS EVANS**—Yes. But the gross figures I have seen for the cost of the welfare reform package seem to include all those compliance measures. Is that not right?

**Ms Golightly**—That is not my understanding. I will just check that for you.

**Ms Wilson**—There was a compliance budget measure for which DEWR is responsible in respect of payment integrity compliance. But there are no payment integrity elements per se that feature in the Welfare to Work package.

**Senator CHRIS EVANS**—The global figure that has been used is \$3.5 billion for welfare reform. But on my maths the \$3.5 billion on welfare reform includes \$198 million going to Centrelink, most of which has got nothing to do with Welfare to Work.

**Ms Golightly**—No. The \$192 million figure has got something to do with Welfare to Work. It is a specific measure about a compliance framework. On page 145 of Budget Paper No. 2 there is a new heading of 'other measures in the employment and workplace relations portfolio'. These are measures other than Welfare to Work. If you go over the page to 147, under that heading you have a subheading of 'income support payments maintain funding for compliance checks'.

**Senator CHRIS EVANS**—I am not sure how that helps me with the answer.

**Ms Golightly**—The \$192 million—

**Dr Boxall**—\$198.2 million.

**Ms Golightly**—I was reading that wrong. The \$198.2 million is part of Welfare to Work and it relates to a specific, separate measure called 'an improved compliance framework'. It is not to do with the integrity checks on data matching et cetera that we do on the income support payments themselves.

**Senator CHRIS EVANS**—I am not sure whether that is what Centrelink told me the other day, but that may be right. I am not saying that you are wrong; it does not seem to be what they told me.

**Dr Boxall**—On page 140 the heading is 'Welfare to Work—an improved compliance framework'. The second sentence of the measure says, 'This includes funding of \$198.2 million for Centrelink.' That is an example of money which has been appropriated in the Welfare to Work package to DEWR. It goes in our departmental budget and then we pay Centrelink for doing these activities. That is an example of money which is in the Welfare to Work package, which goes to Centrelink.

**Senator CHRIS EVANS**—Are you telling me that the \$198.2 million is purely for welfare reform related activity or for more broader—

**Dr Boxall**—It is part of the Welfare to Work reform package.

**Senator CHRIS EVANS**—But it includes measures such as the pension data matching?

**Dr Boxall**—No, it does not. It is a separate measure. That is one measure on page 140.

**Senator CHRIS EVANS**—It seems to show up as \$198.2 million in both, so is that not right? I confess that I may be confused but I am just—

**Dr Boxall**—You have that measure at the top of page 140. That is clearly Welfare to Work. That is the \$198 million.

**Senator CHRIS EVANS**—That is \$198 million over four years?

**Dr Boxall**—Yes. As Ms Golightly was saying, if you go to page 147 you will see ‘Income support payments—maintain funding for compliance checks’.

**Ms Golightly**—This is a program which the government reviewed and decided to continue. The money was already in the forward estimates and therefore there is no need to appropriate additional money. Perhaps what Centrelink was trying to say—although I have not seen a transcript—

**Senator CHRIS EVANS**—I do not want to verbal them either. I am just saying that is what I took out of it, but I may have taken it wrong.

**Ms Golightly**—Another way of saying it is that any new money—the \$198.2 million—is entirely associated with the Welfare to Work package.

**Senator CHRIS EVANS**—The data matching for the pensions was a saving measure?

**Ms Golightly**—Yes, it is a saving measure.

**Senator CHRIS EVANS**—You are quite clear that the \$198 million is a straight payment to Centrelink for compliance on the Welfare to Work program?

**Ms Golightly**—That is correct.

**Senator CHRIS EVANS**—But the money comes into you and you pay it straight out to Centrelink in return for service?

**Ms Golightly**—Yes, according to a business partnership agreement.

**Senator CHRIS EVANS**—That is paying for what?

**Dr Boxall**—Mr Carters can answer that.

**Mr Carters**—They are the funds that Centrelink require to administer the new compliance suspension model. It is an amount that was negotiated with the department of finance and has accordingly been included in here and, as we said before, it will be part of the business partnership arrangement that we have with Centrelink, to have them administer that compliance suspension framework. The breakdown of the money was calculated by Centrelink.

**Senator CHRIS EVANS**—I think I understand that. What are you buying for your \$198 million?

**Mr Carters**—Administration of the new compliance approach.

**Senator CHRIS EVANS**—Administration: a new computer system, a new data-matching system, new computers?

**Mr Carters**—No.

**Senator CHRIS EVANS**—What are you buying? I am just trying to get an everyday understanding of what you are paying the money for.

**Mr Carters**—It is largely for staff et cetera that Centrelink will need to determine suspensions and the reasonableness of suspensions, to deal with appeals and to deal with Job Network members—basically the day-to-day running of the Centrelink business under the new model. It also includes the new case management approach for people who have an eight-week non-payment period. Centrelink will case manage those people if they have children who may be affected et cetera. It funds the whole new suspension approach.

**Senator CHRIS EVANS**—I have gone through a lot of the other measures and there seems to be almost a quarter of the total expenses in departmental outputs under the various measures. I have tried to analyse it another way. What you call ‘administered expenses’ I want to call ‘administrative costs’. I get confused with the terminology—if anyone says accrual accounting I will scream! It seems that of the \$3.5 million about \$830,000 seems to be going on administration costs. Is that fair? Why is it so high? That is across the portfolios, obviously.

**Dr Boxall**—A department such as the Department of Employment and Workplace Relations requires staff to manage the programs. They also have to make payments to Centrelink to administer certain aspects of the programs, process applications and things like that. Clearly, the administered items refer to items such as the payments of benefits and programs, payments to Job Network, disability open employment services and things like that.

**Senator CHRIS EVANS**—Take, for example, the increased participation of parents. That seems to add up to about \$366 million in departmental outputs and a saving of \$80-odd million in administrative expenses. Could someone explain that measure to me? Those figures are over the four years—I have added them up. That is the most obvious one—the increased participation of parents.

**Mr Carters**—Again, the vast bulk of that is funding for Centrelink to basically put in place the administration of the services which we are offering to parents. They need to conduct the usual process of calling parents in. For example, when the youngest child turns six they need to call everybody in and let them know about their changed payment arrangements and that they need to claim the enhanced Newstart payment. Centrelink also needs to advise them about their Job Search requirements and they need to arrange a comprehensive work capacity assessment for some parents who need it—some will and some will not. They need to refer them to appropriate services et cetera. So there are significant costs for Centrelink.

**Senator CHRIS EVANS**—Again, is the whole \$366 million over the four years going to Centrelink?

**Mr Carters**—I am not sure of the exact figure, but it is very close to that.

**Senator CHRIS EVANS**—That is the total of the four out years. You are telling me the vast bulk of that is payment to Centrelink for services and implementing the scheme and the new arrangements. Is that right?

**Mr Correll**—Yes.

**Senator CHRIS EVANS**—How are you saving \$81 million over four years in administrative expenses on that measure?

**Mr Correll**—It would be the reduction in the number of people receiving parenting payments.

**Senator CHRIS EVANS**—That would have been my best guess, but I just wanted to be sure. You will pay \$81 million less, you think, in parenting payments because parents will be helped into employment activity. Is that what that figure represents?

**Dr Boxall**—We actually discussed this before you came in this morning, but that is okay. In the year 2008-09, in increasing participation of parents, we have a saving in administrative expenses of \$144,956,000. That is most likely to be because there would be a reduction in the amount of payment to parents under the Welfare to Work reforms because a number of them would have moved into jobs. Clearly a large part of the departmental outputs would be payments to Centrelink to administer the scheme as just outlined by Mr Carters.

**Senator CHRIS EVANS**—I am sorry if this was raised this morning, but that was not the point of my question. I am just trying to understand why one-quarter of the total seems to be going on administration. It seems to me that a fairly high proportion of the \$3.5 billion across the four departments is in the costs of administering the new system. I am just trying to get an understanding of how that works.

**Mr Correll**—That is directly associated with the fact that, when DEWR purchases a service from an external contracted service provider like Job Network, it is an administered funding cost. When it purchases a service from Centrelink, it is a departmental expense and it appears within our output costs. So the different categorisation of the costs is where it is coming from. Centrelink is providing major direct services here. The other direct service costs are appearing in administered items for contracted providers.

**Senator CHRIS EVANS**—I see. So there is a difference in how you represent a payment to a Job Network provider and how you represent a payment to Centrelink?

**Mr Correll**—Correct. That is the key reason.

**Senator CHRIS EVANS**—That helps. I am not going to ask my next question because someone will say ‘accrual accounting’ and I will completely lose it.

**Senator WONG**—Mr Correll, I did not understand that last answer. Can you explain that again?

**Mr Correll**—Yes. DEWR is a purchaser of services. It purchases services from external organisations like Job Network members and disability open employment services. When we purchase services from those areas, it is treated as an administered expense.

**Senator WONG**—Which is different to what you pay Centrelink?

**Mr Correll**—The appropriation to purchase services from Centrelink is in departmental expenses rather than administered expenses.

**Senator WONG**—That is what I am clarifying. Departmental expenses is where you pay Centrelink and administered expenses is where you pay the external providers of services?

**Mr Correll**—Yes. I hope that helps.

**Senator CHRIS EVANS**—Did you understand that, Senator Wong?

**Senator WONG**—Yes, or at least I will pretend to.

**Senator CHRIS EVANS**—I think you understand the answer and not the rationale. There is a difference, I suspect. Are we able to say, then, what departmental outputs are? I think I have a total in Employment and Workplace Relations of about \$796 million net. Is that all basically going to Centrelink?

**Ms Golightly**—No. There are some resources in there for staffing in DEWR itself and other costs that we need to run various programs and contracts, including the IT costs that we spoke about earlier.

**Senator CHRIS EVANS**—Do you have a rough approximation of how much of that is going to DEWR and how much is going to Centrelink? I am not going to hold you to a figure; I am just trying to get a sense of it.

**Ms Golightly**—We do not have that here. We will see if we can get that for you.

**Senator CHRIS EVANS**—Maybe you could take that on notice. Is it fair to say that the vast bulk of it is going as a straight payment to Centrelink?

**Ms Golightly**—It is certainly a significant proportion, yes.

**Senator CHRIS EVANS**—I will wait on the answer. You will get that to me on notice, so it will be clearer to me. Thank you for that. I want to ask about the compliance measures. I went through this with Centrelink the other day and, as has been the case all of the first week of estimates, the handball was ‘you would have to ask DEWR about that’ whenever we got out down to the nitty-gritty, and here you are. Can someone give me an overview of how this is going to work and how the costing works?

