



COMMONWEALTH OF AUSTRALIA

# Official Committee Hansard

## SENATE

COMMUNITY AFFAIRS LEGISLATION COMMITTEE

**Estimates**

THURSDAY, 20 OCTOBER 2011

CANBERRA

BY AUTHORITY OF THE SENATE

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**SENATE**  
**COMMUNITY AFFAIRS LEGISLATION COMMITTEE**  
**Thursday, 20 October 2011**

**Senators in attendance:** Senator Adams, Abetz, Bernardi, Birmingham, Carol Brown, Cash, Di Natale, Edwards, Fifield, Fierravanti-Wells, Furner, Humphries, Ludlam, Madigan, McKenzie, Moore, Payne, Rhiannon and Siewert



## **HEALTH AND AGEING PORTFOLIO**

### **In Attendance**

Senator McLucas, Parliamentary Secretary for Disabilities and Carers

### **Department of Health and Ageing**

#### **Whole of Portfolio**

#### **Executive**

Ms Jane Halton, Secretary

Ms Rosemary Huxtable, Deputy Secretary

Ms Megan Morris, Acting Deputy Secretary

Professor Chris Baggoley, Chief Medical Officer

Mr David Learmonth, Deputy Secretary

Mr Chris Reid, General Counsel

Ms Rosemary Bryant, Chief Nurse and Midwifery Officer

Ms Kerry Flanagan, Deputy Secretary

Mr David Butt, Deputy Secretary

Mr Paul Madden, Chief Information and Knowledge Officer

Mr Andrew Stuart, Deputy Secretary, DoHA National Alignment

Mr Sam Campisi, National Manager, Multicultural Services

#### **Audit and Fraud Control**

Mr Colin Cronin, Assistant Secretary, Audit and Fraud Control

#### **Business Group**

Mr Gary Davis, Acting Chief Operating Officer

Mr David O'Brien, Acting Assistant Secretary, IT Solutions Development Branch

Ms Ida Thurbon, Acting Assistant Secretary, IT Service Delivery Branch

Mr David Paull, Acting Assistant Secretary, Corporate Support Branch

#### **Chief Information and Knowledge Office**

Mrs Kerrie Reyn, Assistant Secretary

#### **DoHa National Alignment**

Ms Kylie Perrin, Acting Assistant Secretary, Change Management Unit

#### **Legal and General Counsel**

Ms April Purry, Acting Assistant Secretary

#### **People, Capability and Communication Division**

Ms Samantha Palmer, First Assistant Secretary

Mr Adam Davey, Assistant Secretary, Health Campaigns Branch

Ms Julie Schneller, Assistant Secretary, Online, Services and External Relations Branch

Mr Scott McWhirter, Acting Assistant Secretary, People Branch

**Portfolio Strategies Division**

Ms Kylie Jonasson, Acting First Assistant Secretary

Mr Paul Palisi, Acting Assistant Secretary

Ms Carolyn Driessen, Assistant Secretary

Ms Alice Creelman, Assistant Secretary

Mr Klaus Klaucke, Acting Assistant Secretary

Mr Adrian Davies, Acting Assistant Secretary

Mr Ian McLean, Assistant Secretary, Economic and Statistical Analysis Branch

**Office of the Chief Financial Officer**

Mr John Barbeler, Chief Financial Officer

Mr Paul Carmody, Assistant Secretary

**Regulation Policy and Governance Division**

Ms Mary McDonald, First Assistant Secretary

Ms Anne Kingdon, Assistant Secretary, Governance Safety and Quality

**Transition Office**

Mr Charles Maskell-Knight, Acting Chief Executive Officer

Mr Peter Broadhead, Acting First Assistant Secretary

Mr David Mackay, Assistant Secretary, Implementation, Systems and Reporting Branch

Dr Masha Somi, Assistant Secretary, Hospitals and Workforce Branch

**Outcome 1—Population Health****Office of Health Protection**

Ms Julianne Quaine, Assistant Secretary, Immunisation Branch

**Regulation Policy and Governance Division**

Ms Mary McDonald, First Assistant Secretary

Mr Peter Woodley, Assistant Secretary, Blood, Organ and Regulatory Policy

Ms Kathy Dennis, Assistant Secretary, Research Regulation and Food

**Mental Health and Drug Treatment Division**

Ms Georgie Harman, First Assistant Secretary

Ms Fiona Nicholls, Assistant Secretary, Mental Health Services Branch

Ms Phillipa Lowrey, Acting Assistant Secretary, Mental Health Early Intervention and Prevention Branch

Ms Gayle Anderson, Assistant Secretary, Substance Misuse and Indigenous Wellbeing Programs Branch

**Population Health Division**

Mr Nathan Smyth, First Assistant Secretary

Dr Bernie Towler, Principal Medical Adviser

Professor Rosemary Knight, Principal Medical Adviser

Mr Andy Paras, Director, Cancer and Palliative Care Branch  
Ms Helen Catchatoor, Director, Cancer and Palliative Care Branch  
Ms Kate Jorgenson, Director, Cancer and Palliative Care Branch  
Ms Melinda Bromley, Assistant Secretary, Cancer and Palliative Care Branch  
Ms Shirley Browne, Assistant Secretary, Chronic Disease  
Ms Colleen Krestensen, Assistant Secretary, Drug Strategy Branch  
Ms Janet Quigley, Assistant Secretary, Healthy Living Branch  
Ms Sally Goodspeed, Assistant Secretary, Health in Social Policy Branch  
Mr Simon Cotterell, Assistant Secretary, Tobacco Control Taskforce

**Therapeutic Goods Administration**

Dr Rohan Hammett, National Manager  
Ms Jenny Hefford, Chief Regulatory Officer  
Dr Megan Keaney, Principal Medical Adviser  
Mr Stephen Dellar, Principal Adviser (Operations)  
Ms Philippa Horner, Principal Legal Adviser  
Dr Larry Kelly, Group Coordinator, Monitoring and Compliance Group  
Ms Judy Develin, Group Coordinator, Market Authorisation Group  
Dr Bill Turner, Head, Office of Manufacturing Quality

**Australian Radiation Protection and Nuclear Safety Agency**

Dr Carl-Magnus Larsson, Chief Executive Officer  
Professor Peter Johnston, Branch Head Medical Radiation Services  
Mr George Savvides, Chief Financial Officer, Corporate Office

**Food Standards Australia New Zealand**

Mr Steve McCutcheon, Chief Executive Officer  
Ms Melanie Fisher, Deputy Chief Executive Office, General Manager  
Dr Paul Brent, Chief Scientist  
Mr Peter May, General Manager

**Office of the Gene Technology Regulator**

Dr Joe Smith, Regulator  
Dr Michael Dornbusch, Assistant Secretary  
Dr Robyn Cleland, Assistant Secretary

**Australian National Preventative Health Agency**

Ms Louise Sylvan, Chief Executive Officer  
Dr Lisa Studdert, Manager  
Mr John Kalokerinos, Chief Operating Officer

**Australian New Zealand Therapeutic Products Agency**

Ms Megan Morris, First Assistant Secretary

Ms Donna Burton, Assistant Secretary, ANZTPA Branch

**Outcome 2—Access to Pharmaceutical Services****Pharmaceutical Benefits Division**

Ms Felicity McNeill, Acting First Assistant Secretary

Dr John Primrose, Medical Adviser

Mr Kim Bessell, Principal Pharmacy Adviser

Ms Beryl Janz, Assistant Secretary, Pharmaceutical Programs and Support Branch

Mr Nick Henderson, Acting Assistant Secretary, Pharmaceutical Policy Branch

**Outcome 3—Access to Medical Services****Acute Care Division**

Mr Mark Thomann, First Assistant Secretary

Dr Andrew Singer, Principal Medical Adviser

Mr Charles Maskell-Knight, Acting Chief Executive

Ms Veronica Hancock, Assistant Secretary, Hospital Development and Dental Branch

**Medical Benefits Division**

Mr Richard Bartlett, First Assistant Secretary

Dr Brian Richards, Executive Manager, Health Technology and Medical Services Group

Mr Shane Porter, Assistant Secretary, Medicare Financing and Analysis Branch

Mr Alastair Wilson, Acting Assistant Secretary, Private Health Insurance Branch

Ms Penny Shakespeare, Assistant Secretary, Medicare Benefits Branch

Ms Fifine Cahill, Assistant Secretary, Diagnostic Services Branch

**Professional Services Review**

Dr Bill Coote, Acting Director

Mr Luke Twyford, Acting Executive Officer

**Outcome 4—Aged Care and Population Ageing****Ageing and Aged Care Division**

Ms Carolyn Smith, First Assistant Secretary

Mr Keith Tracey-Patte, Assistant Secretary, Policy and Evaluation Branch

Ms Samantha Robertson, Assistant Secretary, Aged Care Programs Branch

Mr Paul Hutchinson, Director, Access Reform Branch

Ms Michelle Roffey, Director, Access Reform Branch

Professor David Cullen, Assistant Secretary, Strategic Reform Taskforce

Mr Russell de Burgh, Assistant Secretary, Office for an Ageing Australia Branch

Ms Rachel Balmanno, Assistant Secretary, HACC Reform Branch



Ms Carolyn Brown, Assistant Secretary, Budget, Finance and Information Branch

Ms Shona McQueen, Assistant Secretary, Access Reform Branch

**Aged Care Quality and Compliance Division**

Mr Iain Scott, First Assistant Secretary

Ms Lyn Murphy, Assistant Secretary, Quality and Monitoring Branch

Ms Susan Hunt, Senior Nurse Adviser

Mr Damian Coburn, Assistant Secretary, Prudential and Approved Provider Regulation

Mrs Paula Swift, Acting Assistant Secretary, Aged Care Workforce Programs Branch

Mr Michael Culhane, Assistant Secretary, Aged Care Complaints

**Aged Care Standards and Accreditation Agency**

Mr Mark Brandon, Chief Executive Officer

Mr Ross Bushrod, General Manager, Operations

Mrs Victoria Crawford, General Manager, Accreditation

Mr Chris Falvey, General Manager, Corporate Affairs and Human Resources

**Outcome 5—Primary Care**

**Primary and Ambulatory Care Division**

Mr Mark Booth, Acting First Assistant Secretary

Ms Sharon Appleyard, Assistant Secretary, Policy and Development Branch

Ms Meredith Taylor, Assistant Secretary, GP Super Clinics Branch

Ms Vicki Murphy, Assistant Secretary, Primary Healthcare Infrastructure and Support

Ms Jennie Roe, Assistant Secretary, Medicare Locals Implementation and Transition

**Population Health Division**

Ms Shirley Browne, Assistant Secretary, Chronic Disease Branch

**General Practice Education and Training**

Mr Erich Janssen, Chief Executive Officer

**Outcome 6—Rural Health**

**Primary and Ambulatory Care Division**

Mr Rob Cameron, Assistant Secretary, Regional Health Australia

**Outcome 7—Hearing Services**

**Regulation Policy and Governance Division**

Ms Mary McDonald, First Assistant Secretary

Ms Teresa Ward, Assistant Secretary, Office of Hearing Services

Ms Cheryl Wilson, Assistant Secretary, Office of Hearing Services

**Outcome 9—Private Health****Medical Benefits Division**

Mr Richard Bartlett, First Assistant Secretary, Medical Benefits Division

Mr Alastair Wilson, Acting Assistant Secretary, Private Health Insurance Branch

**Outcome 10—Health System Capacity and Quality****Acute Care Division**

Mr Mark Thomann, First Assistant Secretary

Dr Andrew Singer, Principal Medical Adviser

Mr Charles Maskell-Knight, Acting Chief Executive Officer

Ms Veronica Hancock, Assistant Secretary, Hospital Development and Dental Branch

**eHealth Division**

Ms Fiona Granger, First Assistant Secretary

Ms Sharon McCarter, Assistant Secretary, eHealth Systems and Implementation Branch

Ms Liz Forman, Assistant Secretary, eHealth Strategy and Legislation Branch

**eHealth implementation**

Mr Peter Fleming, Chief Executive Officer, National e-Health Transition Authority

**Population Health Division**

Ms Shirley Browne, Assistant Secretary, Chronic Disease Branch

**Regulation Policy and Governance Division**

Ms Mary McDonald, First Assistant Secretary

Ms Anne Kingdon, Assistant Secretary, Governance Safety and Quality

Ms Kathy Dennis, Assistant Secretary, Research Regulation and Food

**National Health and Medical Research Council**

Professor Warwick Anderson, Chief Executive Officer

Mr Tony Kingdon, General Manager and Head, Planning and Operations Group

Dr Clive Morris, Head, Research Group

Professor John McCallum, Head, Research Translation Group

**Outcome 11—Mental Health****Mental Health and Drug Treatment Division**

Ms Georgie Harman, First Assistant Secretary, Mental Health and Drug Treatment Division

Ms Fiona Nicholls, Assistant Secretary, Mental Health Services Branch

Ms Phillipa Lowrey, Acting Assistant Secretary, Mental Health Early Intervention and Prevention Branch

Mr Alan Singh, Assistant Secretary, Mental Health System Improvement Branch

**Outcome 12—Health Workforce Capacity****Health Workforce Division**

Ms Maria Jolly, Acting First Assistant Secretary, Health Workforce Division

Mrs Gay Santiago, Assistant Secretary, Health Workforce Capacity Branch

Mr Lou Andreatta, Assistant Secretary, Health Workforce Training and Distribution Branch

Ms Ros Bauer, Acting Assistant Secretary, Health Workforce Policy and Data Branch

Ms Paula Sheehan, Director, Health Workforce Support and Supply Branch

Ms Jennie Della, Director, Health Workforce Policy and Data Branch

Ms Andriana Koukari, Acting Assistant Secretary, Health Workforce Support and Supply Branch

**Health Workforce Australia**

Mr Mark Cormack, Chief Executive Officer

Mr Roberto Bria, Executive Director, Corporate and Finance Branch

**Outcome 13—Acute Care****Acute Care Division**

Mr Mark Thomann, First Assistant Secretary

Dr Andrew Singer, Principal Medical Adviser

Mr Charles Maskell-Knight, Acting Chief Executive

Ms Gillian Shaw, Assistant Secretary, Hospital Policy Branch

Ms Veronica Hancock, Assistant Secretary, Hospital Development and Dental Branch

Ms Erica Kneipp, Assistant Secretary, Healthcare Services Information Branch

Ms Ann Smith, Assistant Secretary, National Partnership Agreement Branch

**Regulation Policy and Governance Division**

Ms Mary McDonald, First Assistant Secretary

Mr Peter Woodley, Assistant Secretary, Blood, Organ and Regulation Policy

**Outcome 14—Biosecurity and Emergency Response****Office of Health Protection**

Ms Jennifer Bryant, First Assistant Secretary, Office of Health Protection

Ms Fay Holden, Assistant Secretary, Health Protection and Surveillance Branch

Dr Gary Lum, Assistant Secretary, Health Emergency Management Branch

Mr Graeme Barden, Assistant Secretary, Office of Chemical Safety

Dr Jenny Firman, Medical Officer, Office of Health Protection

**Regulation Policy and Governance Division**

Ms Mary McDonald, First Assistant Secretary

Mr Peter Woodley, Assistant Secretary, Blood, Organ and Regulation Policy

**Committee met at 08:30**

**CHAIR (Senator Moore):** We reconvene the Senate Community Affairs Legislation Committee to consider the budget estimates for the portfolio of health and ageing. The committee has before it a list of the outcomes relating to matters which senators indicated that they wished to raise at this hearing. In accordance with the standing orders relating to supplementary estimates, today's proceedings will be confined to those matters only. Senators are reminded that written questions on notice in respect of the supplementary hearings must be lodged with the secretariat no later than 5 pm on Friday, 28 October 2011. The committee has set close of business on Friday, 9 December 2011 as the date for the return of answers to questions on notice. Officers and senators are familiar with the rules of the Senate governing estimates hearings, and we have the secretariat here to help if there is anything you want to clarify. I need to particularly draw your attention to the Senate order of 13 May 2009 specifying the process by which a claim of public interest immunity should be raised and which I now incorporate in *Hansard*.

*The extract read as follows—*

**Public interest immunity claims**

That the Senate—

(a) notes that ministers and officers have continued to refuse to provide information to Senate committees without properly raising claims of public interest immunity as required by past resolutions of the Senate;

(b) reaffirms the principles of past resolutions of the Senate by this order, to provide ministers and officers with guidance as to the proper process for raising public interest immunity claims and to consolidate those past resolutions of the Senate;

(c) orders that the following operate as an order of continuing effect:

(1) If:

(a) a Senate committee, or a senator in the course of proceedings of a committee, requests information or a document from a Commonwealth department or agency; and

(b) an officer of the department or agency to whom the request is directed believes that it may not be in the public interest to disclose the information or document to the committee, the officer shall state to the committee the ground on which the officer believes that it may not be in the public interest to disclose the information or document to the committee, and specify the harm to the public interest that could result from the disclosure of the information or document.

(2) If, after receiving the officer's statement under paragraph (1), the committee or the senator requests the officer to refer the question of the disclosure of the information or document to a responsible minister, the officer shall refer that question to the minister.

(3) If a minister, on a reference by an officer under paragraph (2), concludes that it would not be in the public interest to disclose the information or document to the committee, the minister shall provide to the committee a statement of the ground for that conclusion, specifying the harm to the public interest that could result from the disclosure of the information or document.

(4) A minister, in a statement under paragraph (3), shall indicate whether the harm to the public interest that could result from the disclosure of the information or document to the committee could result only from the publication of the information or document by the committee, or could result, equally or in part, from the disclosure of the information or document to the committee as in camera evidence.

(5) If, after considering a statement by a minister provided under paragraph (3), the committee concludes that the statement does not sufficiently justify the withholding of the information or document from the committee, the committee shall report the matter to the Senate.

(6) A decision by a committee not to report a matter to the Senate under paragraph (5) does not prevent a senator from raising the matter in the Senate in accordance with other procedures of the Senate.

(7) A statement that information or a document is not published, or is confidential, or consists of advice to, or internal deliberations of, government, in the absence of specification of the harm to the public interest that could result from the disclosure of the information or document, is not a statement that meets the requirements of paragraph (1) or (4).

(8) If a minister concludes that a statement under paragraph (3) should more appropriately be made by the head of an agency, by reason of the independence of that agency from ministerial direction or control, the minister shall inform the committee of that conclusion and the reason for that conclusion, and shall refer the matter to the head of the agency, who shall then be required to provide a statement in accordance with paragraph (3).

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

**CHAIR:** I welcome back Senator the Hon. Jan McLucas and the departmental secretary, Ms Halton, and portfolio officers. Ms Halton and officers, I want to express the committee's appreciation of your flexibility and your willingness to come in today so we can adjust our campaign. I do think it is probably better than being on at 10 to 11 at night, but I do not know. You have often had that pleasure!

#### **National Health and Medical Research Council**

[08:32]

**CHAIR:** I welcome officers from the National Health and Medical Research Council. Senator Adams will start the questioning.

**Senator ADAMS:** It is good to see you again, and I am sure that you know the questions I am going to ask you. I would like to talk about the perceived health effects caused by wind turbines and the general issues that are associated with the probably plague proportions of wind turbines that are about to hit Australia. My first question is: have you received any research applications related to the study of wind turbines and their effect on human health?

**Prof. Anderson:** No, we did not receive any applications around the health effects of wind farms in the current calendar year, the grants that were just announced.

**Senator ADAMS:** Under your guidelines, do the applicants have to be from Australian universities, or can you receive applications from overseas?

**Prof. Anderson:** The rules around that are that the first named researcher on a grant has to be an Australian citizen or resident, and the grant, when granted, needs to be administered by an Australian research institution. However, the other chief investigators, the other researchers applying, do not have to be Australian, so an international researcher could apply with an Australian for research in our funding schemes.

**Senator ADAMS:** One of the recommendations from the committee inquiry was for funds to be set aside for this research. Has any of the funding been expended by the NHMRC in that respect?

**Prof. Anderson:** We are currently working with the department, who are putting together a response for the government to the inquiry findings. One thing I might say in passing is that we do have a funding scheme for partnership project research where people who have identified a need for research can partner with medical researchers working at our universities, hospitals or institutes and put an application to us in a special scheme. We have

two schemes for research: one is the big Project Grant Scheme and the other is the partnership projects. So interested parties could contact Australian researchers and make an application in that way. That funding scheme will open next year and I am sure that many people will have read the Senate report and, we would hope, put some applications to us.

**Senator ADAMS:** What is the name of that scheme?

**Prof. Anderson:** It is called Partnerships for Better Health Grants.

**Senator ADAMS:** Are you aware of the recent court case in Canada where the judges found that there are adverse health effects caused by wind turbines?

**Prof. Anderson:** Yes. Following the workshop we had last year, which you are aware of, quite a number of the participants have kept in touch with us and have been sending us literature through that period of time.

**CHAIR:** They have been doing the same with us.

**Senator ADAMS:** We are being kept in the loop too.

**Prof. Anderson:** Good. As you know, we have already agreed that we would do a literature review update. My staff tell me that they expect to have finished that by the middle of 2012. So I can assure you that any of the literature sent to us we will consider as part of the suite of literature we look at. It would be taken into account depending on the scientific view of all the literature as part of that report. It should be completed and provided to our council by June 2012.

**Senator ADAMS:** This is not a question but an observation from the *Australian* today. Mr Rann in South Australia is saying that, as far as the setback for turbines goes, they are going to be a lot closer to communities. They are not prepared for these problems. Of course, the Victorian guidelines are far stricter, with the two-kilometre setback, and New South Wales look as if they may follow the same example. But South Australia are saying they do not care. The hard part for me is that we have not come to any conclusion with this, but we had people come and give evidence at our inquiry who obviously were sick and had problems. There is \$30 billion for renewable energy projects, so money will go into those, and they will mainly be wind. I am very pleased that we had the inquiry and gained that evidence, but it is something I would like to see the NHMRC continue to follow up on because it is, in my opinion, going to cause problems down the track.

**Prof. Anderson:** I can assure you that we will keep following this. As I said earlier, we will encourage applications for research. Of course, like all applications to us, they will undergo rigorous review as part of the process, but unless people apply we cannot fund the research. So, as I say, we would encourage people to do so.

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

**Senator MADIGAN:** Is the NHMRC aware that the wind energy developers and local, state and federal government politicians and bureaucrats are misusing and misquoting the public statement and the rapid review to assert that wind turbines are completely safe and there are no health effects?

**Prof. Anderson:** We are aware that all sorts of people are saying things which we cannot control about the review. We think the review is very clear in what it says.

**Senator MADIGAN:** I am aware that the NHMRC has recommended a precautionary approach to development near rural residences. Is the NHMRC aware that this precautionary approach has not been adopted by the wind development conglomerates?

**Prof. Anderson:** You would understand that as a medical research body we do not have a role in regulating where wind farms and wind turbines are located. The role we play is to look at the research evidence and summarise that, and that is what we will be doing—updating our current statement by June next year.

**Senator MADIGAN:** What has been done to immediately react to this information?

**Prof. Anderson:** In, I think, June last year we had a workshop, which some of the senators know about, as you do too. At this conference we had people from the groups that have been affected by wind farms, some research scientists, two international experts in the effects of acoustic influences on health and people from the wind farm industry for a one-day workshop, where all sorts of different views were vigorously put. That was, from our point of view, a very important day. From that meeting, and in response to the Senate committee's inquiry, we have agreed that we should look at the peer-review literature again. We will complete that review of the literature by the middle of next year and then take it to our council. Our council does consist of the chief medical officers of every state and territory as well as the Commonwealth. So we will again have a very careful scientific look at the literature that is there on the potential effects on people's health.

**Senator MADIGAN:** I am aware of the NHMRC's report on the Wind Power and Human Health Scientific Forum of 7 June 2011 and that you have said you will amend the public statement by May 2012. In your expert opinion, is this soon enough to ensure that a public health issue is prevented from getting worse?

**Prof. Anderson:** Our consideration of this is to make sure that we have given enough time for further research to accumulate after the previous review. Our previous review, as our reviewers concluded, did not indicate—with the peer-review available literature then—that there were serious health effects identified in the published literature. But time has passed since then and research always takes a little while, so it is reasonable to leave some time and then review the literature. We will review all literature at that stage.

**Senator MADIGAN:** Is a precautionary approach not in line with the NHMRC's statutory responsibility to protect the public health?

**Prof. Anderson:** That is why we said in the initial review that we believe a precautionary approach should be taken at this time.