**Dr Boxall**—This is the Welfare to Work and improved compliance framework?

**Senator CHRIS EVANS**—Compliance breaching.

**Mr Carters**—If we take an example of a job seeker having an interview arranged with a Job Network member, if the job seeker did not attend the interview the Job Network member would make at least two attempts to contact the job seeker over two days. It is a contractual requirement for a Job Network member to do that. If the job seeker could not be contacted or did not have an acceptable reason, the Job Network member would notify Centrelink of that fact. Centrelink would then look at their system and if they had any information on the system that said ‘do not suspend this person’ then they would not; otherwise, they would suspend that person. After having suspended the person, they would attempt to make contact with the individual and attempt to establish the reasonableness of them not attending their interview. Having made contact, they would attempt to reconnect them with the Job Network member within 48 hours.

Under the current system, if the person did not have a reasonable excuse then they would have a reduction in their income support payment—for the first offence, 18 per cent; for the second, 24 per cent—for 26 weeks, for six months. They would be stuck with that. For example, a 24 per cent reduction for six months would be about \$1,200. Under the new suspension arrangement, even if they did not have a reasonable excuse and if they re-engaged

with their Job Network member at that newly arranged interview, which is arranged within 48 hours, then they would lose possibly nothing, possibly one day's payment, depending on how long it took them to make contact with Centrelink. One day's payment is \$29. Essentially, the new system is about attempting to get people to re-engage with the system, and there is a reward for them re-engaging. The current scenario does not provide that reward for re-engaging. If the second interview cannot be arranged within 48 hours, again, the suspension is lifted. Otherwise, the suspension is not lifted until the person actually re-engages and attends that interview. The onus is on the job seeker to attend.

There are a few of what are deemed to be more serious offences, where you go straight to the eight-week non-payment period. That is where people fail to accept a reasonable offer of employment or are in employment and leave work or where they unreasonably do not attend an interview three times in a 12-month period. That three times rule already exists, and the eight-week non-payment period applies, except it is now three times in a two-year period. So, in fact, the new arrangement is again more generous; it gives them a chance to refresh after 12 months. There are a couple of other elements to the compliance. Will I keep going with those?

**Senator CHRIS EVANS**—Yes. I will ask you for the chart at the end!

**Mr Carters**—Exactly. Under the current situation, if somebody knowingly misreports their fortnightly earnings, they again have that six-month rate reduction as well as having to pay back the money that they misreported. A lot of people think that is too harsh. Under the new arrangement, basically what will happen is that, if they knowingly misreported their earnings, a 10 per cent recovery fee will be charged—10 per cent of the overpayment. The only other change is when somebody who is very long-term unemployed is referred to full-time work for the dole. If they do not attend that, they will have a straight eight-week non-payment period as well.

**Senator CHRIS EVANS**—So the punishment, if you like, is automatic suspension and the bigger punishment, or the repeat offender punishment, is an eight-week suspension? Is that a fair summary?

**Mr Carters**—Yes. The eight-week suspension for a third offence is the same as it is now.

**Senator CHRIS EVANS**—What if it is the second or third lot of three offences—is it still just the maximum eight-week suspension?

**Mr Carters**—No. For the first and second, basically—

**Senator CHRIS EVANS**—I am saying that if someone has had an eight-week suspension six months ago and then runs into trouble again—

**Mr Carters**—It is eight weeks again.

**Senator CHRIS EVANS**—It is not a multiple of eight weeks? There is not a more severe—

**Mr Carters**—No, it is a flat eight weeks. Eight weeks is the most. The other change is the case management arrangement, which I mentioned when we talked about the Centrelink funding. Basically, if you have somebody with an eight-week non-payment period then that individual can be case managed during that period. In particular, that would be a focus on families, where children are at risk.

**Senator CHRIS EVANS**—Is this what Mr Dutton was quoted in the *Australian* about?

**Mr Carters**—Yes, most likely.

**Senator CHRIS EVANS**—Mr Dutton was quoted in, I think, the *Australian* a couple of weeks ago about not putting children at risk and that we had asked Centrelink to manage them and to make sure that the kids were fed et cetera. Is that what he was talking about?

**Mr Carters**—Yes. They will be the case managed and Centrelink will pay essential expenses such as food, electricity, medical—whatever it might be.

**Senator CHRIS EVANS**—Will they case manage and just pay out what they think necessary to keep the family alive or just the kids?

**Mr Carters**—The essential expenses for the family.

**Senator CHRIS EVANS**—The whole family, including the person who has been suspended?

**Mr Carters**—Yes, but essential expenses.

**Senator CHRIS EVANS**—So it would include the suspended recipient plus their dependants?

**Mr Carters**—Yes.

**Senator CHRIS EVANS**—And they would be case managed and Centrelink would make a decision about which of the expenses would legitimately be paid under this provision?

**Mr Carters**—Yes.

**Senator CHRIS EVANS**—Are there guidelines for that?

**Mr Carters**—That is all to be developed and worked through. There will be consultations et cetera on that.

**Senator CHRIS EVANS**—The policy responsibility is with DEWR?

**Mr Carters**—Yes.

**Senator CHRIS EVANS**—So you are going to work out guidelines for Centrelink effectively about what the appropriate or necessary household bills are to manage those people if they do not have any other income or when they are going through the suspension? Sorry, I put that very inelegantly. You will case manage them as soon as they are suspended automatically?

**Mr Carters**—No, not automatically.

**Senator CHRIS EVANS**—So how will you decide whether or not you can case manage them?

**Mr Carters**—They would need to fall into a particular risk category or they would need to actually approach Centrelink and say, 'I can't last. I have a couple of young children etc.' Or they might have a particular type of disability, where it would obviously not be reasonable to leave them on their own for eight weeks. So there would be general guidelines, but, again, quite a reasonable amount of subjectivity involved in that. This is what we need to work through with the relevant groups.

**Senator CHRIS EVANS**—I suppose, without being argumentative, if you have a particular disability and that is known and on the file, which you think means you would have to case manage them in the event of suspension, why would you suspend them?

**Mr Carters**—You may not. That may be the very reason why you would have that note in the file saying ‘don’t suspend them’ in the first place.

**Senator CHRIS EVANS**—So the eight-week suspension is not automatic then? I thought it was the three strikes and you were automatically suspended, but there is still discretion, isn’t there?

**Mr Carters**—The three strikes is that you have to unreasonably, without reasonable excuse, miss an interview three times in a 12-month period.

**Senator CHRIS EVANS**—Say you had a mental health illness that is recorded on the file?

**Mr Carters**—You would not even be suspended once, much less three times.

**Senator CHRIS EVANS**—Why not?

**Mr Carters**—If what was recorded on the file was that the mental health illness that you had was such that it made it not possible for you to be able to knowingly attend interviews then that may be reason not to suspend you in the first place. We may get that sort of information from the comprehensive work capacity assessment, for example. The assessors could make a note, there and then, that it would not be appropriate to suspend the individual, because of mental health reasons, for example.

**Senator CHRIS EVANS**—So you are saying to me that all these measures have a discretion for Centrelink? Is that fair?

**Mr Carters**—Yes, essentially.

**Senator CHRIS EVANS**—I will come back to some of those issues. I think Senator Abetz was in the chair when we did this with Centrelink. I have a number of concerns about this, but one is that we are bringing into the work activity test people are who otherwise might have gone onto disability pensions, some of whom will have mental health issues. This is a particular group I would be concerned about in terms of how the breaching compliance regime applies to them—that is one of the reasons I am exploring those issues with you—particularly because of the episodic nature of some of those conditions.

**Senator Abetz**—People with a mental health disability would need to have been assessed to be capable of doing 15 hours of work a week. That is the starting point.

**Senator CHRIS EVANS**—I accept that. I accept that a lot of people with mental health disabilities will be able to do 15 hours of work a week. That is one of the reasons the government is arguing for the changes. Equally, there are those who have episodes, or whatever, that will bring them into difficulty. I want to see how the compliance regime deals with them. Going back to the core issue, you are putting in place a case management system for people you suspend which effectively has Centrelink making decisions about what people need to live on and where Centrelink will meet those bills that are necessary for the maintenance of life. Is that a fair way of putting it?



**Mr Carters**—That is correct. Remember that in the case of parents they will retain family tax benefit and rent assistance through that, so there will be income coming in to the family.

**Senator CHRIS EVANS**—Depending on their circumstances.

**Mr Carters**—Depending on their circumstances.

**Senator CHRIS EVANS**—I will not get into the garnisheeing of debt issues. I will leave that to another day. How is Centrelink paying for that, and how are you paying Centrelink for that?

**Mr Carters**—Part of the \$198 million for this measure includes Centrelink costings for that. That money will come to us and then, again under our agreement with Centrelink, we will fund Centrelink to undertake those activities.

**Senator CHRIS EVANS**—That is for the cost of the case management and also for the cost of the payments that they will have to make? Is that right?

**Mr Correll**—The total value of this packages \$241.3 million as part of the Welfare to Work package. An amount of \$198.2 million relates to Centrelink administrative costs. There is \$42 million associated with additional income support costs associated with the adoption of this. There is \$0.7 million in departmental expense.

**Senator CHRIS EVANS**—It is it fair to say that the \$42 million is effectively what you think you will have to pay out to support those people and their dependants in meeting their costs during the suspensions?

**Mr Correll**—Not necessarily. It would also reflect the fact that some people who might previously have incurred a breach period would, by the changed incentive arrangement, be able to return to income support payments much more quickly than under the existing breach arrangement. So it has the impact on income support payments of reducing the reductions—if I can say that—as a result of breaching.

**Senator CHRIS EVANS**—I am sure that if I look at the *Hansard* that will make perfect sense, Mr Correll, but you completely lost me there. Do you want to have another go at that one?

**Dr Boxall**—Let me have a go.

**Senator CHRIS EVANS**—All right, because I just did not get it at all, I am sorry. That is my fault not yours—I did not follow it.

**Dr Boxall**—Mr Correll was saying that the \$42 million or so could reflect payment to the people under the case management approach that you identified. It also reflects the fact that, because of the move from the current system to the new system, there will be people under the current system who were breached and lost their support payments for 12 months, or a long period of time. Under the new system the maximum period for which they can lose the payments is eight weeks, so the move from the current policy to the new policy means actual support payments will have to go up, to the extent that there are some people in the system who will now lose payments for only eight weeks whereas in the past they would have lost them for, say, 12 months.

**Senator CHRIS EVANS**—So you are saying that is another net cost?

**Dr Boxall**—That is right. The way all these policies are done is to ask, ‘If you introduce a new policy what is the impact on the forward estimates?’ You have to take account of every possible impact. For example, with this particular matter we have the \$198.2 million which is paid to Centrelink case managers, we have part of the \$42 million which is paid to families who are being case managed to pay their bills—which you identified—and we have another part of the \$42 million which is due to the fact that job seekers who in the past might have been breached for long periods of times, six or 12 months, now will only be breached for a maximum of eight weeks. So that, in effect, is an additional payment.

**Senator CHRIS EVANS**—Are you able to break down the costs for those three categories for me?

**Mr Correll**—We do not have that level of disaggregated detail here. The essential bottom line is that the compliance arrangement is not a savings measure. In fact it is an additional cost measure in income support and in terms of administrative costs. In replacing the current breaching arrangement it is specifically geared to increased participation and attendance.

**Senator CHRIS EVANS**—I appreciate you making that point. Are you able to take on notice the breakdown for that, or are you telling me you have not disaggregated it?

**Dr Boxall**—We will take it on notice

**Senator CHRIS EVANS**—I am just trying to understand, Dr Boxall, because you are telling me that effectively you did not grandfather the punishment and so they go to the less lengthy regime?

**Dr Boxall**—That is correct

**Senator CHRIS EVANS**—From what date do all the people who are currently under suspension get a maximum of eight weeks?

**Dr Boxall**—From 1 July 2006.

**Senator CHRIS EVANS**—There is no transition arrangement in this?

**Dr Boxall**—The current regime will no longer apply, so it is not ‘grandfathered’, in your terms.

**Senator CHRIS EVANS**—From 1 July this new regime will be in. So anyone currently under suspension basically has a maximum of eight weeks from then and they are bought into the new system. Is that how it will work?

**Mr Correll**—We have not designed the detail of the operating arrangements.

**Senator CHRIS EVANS**—Putting aside the specifics, effectively they will be in the new system and their suspension will be a maximum of eight weeks for any transgressions after July 2006?

**Mr Carters**—Yes. That will be after a third offence in a 12-month period—in many cases it will be nothing

**Senator CHRIS EVANS**—Obviously there will be a transition period arrangement for those already under suspension, but you are telling me you have not worked out the detail of that yet. But you know that is a net cost to the system?

**Dr Boxall**—Correct. This is a net outlay to the system in an effort to ensure that people who do have problems with turning up are reconnected quickly. Of course, the hope is that they will get into a job more quickly. It is a form of investment in the suspension system to hopefully get a better result in terms of increasing employment of these people.

**Proceedings suspended from 9.09 pm to 9.22 pm**

**Senator CHRIS EVANS**—We were looking at the question of emergency payments and case management. Can you explain to me the policy for how DEWR will determine how the case management will be applied by Centrelink?

**Mr Carters**—Yes.

**Senator CHRIS EVANS**—Will you provide guidance to them?

**Mr Carters**—That is likely.

**Senator CHRIS EVANS**—Will that say, for instance, ‘Electricity bills, yes; pay TV, no’? Will it be that level of guidance?

**Mr Correll**—No. I think we would develop that in dialogue with the various sectors out there and also in dialogue with Centrelink. I am not sure that we would go to the extent of prescription. We would go into it with discretion. They would be some of the judgments that would need to be made in developing the operational policy advices for Centrelink.

**Senator CHRIS EVANS**—I accept that you have not made a final decision. I am just trying to get a sense of it. Obviously there would be things like interest repayments for those who had a home loan. That would obviously be a key component of any budget, wouldn’t it?

**Mr Correll**—Yes. The key policy principle that we would be trying to protect here is that there are third parties, particularly children in a family situation, who are adversely affected, and we would want to manage that situation.

**Senator CHRIS EVANS**—I would have thought that that would mean maintenance to the family home—stability of the family home.

**Mr Correll**—It may. I just would not attempt to be as prescriptive as you are going at this stage without having a proper dialogue over developing this policy statement.

**Senator CHRIS EVANS**—I appreciate that you have not made the decision yet, but I really am trying to get a sense of it. As I said, Mr Dutton has been out there talking about it. I am just trying to get a sense of how this will work. Is there likely to be, as with some of your other payments, a financial limit—such as one of the accounts for \$1,500?

**Mr Correll**—Certainly we would not expend more than their income support payment would otherwise have been, so that will certainly be an upper limit.

**Senator CHRIS EVANS**—Even I could have figured it out that you were not going to pay them more than you would have if they had not been suspended. That is fairly evident, as otherwise it might look like an attractive option. I think we can rule that out.

**Senator Abetz**—You are on the ball.

**Senator CHRIS EVANS**—Yes. Have any decisions being made about how you would manage that—whether you would set a financial limit or whether you would make it a

percentage of the amount payable in income support? Have those broad parameters been drawn up yet?

**Mr Correll**—No, not yet. This is an area where we really do want to consult with some of the key players out there to work out the whole detailed operating arrangement for the full compliance framework—not just this end of it but the full compliance framework.

**Senator CHRIS EVANS**—Who are you going to be consulting about that?

**Mr Correll**—Certainly service providers but also welfare lobby groups. We will be talking to a broad range of interested parties about the detailed design of this compliance framework.

**Senator CHRIS EVANS**—Who has the responsibility of drawing this up? Which section in DEWR is going to do this?

**Mr Correll**—It is within the department. It will be a collaborative effort between the policy and the program areas.

**Senator CHRIS EVANS**—So there is not going to be an interdepartmental committee, a task force or anything; it is going to be purely DEWR's work?

**Mr Correll**—No, it will be handled within the DEWR portfolio. There are broader whole-of-government mechanisms that will be overseeing the implementation of the welfare to work reforms, but this is within the portfolio and will be developed as part of the DEWR implementation elements.

**Senator CHRIS EVANS**—What are we calling this measure? What is its formal title?

**Mr Correll**—An improved compliance framework.

**Senator CHRIS EVANS**—No, I meant the case management of those under suspension—what are you calling that?

**Mr Correll**—I am not quite sure that we have a name for it, do we?

**Mr Carters**—No, we do not have a name other than 'case management'.

**Senator CHRIS EVANS**—So there is not a program title at this stage?

**Mr Correll**—No.

**Senator CHRIS EVANS**—I am trying to think of how to refer to it. I has been deduced from the compliance thing down, but you do not actually have a title for what it is. The argument is that these measures are a reflection of the breaching review task force findings or recommendations. Could someone tell me how that argument runs?

**Mr Carters**—Yes. The breaching review task force made many recommendations. On our analysis, the aims of many of those recommendations support this model. Other recommendations become redundant because of this model. There are other recommendations which we would be taking on board in parallel with this model, through basically better practices and better operational arrangements, which we would have taken on board anyway, just in terms of how Centrelink and Job Network members et cetera can work better together. Many recommendations relate to things like privacy, the sharing of information and those sorts of things. Taken as a whole, our view is that the vast majority of the recommendations are consistent with the approach that has been taken.

**Senator CHRIS EVANS**—So you would argue that they are consistent, but you would not argue that they reflect the findings or the key recommendations of the Breaching Review Task Force?

**Mr Carters**—They are broadly consistent with the recommendations of the breaching review task force.

**Senator CHRIS EVANS**—Were these propositions taken back to the task force for comment?

**Mr Carters**—No, they were not.

**Senator CHRIS EVANS**—Have they been consulted since about them?

**Mr Carters**—Not yet. But, as part of the consultation process, that will be occurring fairly soon. Certainly at least some of those members would be included in that.

**Senator CHRIS EVANS**—But there is no formal ongoing role for the breaching review task force?

**Mr Carters**—No, the breaching review task force would up before Christmas last year when the final report was presented to the minister.

**Senator CHRIS EVANS**—I know that you have had debates here before about the breaching data. How are you going in relation to breaching information currently? We are going to stay on this current system until about July 2006, aren't we?

**Mr Carters**—Yes, we are.

**Senator CHRIS EVANS**—What trends are showing up from the most recent breaching data?

**Mr Parsons**—Centrelink published the data for the last three quarters on people breached for both activity and administration failures.

**Senator CHRIS EVANS**—Where did you publish that?

**Mr Parsons**—That was published by Centrelink I understand on 23 or 24 May, so that was last week. It was not only published on the internet but also sent to Welfare Rights Centre New South Wales.

**Senator CHRIS EVANS**—With all of my excitement about my tax cuts, I must have missed that! It was on the internet, was it?

**Mr Parsons**—Yes. It was published on Tuesday, 24 May.

**Senator CHRIS EVANS**—Why was it sent to Welfare Rights Centre New South Wales? Are they the only people who got it?

**Mr Parsons**—No, it is publicly available. My understanding is that Welfare Rights Centre New South Wales are the only people to have formally approached Centrelink to have asked for a proactive copy to be sent to them when the information was published.

**Senator CHRIS EVANS**—I will have to make a note to tell Centrelink that I would not mind a copy too. So they have at least two customers. That is available on the internet, is it?

**Mr Parsons**—I believe so, yes.

**Senator CHRIS EVANS**—Are you able to summarise what the trend shows? I do not want any great detail, just a sense of it.

**Mr Parsons**—The information shows that there is a consistent trend of roughly 25,000 breaches per quarter. That trend is tracking true to the experience of last year and broadly consistent with the year before. So it is approximately 100,000 per annum.

**Senator CHRIS EVANS**—So you are effectively saying that it is holding steady? There is not anything worth commenting on in terms of a change in behaviour?

**Mr Parsons**—No. My understanding from the briefing I had is that the latest data is consistent with any previous trends.

**Senator CHRIS EVANS**—That is, it is holding about the same—it is not trending down or up in any great way?

**Mr Parsons**—Not in any great way, no.

**Senator CHRIS EVANS**—Is there anything else you think you should draw to our attention?

**Mr Parsons**—The only other trend in the data, which again is consistent with previous experience, is that, if you look at the age categories of people against whom breaches are imposed, there is a higher incidence amongst younger people than older people.

**Senator CHRIS EVANS**—There is a higher incidence of them being breached?

**Mr Parsons**—There is a higher incidence of the breach being upheld—correct.

**Senator CHRIS EVANS**—Do you mean on appeal?

**Mr Parsons**—No, I should say a higher incidence of the breach being imposed.

**Senator CHRIS EVANS**—Does that include the appeal success rates?

**Mr Parsons**—I would imagine so.

**Senator CHRIS EVANS**—Do you have that easily to hand or not?

**Mr Parsons**—No.

**Senator CHRIS EVANS**—I will look at the Centrelink site. I did not realise it was publicly available.

**Ms Golightly**—I have an answer to an earlier question. You asked how much of the Welfare to Work package total departmental cost of \$791 million was for Centrelink. The answer is \$575,360,000.