**Senator MADIGAN:** Have you briefed the relevant federal government ministers about the report on the scientific forum, the recent research papers that have been published in scientific peer-review journals and the recent law court findings—the case in Ontario Canada referred to by Senator Adams earlier?

**Prof. Anderson:** We have briefed the minister on the work that we have done. When we have completed the literature review by the middle of next year we will brief our minister at that stage as well.

**Senator MADIGAN:** Are you aware of the recent appeal to the Supreme Court of South Australia based on noise issues where expert evidence was given by Professor Colin Hansen, professor of mechanical engineering at Adelaide University, of actual noise measurements

taken at Mt Bryan? The court found that a significant proportion of residents within 3½ kilometres of the Suzlon S88 turbines are likely to experience annoyance from turbine noise and this will include sleep disturbance. This was confirmed by residents' affidavits to the court.

**Prof. Anderson:** I am very pleased to say that many people keep us informed of all sorts of activities that are occurring around this area of considerable concern to the community. Our role really is not to do a running comment on this but to look at the scientific peer reviewed literature from time to time and come to a conclusion based on that. What others do with our literature review is up to them in their government or other roles.

**Senator MADIGAN:** Are you aware of the existence and the content of the Waubra Foundation's explicit cautionary notice? It was issued by the Waubra Foundation immediately after the Senate inquiry report because there was nothing about setback distances in the report, nothing about a moratorium on siting close to homes.

**Prof. Anderson:** The Waubra Foundation are in very regular contact with us and make sure that we are aware of literature and other events that they feel we should be aware of. I want to emphasise that we do not have a role in commenting about setback or distance or any of those regulatory matters. We are a medical research body, so our role is to look at the scientific literature, do that as clearly and as unbiased as we can, and then allow others with statutory responsibilities or community concerns to look at that literature and use it in the way that they feel is appropriate.

**Senator MADIGAN:** Is the NHMRC aware that there are now well over 20 families across Australia who have been driven out of their homes because of serious ill-health since neighbouring turbines started operating or have been advised to do so by their doctors?

**Prof. Anderson:** I cannot say we are specifically aware of that but, as you are probably aware, in our literature review we did urge people with concerns to speak to their family doctors because this is one way, not the only way but one way, in which research questions can be formed and targeted better. So again I would say that people with concerns should definitely talk to their medical practitioner.

**Senator MADIGAN:** Is the NHMRC aware that some residents are homeless or are living in sheds or caravans and are being ignored by health authorities in each state who currently quote the NHMRC statement that there is no peer-reviewed evidence and therefore by implication are inferring they cannot possibly be sick?

**Prof. Anderson:** They have misread our report if that is the conclusion they are making. I should say that this issue was brought to us by the chief medical officers on our council so they were certainly being concerned by then to bring that issue to the NHMRC. That triggered the original literature review, and of course they will be the first to see the new literature review once it is finished as our council members.

**Senator MADIGAN:** When will the NHMRC brief the relevant federal government ministers? Which ministers will the NHMRC be briefing? Will it be the PM, the minister for health, climate change—who?

**Prof. Anderson:** I report to the Minister for Mental Health and Ageing, the Hon. Mark Butler. That is my line of reporting. Of course we will also as part of the portfolio ensure the department is also fully briefed.



**Senator MADIGAN:** I am aware that the peer reviewers of the rapid review are Professor of Public Health Professor Chapman and Dr Leventhall from the UK. Would you agree that both these peer reviewers have demonstrated a clear bias on this matter? Who is responsible for the inclusion of a blog by one of the peer reviewers in the reference list of the rapid review?

**Prof. Anderson:** The great thing about running the NHMRC is that we have a lot of researchers with a lot of training—20 or 30 years—who often have very strong views on things. I would not use the word 'biased' at all but I would say that people come to views, whether it is on cancer research or anything else, from their own academic training and their own applications—their own research. The whole point of getting peer review always is to bring different views to the table as we assess, whether it is a grant application, a research publication or a review article.

There are certainly other views around, and that is why we included Professor Alves-Pereira from Portugal—who, as you probably know, has a different view to Professor Leventhall—in the workshop we did. We consulted very widely around the world with our fellow organisations, other medical research funding bodies, around who would be the most appropriate people for that workshop. We received a wide range of views, but there was strong support for both those people.

**Senator MADIGAN:** Will you please confirm for me that Professor Chapman sits on one of the NHMRC grants committees? If he does not, did he at the time that the rapid review was written and/or released in 2010?

**Prof. Anderson:** I might have to take that on notice. We have over 1,000 people on our peer review committee. During the year we have used Professor Chapman often. He has been a sterling reviewer for the NHMRC over some decades and is certainly one of Australia's leading public health researchers. To answer your specific question I will just need to check our records.

**Senator MADIGAN:** From this evidence and your understanding of scientific peer review on a matter of public health, would you agree that the two peer reviewers of the rapid review, who are both biased and have received funding from the wind energy conglomerates and/or NHMRC research funding, do not constitute a professional peer review by a panel of relevant, independent experts?

**Senator McLucas:** I wonder if I could just interpose at this point. I think we have to be really careful about asserting bias and motives—well, you are asserting that these peer reviewers have certain motives. We are talking about two eminent scientists in the world. I do not know anything about them. But I have great respect for the NHMRC's ability to bring scientific thinking to this process. These sorts of questions are contentious, so we have, in Australia, one of the most internationally recognised scientific entities, which brings good science to making good recommendations to our community.

When things are contentious, people sometimes seek to denigrate the individual rather than the facts. I would encourage you to be very careful about attacking an individual rather than the science. I am not a scientist. I do not know your background. But we as politicians have to be extremely careful that we do not allow our position on a particular issue to cloud what we are being told by eminent people. I encourage you to be careful in your language so that you

are not denigrating an individual—an individual who undoubtedly has great respect in the world. You can have a view on what the facts are, but please leave the personal alone.

**Senator MADIGAN:** I concur with what you are saying, Senator McLucas, but I have seen the denigration against other people, which I can tell you is quite vicious. I am not playing the person but I can assure you that I have seen things that absolutely shock me and sicken me to the stomach. When people come into your electorate office who are distraught, are crying and have left their homes—let me assure you that I do not raise these questions lightly. Chair, the rest of my questions I will table.

**CHAIR:** We will put them on notice, Senator.

**Senator ADAMS:** No, he has time.

**Senator FIERRAVANTI-WELLS:** Pursue your questions. We have time, Senator Madigan.

**CHAIR:** I am chairing the session. Senator Madigan actually said that he wished to table. That is your decision, Senator Madigan. You can table, but we have got time if you want to continue.

**Senator MADIGAN:** I am quite happy to table the remaining few questions.

**CHAIR:** Thank you, Senator. We will put them through and we will work with your office on that.

**Senator ADAMS:** I have a follow-up to the minister. Professor Chapman has been named by Senator Madigan, but Professor Chapman's writings have been very, very influential on the wind farm debate. The reason that the NHMRC are here today is that the statement that was made originally that there were no—and the whole scientific evidence was peer reviewed, admittedly. But this is a new phenomenon for Australia. There have been wind farms here for quite some time but they have not been around people's homes. It is only since the wind farm industry has started to put the turbines in close to people's homes that all these things have happened. To have peer review and scientific evidence—it is a very new phenomenon.

The problem is that this is increasing. I know that in Western Australia there are 35 applications into planning for wind farms or wind turbines to be erected, and unfortunately they are going into very rich agricultural land, very good areas. In one area that I am very familiar with, there are going to be 28 homes within two kilometres of the turbines. So there are all these sorts of issues, but unfortunately the developers are using the first statement that the NHMRC made as 'there are no effects to human health'. The interpretation is just an unfortunate thing. When you go into the evidence that the NHMRC put forward originally, they did say—and they have changed their statement. But the developers are not using that.

Unfortunately, with the new \$30 billion for renewable energy coming in, there is a lot of overseas investment, and that money is going to go offshore. It is not going to be here. There are all sorts of arguments. But, as a nurse, I am very concerned, as is Senator Madigan, about the people who have actually been affected. Of course, Waubra has had wind turbines for a lot longer. It really is quite upsetting. The committee has had a lot of evidence from these people. But to actually get the scientific evidence—and this is why I am asking questions—is there any way that people from outside can partner with Australian people to come up with some more evidence on the issues that Senator Madigan has raised?

**CHAIR:** I will take that as an extended statement, and the question that you put right in the middle of it—well done—was actually already answered, so that is fine; it is on the record.

**Senator ADAMS:** Thank you for the opportunity to clarify it.

**Senator FIERRAVANTI-WELLS:** Professor Anderson, this week there was an announcement about some moneys that have been put into NHMRC. Before I ask my questions, can I just set the parameters. You have a Medical Research Endowment Fund. Reading your statement it is referred to as an 'administered special account', and in your annual report as MREA.

**Prof. Anderson:** That is correct.

**Senator FIERRAVANTI-WELLS:** Okay. And how that works is that you start off with a certain amount each year and you then have your own source revenue from investments and other sources?

**Prof. Anderson:** No, it is really an appropriation from government in the estimates.

**Ms Halton:** Think of it like a trust fund.

**Senator FIERRAVANTI-WELLS:** Yes, I appreciate that. I just thought I saw, under 'own-source income' in your—

**Prof. Anderson:** You might be referring to where sometimes, if the department or others have some funds for research and wish us to do the peer review—because that is one of our areas of expertise—then that money will be paid into the Medical Research Endowment Account.

**Senator FIERRAVANTI-WELLS:** Sure, but in any case it is an account whose funds are sourced from different areas.

**Prof. Anderson:** Yes, but mainly—

**Senator FIERRAVANTI-WELLS:** Mainly government—okay, I understand that. So then the government puts in an amount per annum, you spend whatever you spend and there is a carryover to the year after?

**Prof. Anderson:** Yes, but there is also up to a couple of billion committed each year—

**Senator FIERRAVANTI-WELLS:** Of course. But, for example, if I read on page 153 of your annual report it says the balance at 30 June was \$325 million.

**Prof. Anderson:** That sounds about right.

**Senator FIERRAVANTI-WELLS:** Okay. I just wanted to set the picture. To take you back, I understand that in 1999 there was a considerable injection of funds as a result of the Wills review.

**Prof. Anderson:** Yes.

**Senator FIERRAVANTI-WELLS:** In 2007 there was an injection of approximately \$700 million by 2009-10. Does that sound about right, Professor?

**Prof. Anderson:** That sounds about right.

**Senator FIERRAVANTI-WELLS:** All right. My question to you is: are the research grants announced by the minister this week a separate new investment from the government,

over and above what was already provided for through the Medical Research Endowment Fund?

**Prof. Anderson:** No, it is funding out of the Medical Research Endowment Account.

**Senator FIERRAVANTI-WELLS:** That is what I thought. So the balance of the Medical Research Endowment Fund in 2010-11 was, as I said, as at 30 June, \$325 million?

**Mr Kingdon:** At 30 June 2011 it was \$314.5 million.

**Senator FIERRAVANTI-WELLS:** Okay. So do you project across the forward estimates? Or is it a sort of hand-to-mouth existence there?

**Prof. Anderson:** Each year we commit against the Medical Research Endowment Account and the forward estimates, although some of our grants run five or up to six years, so they do extend beyond that period. So at any one time we have commitments, as I said earlier, of maybe more than \$2 billion going forward. What we can announce each year will depend on the appropriation and any residual amount in the fund that has not been spent, for a number of reasons—for example, failure to get ethics approval for the application and so on.

**Senator FIERRAVANTI-WELLS:** What additional funding will the government provide for the endowment in 2010-11 and across the forward estimates?

**Mr Kingdon:** We did not get any additional last year, other than our appropriation. In 2011-12 the forward estimates have \$746.075 million and then in 2012—

**Senator FIERRAVANTI-WELLS:** Sorry, where are you looking?

**Mr Kingdon:** Sorry, you are working from the annual report; I am going from the budget papers, which are in the PBS.

**Senator FIERRAVANTI-WELLS:** What page are you looking at?

**Mr Kingdon:** Go to page 710.

**Senator FIERRAVANTI-WELLS:** I have got it. I want to follow what you are saying.

**Mr Kingdon:** In 2011-12, as I said, there was \$746 million. In 2012-13 there is \$761 million. In 2013-14 it is \$774.9 million and for 2014-15 it is \$795.08 million.

**Senator FIERRAVANTI-WELLS:** What was the value of the grant provided by NHMRC in 2011 and what is projected across the forward estimates?

**Prof. Anderson:** There is always slight confusion by many, including me, about this because we grant in a calendar year because that is how the academic year runs. But of course the appropriations are done in financial years.

**Mr Kingdon:** 2011 has not finished yet, but at the moment we have a total commitment for 2011 of \$673.7 million. That is what was committed in the current round that was announced last week.

**Senator FIERRAVANTI-WELLS:** And of course the projections across the forward estimates are not done across the forward estimates; you would do them by calendar year. Is that the case?

**Prof. Anderson:** That is how we work, yes.

**Senator FIERRAVANTI-WELLS:** That is how you work and then there would have to be a translation from NHMRC-speak to English.

**Mr Kingdon:** It is basically because universities work on a calendar year. If we worked on a financial year it would be a source of confusion.

**Ms Halton:** I do not know that I would call this English!

**Senator FIERRAVANTI-WELLS:** No! Science was never quite my strong point. How many applications were received by NHMRC for grants in 2010-11?

**Mr Kingdon:** Can we keep it to calendar years, please, because we had a round in 2010 and then we had a round in 2011.

**Ms Halton:** That money is basically just indexed. The money is continuing. So you say the money is effectively in real terms a constant and then you deal with the applications. That is probably the easiest reference point. Otherwise, it is completely confusing.

**Prof. Anderson:** We have, I think, 20-odd different funding schemes. I can provide you extensive detail on each of those, if you like.

**Senator FIERRAVANTI-WELLS:** I had a table that I think you previously provided to me, Professor, at another estimates. If you would like to take that on notice, I would be happy to receive that.

**Prof. Anderson:** I think we had around 5,500 applications all told throughout various funding schemes.

**Senator FIERRAVANTI-WELLS:** Just to get a picture of that, how many of those applications were not successful? In other words, could you provide for me information about the applications that were not successful and the total value of the applications that were rejected to get a picture of what has been put forward.

**Prof. Anderson:** Maybe I will talk about our main funding scheme, which is the project research grants scheme. That is what most people refer to. We had 3,500-odd applications there and 21.6 per cent of those we were able to fund. Our peer review panels grade all the applications on a seven-point scale and anything that is rated four, five, six or seven, in their view, is research that could be funded if there was money. Of those, we are able to fund only about one in three. So 700-odd project grants were funded, if I remember correctly, but about double that number could be funded. The bottom third are regarded by our peer review panels as sometimes quite good, but they would not recommend funding them that year. Again, we can give you precise figures.

**Senator FIERRAVANTI-WELLS:** Thank you. Ms Halton, I think you mentioned an amount which is indexed, and that appears from the forward estimates. So the increase is actually just the indexation. Effectively that is the real growth. Is that correct?

**Prof. Anderson:** Yes, although the figures are slightly affected by some additional funds in a particular area of the department.

**Senator FIERRAVANTI-WELLS:** Do you mean some money you got for dementia, hearing, mental health and those sorts of things?

**Ms Halton:** Exactly.

**Senator FIERRAVANTI-WELLS:** For the purposes of doing a comparison I would like to know the growth in new funding available through NHMRC across the forward estimates compared with the growth in new funding since the Wills review back in 1999. I am happy for you take that one on notice.

**Prof. Anderson:** Yes, it is probably better that we do that. And I should say that there has also been growth in the number of applications. That number has grown greatly over that period of time as well.

**Senator FIERRAVANTI-WELLS:** I would say that proportionately the applications have grown a lot more than has the money available in the kitty. Your annual report refers to strategic planning. On page 102 you make reference to the 2010-12 strategic plan and you identify your 10 major health issues, including ageing and mental health. In the past we had a discussion where you indicated that there is some information out there that roughly breaks down how much of your spending was in particular areas. I think around the 2009 mark mental health accounted for about eight per cent or thereabouts. Does that mean the percentage of research in mental health will go up slightly?

**Prof. Anderson:** There are two things to say about that. In 2010 we were spending about \$57 million on mental health—and I am not talking about neuroscience or the biological basis of mental health. When we have looked at this area it has been surprising that the number of applications to NHMRC for mental health research funding had not been increasing over most of the previous decades, whereas, as I said earlier, the total number of applications to us has gone up two- or threefold. But mental health has been flat. If you do not put applications in, the chances are that you do not get the money! So we have had two workshops with the mental health research community and listened to what they thought were the issues. There are really two activities that are ongoing. The first is to try to build some capacity through encouraging more researchers into the field. Our research committee is currently considering what to do there—whether to add some more fellowships at the early-career, mid-career and senior-career levels.

**Senator FIERRAVANTI-WELLS:** If you do not have the institutes that are capable of doing the research, the NHMRC will always be overtaken. Even though that research may be necessary, the institutes that are making applications are more worthy.

**Prof. Anderson:** But what we can do, I think, is encourage people from other fields into that field. Mental health research uses a wide range of disciplines from social sciences though to cutting-edge cell biology on the neuron. The activities we have in mind are partly to encourage people in other fields to bring their skills to mental health issues. We have done that previously in some other fields—for example, diabetes, with the Juvenile Diabetes Research Foundation. So I think there are ways that we can get a better, more focused and higher quality research effort in mental health, but it may mean that new people need to be attracted and new approaches taken.

I remember in the workshop we had that we were talking to the head of the US National Institute of Mental Health on Skype, and he was making a very important point that in mental health we are moving very quickly from studying what he calls the manifestations of mental illness—how we appear as human beings—to the actual cause, because we understand more about the brain. We have really outstanding neuroscience activity in this country and part of our activity will be to make sure we bring these groups together so that they fertilise each other.

**Senator FIERRAVANTI-WELLS:** You have done some work in the past in relation to ageing matters. Is that similar to mental health? Have you had the same sort of experience?

**Prof. Anderson:** Ageing is similar in the way that so many disciplines and so many research areas can be brought to bear on health issues and the prevention of ill health in the aged. In the discussions that we have been having about this, there is another focus, which I am sure you would understand. We now know more and more that the problems we face as adults, and particularly older adults, start very early. They start in childhood, very early in childhood. So, paradoxically, some of the thinking around ageing research has been right at the beginning of life. You can be on a trajectory of ill health from some of these things we now know about. We now know the biological basis of changes in the chromosomes which affect some of the genes that are necessary for good health or that cause ill health. If we get that wrong as a society right at the beginning then we make problems for ourselves later. So ageing is very complex. On the other hand, there is no point in saying to older Australians: 'I'm sorry—you should have got this right 60 or 70 years ago.' So the research here is really about provision of care—

**Senator FIERRAVANTI-WELLS:** Ms Halton, there is hope for us yet.

**Ms Halton:** Yes, I know. I take a personal interest in this particular subject.

**Senator FIERRAVANTI-WELLS:** I am glad you appreciate my questions. Professor, I am just looking at the time. There are some questions I would like to ask on the literature review on naltrexone implants as a treatment for opioid dependence. I have this paper and I would like to ask some questions in relation to that. Can you tell me who commissioned this review and who developed the terms of reference for it?

**Prof. Anderson:** I commissioned the review following discussions within the portfolio of issues around that, and I did it because—

**Senator FIERRAVANTI-WELLS:** Did you have any discussions with the TGA?

**Ms Halton:** No. This was a series of discussions with me.

**Prof. Anderson:** I didn't want to do you in.

**Ms Halton:** I asked Professor Anderson. I thought it was timely to do a review.

**Prof. Anderson:** She pointed out to me we had recently funded research in this very area. At that stage the research had not been published but we did have a report.

**Senator FIERRAVANTI-WELLS:** Was the minister's office involved in this as well?

**Ms Halton:** They were certainly informed of it.

**Senator FIERRAVANTI-WELLS:** They were informed rather than involved in discussions in relation to the commissioning. Can you just explain to me why the literature was limited to implants and did not include other sustained release formulations?

**Prof. Anderson:** That is the study that we were funding. It was a comparison of implants with oral naltrexone, so we wanted to make sure we covered any other literature that was relevant to that piece of NHMRC research.

**Ms Halton:** As you know well, Senator, that is the contentious issue here. It was my concern to make sure that we had the most current, relevant information about that matter.

**Senator FIERRAVANTI-WELLS:** It is interesting, because the literature review only includes publications to June 2009 and not 2010 and 2011. I want to ask some questions in relation to that. Even though it reviews publications up to June 2009, there is very extensive

reference in the publication to Holt 2010, which I understand was an opinion piece and non-empirical data. What was the basis for that, even though it only went up to 2009?

**Prof. Anderson:** I think that is when we commissioned the report. Sometimes the system grinds a little slowly to do that. But the report was done by an independent committee appointed by me.

**Senator FIERRAVANTI-WELLS:** It goes back to 2004, and there are references to a rather dated Commonwealth government publication, O'Brien 2004, which appears to be repeatedly referenced as opposed to more updated material.

**Prof. Anderson:** When you commission a literature review with experts, you are in their hands as to what they regard as the relevant research. Again, we did have that work peer-reviewed. I think there were five, maybe seven independent peer reviews of it. In contested areas, as with the previous conversation, there will always be a wide variety of views. People hold different views and, in areas where the research is thin, where there is not a lot of it—like treatment of cholesterol in blood vessel walls or something—the literature may be few in number, and people of goodwill trying to make the right conclusions will do their hardest to make sure they draw them on the basis of science. Another group of scientists may take a different view. That is just the way science works.

**Senator FIERRAVANTI-WELLS:** It's a bit like lawyers, isn't it!

**Ms Halton:** And economists, may I say!

**Prof. Anderson:** I am not going to comment on either of those!

**Senator FIERRAVANTI-WELLS:** Who authored this document?

**Prof. Anderson:** It was the review group. It is a very common thing for NHMRC to set up an expert panel and have our staff support them and they do joint authoring.

**Senator FIERRAVANTI-WELLS:** Who provided the independent peer review? Do you want to take that on notice?

**Prof. Anderson:** I cannot provide that now. I will take that on notice.

**Senator FIERRAVANTI-WELLS:** The introduction states that the catalyst for the literature review was the publication of the results of an NHMRC funded randomised control trial by Hulse in *Archives of General Psychiatry* in 2009, with other work of Hulse and colleagues extensively referenced in the review.

**CHAIR:** Senator, I am sorry to butt in, but I have to remind you of the time. We have to finish at 9.30, and Senator Furner has a question as well.

**Senator FIERRAVANTI-WELLS:** Okay. I will put some specific questions in relation to Professor Hulse on notice as part of that process. Why didn't this literature proceed via your NHMRC research committee?

**Prof. Anderson:** It is really not a research committee issue. Research committee's role is to advise on expenditure of the MREA. It went to our council. Most things of this nature are a council matter, not a research committee matter.

**Senator FIERRAVANTI-WELLS:** Professor Currie, I understand, specifically requested to be involved in any review of naltrexone implants. He was not involved. Did he raise this issue with you, Professor, or did the chair of research committee raise concerns with you



about this document and its accuracy and request information on why it had bypassed the research committee?

**Prof. Anderson:** Both those people have raised the issue but not beforehand. They raised it with me in recent times. I have no memory of the chair of research committee asking why it had not come to research committee, but it was a very informal conversation.

**Senator FIERRAVANTI-WELLS:** You might like to take that on notice.

**Prof. Anderson:** Yes. I know Professor Currie was concerned about it and raised a number of issues with me. I took him through the process that we went through, including, as I have just emphasised, through our council, as a full agenda item.

**Senator FIERRAVANTI-WELLS:** What about Dr Zeps, who is on your ethics and integrity committee? Did he raise concerns about this document and did other people raise concerns about this?

**Prof. Anderson:** Yes, a number of people have raised concerns, from both sides. This is a contentious area. People of goodwill and great skill have different views on the matter. All we can do is stick to the literature and put a group together to do the best they can and review the literature.

**Senator FIERRAVANTI-WELLS:** Whilst it is only a literature review, the document sets out a series of guidelines regarding the use of the implants in clinical settings. The concern I have is that it has now been listed under NHMRC guidelines. Who authorised the review to be placed under guidelines?