**Senator CHRIS EVANS**—We will have no more of them crying poor then, will we! Does the rest go to DEWR?

**Ms Golightly**—Yes.

**Senator CHRIS EVANS**—Given it is a year till the system changes in terms of the compliance regime, is there any intention to have an interim measure or to alter in the meantime any of the measures that apply? Or is it intended to keep the old system up until 30 June and then transfer to the new system?

**Mr Correll**—There is no intention to make interim changes during the year. As we drill into the detail of implementation right across the board, we may need to consider the transition period on and around 1 July 2006 and how we manage those circumstances.

**Senator CHRIS EVANS**—I do not mean the immediate transition that you are referring to; I am thinking about whether you are looking to segue from one system to another. Are you basically going to run the old system until the last day and then move to the new system and obviously have some arrangements for those who are affected by the transition?

**Mr Correll**—Our thinking, such as it is at the present stage, would be that we would be continuing the existing system up until 30 June 2006 and then introduce the new system from 1 July.

**Senator CHRIS EVANS**—One of the questions we asked Centrelink gave us the answer that they currently act on only about 30 per cent of the notifications from Job Network providers regarding failure to satisfactorily attend job interviews. Do not quote me on the figures, but I think the response rate was in the high 20s or low 30s that they act upon for whatever reason. Is that your understanding as well?

**Mr Carters**—Mr Parsons should have the latest figures.

**Mr Parsons**—Centrelink actually is 20.3 per cent.

**Senator CHRIS EVANS**—I was over estimating it then. So it is 20.3 per cent of what—how would you describe that, so I use your terminology rather than mine?

**Mr Correll**—Participation reports.

**Senator CHRIS EVANS**—So only one in five participation reports are upheld by Centrelink for enforcement; is that a fair way of putting it?

**Mr Carters**—One in five have a breaching failure as a result of the report.

**Senator CHRIS EVANS**—The question that arises from that obviously—and this is a question I asked Centrelink—is: why would you build a new system around a system that currently has a strike rate of one in five?

**Mr Carters**—That is the very reason to do it—because we are changing the system.

**Senator CHRIS EVANS**—As I understood it, the new system was still dependent on participation reports from Job Network providers.

**Mr Carters**—Yes, it will be still dependent on a report from the Job Network. The systems details of how that is built will need to be considered, but it is that sort of approach.

**Senator CHRIS EVANS**—I am playing the devil's advocate, but tell me why I am wrong. If at the moment Job Network providers are effectively having their recommendation or their finding only implemented one time out of five and on the other four occasions Centrelink does not think that is a good reason to respond, why would you build a new compliance regime on the basis of that pretty poor strike rate of work force participation reports from a Job Network provider that are proving—I do not want to say 'unreliable' but I do not know what the right term is—not a sound basis for Centrelink to act currently?

**Mr Correll**—Again, I think it really goes to the way that the new compliance framework is actually designed. The way in which a report, which may or may not have the same construct as the existing participation report—

**Senator CHRIS EVANS**—What is the answer to that question? Will it have the same construct or won't it?

**Mr Correll**—I will not know the answer until we go through the process of having discussions with a whole range of experts who can contribute and add value to that question. What we clearly want to look at is understanding fully why you have a situation of a 20 per cent happening at the present stage and then making sure that under the new model that operates we design a much more effective type of system that underpins active participation.

**Senator CHRIS EVANS**—Wouldn't you start the other way around if you are designing a system? If you came to me and said, 'At the moment I'm batting one out of five—hitting 20 per cent—and I am going to build a new system,' my first question to me would be: if you are going to propose a new system that is based on that, can't you show me that you will do at least 80 per cent—at least four out of five—before we start talking about designing it? You are telling me that you have not fixed the flaw, or whatever the weakness in the participation report mechanism is, but the new system is going to be based on that which you think may be improved but you are not sure yet because you have not had the value added to it.

**Mr Correll**—No. It will be a better system. There are various ways in which that system can be designed to operate. We will want to explore those various ways with the various stakeholders involved with it to get it working absolutely right. In that process we will address the current issues that exist with the one-in-five strike rate.

**Senator CHRIS EVANS**—How long have you been getting the one-in-five strike rate on the current participation reporting system?

**Mr Parsons**—I do not have that data with me but my expectation is that that has been a trend for some time.

**Senator CHRIS EVANS**—So how long have we had the current participation rate—since the start of the Job Network? I am referring to the participation reporting system as the basis for breaching. Has that been since the start of Job Network?

**Mr Parsons**—No. That would have coincided with the introduction of the active participation model.

**Senator CHRIS EVANS**—Which was when?

**Mr Parsons**—July 2003.

**Senator CHRIS EVANS**—So it is fair to assume that we have had the performance level of around this order since July 2003. I presume that it is something that the department or government officials have had an eye on or a mind to previously. We have not fixed it since July 2003 to get a better strike rate than one in five. So why should I feel reassured that it is all going to be better now?

**Mr Parsons**—I need to correct my figure. It does not alter the argument but the correct figure is 23.8 per cent. I was looking at the wrong figure.



**Senator CHRIS EVANS**—It is 23.8 per cent?

**Mr Parsons**—Yes.

**Senator CHRIS EVANS**—Just so that we are clear, it is for which period?

**Mr Parsons**—That is the period from July 2004 to March 2005.

**Ms Golightly**—We do not have the data for the year before.

**Senator CHRIS EVANS**—We have basically been that around that sort of mark previously, haven't we?

**Mr Parsons**—Yes. One of the things that we have had an eye to since the start of the APM in July 2003 is the effect that time has on job seeker participation. The lag between the time that a job seeker is required to attend an interview, for instance, and the time that the interview is scheduled has a direct relation to the job seeker's turn-up rate. Many of these participation reports, as we call them, are overturned. Using the figures before the four out of five that do not stick, many of the circumstances around those non-sticks are time related. Circumstances change from the time that the participation report was lodged to the time that Centrelink try to action the participation report. One of the things that I understand the new policy will do is to try to shorten further the timelag to try to wipe away, if you like, some of those issues to make the process not only more responsive but also fairer.

**Senator CHRIS EVANS**—That sounds reasonable. That is not counterintuitive. I think I mentioned to Centrelink the other day that that was certainly Defence's experience in recruitment. They had serious issues with medical reports, particularly with volunteers from rural and regional Australia. Between the time of applying to join the Defence Force, having the medical report and being cleared they got another job because it took so damn long to get them in.

It was frustrating for Defence that they were actually losing good recruits because it was taking six months to get the medical report through et cetera. That is a major government employer who was going through that very problem, so I understand how that works. But what else is involved in the solution to make this a more reliable measure and the basis of our new brave compliance regime?

**Mr Correll**—There are various different options you can run with. You can have an employment service provider reporting every single instance as a passer of information, in which case you would expect to have a lower strike rate in those circumstances. You can have a provider having greater or lesser levels of discretion. You can have greater or lesser levels of information being conveyed to help in the decision-making process. So there are a range of ways that you can improve that information flow to assist Centrelink in its decision-making role. You can use techniques—which I think Mr Carters referred to earlier—whereby, under the new comprehensive work capacity assessment, a flag could be placed on the record of a job seeker who faces episodic mental circumstances to make it clear that in those circumstances it would not be appropriate to apply a suspension decision. We want to draw all of those things together. Mr Parsons's comments were also very relevant about the more you can increase the whole velocity of the way the system is operating—people moving through services more quickly and getting access to services more quickly is also a vital ingredient

here. We know that there is a clear lineal relationship between the speed with which people are connected with services and their attendance at appointments. All of that is part of what we are trying to do here.

**Senator CHRIS EVANS**—I accept that. I am trying to tease out from you what you have done to improve the system since 2003, because it seems to me you have had a few years experience with this now and I am not sure what measures you have taken. I accept Mr Parsons's point about time lag—that is obviously something you could do. But as I understand it the system is based on participation reports. There are two participation reports from a Job Network provider—are you saying to me that you intend to require more? One thing you are telling me is that you want to quicken it, and then we had the suggestion about the sort of information involved. It seemed to me that that was almost a counter argument: if you want more or better information from them I suspect it may take longer, which runs against your time lag argument. What other measures are you considering? What are the other aspects that you think will allow you to have a better strike rate?

**Mr Parsons**—To help illustrate my point further, roughly 20 per cent of participation reports that are rejected today are rejected because in the period—which is up to three weeks—from when the report is lodged to when Centrelink take action on it are because job seekers have in fact found employment of some form or other. Improving the efficiency of the process hinges very much on shortening that window so that you do not have participation reports go stale as circumstances change.

**Senator CHRIS EVANS**—You have won me on that. You are in front! I agree 100 per cent with you. I am trying to work out what else we might be doing. Time lag has a big tick—I accept that. But I am trying to get a sense from Mr Correll of what else in terms of the relationship with the Job Network provider can change that is going to make it more reliable. Mr Parsons, you have put a strong case for the time lag—that makes sense.

**Mr Correll**—When you talk to people in the field, one of the issues is the communication that goes on back and forth between a Centrelink office and an employment service provider. There is the issue of improving communication so that if a performance report is, for any particular reason, not actioned there is a better understanding of the reason for that on the part of the employment service provider.

Also, the research would suggest that there are issues associated with the quality and effectiveness of information that is provided in the report. If you put all of those things together, they can make a substantive difference. The other thing we know that has come in has been, following the introduction of the active participation model, the introduction of suspension arrangements where people were reconnecting for interviews. That has shown some considerable improvements in promoting better attendance rates. We are also able to use that experience through the faster reconnection process.

**Senator CHRIS EVANS**—Was that one of the trials?

**Mr Correll**—It was introduced shortly after the start of the active participation model. I am trying to remember the precise timing. Mr Parsons, was it about a year after?

**Mr Parsons**—A trial was done in Marion, in the northern suburbs of Adelaide, in South Australia and the results of that pilot—again, it is a timeliness issue—showed that, if an

appointment was booked with a job seeker within 24 hours, I think there was a 98 per cent attendance rate at the interview, and then you could track that down.

**Senator CHRIS EVANS**—Is that the only trial where you did that?

**Mr Parsons**—No. That trial was in the context of failure to attend Job Network appointments—that is, Centrelink connecting the job seeker to Job Network. We did a similar thing to see if that same experience could be replicated in the referral of job seekers from Job Network to Work for the Dole. That pilot was done in Stones Corner, which is a suburb of Brisbane. That too showed a similar sort of result: if you have timely appointments and, indeed, if the job seekers knew that all parties were talking and cooperating—and by ‘all parties’ I mean the providers, the department and Centrelink—there seemed to be a higher rate of compliance from the job seeker.