**Prof. Anderson:** It is not a guideline; it is a literature review. It does conclude that this is still an experimental procedure. We did not at any stage say it should not occur. We said that it should still be regarded as a research area and therefore under ethics review. I understand that on our website somebody put it under a heading called 'guideline' but I do not think there should be any confusion that this is an NHMRC clinical guideline. It is not. It is like the wind turbine issue really. How others take our statements and use them is maybe regrettable from our point of view, but there is not much we can do.

**Senator FIERRAVANTI-WELLS:** If it is listed as a guideline it is understandable why people might take it as a guideline.

**Prof. Anderson:** I believe that when that was brought to our attention we moved it to take away any confusion.

**Senator FURNER:** I am particularly interested in some of the listings of the grants on the website, from A to Z. Subject to time, can you provide some information on the Global Alliance for Chronic Diseases, in particular whether that list on the website is extensive or whether there are more diseases that you are considering? Are you at a point in time in identifying what the LMICs are, which countries they will be?

**Prof. Anderson:** The Global Alliance for Chronic Diseases is a consortium of I think seven countries who have agreed to a common approach to research into the non-communicable diseases. It was formed in response to a feeling of us as funders that we were starting to tackle the infectious diseases in low- and middle-income countries in a very effective way through the activity of the Gates Foundation and others, but the non-communicable chronic diseases perhaps had not had the same attention yet are the big killers

of poor people around the world. After nearly two years of discussion between us and our equivalents in Canada, the United States, China, India, South Africa and the UK, we agreed to begin with the area of control of blood pressure in low- and middle-income countries. That is not very glamorous, but high blood pressure is probably the second biggest risk factor for poor people that there is. The research that we have agreed to do as a consortium of different countries will be about how you implement effective treatment of blood pressure right down there at the community level. We are still in the process of doing that. We have applications in and we will be peer reviewing the applications. I think we have had 15. We have not designated which countries this can be in. That will be up to our peer reviewers to define what a low- or middle-income country is. It can be any such country. The different bodies will make sure we are not doubling up on funding of anything. We are going to do the review with the Canadians so that we bring another country's view to what we do. I think that will happen in November sometime.

**Senator FURNER:** Could you provide some feedback on notice on the equipment grants and also the development grants?

**Prof. Anderson:** We can do that.

**CHAIR:** I thank the officers from the NHMRC and extend my appreciation for coming in on what is a non-standard day for you. I thank Ms Halton and Senator McLucas for their time.

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

**In Attendance**

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

Senator McLucas, Parliamentary Secretary for Disabilities and Carers

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

Mr Finn Pratt, Secretary

Ms Liza Carroll, Deputy Secretary

Mr Michael Dillon, Deputy Secretary

Mr Bruce Hunter, Deputy Secretary and Chief Operating Officer

Ms Serena Wilson, Deputy Secretary

**Cross Outcomes**

Ms Julia Burns, Group Manager, Corporate Support

Mr Anthony Field, Group Manager, Legal and Compliance

Mr Steve Jennaway, Group Manager, Business and Financial Services Group

Ms Donna Moody, Group Manager, Information Management and Technology

Ms Peta Winzar, Group Manager, Social Policy

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

Ms Roslyn Baxter, Branch Manager, Indigenous Communications Project

Ms Tracey Bell, Branch Manager, Communications

Ms Katherine Costello, Section Manager, Climate Change Household Assistance

Mr Simon Crowther, Branch Manager, Compliance

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

Mr Ty Emerson, Branch Manager, Social Security Policy

Mr James Fletcher, Acting Branch Manager, Public Law

Mr Scott Glare, Branch Manager, Infrastructure Services

Mr Allan Groth, Branch Manager, Strategic Policy

Ms Yvonne Korn, Branch Manager, Program Frameworks

Mr Andrew Lander, Branch Manager, Audit, Assurance and Risk

Ms Lynette MacLean, Branch Manager, People

Mr Gavin Matthews, Branch Manager, Indigenous Housing Programs and Services Branch

Mr Gary Michajlow, Acting Branch Manager, Property, Environment, Procurement and Security

Ms Marian Moss, Branch Manager, Commercial and Indigenous Law

Mr Kurt Munro, Branch Manager, Ministerial, Parliamentary and Executive Support

Ms Fiona Sawyers, Acting Branch Manager, Seniors and Means Test

Dr Judy Schneider, Acting Branch Manager, Research and Analysis

Mr Kamlesh Sharma, Branch Manager, Financial Accounting

Mr Bruce Smith, Branch Manager, Performance Management and Modelling

Ms Michalina Stawyskyj, Branch Manager, International

Ms Kim Vella, Branch Manager, Budget Development

**Outcome 1—Families and Children**

Mr Michael Lye, Group Manager, Families

Ms Cate McKenzie, Group Manager, Women and Children Policy

Ms Helen Bedford, Branch Manager, Children's Policy

Ms Jane Dickenson, Acting Branch Manager, Paid Parental Leave

Ms Elizabeth Hefren-Webb, Acting Branch Manager, Welfare Payments Reform

Ms Diana Lindenmayer, Deputy Branch Manager, Family Payments

Ms Meagan Petteit, Section Manager, Paid Parental Leave Branch

Ms Elizabeth Stehr, Branch Manager, Family Support Programs

Ms Janet Stodulka, Branch Manager, Family and Child Support Policy

Mr Andrew Whitecross, Branch Manager, Family Payments

**Outcome 2—Housing**

Mr Sean Innis, Group Manager, Housing, Homelessness and Money Management

Ms Leesa Croke, Branch Manager, Social Housing

Mr Leon Donovan, Branch Manager, Homelessness

Ms Kathryn Mandla, Branch Manager, Evidence and Planning

**Outcome 3—Community Capability and the Vulnerable**

Ms Amanda Cattermole, Group Manager, Problem Gambling Taskforce

Mr Sean Innis, Group Manager, Housing, Homelessness and Money Management

Ms Susan Black, Branch Manager, Problem Gambling Taskforce

Ms Robyn Calder, Branch Manager, Community Investment

Ms Robyn Oswald, Branch Manager, Money Management

**Outcome 4—Seniors**

Ms Peta Winzar, Group Manager, Social Policy

Ms Robyn Calder, Branch Manager, Community Investment

Ms Fiona Sawyers, Acting Branch Manager, Senior and Means Test

**Outcome 5—Disability and Carers**

Dr Nick Hartland, Group Manager, Disability and Long Term Care and Support Taskforce

Mr Evan Lewis, Group Manager, Disability and Carers

Ms Laura Angus, Branch Manager, Disability and Carers Programs

Ms Jill Farrelly, Branch Manager, Mental Health

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

Mr John Riley, Branch Manager, Autism and Early Intervention

Ms Sharon Rose, Branch Manager, Disability and Carers Payments Policy

Ms Michalina Stawyskyj, Branch Manager, International

Ms Karen Wilson, Branch Manager, Disability and Carers Policy

**Outcome 6—Women**

Ms Cate McKenzie, Group Manager, Women and Children Policy

Ms Fiona Smart, Branch Manager, Safety Taskforce

Ms Mairi Steele, Branch Manager, Women's Branch

**Equal Opportunity for Women in the Workplace**

Ms Helen Conway, Director, Equal Opportunity for Women in the Workplace Agency

**CHAIR (Senator Moore):** I declare open this supplementary hearing of the Senate Community Affairs Legislation Committee considering the budget estimates for the portfolio Families, Housing, Community Services and Indigenous Affairs. The committee has before it a list of the outcomes relating to matters senators have indicated that they wish to raise at this hearing. In accordance with the standing orders relating to supplementary hearings, today's proceedings will be confined to those matters only. Senators are reminded that written questions on notice in respect of the supplementary hearings must be lodged with the secretariat no later than 5 pm on Friday, 28 October 2011. The committee has set close of business on Friday, 9 December 2011 as the date for the return of answers to questions on notice.

Officers and senators are familiar with the rules of the Senate governing estimates hearings. I particularly draw attention to the Senate's order of 13 May 2009 specifying the process by which a claim of public interest immunity should be raised, and which I now incorporate in *Hansard*.

*The extract read as follows—*

**Public interest immunity claims**

That the Senate—

- (a) notes that ministers and officers have continued to refuse to provide information to Senate committees without properly raising claims of public interest immunity as required by past resolutions of the Senate;
- (b) reaffirms the principles of past resolutions of the Senate by this order, to provide ministers and officers with guidance as to the proper process for raising public interest immunity claims and to consolidate those past resolutions of the Senate;
- (c) orders that the following operate as an order of continuing effect:
  - (1) If:
    - (a) a Senate committee, or a senator in the course of proceedings of a committee, requests information or a document from a Commonwealth department or agency; and
    - (b) an officer of the department or agency to whom the request is directed believes that it may not be in the public interest to disclose the information or document to the committee, the officer

shall state to the committee the ground on which the officer believes that it may not be in the public interest to disclose the information or document to the committee, and specify the harm to the public interest that could result from the disclosure of the information or document.

- (2) If, after receiving the officer's statement under paragraph (1), the committee or the senator requests the officer to refer the question of the disclosure of the information or document to a responsible minister, the officer shall refer that question to the minister.
- (3) If a minister, on a reference by an officer under paragraph (2), concludes that it would not be in the public interest to disclose the information or document to the committee, the minister shall provide to the committee a statement of the ground for that conclusion, specifying the harm to the public interest that could result from the disclosure of the information or document.
- (4) A minister, in a statement under paragraph (3), shall indicate whether the harm to the public interest that could result from the disclosure of the information or document to the committee could result only from the publication of the information or document by the committee, or could result, equally or in part, from the disclosure of the information or document to the committee as in camera evidence.
- (5) If, after considering a statement by a minister provided under paragraph (3), the committee concludes that the statement does not sufficiently justify the withholding of the information or document from the committee, the committee shall report the matter to the Senate.
- (6) A decision by a committee not to report a matter to the Senate under paragraph (5) does not prevent a senator from raising the matter in the Senate in accordance with other procedures of the Senate.
- (7) A statement that information or a document is not published, or is confidential, or consists of advice to, or internal deliberations of, government, in the absence of specification of the harm to the public interest that could result from the disclosure of the information or document, is not a statement that meets the requirements of paragraph (1) or (4).
- (8) If a minister concludes that a statement under paragraph (3) should more appropriately be made by the head of an agency, by reason of the independence of that agency from ministerial direction or control, the minister shall inform the committee of that conclusion and the reason for that conclusion, and shall refer the matter to the head of the agency, who shall then be required to provide a statement in accordance with paragraph (3).

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

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

[09:36]

**CHAIR:** I welcome Senator the Hon. Mark Arbib, the departmental Secretary, Mr Finn Pratt, and portfolio officers of FaHCSIA today. I put on record again my appreciation to the officers for their cooperation and flexibility in fitting into the sequence we have for estimates. Minister, would you like to make an opening statement?

**Senator Arbib:** No, but I thank the committee for its flexibility in starting early tomorrow morning. I do appreciate it. I've got two little prints of myself who will be happy that dad's come home. Thank you.

**CHAIR:** We have mutual flexibility, Minister. Mr Pratt, do you wish to make an opening statement today?

**Mr Pratt:** No, thank you. However, Ms Carroll has a clarification on some data that we provided at last estimates, which we thought we might provide to the committee early on.

**CHAIR:** We will do that at the start. As senators know, we are going into general cross-portfolio issues. Senator Fifield: you are leading off with questions. We will get that data clarification on record straight away and then go to your questions.

**Ms Carroll:** As Mr Pratt said, we want to update and clarify some figures. At the June estimates hearing we provided some data to Senator Siewert on the people attending approved money management courses. The data we provided was given to us through an ad hoc request to our service providers in the Northern Territory and Western Australia. When we got the formal information from those service providers we realised that they had mixed up two categories: approved money management courses and other community education workshops. The number we gave you was a combination of those two. The numbers that we gave at the June estimates were that 812 people had registered for the course, 415 had completed it, 335 were still participating and 62 had withdrawn. The correct figures, for WA and the Northern Territory, are that 246 people commenced the approved money management course. Of those, 102 completed the course, 37 withdrew and 107 are still participating. One hundred and sixty six of those who commenced the course identified that they were on compulsory income management and therefore would be eligible to receive the matched savings payment. As I said, the mistake occurred because of the confusion between the two courses. The larger figure included the community programs. I just wanted to make sure you had that early, Senator Siewert.

**Senator SIEWERT:** Can I ask a clarification question. We can go into this in the appropriate spot. Is that for the figures up to June or do I need to ask again about the new figures from then to now?

**Ms Carroll:** They are the figures to June. Part of how we got into this problem, I think, is that we were trying to make sure we had the most up-to-date figure. There is regular reporting that we ask for the providers twice a year and so I think what we need to do is make sure we stay with those twice a year updates.

**Senator SIEWERT:** Do I take it from that you will not be able to provide me any figures this time, I will need to ask in February for the second half of the calendar year?

**Ms Carroll:** Yes, Senator.

**Senator SIEWERT:** I am letting you know that I do then want to continue that line of questioning that I was going down last time, which is how effective that has been in terms of people being able to get the payment for the matched saving. I will leave that to the section.

[9:40]

**CHAIR:** Thank you, Ms Carroll. Senator Fifield, general questions and corporate.

**Senator FIFIELD:** Good morning. We might start off by revisiting the \$10 million which has been allocated for the technical policy work in preparation for NDIS. Yesterday seems like a long time ago, so perhaps you might take us through where that \$10 million came from again and specifically which are the programs or functions that money came from?

**Mr Jennaway:** The \$10 million, as you heard yesterday, was broken up into \$1.7 million of departmental and \$8.3 million of administered. On the departmental side, one of the things that we did in setting our internal budgets for this financial year was to identify across the whole department generally a number of areas where we could spend less across the board and nevertheless not interfere with any of our outcomes or deliverables. They tended to be

administrative type things that we have looked at. We have looked at the frequency of governance committee meetings, the amount of secretariat support we provide. We have pulled back on some areas where we have sort of amalgamated some of our services such as procurement. So we have generally been looking for savings across the board to be able to fund ongoing activity. The \$1.7 million ends up in a space where in setting the budget we looked at this pool of funds that have been made generally available across the organisation to fund priority activities, and obviously NDIS is one of our priority areas. So there is nothing specific that you would be able to see that would stop or be reduced in the departmental space to be able to fund \$1.7 million worth of activity.

**Ms S Wilson:** Can I clarify that the \$10 million that was announced by the minister and the Prime Minister at the release of the Productivity Commission report was \$8.6 million of administered and \$1.3 million approximately of departmental. The \$1.7 million of departmental had already been allocated prior to the receipt of the Productivity Commission report. Then, as we gave evidence yesterday, that was topped up when we looked at the work involved and I made a persuasive case to the Secretary, as he identified yesterday, that we needed more resourcing for the task force.

**Senator FIFIELD:** So that \$1.7 million that had already been allocated was from savings from departmental.

**Ms S Wilson:** It was part of setting our overall departmental budget, looking at where we could make efficiencies and where we needed to invest in a range of priorities.

**Senator SIEWERT:** And that \$1.3 million that is departmental as well, where do you find that money?

**Ms S Wilson:** I will explain how we found that money. In setting the budget the secretary and the executive, in consultation with the CFO, identified a small reserve for contingencies. We had a small amount of money set aside for pressures that would arise during the year. This was the pressure that some of those funds were allocated to.

**Senator SIEWERT:** So, it is bad luck if there are any other emergencies.

**Mr Pratt:** We would then look to drop other lower administrative functions to try to cover those, if necessary. Obviously there is an end to how far one can go with that. But in finding the 1.7 and the 1.3, as Mr Jennaway ran through, there are lots of things where we have looked for efficiencies. A big one for us, for example, is that we are doing far more videoconferencing and less travel nowadays. The savings from that can then be attributed to high-priority tasks like the implementation of the work on NDIS.

**Senator FIFIELD:** Do you still have a contingency provision or has that been fully allocated for this?

**Mr Pratt:** We still do have.

**Senator FIFIELD:** How much?

**Mr Jennaway:** It would be—

**Senator FIFIELD:** Block your ears, Minister!

**Mr Jennaway:** At this stage it would be less than \$1 million.

**Senator FIFIELD:** With the 1.3, when you are talking about reducing secretariat support, what sort of stuff is that?



**Mr Jennaway:** It is stuff that would not be observable in terms of the amount of activity. We have gone for streamlining—

**Senator FIFIELD:** I mean, what is the nature of the—

**Mr Jennaway:** This would be supporting papers and scheduling work and all the associated things, but, typically, for governance committees within the organisation.

**Senator FIFIELD:** And the 8.6?

**Ms S Wilson:** That is administered funding.

**Senator FIFIELD:** Where was that sourced?

**Ms S Wilson:** That will be identified in the mid-year economic forecast, the MYEFO.

**Senator FIFIELD:** I am sure it will be, but are you able to share it with us now?

**Ms S Wilson:** I think the decisions on MYEFO are still taking place, so I am not able to reveal the precise nature of that at this stage.

**Senator FIFIELD:** So that is yet to come. Could some of that money come from things in outcome 5?

**Ms S Wilson:** There could be a redirection within outcome 5, but as I said those decisions will be revealed in MYEFO.

**Senator FIFIELD:** The reason I am spending a bit of time on this, and I am sure Senator Siewert is, as well, is that the Prime Minister's and Minister's press release referred to the \$10 million as an immediate additional \$10 million, which would give the impression that this is new money and it is not at the expense of other things. We know from departmental funding that it is not at the expense of anything, which is where the rubber hits the road. But we do not have that assurance for the \$8.6 million, because you cannot tell us, before MYEFO, where that money might come from.

**Ms S Wilson:** It is additional for this task. That is certainly the case. But at the same time the government is managing a very tight fiscal strategy with budget rules that require the identification of savings and offsets to support new investment.

**Senator FIFIELD:** I am certainly not being critical of savings or offsets, not for one second. But certainly the impression left in the sector was, 'Fantastic, this is the first downpayment of new money towards an NDIS. It is only \$10 million, but it is a start.' That was certainly the impression left in the sector.

**Ms S Wilson:** Certainly, it is investment in NDIS. It is new money for NDIS.

**Senator FIFIELD:** I am not being critical of that for a second. My point is—and I direct it to the minister—that I think probably the construction I would put on the announcement of 10 August is that the way it was phrased was perhaps a little cheeky. It was not entirely straightforward. It might have been better to say that there has been an allocation of \$10 million, rather than immediate and additional. That left a misleading impression in the sector.

**Ms S Wilson:** As I said, it is an investment in the National Disability Insurance Scheme, to start work on it this financial year.

**Senator SIEWERT:** Is it coming at the expense of other services that are being delivered now? The same people who would potentially benefit from an NDIS are disadvantaged immediately.

**Ms S Wilson:** No, that will not be the case. But I am not able to give you any further detail on it until the decisions have been revealed in the MYEFO context.

**Senator SIEWERT:** So we will just have to do a 'trust you'.

**Senator FIFIELD:** That is right. So it may come from outcome 5, but we do not know.

**Ms S Wilson:** I cannot give you any more information at this stage, but in developing the new policy proposals for government we provide information about what the impact of any offsets would be. That was provided in such a way so as to protect existing service provision.

**Mr Pratt:** Without wanting to open up a theoretical debate around all of this, any investment by government in a new initiative or program has an opportunity cost—the funding could be used for other purposes, and it is going to this. So, Ms Wilson is entirely correct. This is new money for an NDIS.

**Senator FIFIELD:** I am well aware of opportunity costs, such as the opportunity cost of annual interest payments on government debt. That is a big opportunity cost. I certainly appreciate that. I could name any number of other portfolios where I think money could be sourced.

**CHAIR:** But you are not going to, Senator!

**Senator FIFIELD:** No, not here—and my own colleagues would not appreciate it! I do not want to be unduly cynical or critical; I am just making the point about the impression that was left. Thank you for clearing that up. I have faith in the department that there will not be any adverse effects in outcome 5, which I think is the undertaking that you have given here today. Has the department commissioned any modelling on the impact of the carbon tax—I will say 'proposed' carbon tax, because it is not yet law—on the department's day-to-day operations.

**Ms Winzar:** On the department's operating budget?

**Senator FIFIELD:** Yes.

**Ms Winzar:** No, we have not. Do you mean in terms of our own electricity charges et cetera?

**Senator FIFIELD:** That would be one example.

**Ms Winzar:** The only assessment we have done is the resourcing that we will require to implement the government's measures around the Household Assistance Package and related measures in the portfolio.

**Senator FIFIELD:** You have obviously looked at what you need to do to put into effect particular programs. This may be a question to Mr Pratt: why wouldn't the department have done work on the costs of a carbon tax to its own operations? That would be prudent.

**Mr Pratt:** I will just check with my colleagues in the corporate area whether or not they have actually done some initial thinking on that. But it is like every cost to departmental operations: some things go up and some things go down. We do calculate what we expect to be spending in these areas in future years in terms of the impact for this financial year, I will check it.

**Senator FIFIELD:** It is probably more one for the following financial year.

**Ms Burns:** No, we have not done any costings specifically on the impact of the carbon tax at this stage.

**Senator FIFIELD:** Are you intending to?

**Ms Burns:** Yes, when we have more detail.

**Senator FIFIELD:** Sorry, when you have more detail?

**Ms Burns:** On the actual impact on—

**Senator FIFIELD:** On the actual impact, okay. It is a little curious, from this side of the table, that a government department is saying, 'We don't have enough detail to determine the effects of the carbon tax on operations'.

**Mr Pratt:** Our focus is, of course, on this financial year.

**Senator FIFIELD:** Yes. Obviously, it is the following financial year.

**Mr Hunter:** Senator, if I could chime in. I think our reputation for financial management is pretty outstanding. We have talked about that in the past: looking after a portfolio of \$77 billion and having zero ANAO category B audit findings, and only having two C findings for the last two years shows how diligent we are with our financial management.

With respect to that, of course, every year we look at what are the pressures, what is the impact of those pressures, how do we prioritise our resources and the like. That is part of what we just discussed with NDIS. Now we are in a position where we are harvesting some of the benefits of our past investments for IT, with videoconferencing, as Mr Pratt outlined, as well as servers and the like in terms of how we are being able to reprioritise our resources. In this space we will be doing the same sort of analysis in time, understanding the pressures on the department and resourcing it appropriately.

**Senator FIFIELD:** I was not questioning the department's financial management. It was not really the department I had in mind; it was more the decisions of others in government and how they might impact on the department. But we will pursue that at another time.

Going to contract officers: how many officers are there in the department at the moment who manage contracts?

**Mr Pratt:** It would be a large number, across the many programs that FaHCSIA is responsible for—and also for internal contracts. It may be difficult for us to actually identify—

**Senator FIFIELD:** I realise there are some officers who may have a small role in administering a contract. There are other officers whose main task is to administer contracts. So I would be interested in the number of staff who are fully engaged in managing contracts.

**Mr Pratt:** I doubt we can give you an exact figure, but it would be in the many hundreds. A large proportion of our work in our state and territory network consists of program management, grants administration and so forth, and there are lots of contracts associated with those. It is likewise in our corporate areas, IT areas et cetera.

**Senator FIFIELD:** Sure. If you could take it on notice and break it up into those categories that are meaningful.

**Mr Pratt:** We will give it our best effort.

**Senator FIFIELD:** Thank you.

**Ms Burns:** Senator, could I just clarify: you are including funding grants to organisations? Or do you just mean contracts with providers?

**Senator FIFIELD:** I just had in mind 'contracts'. But, now you have raised it, let's include funding grants as well.

**CHAIR:** Senator, can I clarify as well: you are wanting the number of officers in the department who have direct involvement with the handling of contracts?

**Senator FIFIELD:** That is right; primarily, those who are fully engaged.

**Mr Pratt:** Fully engaged?

**Senator FIFIELD:** Yes.

**Mr Pratt:** So, more than 75 per cent of their work is on that? The other thing we could try, I guess, is to see if we can give you a full-time equivalent estimate rather than—

**Senator FIFIELD:** Let's do that.

**Mr Pratt:** Some people might occasionally do some contract management and others will be fully engaged.

**Senator FIFIELD:** FTE would be good, and also the numbers that would be at SES level.

**Mr Pratt:** On that, I anticipate that our answer will say that no SES officer is fully engaged in contract management but most of them would have contract management responsibilities.

**Senator FIFIELD:** Thank you for that. Let us move to contract CN 421394, which is \$11,751.30 for gender training.

**Ms Burns:** We would not have the officers in the room who could tell you the detail on that. I am almost certain it is under outcome 6, but we could take that on notice.

**Senator FIFIELD:** I am sure it is under outcome 6, but I would have thought that the appropriate place to ask about contracts in general was here.

**Ms Burns:** The officers are most likely here but not in the room, so we may be able to get that during a break.

**Senator FIFIELD:** Do you think they might be next door?

**Ms Burns:** They could be or they could be downstairs.

**CHAIR:** We will move through this general area and we guarantee we will ask that question in outcome 6.

**Mr Pratt:** If you would like to give us an indication of what you are interested in, we will try and make sure we have got as much information as possible.

**Senator FIFIELD:** The questions are: what was the purpose of the training; who undertook the training; was there a problem in FaHSCIA that the training was seeking to address; how many staff took part in training; was it something that people opted for or that they were required to attend; and what, in essence, was the content of the training?

**Mr Pratt:** We will attempt to have that information available for outcome 6 this afternoon.

**Senator FIFIELD:** Another contract is CN 396735 with a value of \$55,000 for a workshop called 'Investing in You'.

**Ms Burns:** I do know that was a workshop run for professional development in the Legal and Compliance Group. I see that my colleague Mr Field is at the table.

**Senator FIFIELD:** Thank you. Mr Field, what was the purpose of the workshop?

**Mr Field:** The workshop was to increase productivity in the group. The Investing in You workshop was an approach over a number of months and the aim was to improve productivity in the group, which is basically a group of professionals made up of lawyers, accountants and investigators.

**Senator FIFIELD:** What was the content of the workshop?

**Mr Field:** The workshop was broken into four parts. The content was around workplace productivity through psychology and performance improvement in terms of physical health and attributes such as that. For example, one of the outcomes was that we produced a code of behaviour for the group around emails and meetings to ensure that our meetings were run more professionally and that the number of our emails was less than they might otherwise have been and that they were more effective in their communication.

**Senator FIFIELD:** How many staff attended the workshop?

**Mr Field:** It was open to the group and parts of it were compulsory. There are about 100 people in the group and at most of the workshops we got around 80 to 85 people.

**Senator FIFIELD:** Would you be able to take on notice the provision of any materials that were handed out as part of the workshop?

**Mr Field:** Certainly.

**Senator FIFIELD:** I also seek that information for the gender workshop, which I sought before. I think I indicated that I would like to know whether any parts of that workshop were compulsory for staff to attend.

**Mr Field:** Perhaps I could just note that some of that might be copyrighted, and we might need to consider that and discuss it with the providers of the course. But subject to that, certainly.

**Senator FIERRAVANTI-WELLS:** Mr Pratt, I have a general question. I asked a question on notice in relation to the COAG spend on mental health from 2006 to 2011 in this department. I provided the spend in terms of an estimate, but I actually wanted the actual amount that was spent against those programs. I provided a similar table to the Department of Health and Ageing and they obliged by providing me with quite a detailed response. I am happy to give you a copy of that. I do not see why your department could not similarly provide that same information, but they basically said that they could not. Could you take that on notice?

**Mr Pratt:** Yes, Senator.

**Senator FIERRAVANTI-WELLS:** It was question 421. I will give you a copy of the answer Health provided to me. If you could provide it to me in that same format, that would be most helpful.

**Mr Pratt:** We will do our best.

**Senator FIERRAVANTI-WELLS:** Don't opt to be overtaken and outdone by Health and Ageing!

**Mr Pratt:** Certainly not!

**Senator BIRMINGHAM:** I would like to ask some questions about the Home Energy Saver Scheme.

**CHAIR:** Would they be better asked in the general category?

**Senator BIRMINGHAM:** We inquired of the secretariat and I am not sure that anybody was able to point us to where it was meant to be.

**CHAIR:** Okay. I'm cool as long as the department's cool. I would not have done it in this section, but that is not my issue.

**Senator BIRMINGHAM:** We might know where to put it at future estimates, but this of course is the first time we have had a chance to ask questions on this scheme. When will the scheme commence operation, and when will the first loans be available?

**Ms Oswald:** The scheme will commence early next year, with service delivery happening possibly from 1 July. The loans component that you speak about is building on an existing scheme that FaHCSIA provides funding for. That is delivered in partnership with Good Shepherd Youth and Family Services and the National Australia Bank. That is an existing scheme and under what is now titled the Home Energy Saver Scheme will be providing extra funding for more loans to be written through that existing scheme.

**Senator BIRMINGHAM:** So people will actually seek the loan through either the National Australia Bank or Good Shepherd Youth and Family Services. Is that correct?

**Ms Oswald:** Good Shepherd Youth and Family Services has a network of accredited providers who provide no-interest loans. We contribute to the administration costs of that work, and the National Australia Bank provides all the capital for those loans.

**Senator BIRMINGHAM:** So the \$30 million that is allocated to this program will subsidise what exactly?

**Ms Oswald:** \$5 million of that will go towards administration of the No Interest Loan Scheme, and the National Australia Bank has agreed to provide additional loan capital from the existing pool it has allocated to loan capital from NILS. They will be using that for these additional NILS loans that will be delivered through the Home Energy Saver Scheme.

**Senator BIRMINGHAM:** As I understand it, this is a \$30 million program over the forward estimates.

**Ms Oswald:** That is right.

**Senator BIRMINGHAM:** And \$5 million is going to administration. Is the remaining \$25 million purely subsidising the interest on capital provided by the National Australia Bank?

**Ms Oswald:** No. The Commonwealth is not involved in any of the loan capital or interest on the loan capital. We just provide funding for the administration. Of the \$30 million, around \$20 million will go directly to fund our energy and financial literacy educators, who will actually be delivering the Home Energy Saver Scheme. There is a couple of million dollars for training, which is to help people get across the information they need to provide to households in terms of energy assessments, energy usage and the financial literacy component. There is a small amount of departmental money in that, and some indexation.

**Senator BIRMINGHAM:** Does the National Australia Bank provide these loans out of the goodness of their heart interest free?

**Ms Oswald:** They do, in fact. It is part of their corporate social responsibility. The National Australia Bank is very active in this space.

**Senator BIRMINGHAM:** And interest free is actually interest free—not even the real cost or otherwise?

**Ms Oswald:** No, it is a no interest loan.

**Senator BIRMINGHAM:** What is the duration of the repayment?

**Ms Oswald:** I would have to take that on notice. I think it can be up to 12 months, possibly two years. But I would have to take that on notice.

**Senator BIRMINGHAM:** If you could, thank you. The National Australia Bank will require a report, recommendation or something from the energy and financial literacy educators? What is the interaction, as they do this out of the goodness of their hearts as part of their CSR platform, with the \$30 million government program?

**Ms Oswald:** As I said, NILS is an existing program. The way it works is that we fund Good Shepherd Youth and Family Service to do the administration of the NILS program. The program has been in existence for a long time—a couple of decades. The Commonwealth has only recently started funding Good Shepherd, and the program has grown accordingly to deliver the No Interest Loans Scheme. Good Shepherd Youth and Family Service accredits organisations and individuals to write NILS loans. They train people to write those loans and then the National Australia Bank provides the loan capital and processes the loan.

**Senator BIRMINGHAM:** Will the energy and financial literacy educators will be accredited? Is that part of the plan?

**Ms Oswald:** We are looking at integrating, as far as we can. I manage the Financial Management Program, which has a number of different strategies and components. Our Home Energy Saver Scheme will be working through our financial counselling network and we also have a NILS network, and we are looking at integrating those networks as much as we can.

**Senator BIRMINGHAM:** What exactly would the energy and financial literacy educators do? What will that \$20 million be used for in terms of payments to them?

**Ms Oswald:** It will be used for staffing and administration. So it will be to employ people to work with low-income households to provide them with advice about their household budget and how to meet their energy costs and some low-level energy assessment work. They will be visiting people's homes and looking at how they might be able to use energy more efficiently. The other aspect of this will be working with people so they can understand their utility bills, understand how the off-peak system works and understand how the different tariff systems work. That can sometimes be quite confusing.

**Senator BIRMINGHAM:** Will these people be employed by Good Shepherd or by a variety of organisations?

**Ms Oswald:** They will be employed by a variety of organisations.

**Senator BIRMINGHAM:** And the government will be tendering for that funding?

**Ms Oswald:** Yes. We already have an existing network of financial counselling organisations who we fund for financial counselling, and state governments also fund some organisations to provide financial counselling. We will be looking at working with that existing network to contact organisations to see if they are interested in employing people.

**Senator BIRMINGHAM:** So these will be people whose backgrounds are more on the financial counselling side rather than the energy efficiency or home sustainability side of the equation.

**Ms Oswald:** That is right. The focus is more on financial literacy education and financial counselling, with a light touch energy assessment component. We will be providing training. Part of the training money that I spoke about earlier will be to make sure that these staff have sufficient training to be able to undertake the energy advice and assessment component of the program.

**Senator BIRMINGHAM:** How many years will the program run for?

**Ms Oswald:** At the moment the money is over five years.

**Senator BIRMINGHAM:** Thanks. I will put anything else on notice.

**Senator FURNER:** Yesterday we had some success stories about employment in Aboriginal and Torres Strait Islander communities and also in the disability area. I am wondering what FaHCSIA is doing in that respect.

**Mr Pratt:** We have quite a good story to tell—always, hopefully. We are certainly a half-full department.

**Ms Burns:** Senator, what was the question you specifically wanted to ask about Indigenous people and people with a disability?

**Senator FURNER:** I wanted to know what FaHCSIA was doing with respect to Aboriginal and Torres Strait Islander employment and also people with disabilities.

**Ms Burns:** Thank you. If I could start with Aboriginal and Torres Strait Islanders, the department has a comprehensive Aboriginal and Torres Strait Islander workforce strategy in place. We have a steering group that is made up of both Indigenous staff and SES employees to steer the implementation of that strategy. We have a number of programs through which we bring in Indigenous staff. These include traineeships, cadetships and the graduate program. And we are looking at other options for ways we can strengthen our recruitment, retention and development of Indigenous staff. We also have a leadership extension program, which is designed to give special development opportunities to people who may be ready for senior executive roles and we are actively encouraging our Indigenous staff at the EL2 level to be part of that program.

We also have a mandatory deliverable introduced into all senior executive performance agreements which requires them to seek to increase or improve employment outcomes for Aboriginal and Torres Strait Islander staff and people with disabilities in their work areas.

**Mr Hunter:** Can I add as well that our staff figures demonstrate that 8.65 per cent of our staff have identified as Indigenous. That compares to the latest *State of the Service Report* on the APS average of 2.34 per cent.

**Senator FURNER:** How does that compare with previous years?



**Mr Hunter:** We are seeing some decline in our staff numbers but, as Ms Burns has outlined, we are undertaking a number of strategies to try and maintain or increase that. What is also pleasing is that we are able to influence the broader service and we are working actively with the APSC, the Australian Public Service Commission, to promote this, and we are seeing some of our staff move within the service, which is fantastic news as well.

**Senator FURNER:** So, career promotion?

**Mr Hunter:** Yes.

**Senator FURNER:** That is great.

**Ms Burns:** We do have a few other measures in place around Indigenous staffing I would not mind putting on the record. We have made presentations to our senior executive management group and we have established a senior-level champion within the organisation at deputy secretary level to further our employment and retention of Indigenous staff. Also, we distributed in NAIDOC Week information kits to all senior managers about ways in which they could strengthen their Indigenous employment in their work areas. We have also conducted mentoring training for senior staff who are able to mentor Indigenous staff. Finally, I would point to the fact that we have very strong participation by our employees in a cultural appreciation program. And there is probably more!

**Senator FURNER:** And some figures on people with disabilities?

**Ms Burns:** Certainly. I might turn to my colleague Ms MacLean for that.

**Ms MacLean:** The figure for staff with a disability in the department, as at 30 September, was 4.98 per cent. That has been a consistent figure for the last few years. Last estimates we were asked what things we had in place to support people with disabilities. They are in *Hansard* but I am happy to go through them again for you, Senator, if you would like me to.

**Senator FURNER:** Sure.

**Ms MacLean:** We have an intellectual disability traineeship program, the first in the Commonwealth. The department is gearing up to recruit some more trainees next year. This time we are showing some leadership around the recruitment process, so we are working with the Australian Public Service Commission to run that recruitment program so that other departments can access that order of merit, which will be good.

We have a disability access coordinator, which is a particular designated position that provides an advocacy role for staff with a disability in the department. We have centralised funds we use to cover reasonable adjustment costs. We provide disability awareness training for staff and managers who work with people who have a disability. We have a disability awareness training program. We also have a mentoring program where we have at least 50 staff trained with specific skills to mentor people with a disability. We have a network for staff with hearing impairment. We also have a leadership disability group which is open for people with disability or without disability who are just keen to further what we can do around being an employer of choice for people with a disability. We provide hearing loops in our meeting rooms. We use captioning services for staff. We have information in recruitment kits, and we continually look at upgrading that so that it is current and continues to be useful. We provide disability awareness training to selection panels, and we participate in internship programs and recruitment programs to bring people on board. We are part of the APSC disability steering group and provide a pretty active role in relation to that as well.

**Senator FURNER:** You commented on the progression of ATSI people within the department. Can you give some examples of what has occurred in that area.

**Mr Hunter:** I talked more about the service. Where we have changes in our Indigenous staff levels, not all of them move within the Public Service. Some choose different career paths and leave the Public Service. I would need to take on notice the actual numbers but, realistically, what we are seeing is that we are being able to influence the broader Public Service, working actively with the APSC, and that is starting to make a difference across the service. Some of the staff that we have brought into FaHCSIA are moving within the service and so they are getting that broader experience and exposure.

Can I just add something before we finish on the disability numbers. Ms MacLean outlined that our numbers are around 4.98 per cent. It has been sitting rather stable at around five for the last few years. The APS average is 3.43 per cent. So, again, we are influencing there as best we can. I think that it is quite an impressive outline of what Ms MacLean said we are doing.

**Senator FURNER:** They are good outcomes. Congratulations.

**Proceedings suspended from 10:22 to 10:30**

**CHAIR:** We will reconvene and go back into outcome 1. Senator Bernardi will be leading off on this.

**Senator BERNARDI:** Initially, I asked some questions in respect of the Family Support Program. During the last estimates, in June, it was mentioned that the service providers were being recontracted for the next three years. How many of the previous service providers had to be recontracted?

**Mr Lye:** To my knowledge, all the services were recontracted.

**Senator BERNARDI:** In respect of the recontracting of the service providers, were additional imposts or benchmarks imposed before they could enter into new contracts? Were they reviewed?

**Ms Stehr:** Just by way of context, the reforms that were put in place were developed in consultation with the sector over the previous year or 18 months. There were some additional requirements and changes, supported by the sector, that were introduced and required through the funding agreements, from 1 July. We did discuss some of those at last estimates, particularly around the requirement for an access strategy for vulnerable and disadvantaged clients and also an Indigenous access plan to ensure that mainstream services were providing access to Indigenous families.

**Senator BERNARDI:** I take it from what you have said, even though there were some additional requirements for the service providers, that the recontracting ran smoothly?

**Ms Stehr:** I think it ran smoothly. All the service providers, I believe—and there are around 350 organisations funded for multiple activities—were refunded in early July this year.

**Senator BERNARDI:** Can you highlight any specific issues or problems?

**Ms Stehr:** Our state and territory officers actually do the recontracting. We were in weekly contact with them about issues. To my recollection, there were no major issues but there were some things where service providers might have said, 'What does this mean? Is this

a change?' They would discuss that with us and we worked through those issues. But, as I said, to my recollection, there were no major issues.

**Senator BERNARDI:** In respect of the obligations and things of that nature, did some service providers receive less funding as a result of an inability to fulfil the new obligation?

**Ms Stehr:** Funding has been maintained at last year's levels, plus passing on the full indexation factor to service providers. Because these are new arrangements, we have put in place through our normal contract checks and balances a system whereby we will monitor those through normal reporting and contact that our state officers have. So no, there was no reduced funding to services as a result of the new requirements.

**Senator BERNARDI:** But they will be assessed upon the new criteria, which may impact their funding in the future?

**Ms Stehr:** They will be assessed. The department's first priority is always to work with service providers to try and ensure that they are able to meet the requirements. Ultimately, through normal contractual procedures, if someone is not meeting funding requirements, then we would take the normal course of action.

**Senator BERNARDI:** Mr Lye, in the previous estimates you suggested that there was going to be a streamlined process for service providers in the sense of contractors. I can give you the quote:

... when they go to renegotiate, instead of having multiple agreements or agreements with multiple subprogram elements, it might be a more streamlined process for them.

I do not think I have taken it out of context. Was it the experience of the service providers that it was 'a more streamlined process for them'?

**Mr Lye:** Part of the reform was to reduce the number of subelements in the programs down to four, I think, from about 20. The benefit for services in having a streamlined process is that it enables them, within a broader band of funding, to look at different ways of servicing, so it gives them more flexibility. It does reduce the specific requirements within those streams so that, rather than having 20 different streams and money very tightly focused on a very distinct activity, it gives them some scope as an NGO to look at the need in their community and do more, so they have a bigger fence to play within, within that funding bucket. I think it is probably too early to tell whether that has resulted in a benefit to services, though we do have some anecdotal feedback already about organisations starting to think about different forms of service delivery or meeting needs that are in their community within the scope of the contract.

**Senator BERNARDI:** I do not want to put words in your mouth, but could you describe this as four-line appropriation versus 20-line appropriation, in the sense that a service provider is given some funding and four key criteria that they have to meet rather than the obligation for 20—so how they approach it within those parameters?

**Mr Lye:** Instead of saying, 'We will fund you to provide a playgroup on Mondays, Wednesdays and Fridays, within very tight boundaries,' you are saying, 'We'll fund you to provide an activity with families that helps promote interaction between parents and child development for this outcome.' You might still get a playgroup, but it just loosens up the reins on the service provider to provide a service. You are thinking about the outcome rather than constraining their inputs.

**Senator BERNARDI:** In principle I do not have any particular issue with that. The difficulty comes in how you assess the effectiveness of it, because it is obviously subject to interpretation. What processes has the department put in place to measure the effectiveness of it, because some of them are, as you say, about playgroups or whatever, where it is very difficult to measure whether there is a positive outcome?

**Ms Carroll:** Maybe I can just jump in there, and I am sure Ms Stehr can give some more information. As Ms Stehr outlined, one of the key things was the feedback from the service providers that the microprogram elements constrained their ability to get the specific outcomes, and in fact it was quite hard for them: 'We're dealing with this client in this particular stream but actually we've got this other stream of work over here—do they fit or don't they fit?' Part of working with the sector and with the service providers was to work out how you get the best outcomes—going to your point. Really one of the things that the new contracting arrangements are about is measuring the outcomes; they are not just about the inputs—for example, that you run three playgroups. The point of running three playgroups with particular groups is to get better parenting skills for parents, interactions for children et cetera. So one of the things that we are making sure of in the new contracting arrangements is that we are collecting data about what the outcomes are. That is part of moving towards the new model.

**Senator BERNARDI:** But, Ms Carroll, you can appreciate that the question is not: when you have a prescribed model you have to run three playgroups and let us continue with that. It is easy to measure whether three playgroups were enacted. It is much more difficult to critically assess outcomes in better parenting or something along those lines that is subject to serious interpretation from different individuals. What assurances, what processes, does the department have in place to measure these outcomes effectively?

**Ms Carroll:** Absolutely. I fully appreciate that. But one of the key pieces of the evaluation is that just counting and measuring the inputs, as we call them—like running three playgroups—does not necessarily get you an answer to: is your money being very well spent?

**Senator BERNARDI:** I absolutely agree.

**Ms Carroll:** Ms Stehr might be able to give more information.

**Ms Stehr:** We have developed a new performance framework for the program that is available on the FaHCSIA website—again in consultation with service providers and the broader sector. It has a range of performance indicators that we will be measuring against, including improved family functioning and child wellbeing, clients living in a safer family and community environment—I will not go through them all, but those are the sorts of things. As you said, it is more difficult to measure outcomes than outputs, so we will be working with the sector, I guess, over the course of this funding agreement to measure those. Our state and territory offices will also be able to work with the service providers about the ways to measure those, including feedback from clients themselves about the services.

**Senator BERNARDI:** One of the things you mentioned there was safer family environments or something like that. You can measure those things by incident reports or anything else that comes along. You also mentioned client feedback. What opportunity is there for clients to provide ongoing feedback about the service that they receive?

**Ms Stehr:** All services are required to have feedback mechanisms. Also, if clients are dissatisfied with a service, the department has a complaints mechanism. But that is focusing on the negative side of it. As I said, services are required to have those mechanisms in place for general feedback from clients. We encourage service providers to get that direct feedback from clients.

This year for the first time we have asked them to also do an intensive client satisfaction measurement over a period. Probably most of the services will do that early in the new year or at the start of the new year after they have services up and running. We will ask them to ask 100 per cent of their clients to give them feedback on the service. We do not expect that 100 per cent will necessarily respond—there are various reasons why people may not want to—but we are certainly asking them to ask everyone and to have mechanisms in place which would help facilitate clients to give feedback where they might want to give constructive criticism back. For example, I mean that it might be less confronting for them if they were able to give that feedback to another staff member rather than the one that has provided the counselling or the parenting support.

**Senator BERNARDI:** Did you say that is going to take place from 1 January?

**Ms Stehr:** It is in the contracts from 1 July.

**Senator BERNARDI:** From 1 July this year?

**Ms Stehr:** Yes.

**Senator BERNARDI:** So that process is taking place now?

**Ms Stehr:** That is right.

**Senator BERNARDI:** Does the department keep a record of the feedback received or does it just go to the service providers?

**Ms Stehr:** I believe we do not get all the individual feedback. Some of it would be verbal, of course, and some of it is written. We get aggregated responses on the client satisfaction.

**Senator BERNARDI:** So it is subject to the interpretation of the service provider—collecting it and interpreting it themselves?

**Mr Lye:** That is right. But there is another process, which is an evaluation, which will run across the life of this agreement. Part of that evaluation will include direct surveys with clients to get their feedback on service. We will do that independently of the service provider, which will give us a means of benchmarking the information we are getting back from our providers versus what we elicit from clients directly.

**Senator BERNARDI:** That is an interesting point, and it is where I was going to go next. Does the department have any input into the design of the surveys or forms or any written communication provided by the service providers to their clients for feedback? As you know, we can all draft questions in a leading way—not that the Liberal Party or I would personally.

**Ms Stehr:** I believe that we have actually provided the questions to the service providers.

**Senator BERNARDI:** Ms Stehr, you mentioned that you have a feedback mechanism through the department as well directly. I do not want to focus on the negatives. How many positive feedbacks has the department received?

**Ms Stehr:** I do not know whether our corporate area looks after that. I am not sure whether they have.

**Ms Carroll:** I think we would need to take the specifics on notice. We do have a broad complaints handling feedback mechanism and we could look and see what the breakdown of that is, on notice, if that would be useful.

**Senator BERNARDI:** I would be interested to know how much feedback you have got and broadly what is positive and what is negative and if you could highlight the issues—both the good and the bad—because it is obviously important.

**Ms Carroll:** We could take that on notice.

**Senator BERNARDI:** I would appreciate that. At the last estimates there was an expectation that all contracts would be finalised by 1 July. Was that the case?

**Ms Stehr:** I would have to check with my colleagues as to whether every one of them was finalised. I expect the answer was that every one of them was not finalised. That could be for a range of reasons, some of which are at the service provider end. It is about when their board has met and when they are able to consider the funding agreement. I think the short answer is likely to be that not 100 per cent were finalised by 1 July.

**Senator BERNARDI:** I would be interested in obtaining the detail about the number of contracts that were finalised by 1 July. 'Ready to roll' was the phrase I used.

**Mr Lye:** We might provide you with the number of contracts that were with providers by 1 July. I am not 100 per cent sure but I think that all contracts were out from the department to the service providers by that date.

**Senator BERNARDI:** Which is great, but they cannot actually do anything and access any funding until they have ratified them and confirmed them, can they? If all service providers had their contracts and none had returned them, you have got no program that has effectively started. So I want to know how many were ready to roll on 1 July.

**Ms Stehr:** We can take that on notice.

**Senator BERNARDI:** Thank you very much. Under the Family Support Program there are now two streams: family and children's services, and family law services. Does FaHCSIA have full responsibility for the family and children's services area?

**Ms Stehr:** Yes.

**Senator BERNARDI:** Who has responsibility for the family law services?

**Ms Stehr:** The Attorney-General's department has policy responsibility and FaHCSIA administers the contracts with the service providers.