**Senator CHRIS EVANS**—Is this for people going to Work for the Dole projects?

**Mr Parsons**—Yes, there is a referral from Job Network to Work for the Dole.

**Senator CHRIS EVANS**—Mr Correll, were any changes then made in the reporting between July 2003 and the current iteration?

**Mr Correll**—I will have to take a little advice, but I think there has been some work on the reporting formats in the system. Am I making that up? Perhaps I am inventing that.

**Mr Parsons**—When you say ‘reporting’, do you mean participation reporting?

**Senator CHRIS EVANS**—Yes.

**Mr Parsons**—There was some expansion on some of the reasons given for job seeker noncompliance in the reports. Originally there was a catch-all which was masking the visibility of the true reasons for Job Network reporting the nonattendance and Centrelink upholding.

**Senator CHRIS EVANS**—What does that mean?

**Mr Parsons**—It means that, when the active participation market started back in July 2003, we saw a whole lot of participation reports that were rejected for ‘reason: other’. We worked with Centrelink to expand that so that we have 10 or a dozen different reasons which give us visibility into, as I said before, the 20 per cent roughly of—

**Senator CHRIS EVANS**—But you have not made any other major changes since then?

**Mr Parsons**—Other than, as Mr Correll implied, the successful introduction of suspension arrangements so that job seekers who cannot be contacted have their income support suspended which has the effect of drawing the job seeker out to Centrelink to inquire as to why their income support has been suspended.

**Senator CHRIS EVANS**—Is that only in the trials?

**Mr Parsons**—No, that has now been rolled out nationally.

**Senator CHRIS EVANS**—You did not need a change of legislation or regulation to do that?

**Mr Parsons**—No.

**Senator CHRIS EVANS**—Does that only apply to a certain category?

**Mr Parsons**—That applies to job seekers who cannot be contacted. As we heard before from Mr Carters, it is the regime where the Job Network or Work for the Dole provider makes at least two attempts to contact the job seeker. Centrelink will then make at least two attempts to contact the job seeker, at which stage they suspend the income support payment, waiting for the job seeker to contact them.

**Senator CHRIS EVANS**—We had a bit of a discussion with Centrelink, though, about their inability to get people at home at all during their normal business hours. Can I point out that the advocate for South Australia tells me that Marion is not in the northern suburbs of Adelaide. I have no idea where it is, either, Mr Parsons. Where is it, Senator Wong?

**Senator WONG**—South.

**Senator Abetz**—Do you really care?

**Senator WONG**—Coming from a Tasmanian, that is good!

**Senator CHRIS EVANS**—I will finish on this: I know you have not got to the point of working out the detail, but I want to get some idea of how you are thinking of dealing with people with serious disabilities, people with drug or alcohol addictions or people with serious personal problems, many of whom have not been clients of the Newstart system before but have been clients of the disability support system. We are moving a group of people who would previously have been streamed into the disability area into a system where they will have an active requirement. We do not know the numbers but we are hoping to get that soon. I want to get a sense of how you are going to manage them in the new compliance regime, given that they potentially throw up a whole new set of problems.

We talked about episodic mental health problems before. But you have issues of privacy and other things, as well. I am not sure that Centrelink files necessarily ordinarily contain information about someone's mental health condition. It seems to me that will not be an easy thing to manage. If someone has a serious mental health issue, do they have to tell Centrelink? How does Centrelink handle that? I want to get a sense of the philosophy and how you think that is going to work.

**Mr Correll**—I guess there are three points in the process where information relating to an individual's circumstances can be brought in. One is the comprehensive work capacity assessment point. The assessor would be providing a full assessment report to the service provider to whom the individual is referred by that comprehensive assessor, so at the point of referral there would be electronic transfer of a full assessment report to that service provider. There would be the potential to include within that report information of relevance to the individual if they were particularly vulnerable in relation to certain circumstances. That would be one point.

**Senator CHRIS EVANS**—Before you go on, I want to check that. What limitations are there on providing a for-profit service provider with information from the comprehensive work assessment about someone's personal mental health condition?

**Mr Correll**—We would be looking to ensure in the design of the process that it was totally consistent with privacy considerations and guidelines. Considering that a service provider will

be dealing with that individual, it is only sensible that the assessment information is available to that service provider. At present, it represents a key issue in the flow of that sort of information within the existing system. The questions about privacy and the handling of that will need to be considered in the design of the process, but they are not insurmountable problems in our view.

There is the information that the service provider might acquire during servicing the individual and how that can also be taken into consideration from the point of view of the application of the compliance framework. Then there is the point of decision making within Centrelink and how we can ensure that information that may exist in Centrelink's hands is in front of the relevant delegated officer so it is brought to bear at that point. All of those are critical points to improving the process, but there may well be some other points as well.

**Senator CHRIS EVANS**—I accept that. It just seems to me that you have real and very serious issues of privacy and medical records at all of those stages. I am trying to understand how you are going to tackle those. I know that the Minister for Defence is currently finding it difficult to release a report by the inspector-general because it refers to a number of public servants. He is having real difficulty getting that cleared by the Privacy Commissioner. I am just wondering how detailed medical records of clients, of a quite personal nature, are going to be shared with private providers and Centrelink staff et cetera while meeting the privacy guidelines. It seems to me that there is a bit of a challenge in all that.

**Mr Correll**—It is an issue we will no doubt be discussing with the Privacy Commissioner as we are working through the processes.

**Senator CHRIS EVANS**—Let me assure you, I will be keenly interested.

**Senator WONG**—Mr Correll, you were going to give me the breakdown of the \$70.5 million savings for the mature age unemployed.

**Mr Correll**—Yes. The \$70.5 million is driven predominantly by savings expected from Centrelink due to the discontinuation of assessment components from the Australians Working Together package. Under the Australians Working Together package, mature age job seekers were called in for interviews with personal advisers. That arrangement will be discontinued under the Welfare to Work changes. There is also a small effect relating to some reductions in income support payments due to a small percentage of people who will be deterred from claiming benefits because of the higher participation requirements under the changes.

**Senator WONG**—How much is that?

**Mr Correll**—That is around \$18 million. The Centrelink component is of the order of \$51 million.

**Senator WONG**—What is the rest?

**Mr Correll**—I have slightly rounded it, so it is \$18.6 million and \$51.8 million.

**Senator WONG**—What does the \$18 million comprise? How many people will not be seeking payments?

**Mr Correll**—I do not have that information. I would have to take that on notice.

**Senator WONG**—And the \$51 million is what?

**Mr Correll**—The costs associated with personal adviser services.

**Senator WONG**—What I am asking is: how many fewer personal advisers does that imply?

**Mr Correll**—That is over the period of the forward estimates. Again, I would have to check the specific data. I do not have that information to hand.

**Senator WONG**—Is that over and above the reduction in the personal advisers, which is a savings measure in the budget measures? It is at page 146.

**Mr Correll**—Yes, I believe so.

**Senator WONG**—So you are actually taking \$51 million and \$18.6 million. What is the rationalisation of personal advisers for this mature age component which gives rise to the \$51 million?

**Mr Correll**—There is currently a service provided by Centrelink which will not be provided.

**Senator WONG**—I understand that. What is the rationalisation in terms of the number of advisers? Is it the number of advisers or is it the payment that DEWR makes to Centrelink for this service?

**Mr Correll**—Essentially, we are saying the same thing, I think. The number of personal advisers is directly associated with the payment that DEWR makes to Centrelink.

**Senator WONG**—How many jobs is \$51 million?

**Mr Carters**—It does not really work that way. Basically, the personal adviser role will cease from 1 July 2006, with the Welfare to Work package.

**Senator WONG**—Will it completely cease?

**Mr Carters**—Yes.

**Senator WONG**—There will be no personal advisers at all?

**Mr Carters**—But there will be significant work for Centrelink to do—you have heard about the costs—and it will be Centrelink management's role to decide what activities they have their current staff, including personal advisers, doing in the future model. The personal adviser role per se, where they come in and interview mature age people, in this case, will stop in terms of how it works under Australians Working Together. But there will be a different role for them in the future.

**Mr Correll**—It is not a case of job losses; it is a case of restructuring roles.

**Mr Carters**—So this is really \$50 million off here and then you add it back somewhere else. It is not as though there will suddenly be X number of people out—

**Senator WONG**—So there are no job losses associated with the \$51 million?

**Mr Carters**—It is actually an increase in resourcing for Centrelink through this process.

**Mr Correll**—We heard earlier that there is an increase of over \$500 million.

**Senator WONG**—But a rationalisation of personal advisers is included in the budget.

**Mr Correll**—Absolutely, yes.

**Senator WONG**—But you are saying that these are separate measures, the \$51 million and the \$18.6 million reduction?

**Mr Carters**—Yes. The rationalisation of personal advisers starts from 1 July 2005. That is the year before.

**Senator WONG**—So this is on top of that and it could be more beyond that time. Is that what you are saying?

**Mr Carters**—No. I am saying that beyond 1 July 2006 it is a completely new model, so it is a whole reallocation of what staff need to do in Centrelink.

**Senator WONG**—You will tell me on notice then about the \$18 million—how many people that is?

**Dr Boxall**—That is a measure where we are going to purchase fewer services from Centrelink.

**Senator WONG**—No. This is a different issue.

**Dr Boxall**—The \$18.6 million?

**Senator WONG**—I thought the \$18.6 million is the—

**Dr Boxall**—Rationalisation.

**Senator WONG**—Perhaps I misunderstood the evidence. I am talking about the \$18 million that Mr Correll spoke about, which is the reduction in income support payments by people deterred by these arrangements.

**Mr Correll**—Two distinct components.

**Senator WONG**—As to the \$18 million, can you take that on notice?

**Mr Correll**—Yes.

**Senator WONG**—Or do you have the figure for the number of people—

**Mr Correll**—I do not have that figure with me; we would have to take that on notice.

**Senator WONG**—Before I move on to the next topic, is there anything that we have not covered which we were waiting on? No; it was just that. Can someone briefly tell me what the \$11.2 million for the effective and timely monitoring and evaluation will include? Is that additional staff? It is on page 140.

**Mr Correll**—That will be the overall evaluation and monitoring strategy for the whole Welfare to Work package and it will be a combination of staff and the use of consultancies. We would expect both to be used in the evaluation and monitoring package.

**Senator WONG**—Do you have an indication of how many additional staff that measure implies?

**Mr Correll**—Not to hand; we would have to take it on notice in terms of the number of staff. But we would not have made a decision yet on the mix between staff and the use of consultants in the way we would go about that strategy.

**Senator WONG**—Take it on notice but I am wanting to clarify that there is no other component other than staff/consultant salaries there.

**Mr Correll**—Not to my knowledge.

**Senator WONG**—No research—I suppose the consultants might be ‘research’.

**Mr Correll**—Yes. I would describe ‘research’ as being part of the evaluation and monitoring process.

**Senator WONG**—You have not decided what you are doing with it yet.

**Mr Correll**—No. The detailed strategy is still to be developed.

**Senator WONG**—I refer to the \$29 million on the communications strategy. Who is handling that?

**Mr Manthorpe**—I am.

**Senator WONG**—What is the proposal for that spending?

**Mr Manthorpe**—Again, the detail of this has not yet been developed. As the measure indicates, we envisage that the communications strategy will involve community-wide activity as well as activity which targets the various groups impacted by the welfare reform measures, including people with disabilities, mature age people, the long-term unemployed and employers. We envisage that it will be a mix of those things, ramping up towards the time of implementation.

**Senator WONG**—Do you have an advertising campaign?

**Mr Manthorpe**—I would envisage some mass media activity in this package but at this stage that has not been settled.

**Senator WONG**—I now move on to employment preparation—\$47.7 million over three years in the forward estimates period which is supposed to go to parents, mature age people and carers. Have we an allocation between those three cohorts in terms of the number of places available to each of them? I refer to page 142.

**Mr Correll**—The answer is: estimated places for parents over the forward estimates period is 125,000—

**Senator WONG**—That is from 2006 to 2009?

**Mr Correll**—Correct.

**Senator WONG**—How many are available in the first year?

**Mr Correll**—Around 38,000.

**Senator WONG**—And then the next two?

**Mr Correll**—50,000 and 37,000.

**Senator WONG**—Sorry; go on.



**Mr Correll**—For the mature aged there are 11,500 places over the forward estimates period.

**Senator WONG**—Can you break that up?

**Mr Correll**—4,000, 4,000 and 3,000, roughly.

**Senator WONG**—And for carers?

**Mr Carters**—There is no separate allocation for carers. They would be factored into the total figure with parents.

**Senator WONG**—So about 136,000 places; is that right?

**Mr Carters**—137,000.

**Senator WONG**—Does this include non-activity tested recipients or will it only be for people with a work obligation?

**Mr Carters**—The employment preparation service is for parents and mature aged people. It is a demand driven service for those groups who enter Job Network. So in that respect it is for those who basically can have a full-time requirement as well as a part-time requirement.

**Senator WONG**—But it is only those who have a part-time or a full-time work obligation?

**Mr Carters**—No, it is also for those who do not as well.

**Senator WONG**—So these places are for anybody who is currently on the payment who might want to work plus those who would be required to work after 2006?

**Mr Carters**—Yes, that is right. There are also 5,000 places reserved for people not on income support at all—for mature aged people or parents who have been out of the work force for two years or more and are not on income support.

**Senator WONG**—Is that included in the figures you gave me or is that additional to that?

**Mr Carters**—That is part of the 137,000.

**Senator WONG**—So of that, 5,000 are non-income support places?

**Mr Carters**—Yes.

**Senator WONG**—Anything else on that?

**Mr Carters**—No. Probably the only thing to say is that that service will be provided from day one in Job Network for parents and mature aged people who have been out of the work force for two years. It will be provided after three months for those who have had more recent work experience.

**Senator WONG**—Can you explain to me how these places relate to the additional Job Network places, Return to Work places and JET places? I am asking if you can be in more than one place.

**Mr Carters**—This is purely a service which will be provided out of Job Network at the front end of Job Network. So, essentially, if you fit that category you will get that service in Job Network.

**Senator WONG**—So it is only accessible through the Job Network, is that right?

**Mr Carters**—Yes.

**Senator WONG**—Is it possible someone could be accessing a JET place and going through this process as well, or would that be a separate stream?

**Mr Carters**—What are you calling a JET place?

**Senator WONG**—I am about to get onto the JET program shortly, but are we retaining the JET program or not?

**Ms Golightly**—The JET program is actually a FaCS program.

**Senator WONG**—I understand that, but I am asking about the interaction between them.

**Ms Golightly**—I am not sure about the place issue, but certainly, as I understand it, somebody might be receiving, for example, assistance under JET for child care at the same time that they could be doing Employment Preparation.

**Mr Carters**—That was what I was trying to clarify: whether you were talking about child care.

**Senator WONG**—But doesn't JET comprise more than child care?

**Mr Carters**—Funding for JET was converted into the Transition to Work program, which is run through this portfolio. The Transition to Work program will cease on 30 June 2006. It will be basically superseded by the Employment Preparation service.

**Senator WONG**—I think Ms Wilson and I discussed this. So the child care component of JET stays with FaCS and the previous training component became Transition to Work, which is now going to end in 2006 and will be superseded by Employment Preparation.

**Ms Wilson**—That is right.

**Senator WONG**—What about the Return to Work program? Where does that fit?

**Mr Carters**—Return to Work is an old program which was replaced by Transition to Work.

**Senator WONG**—So Return to Work and the training components of JET went to Transition to Work and all of those will now be subsumed by Employment Preparation.

**Mr Carters**—Yes.

**Senator WONG**—I will now turn to the very long term unemployed. We had a bit of a discussion earlier about this. Evidence was given earlier that Wage Assist here is \$1,500. Is that right?

**Mr Carters**—No. The \$1,500 was the Disability Wage Subsidy Scheme.

**Senator WONG**—So what is Wage Assist again? How much is that?

**Mr Carters**—Wage Assist is up to six months of assistance, which is essentially in lieu of income support, so that is an average of \$350 a fortnight for up to 26 weeks, which would be \$4,600 if it were paid for the full 26 weeks.

**Senator WONG**—And that is paid to employers.

**Mr Carters**—Yes.

**Senator WONG**—So how many places is the budget measure on page 143 for then? How many Wage Assist places?

**Mr Carters**—It is for 49,500 over the three years from 1 July 2006. That is 16½ thousand places a year.

**Senator WONG**—Do you have estimates of how many very long term unemployed are estimated to move into work as a result of this?

**Mr Carters**—No, we do not.

**Senator WONG**—Is there a staged withdrawal of benefits? How are you going to ensure that beyond six months you do not just get an employment termination after the wage subsidy finishes? What measures are proposed to be in place to ensure you do not get a churning effect after six months?

**Mr Carters**—There will be a few measures put in place to ensure that that does not occur. One will be looking at individual employers and ensuring that that is not happening with an individual employer. We will also, through our contract management process, be analysing what the individual providers are doing as well—the Job Network members. We will be looking at the data to see who is using Wage Assist, which employers they are using it with, whether people are getting outcomes beyond the six-month period or whether they are getting cut off. And certainly, if there is anything which may bring Job Network into disrepute, we would deal with that through our contract management processes.

**Senator WONG**—So, leaving aside the capital funding, the \$360 million is not new funding in the sense that it is equivalent only to what would have been spent, anyway, on Newstart allowance for these recipients, assuming they did not get work. Is that how the wage subsidy works?

**Mr Carters**—The people who participate in Wage Assist are no longer entitled to income support—that is true. By paying the equivalent of that to the employer, it places them into employment, which is why they do not get income support. So, in that context, yes, but the Job Network members still retain outcome payments for placing those people in employment, so there is an incentive for them as well.

**Senator WONG**—What is the incentive for the Job Network members?

**Mr Carters**—They can still obtain the full outcome fees.

**Senator WONG**—Does the \$360 million include the outcome fee, or is that the wage subsidy component?

**Ms Golightly**—It is a combination of a number of things being done for the very long term unemployed, one component of which is Wage Assist.

**Senator WONG**—My point about the Wage Assist component is that it is not new funding; it is funding you would have had to provide anyway if these people were retained on Newstart. Is that not right?

**Mr Carters**—It is new funding for a wage subsidy. It is offset by income support savings.

**Senator WONG**—Of the same amount.

**Mr Carters**—Essentially, yes.

**Senator WONG**—So is the \$360 million a net figure assuming the Newstart savings?

**Mr Carters**—Yes, it is, and that contributes to the \$3.6 billion total, which is also a net figure.

**Senator WONG**—I do not think it is, because you do not include the reduction of people's payments from 2006, but we have had that argument.

**Mr Correll**—I think it does. The \$3.6 billion is a genuine net figure.

**Senator WONG**—That includes the reduction in income support payments?

**Mr Correll**—It does, yes.

**Senator WONG**—So you are taking money off people as an assistance measure.

**Dr Boxall**—It is the impact of the measure.

**Senator WONG**—You are counting the reduction in payments to people with a disability and parents in your \$3.6 billion package—is that right?

**Dr Boxall**—The \$3.6 billion package is a net—

**Senator WONG**—I understand that; I am following up Mr Carters' comment.

**Dr Boxall**—There are gross outlays and there are some offsets and you get \$3.6 billion.

**Senator WONG**—So, with the \$3.6 billion, you are counting the reduction in income support to parents and people with a disability on enhanced Newstart—is that right?

**Dr Boxall**—It is quite clear that if somebody is on Wage Assist they no longer receive Newstart. On the one hand, there is an outlay to pay the employer Wage Assist; on the other hand, there is an offset or a savings, because they no longer claim newstart.

**Senator WONG**—I am not talking about that; I am asking questions about the subsequent comments that Mr Carters and Mr Correll made. The \$3.6 billion figure includes the reduction in expenditure in income support payments to people with a disability.

**Dr Boxall**—Yes, it does.

**Senator WONG**—So you are counting the reduction in income as part of your package.

**Dr Boxall**—It is part of the package.

**Senator WONG**—The \$3.6 billion package of benefits includes the reduction.

**Dr Boxall**—No. It is quite clear. As a matter of fact, just recently we had a discussion with Senator Evans in which we pointed out, in the case of parenting—which we discussed this morning with you, Senator Wong—the \$144,956 savings in administrative expenses in 2008-09, part of which would be a reduction in parenting payments. That has been quite clear all day.

**Senator WONG**—Ms Golightly, you said, I think, in answer to an earlier question, that the \$360 million includes a number of other measures for the very long term unemployed apart from the Wage Assist component, which is for 49,500 persons—is that costed at \$4,600

maximum, or have you costed it at an average cost, Mr Carters? What is the actual expenditure component of the \$360 million associated with that component?