**Senator BERNARDI:** So you administer the contracts in the sense that you provide the contracts. Do you provide the ongoing review and examination of the fulfilment of those obligations?

**Ms Carroll:** We do all the contracting of the service provision. The policy responsibility for making decisions about the directions of the program and those sorts of things sits with the Attorney-General's Department. That is the distinction.

**Senator BERNARDI:** So you are effectively administrators, to make sure that the policy direction is administered appropriately.

**Ms Carroll:** We do the service delivery on behalf of the Attorney-General's Department.

**Senator BERNARDI:** 'Administrators' was not meant to have a negative connotation; please excuse me for that.

**Senator SIEWERT:** I just want to follow up on that area. At last estimates and previously we talked about Family Relationship Centres—we have talked about Family Relationship Centres for a long time! That discussion was about joining up the cuts to some of the funding through A-G's and how that may influence services that Family Relationship Centres can deliver through a very strong focus on the law aspects—not on prevention and mediation but on dealing with separation et cetera. I am wondering whether you have had subsequent discussions since May with A-G's about making sure that Family Relationship Centres can still provide holistic services to families.

**Mr Lye:** We have a regular meeting with our counterparts in A-G's to make sure we are joined up with them on the delivery and on our responsibilities in relation to their services, for which they have policy responsibility. To my knowledge, since May we have probably met with them once. We are due to meet with them shortly. Their future policy decisions typically come up for discussion, but I think it is fair to say that a large part of our discussions with A-G's are around making sure the two streams work as well together as they can, given that there is a slightly different purpose there.

**Senator SIEWERT:** Have you had feedback from the services themselves around any possible disconnect and how that has been operating since the changes?

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

**Senator SIEWERT:** Do you have a process for collecting that?

**Mr Lye:** We have regular engagement with the sector. We attended a meeting of the chief executives of organisations funded under the program in Adelaide not too long ago. To my knowledge it did not come up specifically. It may have been a point of discussion between the executives, but not with us.

**Senator SIEWERT:** Perhaps I could then ask about reporting back against performance indicators. Is the 'report once, use often' approach being taken? How is that now working?

**Ms Stehr:** Our state offices are continuing to monitor with the sector what is happening with them and their services. They have basically said to us that it is too early. We are not getting that sort of feedback just yet.

**Senator SIEWERT:** So I would be better off asking in February, once the process has been in place for six months. Is that correct?

**Mr Lye:** Yes.

**Senator SIEWERT:** So you can take it on notice that I will be asking that.

**Senator BERNARDI:** I would like to speak to the Family Support Program. I picked up that there was minimal or very little change in funding for the participants. Is that interpretation correct?

**Ms Carroll:** Yes.

**Senator BERNARDI:** The fact sheet says that 'more intensive support will be available in locations of disadvantage'. I think you suggested that it was for vulnerable and Indigenous

people, Ms Stehr. Have you had any feedback on how the service providers have been able to provide this more intensive support with a minimal change in their budget?

**Mr Lye:** Just to clarify on that access strategy, we did an analysis of where our services are nationally. We wanted to assure the minister and ourselves that we had appropriate resources in areas that were more disadvantaged. I think by and large we came through that exercise assured that we had the weight of services in the spaces that we needed them. The access strategy is around making sure that in every location across the country the service providers are reaching out to and getting in people who are disadvantaged or Indigenous. So the access strategy is not just around areas of disadvantage, it is a universal requirement, I suppose, that everybody is making that effort in every location.

**Senator BERNARDI:** Which is admirable. I am just saying the fact sheet said that more intensive support will be available in locations of disadvantage. So you clearly assessed where those are.

**Mr Lye:** I think we would say that largely through the C4C program, Communities for Children, we do have that additional layer of support in those areas.

**Senator BERNARDI:** How many locations is this more intensive support going to be delivered in?

**Ms Stehr:** There are now 52 Communities for Children services. They cover geographical regions, so they are not just in 52 locations. Those are the services that are providing the more intensive level of support.

**Senator BERNARDI:** And the geographical regions are determined along socioeconomic guidelines or incident reports? How do you determine what is a region?

**Ms Stehr:** The regions have been in place for some time now but they were around an area of disadvantage or where there were high numbers of families, and we are trying to also take into account where it is reasonably accessible, where the services are able to work together in that geographical boundary.

**Senator BERNARDI:** Okay, but there has to be a key criterion, there has to be some cut-off line where it might be 20 per cent of families in the area are on welfare or do not have someone working or there are X number of incidents per family of abuse or neglect. What is the key criterion?

**Mr Lye:** It is usually a combination of SEIFA, the socio-economic index, and I think the ruler we ran over services was also receipt of family tax benefit at the maximum rate. It is a pretty good indicator of number of families and also their circumstances.

**Ms Stehr:** I can provide that information about the contracts issued now. There were 359 funding agreements. They had all been issued at the start of July and 167 of those had been signed.

**Senator BERNARDI:** I think it was you suggested earlier, Ms Stehr, that 350 organisations were participating. Does that mean nine dropped out?

**Ms Stehr:** I said around 350, I think.

**Senator BERNARDI:** And I will accept that if that is the case. So 359 and 167 were completed by 1 July.

**Ms Stehr:** That is right.



**Senator BERNARDI:** You can take this on notice: I would be interested in just the sign-up rate for the remaining ones. I cannot do the maths quite in my head, but about 180. When was the last one and how many came in a week later and things of that nature. That would be very helpful. Dealing with the performance framework, your website states that the performance framework is one key to demonstrate the effectiveness of the whole of the FSP. This goes back to our earlier questioning. Who provides the ongoing monitoring of the FSP? Service providers obviously have their 100 per cent feedback ratio, but how often is that fed back into the department for an assessment?

**Ms Stehr:** We receive reports six-monthly from the children and parenting side of the family and children's services and an annual report from what was formerly the family relationships services. Those are the formal reporting requirements yearly. Our state office and network office colleagues have regular contact with service providers over the course of the year as well.

**Senator BERNARDI:** There is a provision for revisions of the performance framework too within the life of the agreement. Is that correct?

**Ms Stehr:** Yes, we do not expect it just to be a set and forget exercise. Going back to your earlier point about performance seeking outcomes rather than on outputs, that is something we expect to continue to work on, and are continuing to work with the sector on, to develop further. It is also about starting with the sort of evidence that might be available now but, over time, perhaps getting more sophisticated and other data that is available to measure outcomes.

**Senator BERNARDI:** How long do these new funding agreements run for?

**Ms Stehr:** Three years.

**Senator BERNARDI:** It says that revisions of the performance frameworks are possible over the life of the funding agreement, with new editions created as required. That was in edition 1. What then is going to trigger a revision of the performance framework, and who is going to determine that it needs a new edition, as required?

**Ms Carroll:** I think one of the key points that Ms Stehr was making was that, because it is a new lot of funding agreements and a new performance framework, clearly one of the things after we get the first round of feedback at the end of the financial year and then are able to have a look at it is that we can work with service providers, if we notice that there are quite significant gaps in the performance framework or there are additional things that it is possible to measure from the information we are getting from them. So it gives us an opportunity, obviously, in consultation with the service providers, to do some amendment to the performance framework. We would always be very cognisant of the fact that we would not be doing that retrospectively to service providers. But it does give us the opportunity if we find we are not getting the detail or the level of information we need to provide some updates to that.

**Senator BERNARDI:** Once again, 'as required' is a very subjective term. Wouldn't it make more sense to have what is deemed to be an annual review over the life of the agreement? I just say an annual review as an example—but to have a fixed period of review rather than to just leave it to someone and say, 'Perhaps we should revisit this.'

**Mr Lye:** In the area we are constantly looking at the performance of the program. We do not sign the contracts off and then think, 'Oh, we'll come back and think about what needs to

change in the next three years.' We have given an undertaking to the sector which is consistent with the government's commitments around a compact with NGOs that we would identify in conjunction with them issues in delivering the services. We would discuss those with the sector and then we might make changes on the basis of those discussions over the life of the contract. In particular, we have said to the sector that we want to be in a situation where, when we come closer to the end of the life of the contract, they are in no doubt about where the program is heading and what the expectations might be for the next three years. So we aimed to have a very collaborative relationship with them. It is constant and it is collaborative.

**Senator BERNARDI:** I may have missed it earlier, but how often are the service providers supposed to return their feedback?

**Ms Stehr:** They provide either six monthly or 12 monthly—

**Senator BERNARDI:** It was six months for one program and annually for another—is that right?

**Ms Stehr:** Yes. Before the program was streamlined on 1 July this year, there were two subprograms—children and parenting and family relationships. We are working with those providers who have had different sets of requirements in the past to try to get them all onto the same sort of platform but recognising that it takes time. So, for this year certainly, and in the life of this contract, we have maintained their existing reporting regimes.

**Ms Carroll:** Can I just add to that. One of the things that Ms Stehr is referring to is our formal reporting that is required. As she has alluded to a number of times, we have what we call contract managers who sit within our state and territory offices. They have an ongoing relationship with service providers dealing with where things are working very well and learning from them. But where they have some concerns, because they are going out and visiting service providers, in a regular contract management they will increase the frequency of visits. We meet with that individual service provider ask for some additional information and reporting if we have a concern.

**Senator BERNARDI:** So it is ongoing in a general sense.

**Ms Carroll:** It is ongoing.

**Senator BERNARDI:** But from a formal reporting sense it is six-monthly or annually. There is a performance framework review to be done after 12 months, so that will be 30 June or 1 July. Will the results of that formal performance framework assessment be made public?

**Ms Stehr:** If there are changes made to the performance framework then it will be published.

**Senator BERNARDI:** You are not going to publish a review of the specific detail but what about the general results of it to say, 'X number of service providers have not done the right thing and some have'? It is an opportunity to showcase the great success of all the service providers.

**Ms Stehr:** We do not typically in our programs publish that sort of thing. We could make available to this committee, for example, if there were providers or the number of providers. But, as I said before, generally the aim is to ensure continuity of service by helping providers meet their obligations rather than trying to stop their contracts.

**Senator BERNARDI:** I am not suggesting for a moment that you stop their contracts. But you want to make sure that you are implementing an ongoing performance framework assessment, which may necessitate a change to the volume or the editions. It is a significant amount of public money. There is no shame in publishing that performance assessment and saying, 'We think we have done a really good job here.'

**Mr Lye:** The annual report does have an assessment of performance. Each year we include figures in that about satisfaction, services and clients who have accessed services. It does provide that data each year.

**Senator BERNARDI:** Will it then contain the results of the performance framework assessment?

**Ms Stehr:** The performance framework is overarching. It asks, 'Is the program working?' That is the focus. When Ms Carroll was talking about our ongoing dialogue with the sector around that, it is at the program level. We are trying to measure whether the program is achieving. That is a somewhat separate issue from our individual service providers' delivery.

**Senator BERNARDI:** We accept that some of the individual service providers are going to be much better than others, and you will make the culling decisions as you need to. But, overall, I think it is important to know whether the program is achieving. If you have a review of it, I wonder why you would not be prepared to make that publicly available.

**Ms Stehr:** As Mr Lye said, it is an ongoing dialogue. It is not a set, formal review of this. We are working with the sector continuously around whether the performance framework and the outcomes that are set are the right ones, whether there are improvements that can be made and whether there are different ways to collect the information to tell us more accurately whether the program is working.

**Senator BERNARDI:** I understand that it is ongoing, but I think we have established that there is going to be a formal review at the end of 12 months.

**Mr Lye:** Not as such. It is an ongoing process of looking at that performance framework. If we had a discussion with the sector around a particular activity and we both thought the targets we were hoping to achieve or had worked out were not working or that they were exceeding targets, which might be the case, and we wanted to review it, we would do that. That might happen outside the 12-month period. It could happen at any time.

**Senator BERNARDI:** I have acknowledged that. Revisions of the performance frameworks are possible over the life of the funding agreement, with new additions created as required. I asked why it did not make more sense to just do it on an annual basis or thereabouts and publish it. I will stand corrected but I thought Ms Carroll suggested that the first formal assessment of this was going to be in 12 months time, on 30 June or 1 July.

**Mr Lye:** I suppose at the 12-month mark we would have a level of data and stuff to look at, but it would not preclude us doing that assessment earlier or later.

**Senator BERNARDI:** No.

**Ms Carroll:** I think where we are not quite answering your question is in this sense of whether it is a formal review or not. At the end of the 12 months we will have the information to assess if the performance framework is working. As you indicated there is the opportunity for us to talk to the sector and revise the performance framework. At the end of 12 months we

certainly will be looking at the data and the information that has come in. It is probably not in the form of a formal review, which I think is where you are going. If what it shows us is that we need to do a whole lot more work in some particular areas then, with any of that additional work that leads to a change to the performance framework, we would be able to think about what is possible to release, what we are or are not going to release publicly—all of those sorts of things. Clearly any change to the performance framework would be released. I think the issue is that it is not like we have factored in this formal review at that particular point. We will have all the data and information in, which will give us the opportunity to say, 'Yes, this performance framework is working.' We will be able to talk to the sector about it and then make some assessments and judgments. But that is not in a form of us having a review to give you.

**Senator BERNARDI:** I am questioning the wisdom of that approach. It is something we can pursue in further estimates as your reviews come in, I am sure. We will leave that for now, but I appreciate the explanation.

**Senator CAROL BROWN:** It seems a reasonable approach to me. When typically would you make a decision in the life of a program where there would be an evaluation of the program and its success?

**Mr Lye:** We are already in the process of beginning an evaluation that will run to cover the three-year period. We did that upfront at the start of the funding cycle.

**Senator BERNARDI:** You are not yet declaring it a success.

**Mr Pratt:** If I can jump in here, I think we might be slightly at cross-purposes. There are two levels of performance that we are interested in. One is the performance of the program itself—the performance framework. That is something which is subject to formal review and evaluation. Then there is the concern around operational performance. As I understood what you were asking before, Senator, you were wondering whether or not, after 12 months, we might publish a report card on our providers to say how they were going. That is one approach we could take. The approach we do take—I guess it is open to argument as to the wisdom of the various approaches—is to focus constantly on their operational performance. We are looking at their performance on an ongoing basis through our state and territory contract managers throughout the year. If there are problems, we try to improve performance at that stage. We do not wait until a formal report card at the end of the year. So I think there are two levels of performance.

**Senator BERNARDI:** And there is a place for both. Time will tell whether it is a good idea to have formal assessment to encapsulate the year in review. We will see. We will continue to pursue it.

[11:14]

**CHAIR:** We will now go to output 1.3, Parental payments and care incentives, with questions from Senator Siewert.

**Senator SIEWERT:** I know that you have done work on grandparents and carers, and we have talked about that in the past. Where is that up to and have you looked at the inconsistency around the way grandparents as carers are treated across the country? In an inquiry from about 2003 there was a series of recommendations looking at grandparents as carers. In some states—I think it is in New South Wales—grandparents who take over care of

grandchildren through children being removed from parents by child protection get an allowance. If grandparents are awarded custody of the children through the family law process they do not get it. All the states are different. Have you looked at those recommendations—I think they were from the Larry Anthony years; I am going back a while now—and could you give us an update on the implementation of those? You may need to take it on notice.

**Ms Carroll:** My colleagues can probably answer in more detail, but certainly in the National Framework for Protecting Australia's Children one of the things that we have been doing with the states and territories is looking more broadly at support for carers and looking at the different supports that are provided across Australia. But I will hand to my colleagues to give more detail of that particular report.

**Ms McKenzie:** As part of the framework, one of the national priority areas was support for carers. Because there were all these differences and there was not an agreed evidence base about what was happening with various carers across Australia, we contracted SPRC to do some research and to provide that advice back to the national framework working group and then to ministers. I think that research was launched earlier this year—I can get you a date on that—and I think it is available on our website.

**Senator SIEWERT:** What is going to happen from here? We know there is a variety of payments, we know there is inequity across the states et cetera. I am interested in all carers, but at this stage I am really interested in grandparents because of the differences that do exist around the country.

**Ms McKenzie:** The National Framework for Protecting Australia's Children is managed by a trilateral group of representatives from the Commonwealth, representatives from each of the states and territories, and representatives from non-government organisations. So it was a working group within that group with those three representatives who took this project forward. In our further discussions, having received the report, one of the things that was absolutely clear was that the carers were unsure about what they could access. They did not understand what they were entitled to receive from the state government and they did not understand what they were entitled to receive from the Commonwealth government.

**Senator SIEWERT:** That has come up numerous times, and I know you have been working away on that.

**Ms McKenzie:** That has been the focus. We all agreed that was the primary focus and that what we needed to do was get that information out before we then moved on and went to the next phase.

**Senator SIEWERT:** I take the point but, regardless of what carers know they can and cannot get, there is inequity—and I am not blaming you—across the states and within states about what grandparents, for example, can access.

**Ms McKenzie:** That was clear from the report and it was noted by NFIWG and when the report went to ministers it was also noted by ministers. It was agreed that the carers on the ground first of all needed to know what they could get now, and that is where our efforts have been placed.

**Senator SIEWERT:** In other words, you are saying there is not, at the moment, a process around trying to equalise whether you are caring for a child that has come out of the Family Court processes or caring for a child that has come out of an abusive situation, for example.

There are inequities there in some states—not all states—that have not been addressed.

**Ms McKenzie:** At the moment the priority was to advise carers of what they could access now. It was considered that people being able to access money and supports now was the priority thing to do.

**Senator SIEWERT:** I am being contacted by people who, believe me, know extremely well what they can access. In fact they have done their little list of what they know they can access, including FTB. They know exactly what they can access. The fact is, they cannot access enough. What is being done to address that?

**Ms Carroll:** Can I just jump in there. As Ms McKenzie has said, we have outlined where we were up to in that process with the states. Clearly the report highlights the differences; that is something for ministers to consider into the future.

**Senator SIEWERT:** That is what I wanted.

**Ms Carroll:** There are no decisions on that at this stage but obviously the national framework is an ongoing framework and that would be some work that ministers might consider into the future. That will be a decision for ministers.

**Senator SIEWERT:** I have my answer, so thank you.

**Ms Bedford:** The report was finalised in November 2010 and released in December 2010.

**Senator SIEWERT:** I think that is where we have been accessing some of our information. I appreciate that, and I appreciate what you are doing as far as it goes, but we need to go further. The answer to that is that the community needs to be working with government to push them to address that. That is the overall answer.

**CHAIR:** That is your only question in Outcome 1.3?

**Senator SIEWERT:** Yes, thank you.

**Senator FURNER:** How has the paid parental leave scheme been received by the community?

**Ms Carroll:** Perhaps if I kick this off. The implementation of the paid parental leave scheme has been very successful. More than 100,000 people have claimed paid parental leave and more than 74,000 have already received or are receiving paid parental leave. There are about another 20,000 waiting for the birth of the child or for their nominated start date. One of the quite flexible things about the paid parental leave is that people are actually able to take it when it best suits them, in conjunction perhaps with other leave that they are taking. We always have quite a number of people who perhaps have had their baby but have not started their paid parental leave from the Commonwealth at that stage.

**Senator FURNER:** So 74,000 have received and approximately 20,000 to yet receive.

**Ms Carroll:** That is correct.

**Senator FURNER:** So there is approximately 6,000 plus applicants whose claims were not successful. Would that be fair enough to assume out of those figures you have provided to me?

**Ms Carroll:** The additional people are currently waiting assessment.

**Senator FURNER:** This may be something you need to take on notice, but do you have a breakdown of the full-time, part-time, casual and seasonal employees, contractors and the self-employed who have accessed the scheme?

**Mr Lye:** We were asked that question at the last estimates on notice and I think we said we would undertake to provide that. I do not think we have it as yet. One of my colleagues might be able to tell you when that would be available.

**Ms Dickenson:** We do not actually collect the work status of the claimants for paid parental leave as part of the actual claim process. We are trying to get that information and we will get it through the evaluation of the paid parental leave scheme. We will get information about the people who receive the payment and what sort of work they are engaged in.

**Senator FURNER:** When will you get that?

**Ms Dickenson:** The evaluation is a four-year evaluation and the first surveys of parents who actually received paid parental leave will be conducted in October and November this year but then there will be some delay until we get that information.

**Senator FURNER:** Hopefully by next estimates we can have some results on the breakdowns of those surveys. If it is at all possible, could you segregate those state by state?

**Senator CAROL BROWN:** Are you able to give us state by state those figures that Ms Carroll gave us?

**Ms Carroll:** I presume that we would have to take that on notice. We would have the state in which the claimant lived.

**Mr Lye:** On those figures: of the 102,900 claimants 36,000 are receiving the payment, 40,500 have finished the payment and 20,900 have been approved and are awaiting payment. Then there are a further 5,000 who are awaiting assessment.

**Senator FURNER:** Part of the provision as an employer and also as an employee are the keeping in touch arrangements. Do you have any feedback in respect of how that is travelling?

**Ms Petteit:** We haven't had any specific feedback about the keeping in touch provisions. Generally, that is an arrangement that is dealt with between the employer and their employee. We would only hear about it if somebody had exceeded their 10 keeping in touch days. We haven't had any situations where that has occurred.

**Senator FURNER:** So, given you've had no complaints or feedback, we can assume that it's possibly running smoothly.

**Ms Petteit:** Yes.

**Senator CAROL BROWN:** Is it possible also to get information on whether the recipients are mothers or fathers? Who is getting paid this?

**Ms Dickenson:** It is predominantly birth mothers who are applying for parental leave. We have had, I think, 115 transfers of payment to a secondary claimant, who could be a dad or other partner.

**CHAIR:** If there are no further questions on output 1.3 we will go back to output 1.1.

**Senator BERNARDI:** How many contract officers or managers are there under the Family Support Program now?

**Mr Lye:** We will have to take that on notice.

**Senator BERNARDI:** Happy for you to do that. Would you be able to identify how many are in each state, as well?

**Mr Lye:** We can try.

**Senator BERNARDI:** You should know.

**Ms Stehr:** Generally, our state office staff manage a number of different programs, so it's not necessarily a case of saying, 'This person manages the Family Support contracts only.'

**Mr Pratt:** Under cross-portfolio we took some questions on contract managers for Senator Fifield, where we will estimate the number of contract managers we have, based on a full-time equivalent measure. If you would like, in terms of the Family Support Program, we can do an estimate of full-time equivalent.

**Senator BERNARDI:** That would be very helpful. Thank you, it is a good solution. Can I jump to the transition plan. The fact sheet put out by FaHCSIA in regard to the Family Support Program transition plan discussed the need for individual service providers to, perhaps, have a plan to make the transition successfully to the FSP. How many organisations were required to have such a plan?

**Ms Stehr:** I would have to take that on notice. That is managed by our state and territory offices.

**Senator BERNARDI:** I would also be interested in the reasons that were identified as the need to have a transition plan. Turning to Family Relationships online: what was the total capital cost of implementing FRS Online.

**Ms Stehr:** Again I would have to take that on notice. That system has been in place for some years. I don't have that information with me.

**Ms Carroll:** We will certainly attempt to get the information, but we may be going back a long way. We will have to see what is possible or not.

**Senator BERNARDI:** It may be that the question might be better asked as: what is the current operational cost of maintaining that?

**Ms Carroll:** We certainly could look at the current operational costs.

**Senator BERNARDI:** I am also interested in what the staff allocations are for maintaining that system.

**Mr Pratt:** Again, do you mind if we estimate that on a—

**Senator BERNARDI:** I am happy to take it on that basis in full-time equivalents. And if you could provide a breakdown, perhaps, of staff classifications for those who are allocated to it.

**Mr Pratt:** We will give it a go.

**Senator BERNARDI:** The pilot program for teenage mothers—the trial sites. What are the criteria and what is the distinguishing information that was provided by the department for the purposes of selecting the trial sites for the 'helping teenage parents to finish school and support their children' pilot program?



**Ms Carroll:** I think we spoke a little bit about this at the last estimates. The department was part of a broader interdepartmental committee that was looking at the measures that were all part of the Building Australia's Future Workforce package. As part of the interdepartmental committee we provided some advice through that committee about how we might assess what were the kind of highest priority sites. The kind of assessment done by not just our department but other departments looked at the areas of highest need—for example, low socioeconomic areas and where there are significant numbers of—whether it is teenage parents—where we have families on the maximum rate of Family Tax Benefit et cetera. Our input was just one of the inputs from a broader committee, which then went through to the government for consideration.

**Senator BERNARDI:** Sorry I did not pick up on this in the last estimates, but were things such as local government areas considered in the assessment.