**Mr Carters**—I do not have that detail.

**Senator WONG**—You cannot break down the \$360 million?

**Mr Carters**—The \$360 million is a lot more than Wage Assist.

**Senator WONG**—I am asking how much of that is Wage Assist.

**Mr Carters**—It is \$95 million.

**Senator WONG**—What does the remaining money go to?

**Dr Boxall**—Full-time Work for the Dole places.

**Senator WONG**—How many of those are there and what is the cost?

**Mr Carters**—There are 49,500 full-time—

**Senator WONG**—That is the same figure you gave me for Wage Assist.

**Mr Carters**—Yes, I am sorry—I gave you the wrong figure for Wage Assist. I have to correct that. Wage Assist is 3,000 in the first year, 5,000 in the second year and 7,000 in the third year.

**Senator WONG**—And it has a total cost of \$95 million?

**Mr Carters**—Yes.

**Senator WONG**—The maximum payment is \$4,600, so I am sure I can do the figures on what you would assume there. What is the figure for full-time Work for the Dole?

**Mr Carters**—For full-time Work for the Dole there are 16,500 places for each of the three years.

**Senator WONG**—How much is the cost of that?

**Mr Parsons**—I believe it is \$35 million each year.

**Mr Correll**—We believe the answer is \$91.7 million over the forward estimates period.

**Mr Carters**—Yes, it is—it is \$91.7 million.

**Senator WONG**—So we have \$95 million on Wage Assist and \$91.7 million on Work for the Dole places. What is that cost of Work for the Dole?

**Mr Carters**—The unit cost?

**Senator WONG**—What is that for? That is not the newstart payment.

**Mr Carters**—No, that is to deliver the program.

**Mr Parsons**—It is 25 hours a week over 10 months.

**Senator WONG**—So this is to providers?

**Mr Parsons**—Yes.

**Senator WONG**—What does the remainder of the \$360 million go to?

**Mr Carters**—A third component of the services for the very long-term unemployed is for those people who have particular barriers to employment and need specialist assistance. There will be comprehensive work capacity assessments undertaken for that cohort of people and, depending on the results of that, they may well be referred to specialist services such as disability open employment services, a personal support program or vocational rehabilitation. There is funding for that as part of the services for the very long-term unemployed.

**Senator WONG**—So how much goes to that? What I want is a breakdown of the \$360 million. We are getting there—we are about half way, I think.

**Mr Correll**—We do not have sufficient information to be able to give the full breakout. We would have to take that on notice.

**Senator WONG**—Can we do that tomorrow morning then? I just want a breakdown of the \$360 million.

**Mr Correll**—We will try to come back in the morning with that.

**Senator WONG**—That means another thing I have to remember. Who makes the assessment of the pattern of job avoidance? I do not want to spend a long time on compliance, but it is referred to in that budget measure. Does the Job Network provider make that assessment?

**Mr Carters**—Yes.

**Senator WONG**—Are there appeal rights associated with that?

**Mr Carters**—No, because the assessment of the work avoidance is essentially referring somebody to a service, which is the full-time Work for the Dole service. It does not change an income support entitlement.

**Senator WONG**—The phrase which I think is used about this is that people do not have a 'reasonable excuse for failure to comply'. Is that a decision of the Job Network provider?

**Mr Carters**—I am not sure where you are reading that one from.

**Mr Correll**—I think that may be being confused with compliance.

**Senator WONG**—You are right. So the pattern of job avoidance is a Job Network provider decision and there is no appeal right from that.

**Mr Carters**—Yes.

**Senator WONG**—Will the full-time Work for the Dole differ from the existing Work for the Dole placement other than in the longer hours?

**Mr Carters**—And the eligibility as well.

**Senator WONG**—Yes.

**Mr Carters**—It goes up to 59 year olds. But the nature of the program will be very similar.

**Senator WONG**—And the hours?

**Mr Carters**—It will be 25 hours a week.

**Senator WONG**—And the hourly rate is? People just continue to be paid their income support?

**Mr Carters**—Yes, and the \$20.80 per fortnight supplement.

**Senator WONG**—So there is no adjustment to the supplement to take into account the increase in hours and duration of work?

**Mr Carters**—No. It will be paid for the full 10 months but not at a higher rate.

**Senator WONG**—Is a training credit to be credited to the very long-term unemployed who finish a full-time Work for the Dole placement?

**Mr Carters**—Yes, the training credit entitlement would remain.

**Senator WONG**—Under existing criteria?

**Mr Carters**—Yes.

**Senator WONG**—Does that mean everyone who does full-time Work for the Dole gets it or not?

**Mr Carters**—It should mean that, but we will need to check that. The intention is that they will be eligible for the training credit.

**Senator WONG**—That is not what I asked. They will be eligible for it, but just because they complete it does not mean they actually get it, because the eligibility is not determined simply by participation in the program, is it?

**Mr Carters**—You have to choose to take it: it is an optional payment.

**Senator WONG**—We might have covered this earlier, but can you remind me of when the comprehensive work capacity assessments are to be introduced? Is it from July 2006?

**Mr Correll**—That is correct.

**Senator WONG**—Do people go through that process at the time they apply for income support?

**Mr Correll**—No, they would go through that process at different points. If they were applying for income support and seeking to claim entry to the disability support pension they would go through a comprehensive work capacity assessment at that point and be referred from Centrelink. But there are other points for the comprehensive work capacity assessment as well. Someone who presents with a medical condition which was other than a short-term medical condition would be referred for a comprehensive work capacity assessment. Also, someone who triggered what is called a supplementary needs assessment when they undertook the JSCI would also be referred for a comprehensive work capacity assessment.

**Ms Golightly**—Or, indeed, someone who was in the very long term unemployed category, who was facing severe barriers.

**Senator WONG**—What would trigger their comprehensive work capacity assessment?

**Mr Correll**—In a circumstance like that, where an employment service provider has worked with a given individual for a considerable period of time and established that there in fact may be some very significant barriers that this individual is facing then a referral to the comprehensive work capacity assessment assessor may well result in that individual being referred to the personal support program. Alternatively, the individual may in fact be assessed as appropriate for the disability support pension and be transferred to it.

**Senator Wong**—I am just trying to work out how in a practical sense they get into the assessment process.

**Mr Correll**—The Job Network member would be fully aware of individuals in those circumstances, based on a long case management record with those individuals. They would make a direct referral booking of an individual to a comprehensive work capacity assessor for an assessment—

**Senator WONG**—So it is the Job Network provider?

**Mr Correll**—Yes.

**Senator WONG**—So this is again a decision by the Job Network provider?

**Mr Correll**—Yes.

**Senator WONG**—I am not sure whether we covered earlier the prevocational assistance participation account, the \$80.5 million. Can you tell me how that is broken down?

**Mr Correll**—It does not break down.

**Senator WONG**—I am sorry; that is human services. On the personal adviser service rationalisation, I am a little confused. I think on the last occasion when we met, in February, you indicated that the personal adviser network had been expanded, is that right?

**Dr Boxall**—Centrelink had a personal adviser network which came from Australians Working Together.

**Senator WONG**—This is a DEWR measure, though.

**Dr Boxall**—What has happened here is that DEWR will purchase fewer services from Centrelink.

**Senator WONG**—Yes. I understand that. This is a DEWR budget measure. On the last occasion—this is 17 February 2005, page 69—we had a discussion about this. Mr Carters referred to the fact that the personal adviser network had been expanded.

**Mr Carters**—That would have been the roll-out that was occurring progressively, and more personal advisers were coming on stream to deal with the Australians Working Together workload.

**Senator WONG**—So now we are going the other way—we are rationalising them. Is that right?

**Mr Carters**—Yes.

**Senator WONG**—So what is replacing them—the Job Network?

**Dr Boxall**—It says here that we are no longer going to require certain job seekers to be assessed by personal advisers. We are looking to have these people referred rapidly to the Job Network rather than having to go through a personal adviser. Under Australians Working Together, for example, all Indigenous Australians were referred to a personal adviser.

**Senator WONG**—Yes; it was part of the agreement.

**Dr Boxall**—Obviously some Indigenous Australians can be referred directly to the Job Network; they do not have to go via a personal adviser. That is what this measure is.



**Senator WONG**—So they will go straight to the Job Network?

**Dr Boxall**—That is correct, because it is considered that it is not necessary for some Indigenous Australians, for example, to go through a personal adviser.

**Senator WONG**—I am not clear where personal advisers will sit post 2006. You spoke about this earlier.

**Dr Boxall**—In Centrelink.

**Senator WONG**—Yes, but in terms of the Welfare to Work—

**Mr Correll**—From 1 July 2006 there will not be a role of personal adviser. There will be a restructuring of roles within Centrelink and overall an increase in resources in Centrelink to support the Welfare to Work package. But the role of personal adviser that has existed would be a different role altogether in the new Welfare to Work model.

**Senator WONG**—So who does that front-end case management for particular groups of income support recipients that personal advisers previously would have done?

**Mr Correll**—The role here for Centrelink is to initially connect with the individual and then rapidly refer them to the appropriate employment service.

**Senator WONG**—So it is Job Network or open employment?

**Mr Correll**—Yes. The point of case management as such occurs with the employment service provider.

**Ms Wilson**—The personal advisers were not about case management; they were really about assessing and referring people to appropriate services, be they employment services or other services, to address a range of barriers to employment or other personal issues.

**Senator WONG**—So is that role going to continue after 6 July?

**Ms Wilson**—The role that personal advisers represent will be mainstreamed as part of Centrelink's broader approach to referring people, with advice from assessments and so on, to the right services that are required.

**Senator WONG**—What does 'mainstreamed' mean?

**Ms Wilson**—As I understand it, Centrelink will be looking to ensure that all of their staff are able to support the work force participation agenda and make referrals of people to the right services according to the information that they have about their needs.

**Ms Golightly**—That will be informed by their comprehensive work capacity assessments that we talked about earlier.

**Senator WONG**—Personal advisers were at a higher level, weren't they, than some of the front-end staff?

**Ms Wilson**—No. Personal advisers were at the same level as other customer service officers in Centrelink.

**Senator WONG**—But now their role will be undertaken by all customer service officers who have the front line?

**Ms Wilson**—I understand that Centrelink will be looking to broaden their work force participation and Welfare to Work supportive approach across all of their staff, be they specialist staff or general staff.

**Senator WONG**—Where is it explained, that after 1 July 2006 there will essentially be no personal advisers?

**Mr Correll**—That is part of the overall Welfare to Work package. The department will be working closely with Centrelink in the overall focus on a strong work-first approach in Centrelink. That will involve some cultural change and reorientation of roles of staff.

**Senator WONG**—I am asking where that change is detailed in the budget measures as within the Welfare to Work package.

**Mr Correll**—I am not sure that it is described. It is generic to all the package—all the measures within the package. I am not sure that it is described individually within any of the measures. It goes to the overall approach of focusing on a strong work-oriented approach and moving people rapidly into employment services.