**Ms Carroll:** We tend to use the ABS breakdowns of SLAs in our consideration, primarily because that is quite a common tool used across the public service, because we have good data from the ABS about socioeconomic status.

**Senator BERNARDI:** So it is more statistical rather than observational or brought about by geography or communities of interest?

**Ms Carroll:** It was all based on statistical inputs.

**Senator BERNARDI:** Did you consider the socioeconomic indexes for area data when recommending the 10 trial sites?

**Mr Lye:** Yes.

**Senator BERNARDI:** Is there any data apart from ABS and SEIFA data that was considered?

**Mr Lye:** Unemployment data—long-term duration on unemployment—and, as Ms Carroll said, the number of teenage parents, so the number of people on parenting payment who were teenagers, and the number of people who are long-term jobless families. But the overriding consideration was around SEIFA long-term unemployment.

**Senator BERNARDI:** For the purpose of clarification, what do you define as the long-term unemployed?

**Ms Carroll:** That will be a question for DEEWR. I was just about to clarify that we are talking about our input into a broader piece of work. In fact, you would need to go to DEEWR around a range of those other measures.

**Senator BERNARDI:** We did yesterday, about some of the others, and they have very long-term unemployed as two years plus.

**Ms Carroll:** We do not classify. It is not our classification, it is DEEWR's.

**Senator BERNARDI:** Mr Lye you said that that was one of the inputs.

**Mr Lye:** But not our input.

**Senator BERNARDI:** It was not your input?

**Mr Lye:** Yeah. The parenting payment is also a DEEWR payment, so that was their input, as well.

**Senator BERNARDI:** Do you think any government will ever get everything all in one department to which you can always ask all the questions! That is the real challenge.

**CHAIR:** Have you completed all your questions in outcome 1?

**Senator BERNARDI:** Yes.

**CHAIR:** We have no other questions, but I suspect the officers will get significant numbers on notice.

[11:35]

**CHAIR:** We will move now to outcome 2, housing

**Senator PAYNE:** I want to start by seeking an update from the officers on the social housing initiative. At the last estimates you gave me a comprehensive update in relation to both new houses and repairs and maintenance. Can I clarify with you on repairs and maintenance: do we need to get an update on those numbers or have they all been completed?

**Ms Croke:** All repairs and maintenance has been completed.

**Senator PAYNE:** So one assumes the remaining project, which was the bedsit conversion in New South Wales, has been done, given it was due for completion on 30 June.

**Ms Croke:** Let me just double-check. Yes, it has been done.

**Senator PAYNE:** In terms of new houses, can you give us an update by jurisdiction, as we have done previously?

**Ms Croke:** I can tell you how many new constructions were commenced and then how many were completed by jurisdiction. As at 30 September, the number of new constructions commenced for New South Wales was 6,329 and 5,847 were completed. For Victoria 4,523 were commenced and 3,666 were completed. For Queensland 4,034 were commenced and 3,007 were completed. For Western Australia 2,085 were commenced and 1,689 were completed. For South Australia 1,378 were commenced and 1,031 were completed. For Tasmania 530 were commenced and 450 were completed. For the Australian Capital Territory 421 were commenced and 419 were completed. For the Northern Territory 208 were commenced and 163 were completed. Do you want the total?

**Senator PAYNE:** Yes, please.

**Ms Croke:** The total commenced was 19,508; completed, 16,272.

**Senator PAYNE:** Thank you very much for that update. Of the remaining 3,000 in that process, give or take, how many do you expect to have completed by the end of the financial year?

**Ms Croke:** At this stage we are expecting all to be completed by the end of June 2012, but we are keeping a very close eye on our jurisdictions. We have monthly reporting on all projects that are yet to be commenced and completed and we keep a very close eye on that. We are watching very closely the 30 June time frame.

**Senator PAYNE:** I am just running my eye over the figures. Are there any jurisdictions in particular which have greater outstanding challenges than others in making that completion date?

**Ms Croke:** Certainly—and I think we have indicated this before in estimates—Victoria built their projects so that they had some of their larger dwellings towards the end of the

program, so we keep a close eye on Victoria because their larger ones are at the tail. We watch that one pretty closely.

**Senator PAYNE:** What does that bring the total construction of new dwellings to nationally now?

**Ms Croke:** Could you ask that question again, sorry?

**Senator PAYNE:** What does that bring the total construction of new dwellings in the Social Housing Initiative to nationally now?

**Mr Innis:** You are after the dwellings that have been completed under the program; is that right? The number I have is 16,403.

**Ms Croke:** Actually, I picked up one table and I have another table—I am sorry about this—that has some later figures, so I am happy to provide that to you, but that total, the 16,400, is correct for October. Those figures that I read through earlier were for September.

**Mr Innis:** They will not add up to 16,400.

**Ms Croke:** I am happy to run through it or I could just do a quick note and provide that to you in the break—to get to the 16,400.

**Senator PAYNE:** All right, that is fine. Thank you very much. How does the time line which was set down by the government in the first place match with the time line?

**Ms Croke:** We had the December milestone—and we have spoken about this at estimates before—move out due to the wet weather over the summer season. We do not have any more milestones set other than the completion date of June 2012. We are watching closely. At this stage we are on track. That is the next milestone. We are in the right timing for that.

**Senator PAYNE:** You may not have the data with you, Ms Croke, but, of the 16,403 correct as at October, can you provide the committee—probably on notice, I assume—with a breakdown of the number of bedrooms in each dwelling?

**Ms Croke:** I probably—

**Mr Innis:** I seem to recall a question on notice that went to the issue of bedrooms and average bedrooms.

**Senator PAYNE:** I have asked about bedrooms for Indigenous housing. I could not recall whether I had asked about general housing.

**Mr Innis:** I will just check. We will not have the detail here.

**Senator PAYNE:** If I have, please do not double up. I understand.

**Ms Croke:** In question No. 437 we did run through dwellings by bedroom count, total number of dwellings and an average.

**Senator PAYNE:** Okay, that is fine, thank you. I was confusing it with the Indigenous housing questions. I want to ask some questions about the issue we have discussed before and also the transfer of stimulus stock to community housing, but Senator Ludlam might have some questions in this social housing construction area.

**Senator LUDLAM:** Mine are more on the social housing advisory committee, so we will tag team. Welcome back. My question is about the social housing expert panel, which I think is a very good idea. That was announced on 28 September. Can you just tell us how it was appointed?

**Ms Croke:** The panel was appointed by Minister Arbib in consultation with Minister Burke and the Treasurer.

**Senator LUDLAM:** The panel has been tasked with providing expert advice on social housing reform. How often do you think they will meet and how will they advise you? Can you just give us a sketch of how you see it working and how it fits into the existing architecture?

**Ms Croke:** At this stage we expect the committee to operate for around 12 months. We are expecting to meet every two months at this stage.

**Senator LUDLAM:** They will meet, or they will meet with the minister? What are the channels of communication?

**Ms Croke:** We have had one meeting and the minister was present for part of that meeting. We will be trying to book those meetings and, if the minister is able to attend, we will certainly be looking for those opportunities.

**Senator LUDLAM:** When did the first one occur?

**Ms Croke:** The first one occurred on 28 September—sorry, that was when it was announced.

**Senator LUDLAM:** That was your announcement.

**Ms Croke:** It first met on 8 November.

**Senator LUDLAM:** 8 November?

**Senator Arbib:** No—

**Ms Croke:** Sorry. It was announced on the 28th and met on the 29th and the next meeting will be on 8 November.

**Senator LUDLAM:** The second meeting will be on 8 November. Has it been established as an independent body in the same way as the National Housing Supply Council? Will it be tasked, for example, with any kind of yearly reporting obligation?

**Ms Croke:** It is providing advice to the government, similar to the Prime Minister's Council on Homelessness.

**Senator LUDLAM:** Are there any public reporting obligations though?

**Ms Croke:** At this stage the advice is to government.

**Senator LUDLAM:** I have a reasonable idea of the make-up of the panel, of who is on it, but who specifically represents the needs of older Australians? They are about a quarter of the waiting list, and we know that demand for public housing for elderly Australians will double by 2028. Most of these people are single and alone. Who on that expert panel is representing their interests or has some background there?

**Ms Croke:** Chris Lamont is the executive director—I am not exactly sure of his title—of the Goodwin villages here in the ACT. That is an aged-care provider in the ACT.

**Senator Arbib:** But we have not gone out and tried to cover every section or every sector of the community. It would be too many groups and organisations to try and represent. We are trying to get a broad range of experiences and people with expertise to provide advice.

**Senator LUDLAM:** That is reasonable. Mind you, it is a pretty big wedge. It is 25 per cent. But it sounds as though there is somebody there with direct expertise.

**Senator Arbib:** Mr Lamont has had a great deal of experience in this sector.

**Senator LUDLAM:** Taking that caveat in mind that you have not tried to put someone on this panel representing every single need, I am still going to ask you about a couple of others. People with high and special needs: 60,000 households of the 90,000 on the waiting list have special needs, so is there somebody there with experience in that area?

**Ms Croke:** I think it would be fair to say that there are quite a number of people who represent the not-for-profit sector or have an affiliation with the not-for-profit sector who are, on a daily basis, working with tenants who are the same types of people that you are talking about—people with high and special needs. I think the experience that they have in their day-to-day job of working with those tenants is what they bring to the table in this advisory committee.

**Senator LUDLAM:** Private developers are reasonably well represented. There are three of 13. Nigel Satterley, for example—what experience does he have in the area of social housing?

**Ms Croke:** We know that Nigel Satterley is involved in developing a new range of affordable product for tenants. He has built developments that have a lot of one- and two-bedroom properties. The experience that he has from a developer's perspective, looking at the demand and the projected demand for housing and having already made that adjustment in his business to make those types of dwellings available for—

**Mr Innis:** Mr Satterley has worked basically with the WA Department of Housing on a range of initiatives, so he brings experience in the type of product that increasingly social housing might need to look at, as well as experience in working closely with the state government to deliver some of that product.

**Senator LUDLAM:** Are there any sustainability or urban design experts on the panel? I ask that because public housing stock has the worst performance of all housing stock—on average, two stars—and it is a pretty big issue in relation to stock transfer to the community housing sector. They are being handed back as very low-performance, inefficient dwellings. Is there anybody on the panel who brings that expertise to the table?

**Ms Croke:** The community housing sector that is represented on the panel—a lot of them have benefited from the stimulus housing measure. We know that, with the record that we have around universal design and sustainability with stimulus housing, they will bring those experiences and learnings to the table in this context, as just having completed those dwellings with those features.

**Senator Arbib:** That has been one of the great successes of the stimulus package in terms of the design.

**Senator LUDLAM:** I agree.

**Mr Innis:** It is also true that the panel has Ian Winter and Tim Williams as two expert advisers. Ian Winter is head of AHURI and he brings a lot of experience on the evidence base—the types of housing, fitting them with clients, what the requirements are et cetera.

**Senator LUDLAM:** I have a very high regard for Mr Winter. I think the work AHURI does is exceptionally valuable. I will not dispute the success of the social housing spending in the stimulus package. The reason I am going through this informal gap analysis is that what we have in terms of public and social housing stock in large measure in Australia is a colossal retrofitting task. It is going back into some very poorly designed and poorly located dwellings and trying to bring them up to scratch. That is actually quite a specific area of expertise. That is why I am putting that to you.

**Senator CAROL BROWN:** *[inaudible]* in the committee in the expert panel. Can you tell the committee the criteria you used to come up with this group of experts?

**Mr Innis:** Obviously the department and the minister and the ministers all have contact with a very large number of people who are engaged in this space. The people chosen for the panel were worked up based on some views presented by the department, some views from the ministers on the type of people they wanted and ultimately a decision by the minister in consultation with his colleagues. The process was around bringing all of that knowledge together for the minister's consideration.

**Ms Carroll:** Perhaps I could add that, clearly, in establishing any advisory group, one of the key things is that the advisory group needs to be of a size that is very workable but that actually then draws upon people that have a broad range of expertise. So one of the factors that is taken into account is thinking about how you can bring people to the table that perhaps have expertise that runs across a number of areas, so that in particular is taken into account, as well as who can deal with the very big issues that will be considered by the advisory group. There is always that balance that you need between representing every group and getting to have broad representation as much as possible but getting to some of the key issues, recognising therefore that that needs to be taken into consideration as the advisory group works through its issues.

**Senator CAROL BROWN:** So, on that basis, the expert panel was selected. And I think Mr Innis indicated there were special advisors attached to the panel as well.

**Ms Carroll:** That's right.

**Senator CAROL BROWN:** That brought the breadth of knowledge and experience that you were looking for. I think the minister said at the time he announced the panel that we were looking for innovative solutions to the housing issue—notwithstanding the massive funding input that the government has put into social housing, there is a lot of work to be done.

**Ms Carroll:** That is right. And I think the key is actually making sure you have the kind of people who can drive and think about things in a different way, but run across a broad range of representation.

**Senator CAROL BROWN:** Okay, thank you.

**CHAIR:** I just want to find where we are with the issues. Senator Fierravanti-Wells, are you following-up on the same area that Senator Ludlam was working with—social housing?

**Senator FIERRAVANTI-WELLS:** Social housing, yes.

**CHAIR:** Okay, we will stay with social housing.

**Senator FIERRAVANTI-WELLS:** I want to ask some questions in relation to the Social Housing Initiative and the work that is being done by the Bethanie Group in Western Australia, if somebody could help me with that.

**Mr Innis:** Ms Croke may be able to.

**Senator FIERRAVANTI-WELLS:** The two projects at Peel and Dalyellup?

**Ms Croke:** I am not sure whether I will have some of that exact detail, but if you could ask the question I will see what I can do.

**Senator FIERRAVANTI-WELLS:** Sure. I really just wanted to ask about it in broad terms. Obviously, in terms of providing assistance and housing for older Australians, this has been quite a successful model. Is it the intention of the Commonwealth to look at this model and extend it in other ageing areas?

**Ms Croke:** One of the things we are about to embark on with our colleagues in the state and territory governments is a review of the Social Housing Initiative to look at what did we get in terms of value for money and what type of stock did we build—universal design, sustainability features. But one of the other things we are looking at in terms of tenants is what was produced that best met the demands of the particular community group. So I think, as part of a review, we would be wanting to look to particular groups—older Australians, people who are homeless or are at risk of homelessness, people with a disability—and try to understand whether the Social Housing Initiative was able to deliver for those people and what we might be able to learn for the future.

**Senator FIERRAVANTI-WELLS:** This of course was unique in terms of the various features that it brought out. Without going into too much of the detail, I would be interested in any follow-up that you do in terms of evaluation of that model and how it worked.

**Ms Croke:** Okay.

**Senator FIERRAVANTI-WELLS:** I went out and had a look at it, and had briefings in relation to it, and it was very clear from what I was being told that there was going to be a considerable number of people taken off the social housing and the housing commission lists. The company was making some innovative suggestions in terms of how that could be further achieved. My question is: (1) about the model and assessment of it; and (2) whether the Commonwealth will be considering the benefits that that has brought, given the innovation that the Bethanie Group have been able to bring to it. I would appreciate any further response to that.

**Senator Arbib:** So we are talking about the advisory committee that has been set up, that Jeff Harmer is heading. One of the things they will be looking at is the success of the stimulus package and the models. There has been a great deal of innovation that has come through the SHI, and it is important that we learn the lessons from that because it is obviously a very challenging area. We understand the pressures that the ageing of the population will put on social housing and affordable housing, so we are happy to have a look at that. But, certainly, we will make sure that the advisory committee has a look at that individual project.

**Senator FIERRAVANTI-WELLS:** Thank you, Minister.

**CHAIR:** Are there further questions on social housing?

**Senator PAYNE:** I have one on the department's answer to question on notice No. 46 in relation to contractors. A number of those projects—in fact, all of them except one, at Teralba—have forecast completion dates which have passed. Can you indicate to the committee how many of those have met their completion dates?

**Ms Croke:** I can. The first three projects are currently being retendered. The Caringbah project has been completed. The Campbelltown project, I have written here, was due for completion on 31 August 2011, so I will need to double-check whether that has been completed.

**Senator PAYNE:** The department gave the committee 31 July 2011 in that answer.

**Ms Croke:** So it is now out a month, but I suppose that month has passed. I will need to double-check where we are up to. The Teralba project was completed on 28 October—

**Senator PAYNE:** Do you know if that is on time?

**Ms Croke:** This was updated this week, so I am assuming that this information is as up to date as we can get it. Again, the Casula project was due for completion on 31 October—I will need to double-check that one. I will also need to get back to you on where the Bomaderry project is up to. I do not have the information on Bomaderry. The projects in Katanning, Quairading, York and Northam were all expected to be completed on 1 October 2011. This is the latest information I have, so unless I have misread the advice here I think those dates are completion dates.

**Mr Pratt:** Just to clarify, we are relying on information from the states and territories.

**Senator PAYNE:** I understand that. Can you follow up on the ones with question marks over them, which would include the last four in Western Australia?

**Ms Croke:** Yes.

**Senator PAYNE:** With the three that were retendered—Tarrawanna, Towradgi and Coffs Harbour—was the department unaware when the answer was provided that that was the case?

**Ms Croke:** I think these projects are part of the Perle projects which are currently being worked on by the New South Wales government.

**Senator PAYNE:** What does 'being worked on by the New South Wales government' mean?

**Ms Croke:** I think they are looking at what approach that will take to be able to complete those projects.

**Senator PAYNE:** What requirements does the Commonwealth place on the states to ensure that those projects get underway again in a timely manner?

**Ms Croke:** We are working closely with New South Wales to do whatever we can to assist, but at the moment it is in the hands of the New South Wales government and they are deliberating as to what to do.

**Senator PAYNE:** You gave us a completion date of the end of September for Coffs and 1 October for the other two. Obviously you provided that in good faith. I assume that was the advice you were given by the New South Wales department. Which department is it in New South Wales?



**Ms Croke:** We work most closely with the New South Wales housing department, but I understand that the New South Wales finance department is also heavily involved.

**Senator Arbib:** Minister Pearce is involved.

**Senator PAYNE:** When did you become aware that they were to be retendered and were not to make those completion dates?

**Ms Croke:** I am not sure if I will have the exact dates, but we do get monthly reports from jurisdictions. So it may have been a couple of months ago but it may have been as recently as this month. I would have to get back to you on an exact date for when that new process came about.

**Senator PAYNE:** Are you able to advise the committee what has happened to the contractors who were either unpaid or underpaid in those three cases?

**Ms Croke:** I will check.

**Mr Innis:** Ms Croke may have the answer to that, but it is not an answer I would necessarily expect to have because the management of the projects is a matter for the New South Wales government. If we have the information we will be very glad to provide it, but I would not be surprised if we did not.

**Senator PAYNE:** I understand that. My concern is that we are talking about Commonwealth funds being provided for these projects and in many cases small businesses live and die in relation to the performance of the contracts.

**Senator Arbib:** My understanding was that New South Wales was attempting to work with some contractors to try to ensure that they had a role in the retendering and the completion of the projects.

**Senator PAYNE:** Would it be possible to get on notice a more comprehensive response on the status of these projects? And for the contractors either unpaid or underpaid—I understand that you will have to ask New South Wales for the information—what is happening with respect to the proper payment of those contractors or their further engagement, if that is the decision that has been taken?

**Mr Pratt:** We will certainly take that on notice and see what information we can get from the New South Wales government. However, I propose that we supply whatever we have by the due date. I don't think it's reasonable for the department to be held responsible for information which may or may not come from New South Wales in a reasonable time frame. If we get material later we will then pass that on.

**Senator PAYNE:** I understand that and I appreciate it.

**Senator FURNER:** Firstly, I congratulate the department on the Social Housing Initiative. The projects I have opened in South-East Queensland have been a huge success. In fact at one in particular, in Labrador, the tenants were so happy with the outcome they took me up to the sixth or seventh floor. They had a sign up there that read, 'As good as it gets.' I know the Gold Coast pretty well, and you would swear you were in one of those high rise apartments, with the view that those had in Labrador. It actually got some media coverage from Nine news on the Gold Coast, courtesy of Petrina Zaphir, one of the journalists there. I saw there tenants ranging from elderly people to a few with a disability. Do you keep on record any data on the breakdown of tenants in each of the dwellings.

**Ms Croke:** I do. For tenanted dwellings I can do a breakdown of homeless people, Indigenous, older Australians, people with a disability and people escaping domestic violence. I will run through that. As at 31 August, we have tenanted data on 12,770 dwellings. The total number of dwellings tenanted by homeless people is 7,074, or 55 per cent; by Indigenous people is 1,759, or 14 per cent; by older people is 5,218, or 41 per cent; by people with a disability is 5,636, or 44 per cent; and by people escaping domestic violence is 742, or six per cent.

**Senator FURNER:** At the dwellings whose openings I have been involved with I have noticed a special feature on environmental star ratings.

**Ms Croke:** Yes.

**Senator FURNER:** I think it's around a four-star rating. Is that correct?

**Ms Croke:** For energy efficiency we're at six star.

**Senator FURNER:** When consideration is given to people with a disability, those 5,636 you responded with, is an assessment done in respect of the area or is it a feature of each dwelling block that rooms are allocated for people with a disability?

**Ms Croke:** There is a universal design feature that is part of the stimulus housing. Some of the properties have been built with specific requirements, but we do have an overall universal design that will accommodate people with a disability and older people. They were built, I suppose, in response to demand from particular locations. So in some locations there would be more universal design, or class C, features than in other locations, to respond to the demand from the community.

**Senator FURNER:** From memory the ones I attended were the Labrador dwellings. They were sold before the tenants took up their placements. Is that a standard outcome you were seeing as a result of the social housing initiative, or is it the case that they fill gradually?

**Ms Croke:** As dwellings are completed jurisdictions work hard to get tenants in as quickly as possible. Some of the properties are then transferred to the not-for-profit sector. So we might see a little bit more time in the transfer of the property before they are tenanted as they transfer to the not-for-profit sector for community housing.

**Senator FURNER:** Can you update the committee on the progress of the National Partnership Agreement on Homelessness?

**CHAIR:** That is not social housing. Have you finished social housing.

**Senator FURNER:** Yes, I have finished social housing.

**Senator PAYNE:** On the last occasion we discussed some of the transfer numbers of state housing stock to community housing providers. Are you able to update the committee on the progress of those transfers to date from both stimulus stock and from general state public housing stock?

**Ms Croke:** I am pretty confident that the information I provided to you last time is the latest that we have.

**Senator PAYNE:** No movements since June?

**Ms Croke:** There may well have been movements, but I do not think I will have them to hand. I will certainly take it on notice—a breakdown of what that has meant for reaching

those targets. I think last time we provided to you on notice figures on social housing initiatives, tenancy management—nationally 80 per cent in the hands of the community housing sector—and ownership of 62 per cent. I do not have later figures than that, but I certainly could take that on notice and see what I can get you.

**Senator PAYNE:** And then by jurisdiction.

**Ms Croke:** Certainly. I have that by jurisdiction.

**Senator PAYNE:** Are there any title issues in any of the jurisdictions that are precluding the community housing sector from leveraging that sort of stock?

**Ms Croke:** Not that we are aware of. I think the minister said last time that states and territories need to have a mind to capacity issues with the not-for-profit sector in terms of transferring the property and tenancy management and ownership. States and territories look to where some of the larger providers can take on more stock, putting at risk that provider in terms of overloading them with property and titles. States and territories pay close attention to the issues around capacity building. Judgments are made to make sure that the stock that is transferred is transferred as effectively as possible.

**Senator PAYNE:** I think we briefly discussed the public consultation on the regulation process for the community housing sector, which the minister had spoken about in a speech in May. It was then part of the housing minister's conference communique in June. I think the communique indicated that consultation would take place in the latter half of this year, which we are part way through. So, can you indicate what consultation has taken place to date?

**Ms Croke:** Two consultative forums have been held. The consultative forums were held on 27 May and on a second date, which I will quickly try and find for you, but we were about to, towards the end of November, commence the national consultation process. That will be a wider consultation and a formal consultation around the national regulatory system.

**Senator PAYNE:** Will that be done by a process of public advertisement in the normal way?

**Ms Croke:** The New South Wales government are leading the consultation process and we expect a range of different communication strategies to make sure that interested stakeholders will be able to participate. We expect there will be a couple of national consultations and then states and territories will also hold jurisdiction based consultations but following one format.

**Senator PAYNE:** If that commences in November this year, I assume the final proposals for agreement by the end of 2011 is looking slightly ambitious at this stage.