**Senator WONG**—It is a reasonably significant shift to make the statement that post July 2006 there will not be any role for personal advisers.

**Mr Correll**—I think we are saying that the role of personal advisers will be a substantively restructured role in Centrelink in operating in the new Welfare to Work service environment.

**Senator WONG**—So who makes the assessment and does the referral that they previously did in that personal case management, which Ms Wilson is going to say to me that they did not do?

**Mr Correll**—I think Centrelink would also say that personal advisers were never set up to undertake case management. But the role of referral is a key Centrelink role; it will be done in the context of a rapid connect process. Centrelink does not lose that role, but the role designed into the job of a personal adviser will be restructured. It will be a different type of role.

**Senator WONG**—Do you want to add something, Ms Wilson?

**Ms Wilson**—No. I think Mr Correll has covered it.

**Senator WONG**—Funding for the personal support program has been maintained. I think previously there was an indication in estimates that persons on the personal support program were—

**Mr Correll**—The personal support program is being substantially expanded, not just maintained.

**Senator WONG**—I am sorry, I am reading from page 148 of the budget measures, which describes it as maintained funding.

**Ms Golightly**—It was a lapsing program. It was a two-stage decision. The first was that the program would not lapse and would be maintained, and over and above that, in the Welfare to Work package, there is an expansion of the program as well.

**Senator WONG**—Is that at pages 148 and 149, or have we got more earlier on?

**Ms Wilson**—Pages 148 and 149 refer to the decision not to lapse the program but to continue it.

**Senator WONG**—I understood that. Where is it?

**Ms Wilson**—The funding is in the forward estimates for the personal support program, but the Welfare to Work package also included additional places for the personal support program.

**Senator WONG**—Where are the additional places detailed?

**Mr Correll**—I mentioned in an earlier response that there were 25,000 additional personal support program places over the four-year period. They are connected to various measures, but the total number of places is 25,000.

**Senator WONG**—Is that detailed anywhere in the budget papers—the 25,000 places and the funding associated with them?

**Mr Carters**—There is mention of some of them.

**Senator WONG**—Isn't the usual process that, after Finance prepares this, departments actually check what is in the budget papers?

**Dr Boxall**—The responsibility for the quality assurance of this document rests with Finance and Treasury.

**Senator WONG**—I understand that but isn't the process usually that a draft is done and the relevant departments check their bit? It is extraordinary what we have gone through today that is not in here.

**Dr Boxall**—You will need to ask that question of Finance and Treasury.

**Senator WONG**—Were you asked to check the document before it went to print?

**Mr Correll**—Not that we can recall.

**Senator WONG**—It is interesting quality assurance.

**Senator CHRIS EVANS**—Were you given the opportunity to check in previous years?

**Mr Correll**—I will stand corrected, but I think this is the first occasion that these measures have been presented in a separate budget paper, outside of the portfolio budget statements.

**Dr Boxall**—In previous years the budget measures have been in the portfolio budget statements. Therefore, by definition, when the portfolio budget statements, which are a statement of our minister, go to print we check them. This year the measures are not in the portfolio budget statements. Therefore, before the portfolio budget statements went to be printed, the measures were not in there to be checked.

**Senator CHRIS EVANS**—Is that explained by the fact that these measures came forward from the task force rather than the department?

**Dr Boxall**—No. That is really a separate issue. The question about the preparation of Budget Paper No. 2 is an issue for Treasury and Finance. It is not a document prepared by our department for our minister. The portfolio budget statements is the document prepared by our department for our minister. Issues about how Treasury and Finance QA this document and how they prepared this document should be addressed to them, not to us.

**Senator CHRIS EVANS**—That is certainly true, Dr Boxall, but I am asking: in previous years have you had the opportunity to check Budget Paper No. 2 for measures that affect you, before it goes to print?

**Dr Boxall**—I know what you are asking, Senator Evans. The answer is that in previous years the measures that were in Budget Paper No. 2 were in the portfolio budget statements. Because we check the portfolio budget statements before they go to print, by definition we have checked the measures in there even though we have not checked this document per se.

**Senator CHRIS EVANS**—So your answer to me is that you generally do not get to see a draft of Budget Paper No. 2.

**Dr Boxall**—In general we would not, but the measures for our department that were in Budget Paper No. 2 last year would have been in the PBS and we would have checked them in that document.

**Senator CHRIS EVANS**—I understand your argument. I am asking a specific question. In previous years, have you had the ability to check the budget measures in Budget Paper No. 2?

**Dr Boxall**—No. We do not check Budget Paper No. 2 per se. That is Treasury and Finance's document. We did check the measures there were in our portfolio budget statements last year.

**Senator CHRIS EVANS**—I know what you are telling me. I am asking you a very specific question. In previous years, for example in the 2004-05 budget, was your department given the opportunity to check Budget Paper No. 2 to ensure that that was correct?

**Dr Boxall**—No, we do not check Budget Paper No. 2.

**Senator CHRIS EVANS**—Thank you. So the answer to that is no?

**Dr Boxall**—No, we do not check it.

**Senator CHRIS EVANS**—I was asking you about your experience of 2004-05.

**Senator WONG**—Is the additional funding for the personal support funding in the PBS? If so, show me where.

**Ms Golightly**—Page 38 gives it for the budget year.

**Senator WONG**—That is total resources, including existing funding, presumably?

**Ms Golightly**—I did not quite hear you.

**Senator WONG**—That is the total resource allocation for that administered appropriation, so presumably that includes the figure—

**Ms Golightly**—The Welfare to Work expansion does not come into effect until 1 July 2006.

**Senator WONG**—Listen to the question. The question was: is this additional or inclusive of the measure at page 149, which is the maintenance of funding of \$250 million?

**Ms Golightly**—It is inclusive of it.

**Senator WONG**—So it is inclusive of it. So do I understand that to mean that anything above the \$259 million for PSP—

**Ms Golightly**—PSP is the personal support payment, which is the income support payment. What we are talking about at the moment is the personal support program.

**Senator WONG**—There are 25,000 additional places in the personal support program. Is that over four years? Is that what is included in the Welfare to Work package?

**Mr Correll**—Yes. But that is not reflected in that right-hand column for 2005-06. The additional places for the Welfare to Work program cut in from 1 July 2006.

**Senator WONG**—Okay. Can you give me the expenditure for the 25,000.

**Mr Carters**—It is \$66 million.

**Senator WONG**—How are those places and the funding broken up over the forward estimates period?

**Mr Correll**—Shall I start with 2006-07?

**Senator WONG**—Yes. That is a good place to start.

**Mr Correll**—There are 9,000 places at a cost of \$21 million. The next financial year, there are 9,500 places at a cost of \$23.9 million. The next year, there are 6,000 places at a cost of \$21 million. The total of \$66 million comes out at 24,500 places. It is rounded to 25,000. I have rounded the figures I have given you, too.

**Senator WONG**—You can clarify them later, if that is all right. What is the 2005-06 expenditure on that program, then?

**Ms Wilson**—The estimate is \$62.149 million.

**Senator WONG**—I understand that. So that is predicated on how many places for that year?

**Ms Wilson**—It is anticipated that we will service around 50,000 participants in 2005-06.

**Senator WONG**—Is that going to continue? Are the figures that Mr Correll gave me the total number of places in the personal support program, or are they in addition?

**Dr Boxall**—They are in addition. The funding for the base program, so to speak, is given at the top of page 149.

**Senator WONG**—Is that the \$64.6 million?

**Dr Boxall**—Correct.

**Senator WONG**—Is that predicated on around 50,000 places?

**Ms Wilson**—It is around 50,000 participants. I am sorry, but I do not have the number for places for 2005-06 at this stage. It is not a one for one equivalent of participant and place.

**Senator WONG**—What is the ratio?

**Ms Wilson**—I think it is about 1.3 or 1.4.

**Senator WONG**—Are you able to get me the figure for the base program; is that what we will call it?

**Ms Golightly**—We could call it the existing places.

**Senator WONG**—Are you able to give me on notice the figure for the existing places, Ms Wilson?

**Ms Wilson**—Yes, certainly.

**ACTING CHAIR (Senator Barnett)**—Senator Wong, I draw your attention to the time.

**Senator WONG**—What do you want me to do about it?

**ACTING CHAIR**—I am just drawing your attention to the time.

**Senator CHRIS EVANS**—Is that the wind-up signal?

**ACTING CHAIR**—That is one way of looking at it.

**Ms Wilson**—The current number of PSP places is 32,500.

**Senator WONG**—Thank you. Is that for the current financial year?

**Ms Wilson**—Yes.

**Senator WONG**—Just remind me: who provides PSP?

**Ms Wilson**—It is a range of organisations, including large national and small not-for-profit organisations, private organisations and specialist providers such as drug and alcohol rehab services, ex-offender and youth services, and torture and trauma services. So it is a very diverse provider mix.

**Senator WONG**—Is there an indexation to the cost of programs built into this?

**Ms Wilson**—Yes. PSP is an indexed program.

**Senator WONG**—What is the rate of indexation?

**Ms Wilson**—I will have to take that on notice. I am sorry, but I do not have that information with me.

**Senator WONG**—Is open employment indexed as well?

**Ms Wilson**—Yes.

**Senator WONG**—Is JPET?

**Ms Wilson**—Yes.

**Senator WONG**—What is the ‘targeted assistance program’?

**Ms Wilson**—Are you referring to page 149 of Budget Paper No. 2?

**Senator WONG**—I am. It is another one of those that says ‘maintain funding’, but obviously after my last foray that is not actually an accurate indication of the budget measure.

**Ms Wilson**—It is a range of AWT measures that have historically been funded under that package that will continue for another 12 months, pending the introduction of the Welfare to Work package. I am sorry, but I do not have all the details with me. They run across a couple of portfolios.

**Senator WONG**—Including DEWR.

**Ms Wilson**—In respect of DEWR, it would include some components of vocational rehabilitation places and components of additional disability employment services places—

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open in our case and supported in the case of FaCS. There were VET places in DEST. I do not have all the details with me.

**Senator WONG**—That is very helpful, thank you very much. There is a reference, for example, to vocational rehab and open employment services. Is this funding on top of the funding we have spoken about already for rehab and for open employment?

**Ms Wilson**—It maintains the current level of funding.

**Senator WONG**—But is it separate to the Welfare to Work funding measures?

**Ms Wilson**—Yes. It forms the base prior to Welfare to Work.

**Senator WONG**—The ‘existing program’, which I think was the phrase Ms Golightly used. Thank you.

**ACTING CHAIR**—Thank you, Senator Wong. We will resume tomorrow morning at nine o’clock with outcome 1.2 on Job Network.

**Committee adjourned at 10.58 pm**