**Ms Croke:** We are working hard to try and meet the commitments that we have made. But we also need to leave adequate time for consultation. We do not want to start a consultation and then leave it a week or two for comment. We will start the consultation. It is possible that the consultation period will be finalised in the new year but still working to a 1 July 2012 start date for the host legislation.

**Senator Arbib:** There was a fair bit of discussion about which state would lead the legislation and the process.

**Senator PAYNE:** So that took a while?

**Senator Arbib:** Amongst the states themselves there were numerous discussions, which I think took up a fair bit of time. In the end, there was agreement between the Victorians and New South Wales that New South Wales should lead. I think that has taken some time to get through, yes.

**Senator PAYNE:** If New South Wales are leading the discussions, does the responsibility for the consultation process now rest with them or with the Commonwealth?

**Ms Croke:** We have established a working party with the Commonwealth and jurisdictions heavily involved in the design of the consultation. New South Wales are hosting it, but the Commonwealth works very closely with New South Wales and we have had, from time to time, a FaHCSIA staff member working in the New South Wales office, working closely with that directorate, not that we need to make sure that things stay on track but to make sure that the Commonwealth interest is there.

**Senator PAYNE:** I think that is a good idea. So where does the buck stop in this process in terms of time frames and so on and the ongoing process—with the Commonwealth or with New South Wales?

**Mr Innis:** It is a joint initiative of housing ministers, so I do not think you could say that the buck stops with an individual jurisdiction. Clearly we are working very hard to ensure that the national regulation gets up in the time frame ministers have asked for. New South Wales is leading the process but it is a joint process of housing ministers.

**Ms Carroll:** Senior officials are working very hard to deliver that for ministers collectively. As you identified, it might mean that some of the time frames are pushed out, but it is critical that the consultation is comprehensive, as Ms Croke outlined, and that there is a process for then feeding back formally to ministers to get final sign-off and agreement to go forward. But certainly senior officials are working collectively to make sure that we deliver for ministers.

**Senator Arbib:** Senator, I know you will be aware of this, but we can only move as fast as the states will move on this, because it is their job on the ground to implement it and put it in place. What I have found, though, is that there is genuine goodwill to make it happen. It took a while to get us into this position, but thankfully the states are providing a good level of assistance now and we will get the result.

**Senator PAYNE:** I appreciate the point you make. I have the great fortune to be the shadow minister for COAG as well, so that really does bring it all home. I have one question, Madam Chair, on which I would seek the officers' advice as to where it is appropriate to ask. We discussed the budget measure to enable the bulk verification of community housing rent at the last estimates. Is that still here?

**Ms Croke:** Yes.

**Senator PAYNE:** I think in June, Ms Croke, you indicated that, across the six months post June you thought that we would see some real figures in that space.

**Ms Croke:** I do have figures in terms of take-up. This is advice from the Department of Human Services. I will answer as much as I can and I might have to refer anything further to the other department.

**Senator PAYNE:** Is that the place these questions should be asked in the future, or are they still questions that can be asked of FaHCSIA?

**Ms Croke:** The Department of Human Services are implementing the bulk verification. I have, though, high-level information that I am happy to provide that DHS have provided to us.

**Senator PAYNE:** I appreciate that.

**Ms Croke:** So far eight organisations, including one Indigenous community housing organisation, have already used the service and there had been around 950 customer updates up to 30 September—about a quarter of those came through in a one-week period. What we expect to see is, as rent assistance is increased with the CPI, community housing providers making their adjustments to rent and the next couple of months then providing an opportunity for community housing providers to adopt the new bulk verification system. It is up to the community housing providers to opt into the system—the portal is available—and we expect to see those numbers increase in this new rent review period.

**Senator PAYNE:** I am not sure when that is due. Is it due in a fashion which would enable you to provide us with further information and an answer to a question on notice about that?

**Ms Carroll:** I would suggest that we could not do that until the next estimates. The timing probably will not work to do it earlier than that.

**Senator PAYNE:** That is something to look forward to. Before we go to the NAHA, I have one question on rent which is slightly different. Is the Commonwealth making any plans to implement what one might call a garnishee—I am sure there is a better word—of Centrelink payments to pay public housing rents at the state level? Has the Commonwealth been approached by the states about this?

**Mr Innis:** As part of the National Affordable Housing Agreement, there was agreement that the Commonwealth would work on a deduction scheme. We are continuing to work on that deduction scheme.

**Senator PAYNE:** Where is it up to?

**Mr Innis:** We are continuing to provide options to government.

**Senator PAYNE:** I should tell you about a conversation I had on a train in western Sydney recently. You would be amazed at what the officers of Housing NSW talk about very loudly on trains when they have no idea who else is sitting in the carriage.

**CHAIR:** We will move on to the National Affordable Housing Agreement.

**Senator LUDLAM:** This might be one for the minister rather than the officers, but I will let you folk decide. Can you give us a brief statement for the record on where we are up to with the new NAHA negotiations.

**Senator Arbib:** The renegotiation of the NAHA has not yet begun. My understanding from talking to officers is that the negotiation will not begin until sometime in the second half of next year—that is the official renegotiations. There will of course be discussions between the states and the Commonwealth about NAHA, but the negotiations will not be until next year.

**Mr Innis:** The mode we are in is understanding what we have delivered over the past few years, continuing to deliver that and working out what the priorities should be from a Commonwealth perspective. The advisory council will play into that as well as arrange other things.

**Senator LUDLAM:** Is there anything we can learn about reporting obligations from the quite sudden, and maybe a bit unexpected, social housing spend in the stimulus package. The information on that is quite fine-grained. We know a lot more about that spend than we do about how money is disbursed through the NAHA work. Can we import some of those learnings into the next negotiation?

**Mr Innis:** Certainly. As Ms Croke indicated earlier, we are doing a review of the Social Housing Initiative. I think all jurisdictions feel that that has gone well and we are drawing, for future programs, as much from that as we can.

**Senator Arbib:** I am on the record saying that the lessons, especially in the area of reporting, are something that should be looked at for the renegotiations of the NAHA.

**Senator LUDLAM:** How it is going to work in states with no dedicated housing minister? There was only a dedicated Commonwealth housing minister for a couple of years and then it all got pulled apart again. How do you work with your state counterparts when there is no specific portfolio?

**Mr Innis:** As an intergovernmental agreement, it will be renegotiated under the auspices of COAG. Last time it was a combination of central agencies and line agencies that were involved in the negotiation. I expect it will be some combination like that again, noting that it is some time down the track. The jurisdictions will nominate who they want to represent them, noting that we do have a community and housing ministers meeting where people come together to discuss housing.

**Senator LUDLAM:** I am just wondering how that is going to work out now that New South Wales has abolished the housing minister, which is remarkable. I do not quite know what the backstory might have been there. I suspect you will find that you have some different people at the table to what you were expecting. Will the national housing and infrastructure plan, based on regional mapping of current and projected housing need, be used in a context where, for example—this is very cross-portfolio—we have Minister Albanese working towards implementing a national urban policy and we have Infrastructure Australia trying to work out where to put infrastructure funding? This feeds directly into the affordable housing agenda. How are you meshing with those big picture bits of policy?

**Mr Innis:** There are a range of interdepartmental committees working on those things around government, and generally speaking we try and make sure that representatives from our department are on the ones run by Minister Albanese's department and vice versa where there is a joint interest. Is there a single unified planning document? No, but that is a decision for government.

**Ms Carroll:** Any of the reviews of the sets of agreements, and the housing agreement is one of them, would be led by Treasury because it is part of the broader COAG negotiation. Heads of treasuries would then be able to consider a range of inputs.

**Senator LUDLAM:** While we are still on the NAHA, will NRAS, which in my view is another quite successful housing affordability scheme, be rolled into the forthcoming NAHA framework?

**Ms Carroll:** That would be a decision for government.

**Senator LUDLAM:** Yes, but you are the government. There is a great big piece of the policy architecture that lies outside the NAHA. Would it not seem sensible to bring it in? It would not necessarily mean transferring portfolio responsibility from Minister Burke to Minister Arbib, but it could at least be brought into the NAHA framework. Is there any good reason why you would not do that?

**Senator Arbib:** There are currently no plans to do that. Minister Burke has responsibility, as you said, for NRAS. At the same time as that, though, we are undertaking a review of social housing through the advisory council. They may make recommendations. We will have to wait and see what they come up with.

**Senator LUDLAM:** But they are not precluded from recommending that kind of stuff?

**Ms Croke:** Previously when we have provided reports on the NAHA we have taken a broad view of all of the things in place that impact on housing affordability. We have looked at HAF and NRAS in that broader suite in terms of their contribution to housing affordability issues in a reporting sense.

**Senator LUDLAM:** Are you familiar with the concept of A, B and C band housing affordability funding? It is National Shelter's framework. Is that familiar?

**Mr Innis:** There have been a range of bodies that have worked on similar things. I know Julian Disney chaired a group that had a very similar structure.

**Senator LUDLAM:** That is what I am referring to.

**Mr Innis:** Julian Disney is a member of the minister's council and I would expect that that sort of thinking, which I know he has developed in consultation with people over a long time, would come into the council's deliberations.

**Senator LUDLAM:** Good.

**Senator Arbib:** Adrian Pisarski is also a member of National Shelter.

**Senator LUDLAM:** It is a very well qualified group. I was not trying to hint otherwise with my earlier set of questions. My question, though, is: to what degree has that thinking already been imported into the department? This is strictly housing affordability based on (a) a proportion of income, (b) a proportion of market rates and (c) getting people into various home purchase programs. Is that framework already in common use within the department, or is that still seen as the way the non-government sector thinks?

**Mr Innis:** We are very keen and try very hard to make sure that we are picking up good ideas from all sources, so ideas like that are always in the melting pot for departmental officers when they are developing advice for ministers.

**Senator LUDLAM:** That sounds promising, but it was not quite a yes. I put some questions to you before about the supply gap out to 2014 and 2020. Thank you very much for the answer that came back. This is question on notice 38. I asked what proportion of the total demand for social housing would be met by government funding by 2014. The answer that came back was not quite what I was after. I was asking for the proportion that would be met

by government programs to 2014. I wonder whether it is possible for the figures that you provided to be disaggregated to give me the fraction of demand for new social housing that will be taken up by government schemes to 2014. In the answer to me, you aggregated demand for social housing with all other rental housing. Can that be broken out? Can that be disaggregated?

**Ms Croke:** I will have to take that on notice to see whether we can break that out into particular subsets of the wider social and subsidised housing set.

**Senator LUDLAM:** I think that would be really helpful. What you told me was that total rental sector demand would be 2½ million dwellings by 2014. That is the scale of the shortfall. The private market will fill the gap with two million, and government schemes in total will provide about 18 per cent. I would be very interested to know what your thinking is—and I recognise these are projections; they are not even predictions—about where social housing fits in to the picture.

**Ms Croke:** As a proportion of the total demand?

**Senator LUDLAM:** Yes. That would be greatly appreciated. If the private market is to provide 82 per cent of housing gap, do we need more oversight of the way the private market is operating? I have put some of these questions to Treasury in the past as well. What if the private market does not build that? What if it continues to build luxury apartments on the Gold Coast that no-one can afford to live in, or McMansions way over the horizon that people cannot afford to get to work from? Given that the two million, the 80 per cent, is in the hands of the private sector, what are we doing to make sure that it gets built?

**Ms Croke:** What we captured in our response was the stock number. What we did not capture was that there are a number of other things that are at play at the moment to improve the efficiency of the housing market. We have programs like the Housing Affordability Fund and COAG's housing supply and affordability reform agenda, so there are other things that are being considered and are heading back to COAG which look at improving the efficiency of the housing market to try and facilitate or influence a better response in terms of the affordable housing and rental stock.

**Senator Arbib:** Senator, I said to you last time that we have never had so much money being invested in housing as at present, through the Social Housing Initiative, through NRAS, through Indigenous housing. If you add it all up, it comes close to 80,000 new dwellings, on top of the repairs through the social housing as well. This sort of investment is unprecedented in Australian housing.

**Senator LUDLAM:** I am not critical of the investment; I am interested in the other 82 per cent. That is all. The things that you mentioned, Minister, are things that the Australian Greens voted for, so I am not here to be critical of them.

**Senator Arbib:** But the big challenge, especially in social housing, is to get private investment into the sector, private investment into community housing, and setting up those models. I hate to keep coming back to it, but that is a lot of the work that Mr Harmer and his advisory committee will be undertaking.

**Senator LUDLAM:** It is good that Senator Siewert has joined us because my last question relates to some very good work that she did—the 2008 Senate inquiry into housing



affordability. I put this to the SEWPAC folk earlier in the week as well. How many of the recommendations of that 2008 report have been acted on?

**Ms Croke:** If I had the folder from probably three estimates ago I would have been able to turn to that, but I don't have that document with me. I will be able to look at that and see whether we can update it, but we would have to work with SEWPAC on that as well now—and Treasury.

**Senator LUDLAM:** Yes. They looked a bit baffled when I asked them earlier in the week.

**Ms Croke:** I am aware of that report and the recommendations, but I would have to take that on notice and work with colleagues to be able to update that.

**Senator LUDLAM:** All right. I'm going to be humbugging you about that until we get a sense, because that was a very good report. I will leave it there.

**Senator SIEWERT:** We should just say that it was Senator Payne who chaired that inquiry!

**Senator LUDLAM:** Oh, whoops! I'm sorry.

**Senator PAYNE:** Apparently I wasn't there!

**Senator LUDLAM:** I'm sorry; that was slightly before my time. But, due respect to Senator Payne: it was a good report, a huge amount of thinking went into it and it could really do with being persisted with. Apologies to Senator Payne, though—I feel really awkward now and I will hand you back to the chair!

**CHAIR:** We have a quarter of an hour and I am keen to move to homelessness. I know a number of senators have questions.

**Senator PAYNE:** Can we start with the Homelessness Statistics Reference Group. Can the officers advise whether that group has yet met?

**Ms Mandla:** The Homelessness Statistics Reference Group is a group that has been convened by the Australian Bureau of Statistics, so any specific questions might be best placed with them. We have met once. That would have been about six weeks ago.

**Senator PAYNE:** How many representatives does FaHCSIA have on the group?

**Ms Mandla:** I am the FaHCSIA representative. Most of the other representatives on the group are from the not-for-profit sector.

**Senator PAYNE:** Do you have a list of the group membership?

**Ms Mandla:** I do not have a list with me, but I have a list that has been provided by ABS back in the office. I can take that on notice and make that available.

**Senator PAYNE:** Thank you very much. I am not sure whether you can answer this question, but let me try. The ABS have previously said that it is their view that the methodological aspects that require analysis of census data during input processing need to be resolved by the end of this calendar year. Can you advise whether you know if that is on schedule?

**Mr Innis:** Senator, given this is a process of the Australian Bureau of Statistics it would be better to direct those questions to them because they will provide much more accurate answers than I think Ms Mandla can provide.

**Senator PAYNE:** Mr Innis, that was actually my only question on the issue: whether it was on schedule or not. I assume FaHCSIA has some input into the process. Can you advise whether FaHCSIA has any input into the process?

**Ms Mandla:** I can advise that we do get updates from the ABS. As you could appreciate, the collation of data from the census is a huge logistical exercise for the ABS. The last advice that they provided to me was that they will have the new estimates on homelessness available hopefully by the middle of next year.

**Senator PAYNE:** Next year? Thank you, I appreciate that assistance. I assume I can pursue this again here—I have before: what about the specialist homelessness service database?

**Ms Mandla:** Yes.

**Senator PAYNE:** Thank you. I think we talked previously about the volume of data, again, that was required to be improved. The commencement date was 1 July—is that correct?

**Ms Mandla:** That is right.

**Senator PAYNE:** And did it commence on 1 July?

**Ms Mandla:** We did commence on 1 July. As you can appreciate, that is again a huge exercise, with a new national data collection. We have been working very closely with the Australian Institute of Health and Welfare, who are responsible for that rollout. They have been progressively getting agencies on board, and we do get regular updates on that.

**Senator PAYNE:** Can you advise the committee, or are you going to tell me to talk to the AIHW, what organisations are on board?

**Mr Innis:** Once again, we can give you a sense—Ms Mandla has been very active, as you would expect, in these processes—but they are the AIHW's responsibility and I do not want to put us in a position of providing incorrect or out-of-date information to the committee.

**Ms Mandla:** I have a figure that has been provided to me as at the 13 October correspondence. It is in the vicinity of 1,465 organisations.

**Senator PAYNE:** Out of how many that you would expect might take it up? Do you know?

**Mr Innis:** I recall giving an answer to a question like that a few hearings ago, and I got it wrong.

**Senator PAYNE:** We did actually go round the circle anyway.

**Mr Innis:** Yes, I recall. So I am now really—

**Senator PAYNE:** Would you like to take it on notice?

**Ms Mandla:** It is in the vicinity of 1,500—1,559.

**Senator PAYNE:** In that vicinity, is it? That is a very specific vicinity!

**Ms Mandla:** We have pinpointed that one, so it is very close.

**Senator PAYNE:** It is.

**Ms Mandla:** You can appreciate that some of those organisations are quite rural and remote. They are very small organisations that need a little bit of extra assistance to come on board.

**Senator PAYNE:** Okay. That looks interesting. So, if I wanted to pursue further detail on that in the future, you suggest AIHW?

**Ms Mandla:** Yes.

**Senator PAYNE:** Madam Chair, I think I heard Senator Furner indicate he has questions on the review of homelessness.

**CHAIR:** He has a couple on homelessness as well, yes.

**Senator PAYNE:** I just have one question on the mid-term review.

**CHAIR:** We will do that one and then we will go to homelessness.

**Senator PAYNE:** Has that been completed?

**Ms Mandla:** On the NPA?

**Senator PAYNE:** Yes.

**Ms Mandla:** I can answer that question. The review is still in progress. It is due for completion by the end of this year.

**Senator PAYNE:** When was that time line extended? I think the housing minister's communique in June said it was due to be completed by August.

**Ms Mandla:** That is right: it was originally due to be completed by the end of August. My understanding is that the date was extended to enable state and territory annual reports for this year to be considered.

**Senator PAYNE:** Is it the intention to make the findings in the review publicly available?

**Ms Mandla:** That will obviously be a decision for COAG.

**Senator PAYNE:** Minister, does the Commonwealth have a view on whether those findings would be made publicly available?

**Senator Arbib:** We have to have discussions with the state housing ministers, so I would have to come back to you.

**Senator PAYNE:** Is there a process established for considering the findings when they come and building any recommendations into the NPA, or is that again just discussion?

**Ms Mandla:** There is a process in place to consider those findings. Obviously as part of the mid-term review and a review of the performance-reporting framework we have a new homelessness select council which has been established. Part of the work of that select council will be looking at the recommendations coming out of the review and implementing them as appropriate.

**Senator PAYNE:** Who chairs that council? The minister? So it is done at ministerial level?

**Senator Arbib:** It has not begun yet. This is the COAG changes.

**Senator PAYNE:** Thank you.

**Senator FURNER:** Returning to my previous question, I was just wondering whether you had provided the committee with the progress of the National Partnership Agreement on Homelessness and how that is travelling.

**Mr Donovan:** At this point, all of the annual reports have only just come in. The second-year annual reports for the national partnership agreement were due on 30 September this

year. We have now received all of those reports and we are in the process of conducting some analysis of those reports. The mid-term review with all jurisdictions indicated that all jurisdictions were currently on track to meet, I guess, the time frames and targets within their own implementation plans. So, as I said, we are now in the process of doing an analysis of their second-year annual reports.

**Senator FURNER:** As part of that program there is an initiative called A Place to Call Home. Can you provide some feedback in that respect on how that is travelling.

**Mr Donovan:** The latest statistics—these are as of 30 June—are that states and territories have completed or purchased 302 dwellings under A Place to Call Home. Out of those dwellings, 270 were occupied. As I said, those stats were from June, so we are expecting that the latest information would be contained in their annual reports.

**Senator FURNER:** On notice, could you give us a breakdown on the state-by-state locations of those dwellings as well, thanks.

**Mr Donovan:** Yes.

**Senator FURNER:** That is about all I have.

**Senator PAYNE:** I wanted to get some advice in relation to the NPA on mental health as it relates to accommodation issues and where the link is, I guess, between this department and those issues—whether you can give us any indication of the sort of funding that would be allocated to accommodation for Australians who are leaving institutional care or who are, broadly speaking, within the purview of the NPA. Let us start there.

**Mr Donovan:** The total funding for that initiative is around \$200 million. That will specifically target homeless people—or not homeless people but people exiting mental institutions in particular. In terms of the breakdown and how that will be directed to the individual components, we have just gone through a process where Minister Butler has written to state and territory jurisdictions seeking bids for that funding. So at this stage it is a little bit unknown.

**Mr Innis:** There is no specific breakdown. It is a competitive bidding process from the states, and the best bids will be funded. They will have different combinations of support services, accommodation services and health services. So we are in the process of seeking those bids from the states.

**Senator PAYNE:** What is the time frame for those to be returned?

**Mr Donovan:** Bids are to be submitted back to the Commonwealth by 31 October.

**Ms Carroll:** Clearly this is a joint initiative between the Department of Health and Ageing and us. One of the things is that we will be involved in the assessment process with the Department of Health and Ageing.

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

**Senator Arbib:** Could I also say that it is not just about the accommodation; it is also about hospital interface in terms of making it more efficient.

**Senator PAYNE:** I understand that is very important. I think that is a great initiative, in fact. Madam Chair, there may be other questions that I put on notice.

**CHAIR:** Sure. I would expect so.

**Senator PAYNE:** But I understand the time frame, so that completes the questions I have now. I thank Mr Pratt, the officers and the ministers.

**CHAIR:** Thank you to the officers. We will now break for lunch and return on outcome 3, 'Community Capability and the Vulnerable'.

**Proceedings suspended from 12:47 to 13:50**

**CHAIR:** We are going to outcome 3, Community capability and the vulnerable. Senator Bernardi will start the questioning. Senator Bernardi, are you going through the program—3.1, 3.2 and so on?

**Senator BERNARDI:** I only have questions in front of me in regard to precommitment for poker machines.

**CHAIR:** That comes under 3.1, so we will move into 3.1, about problem gambling.

**Senator BERNARDI:** Minister Macklin is on the record as stating that all the states and territories now agree that precommitment technology should be available on every single poker machine in the country. I would ask the department to clarify whether the states—obviously some consultation has taken place with the states—are in support of voluntary or mandatory precommitment systems.

**Ms Carroll:** At the select council meeting in May of the Commonwealth and all the states on problem gambling, the states committed more generally to precommitment, but there was variability amongst the states as to whether that was on a voluntary or mandatory basis amongst all the jurisdictions at the table, as I am sure you are aware. So the wording that was agreed and came out from the select council in the communique was the wording that was agreed by all jurisdictions, which included all the states and territories. But obviously there is differential commitment based on whether it is voluntary or mandatory.

**Senator BERNARDI:** How many states support voluntary precommitment as opposed to mandatory precommitment?

**Ms Carroll:** I would not want to speak on behalf of the states.

**Senator BERNARDI:** But didn't they express a view at this meeting?

**Ms Carroll:** They did express a view. I would not have to hand exactly what the view was around the room and it is not necessarily my role to talk on behalf of the states. As I said, there was a different view and I think some of the state ministers have already made their position public.

**Senator BERNARDI:** Some of them indeed have, and that comes to this statement that all the states and territories now agree that precommitment technology should be available in every single poker machine in the country. That was used by the minister to support the government's policy agenda, when clearly some of the states—and some of them have publicly stated this already—do not support the government's public policy agenda; they are supporting voluntary precommitment, which is a vastly different thing to mandatory precommitment.

**Mr Pratt:** The minister's statement, though, is not inconsistent with that.

**Senator BERNARDI:** No, it is not. They are kind of weasel words, though, that are designed to portray an image or a perception that there is a broad range of support for the government's program.

**Senator Arbib:** I heard Minister Macklin say that, and she was clearly talking about voluntary precommitment at the time.

**Senator BERNARDI:** Okay. If that is what you are saying Minister Macklin was talking about—

**Senator Arbib:** That was the agreement. That was my understanding. That is what the states had said in the council meeting.

**Mr Pratt:** At the select council meeting, it was quite clear that all parties, all jurisdictions, were in favour of precommitment technology. You are correct that some were talking about mandatory and some were talking about voluntary, but everyone felt that, as a bottom line, voluntary precommitment technology was essential.

**Senator BERNARDI:** I think what Minister Arbib has detailed is that the minister was, in effect, celebrating the fact that everyone agrees on voluntary precommitment—which is a vastly different scenario to what the government has undertaken to pursue.

**Ms Carroll:** Everyone committed to look at precommitment technology in particular. One of the things the select council did was task officials to go away and work on what were their requirements for precommitment technology, recognising that, in looking at voluntary precommitment and mandatory precommitment, significant components of the technology are the same, whether you are using it on a voluntary basis or a mandatory basis. So one of the things ministers all agreed to was precommitment technology, and for officials to go away and work on what that might mean and then come back to ministers.

**Senator BERNARDI:** Thank you, and we will get to that in a moment, I am sure. But I want to go back to the point that Minister Macklin came out and made a statement celebrating the fact that there was unanimity amongst the states for voluntary precommitment technology. That is what Minister Arbib has just said to us. I find that unusual in the sense that the government's policy is for compulsory precommitment and the minister is celebrating the fact that voluntary precommitment is what everyone has agreed to. The minister is getting some advice here. Do you want to stick by your statement that Minister Macklin was talking about everyone agreeing that voluntary precommitment is the way to go?

**Senator Arbib:** Ms Carroll just explained—

**Senator BERNARDI:** No, she did not.

**Senator Arbib:** Yes, she did. She explained the context and the—

**Senator BERNARDI:** We were talking about some issues of technology implications. You just told me that Minister Macklin—

**Senator Arbib:** She spoke about the context of what happened in the council meeting and in relation to the position of the states.

**CHAIR:** Perhaps I could butt in at this stage, gentlemen. For the sake of the *Hansard*, I request that you speak only one at a time.

**Senator BERNARDI:** Minister, you said Minister Macklin was very clearly, in that release, talking about voluntary precommitment technology. That is what you said to me not a few minutes ago.

**Senator Arbib:** And Ms Carroll just then provided context in terms of what happened in the council meeting. That gives you detail on what happened in the meeting and the context to the release and the statements Minister Macklin issued.

**Senator BERNARDI:** But after Ms Carroll had made her statements about there being differing points of view within that meeting you said it was very clear that Minister Macklin was talking about voluntary precommitment.

**Senator Arbib:** And Ms Carroll further added to that and provided context in her last answer.

**Senator BERNARDI:** But none of that goes to the statement you made, which was that Minister Macklin was talking about voluntary precommitment in this. That is why these words are weasel words.

**Senator Arbib:** It certainly does go to the statement I made and provides the context for that release and for the discussion Minister Macklin had following the council meeting.

**Senator BERNARDI:** I find it incredible that we are expected to believe that the government's policy is about mandatory precommitment. The minister comes out and says, on the record, that 'all the states and territories now agree that precommitment technologies should be available on every poker machine in the country', and we are not expected to draw the conclusion that that is in support of the government's policy.

**Senator Arbib:** That is you drawing that conclusion.

**Senator BERNARDI:** That's right. But you have now made it very clear that that statement was in regard to unanimity of the view that voluntary precommitment is the preferred position and the agreed position of all the states.

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

**Senator BERNARDI:** Then perhaps you could tell us what you said again.

**Senator Arbib:** I think I have answered it, and Ms Carroll has provided context and further elaborated on the discussions of the states. You have the release in front of you. Obviously that is the position of Minister Macklin.

**Senator BERNARDI:** About voluntary precommitment? I do not have the release here; I just have that particular quote. You have the release there, haven't you?

**Senator Arbib:** We have the communique here, which we are happy to table for you if it would be of assistance.

**Senator BERNARDI:** That would be great. Thank you. And I think you have been of great assistance here.

**Senator Arbib:** I think Ms Carroll and I have answered the question.

**Senator BERNARDI:** Ms Carroll was going to technology and the disagreement within the groups, whereas you said very clearly that the minister's intention was to talk about voluntary precommitment. That is what you said.

**Senator Arbib:** No. Ms Carroll has provided context to that to explain what happened in the council as well as context in terms of the communique, the media release and the statements Minister Macklin made following the meeting.

**Senator BERNARDI:** But do you stand by your statement that Minister Macklin was talking about voluntary precommitment in that communique?

**Senator Arbib:** But, at the same time, take it in the context of what Ms Carroll has just reported to the committee.

**Senator BERNARDI:** So you stand by your statement, Minister?

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

**Mr Pratt:** At the risk of being accused of using weasel words again—and I of course do not speak on behalf of Minister Macklin—the minister's statement is quite consistent with the communique. I recall that Minister Macklin was very pleased with the outcome of the meeting, and the communique makes it clear:

Ministers agreed that pre-commitment is a useful tool to help people set limits on how much they want to spend ...

Ministers agreed to support the required infrastructure for pre-commitment technology in all jurisdictions ...

... ..

Ministers noted that members do not agree on whether such technology should be used on a voluntary or mandatory basis.

So Minister Macklin's statement has to be interpreted in the context of celebrating the positive outcome of this select council meeting.

**Senator BERNARDI:** I accept that it could be taken as a celebration, except where Minister Arbib said that she was only talking about voluntary precommitment. We can argue—

**Senator Arbib:** But the position has now been elaborated by Ms Carroll to give you more understanding of what happened in the meeting and in relation to the communique and also Minister Macklin's statements.

**Senator BERNARDI:** So it was a successful meeting even though everyone agreed that the government's policy was going in the wrong direction?

**Senator Arbib:** That is not what happened, Senator.

**Senator BERNARDI:** How many people agreed that the government's mandatory precommitment system was the way to go?

**Ms Carroll:** I think all we can do is refer back to the communique, which gave the statements of what all the ministers did agree to. As Mr Pratt just read out into the *Hansard*, they agreed on a whole range of things. They agreed that it was a useful technology. They agreed to take forward the implementation of precommitment technology, and that was quite clear in the communique that came out of the meeting.

**Senator BERNARDI:** Thank you, Ms Carroll. Can you tell me—

**Senator Arbib:** I am happy to provide the communique to give you the full figure.

**Senator BERNARDI:** No, you have tabled it.

**Senator Arbib:** There you go.

**Senator BERNARDI:** Ms Carroll, can you tell me how many states have publicly said they are in favour of mandatory precommitment technology for poker machines?



**Ms Carroll:** As far as I understand, I do not believe any states have made that statement.

**Senator BERNARDI:** Could you tell me how many states have publicly said that they support voluntary precommitment technology?

**Ms Carroll:** I think I would have to take that on notice. I would not have that. We would have to check their public statements.

**Senator BERNARDI:** If you could do that, that would be great. Ms Carroll, can you explain the difference in cost between implementing a venue based voluntary precommitment system and a nationally networked mandatory precommitment system?

**Ms Carroll:** I would not be able to give you the specific details of the difference in the costs. There are a whole range of considerations in thinking about the costs between different kinds of systems. We are obviously working on implementing the government's commitment to precommitment and working through what the costs are. The variability goes to what kinds of systems state governments already have in place and what kinds of systems clubs or hotels already have in each of their particular venues, so it is quite variable.

**Senator BERNARDI:** Yes, it is, I am sure, variable, but if you are having a mandatory precommitment technology, which is the government's agenda or policy, you must be aware that it would have to be done on a national basis. It could not be done independently in each state, could it, from a monitoring perspective?

**Ms Carroll:** What has been agreed to is a mandatory precommitment system, but that is operational on a state-by-state basis, but the standards are consistent across the country.

**Senator BERNARDI:** So someone could, for example, be in Wodonga and punt their limit and then go across the border to Albury and punt their limit because there would be no communication between the states?

**Ms Carroll:** At the moment, we are looking at a state based system, because the existing systems already operate on a state basis.

**Senator BERNARDI:** So is that a yes to the Albury/Wodonga scenario that I just put?

**Ms Carroll:** They would be on separate systems.

**Mr Pratt:** Under current arrangements.

**Senator BERNARDI:** That is what the department is pursuing on behalf of the government, to investigate an independent—

**Ms Carroll:** A national system that is operational on a state basis.

**Senator BERNARDI:** So it cannot be tracked nationally?

**Ms Carroll:** That is right; it is operating on a state basis. Can I just add that the precommitment system has not yet been finalised. All of those things are yet to be finalised, but that is where we are up to at the moment. So we would not want to preclude—

**Senator BERNARDI:** I understood that the government's policy at the moment was for a mandatory precommitment system on a state-by-state basis. Is that what you said?

**Ms Cattermole:** I can assist. The current thinking is around development on a state-by-state basis. Obviously, there are some 'border' moments where there may be opportunities. But one issue for problem gamblers is around a 'break in play'. So you would obviously have all venues in a particular jurisdiction linked. Obviously, there would be some limited

circumstances in which you could, arguably, cross a border should we proceed with that particular approach. But they would still provide that break in play where you would have to step out of one jurisdiction and go to another. So the vast majority of venues in each jurisdiction would be linked to that. To a very large degree it provides, if you like, the mandatoriness.

**Senator BERNARDI:** What are the expected ongoing administration costs associated with this mandatory precommitment policy for each state, each territory and the federal government?

**Ms Carroll:** The costs are still being worked through at the moment, as the policy detail is finalised.

**Senator BERNARDI:** Has there been any agreement as to the nature of compensation to venues for the cost of implementing precommitment technology on their machines, whether voluntary or mandatory?

**Ms Cattermole:** There has been no such agreement. As, I think, Ms Carroll has said, we are working through a range of cost issues in terms of the implementation of any mandatory precommitment system.

**Senator BERNARDI:** I will address this to you, Minister. When is the passage of a bill dealing with mandatory precommitment meant to pass through the House of Representatives as part of the government's deal?

**Ms Carroll:** May, next year.

**Senator BERNARDI:** So, between now and May next year, there needs to be an agreement on the type of system from the perspective of mandatory precommitment technology. How many choices are there? You seem to be an expert on this.

**Ms Cattermole:** I would not say that, but we in the task force are working very hard to deliver on these commitments. I am not sure I have a number of how many alternatives there are. Obviously, there are a range.

**Senator BERNARDI:** Which ones are you considering?

**Ms Cattermole:** I am not sure that I can go into the detail in any great degree at this stage because there are obviously a range of positions for government that will need to be considered. As Ms Carroll has described, current arrangements in different jurisdictions are different, so there will be some slight differences there. It does not necessarily mean that the system you might put in place will be different in each place. But it certainly means that you have to take account of the fact that the current systems in each jurisdiction are different. That is one element.

Then there are a range of mechanical things about how the system will work. They would obviously need to be thought about at the jurisdictional level, at the venue level and at the machine level. I guess if you want to break it up a bit, those are the three layers, if you like, of mechanical, practical thinking that need to go into how you build this thing.

**Senator BERNARDI:** So you clearly would be consulting with the three levels—the machine manufacturers, their new operators and the state governments?

**Ms Cattermole:** Yes. There has been a range of consultations and will continue to be, particularly around technical questions, as you said. We have also sought technical advice.

We are going to need to consult to make sure that we can most effectively answer all of the questions that need to be answered.

**Senator BERNARDI:** Based on your consultation, how long would it take to implement such a system across all of Australia's poker machines?

**Ms Cattermole:** The role of the task force is to implement the mandatory precommitment system as well as the other two reforms that the government has committed to on problem gambling. That is our task.

**Senator BERNARDI:** I understand. But you must have an indication of how long it would take once the legislation is passed to implement the mandatory precommitment technology across all of Australia's poker machines.

**Ms Carroll:** Obviously, as Ms Cattermole has said, all the policy decisions are not final. Government is still working through some of the details. The implementation would be based on some of those decisions and so that will become clearer as we go forward. Clearly, we have some benchmarks that we are working towards.

**Senator BERNARDI:** When do you expect the technical specifications, if I can summarise them as that, of the precommitment technology to be finalised?

**Ms Carroll:** As indicated, we would be at least establishing some of those parameters in any legislative instrument, which is to be passed in parliament before May next year.

**Senator BERNARDI:** But in order for a bill to be introduced I would presume that the consultation about the timeframe and the cost of rolling these things out would have been completed. When would you expect to have that information?

**Ms Carroll:** I could not give you a specific date. The consultation has been going and has fed into the policy development process.

**Senator BERNARDI:** Suffice to say, it will be before May of next year. Is that right?

**Ms Carroll:** Absolutely. Clearly, there are a few strands of that. As I indicated before, there is a body of work that states and territories have agreed to do with the Commonwealth. The ministers have tasked officials to go away and look at the technical requirements for precommitment technology, so that body of work is being completed. An expert advisory group has already been convened and we have had some input from them. It is part of an ongoing process that hones our advice to government.

**Senator BERNARDI:** As part of your process, have you considered the precommitment technologies in other jurisdictions; overseas jurisdictions?

**Ms Carroll:** Certainly. We are taking on board everything—all information—that is available. There are also precommitment trials in South Australia, for example, that have been running for some time now.

**Senator BERNARDI:** A voluntary precommitment system.

**Ms Carroll:** Obviously, we are getting input from the information that they are gathering as well.

**Senator BERNARDI:** Let me go back to overseas jurisdictions. Have you specifically examined the experience of other countries that have implemented mandatory precommitment for poker machines?

**Ms Cattermole:** We have. One of the examples that has been spoken about in the public domain a little bit is the situation in Norway. There are some quite significant differences, I guess. Yes, we have examined everything in terms of national and international research. One of the things that I would say is that things that at first blush look that they might be quite comparable often turn out not to be if you look at them in some detail. So, yes we have, but I am not necessarily saying that what is learnt sometimes in this process is that they have done quite different things.

**Senator BERNARDI:** You mentioned Norway as one. What other overseas jurisdictions have you examined?

**Ms Cattermole:** I would have to take that on notice, but we have done at least one other.

**Senator BERNARDI:** So there is two. You can give me one name, but you cannot give me the other one.

**CHAIR:** She said that she would get back to you.

**Ms Cattermole:** That was the one that came to mind that I have some detail on that I can recall.

**Senator BERNARDI:** Okay. In your original response you said that they are quite different and not comparable.

**Ms Cattermole:** Not necessarily comparable, even if they look it on first blush.

**Senator BERNARDI:** Different from what?

**Ms Cattermole:** From the kind of mandatory precommitment system that is being considered here. There are some differences. If you have a look, for example, at what might have happened in other places, while potentially the outcomes look like they might inform what we are doing here that does not necessarily turn out to be the case.

**Ms Black:** Adding to what Ms Cattermole said, if you look at Norway, it has a different regulatory environment to Australia. Also, the way that they did precommitment. They set an upper spend limit each day. They also do not have what we have in terms of poker machines. They replaced them with video lottery terminals, which are quite a bit different from our poker machines. Norway took all their EGMs out and put in these video lottery machines in their place. They also set an upper spend limit per day. Also, they are not available in clubs; they are available in train stations et cetera. The environment is not the same as it is in Australia, which makes it harder to make a comparison.

**Senator BERNARDI:** Ms Black, do you know the other international jurisdiction that was examined?

**Ms Black:** Ms Cattermole has taken that on notice.

**Senator BERNARDI:** I was just asking if you knew.

**Ms Black:** I would like to clarify a couple of things on that first, and Ms Cattermole has taken it on notice.

**Senator BERNARDI:** Somehow I think that I am being snowballed there.

**Ms Carroll:** We want to make sure that we do not give the committee inaccurate information.

**Senator BERNARDI:** Okay. Has the department sought or received any advice from Mr Wilkie about the design of the system?

**Ms Carroll:** The department has not sought any advice from Mr Wilkie. Obviously, there are ongoing discussions.

**Senator BERNARDI:** Has Mr Wilkie proffered advice unsolicited?

**Ms Carroll:** We regularly see the statements that Mr Wilkie makes in the media, just as other people see those.

**Senator BERNARDI:** Has he made any formal or informal representation directly to the department about the design of any precommitment system?

**Ms Carroll:** No.

**Senator BERNARDI:** I am wondering how I else I can phrase—

**Senator ABETZ:** What about the Greens?

**Senator BERNARDI:** I am trying to think of another way in which I could phrase that question to get the answer that I want, but it does not spring to mind right now.

**Senator SIEWERT:** What answer would you like?

**Senator BERNARDI:** I would like the answer, full stop.

**CHAIR:** Maybe if you gave us the answer we could it work it out.

**Senator BERNARDI:** The answer was very specific and it was in response to my specific question. I am sure that if I could rephrase I could get a different response. But I cannot.

**CHAIR:** Senator Abetz, I do not know whether your question was heard by the witnesses.

**Senator ABETZ:** It was a follow-up question in relation to Mr Wilkie. What about the Greens?

**Ms Carroll:** The department has not had any representations from the Greens.

**Senator BERNARDI:** Has the department received any representations from the clubs industry or the hotels industry or the poker machine manufacturing industry?

**Ms Carroll:** The department and the minister have received correspondence. The department has met with and spoken to Clubs Australia and different representative groups—a range of them—over a number of months. We obviously were party to the expert advisory group meetings. Since then, there have obviously been interactions between the department and the different groups to gather as much information as possible.

**Senator BERNARDI:** Has the department undertaken any modelling to determine what the potential impact on the clubs and hotels industry would be from mandatory precommitment apart from the Productivity Commission suggestions?

**Ms Carroll:** We have spoken before about this. One of the things that the department has done is commissioned Deloitte Access Economics to do a piece of work for us. That has not yet been finalised. The purpose of that is to provide us with a tool to be able to look at some modelling of impacts.

**Senator BERNARDI:** When will that be finalised?

**Ms Carroll:** We had hoped that it would be finalised by the end of this calendar year. We are still working through that with Deloitte Access Economics at the moment.

**Senator BERNARDI:** Will that modelling be made public?

**Ms Carroll:** I could not answer that.

**Mr Pratt:** That will be a matter for government.

**Senator BERNARDI:** Minister, will that modelling be made public.

**Senator Arbib:** I am happy to talk to Minister Macklin and try and get an answer for you.

**Senator BERNARDI:** Let the sunlight shine in.

**Senator ABETZ:** Will you take it on notice?

**Senator Arbib:** Yes. I am happy to seek an answer.

**Senator ABETZ:** The department indicated to Senator Bernardi that they had not received any correspondence or representations from either Mr Wilkie or the Greens. Is that correct?

**Ms Carroll:** The department has not received those directly.

**Senator ABETZ:** Has the department received any correspondence from Mr Wilkie and/or the Greens on this topic via correspondence that was actually addressed to the minister's office and then went to the department?

**Ms Black:** Not to the best of my knowledge, but I am happy to take that on notice and check.

**Senator ABETZ:** Please take that on notice, because that would mean that any of the written representations about this to the minister have not found their way to the department, which would be interesting. We will await an answer. Thank you.

**Ms Carroll:** Chair, before we go on, could I provide an answer to Senator Birmingham's question this morning about NILS and the repayment period, because it also fits within this outcome. There were some questions about how long the repayment period was. The NILS loans range from \$800 to \$2,000 and the repayment period is between one year and 1½ years, at zero per cent interest.

**Senator SIEWERT:** I will not ask for more stats. I will ask for those in February. I want to go to the matched savings funds, though. Last time we talked about this, the discussion was centred around the fact that it had not really been long enough. Has there now been long enough?

**Ms Hefren-Webb:** We have had some further take-up of the matched savings payment. The most recent figure is that 11 people have now successfully claimed the matched savings payment. I think when we spoke in June it was four people. Obviously that is still a fairly low take-up, but it is an indication there is a steady flow of people coming in to claim it. I think when we spoke in June we talked about how people need to complete the course and then they have an unlimited amount of time to make the savings and it is in their interest to maximise the amount of savings that they make because they can only claim it once. To some extent, obviously people might be saving and we are not aware until they come and claim. So in some ways it is still too early. I guess the indicators are that people are interested in the scheme and want to participate in the scheme, but the numbers are still not significant.

**Senator SIEWERT:** Am I right in saying there is \$53 million budgeted for this item?

**Ms Hefren-Webb:** The \$53 million goes to all the financial management support services for the Northern Territory.

**Senator SIEWERT:** Just for the NT?

**Ms Hefren-Webb:** Yes, for the NT, over four years.

**Senator SIEWERT:** That is part of the income management rollout commitments, isn't it?

**Ms Hefren-Webb:** Yes.

**Senator SIEWERT:** Which is then separate to the other financial programs that are associated—for example, the Western Australians' access.

**Ms Hefren-Webb:** Yes. There is additional funding then in Western Australia for the Financial Management Program, and then in the five new sites where income management is being implemented there has been additional funding also provided for financial management support services.

**Senator SIEWERT:** How much is allocated for the five new sites?

**Ms Oswald:** For the services in the new place based income management locations, there will be \$13.57 million allocated specifically for service delivery through the Financial Management Program.

**Senator SIEWERT:** Can you tell me about progress on the Community Development Financial Institutions project, please?

**Ms Oswald:** The Community Development Financial Institutions pilot is underway at the moment and it completes in March 2012. So most organisations are up and running, delivering loans.

**Senator SIEWERT:** It completes in March. What happens after that?

**Ms Oswald:** That will be a decision for government about whether the funding continues for the pilot. At this stage it is competing in March 2012.

**Senator SIEWERT:** I understand it is up to the government, but presumably there is an evaluation process built into this.

**Ms Oswald:** Yes, there is. WestWood Spice have been contracted to do the evaluation of the pilot. They have been finalising questionnaires. Those questionnaires are being looked at by an ethics committee at the moment to see that they are fine. Then clients will be surveyed when they first receive a loan and will be followed up afterwards as well.

**Senator SIEWERT:** Each client will be surveyed?

**Ms Oswald:** I do not know whether each client will be surveyed or whether it will be a sample. I would have to get back to you on that.

**Senator SIEWERT:** Clients or a sample of clients will be surveyed and then there is a process of collating and reporting back?

**Ms Oswald:** That is correct.

**Senator SIEWERT:** I have some questions on income management. I want to ask about the trials, but first I would like to get the figures on where we are up to and the number of people on income management, firstly in the Northern Territory.

**Ms Carroll:** I think we are about to table a sheet that has the regular update that you request.

**Senator SIEWERT:** That saves me some time. Thank you.

**Ms Carroll:** It provides the income management summary to the date that we have information available.

**Senator SIEWERT:** Can we go to the exemptions that have been granted to full-time students. On what basis are exemptions granted to full-time students?

**Ms Hefren-Webb:** It is the same criteria as for the receipt of student youth allowance, Abstudy or Austudy. If a person meets those criteria, which can in some cases be a three-quarter load—

**Senator SIEWERT:** I apologise—I was not clear on that. You have to meet all those criteria, don't you, to get the exemption?

**Ms Hefren-Webb:** You have to meet the criteria of being a full-time student, yes.

**Senator SIEWERT:** In terms of the voluntary income management in Western Australia—am I reading this wrong? Why are there no numbers against voluntary income management in Western Australia?

**Ms Hefren-Webb:** There are total numbers, but I think you are looking at the Indigenous and non-Indigenous—

**Senator SIEWERT:** Okay. So there are 563 on voluntary income management in Western Australia?

**Ms Hefren-Webb:** That is for the Kimberley, and then there are another 186 in metropolitan Perth.

**Senator SIEWERT:** What has the cycle rate been in Western Australia?

**Ms Hefren-Webb:** We provided some information on notice after the last hearing that there were around 70 people who had been on at least three times—so they had cycled on and off, on and off.

**Senator SIEWERT:** Is that still around the same? I am after an update.

**Ms Hefren-Webb:** Sorry, I do not have that figure with me, but I can provide that to you on notice.

**Senator SIEWERT:** Thank you. For Cape York, when it says total customers 152, is that a combination? Because it operates differently there, you cannot read it the same as these other figures, can you? When it says 152, does that mean the number of people who have been through their process?

**Ms Hefren-Webb:** That would be the number of people currently on income management in the Cape as at that date. There would be people who previously had a spell of income management and came off who would not be in that figure—that is correct.

**Senator SIEWERT:** That would be people who have gone through the process and have either been put on or volunteered to go on; is that correct?

**Ms Hefren-Webb:** That is correct. They would have all been through the Family Responsibilities Commission process.

**Senator SIEWERT:** How long do they stay on when they have been through that process?



**Ms Hefren-Webb:** The commission indicates the terms, whether it is three months, six months or 12 months et cetera.

**Senator SIEWERT:** What would be the average?

**Ms Hefren-Webb:** I do not have that information, but I can get that.

**Senator SIEWERT:** Will you take it on notice?

**Ms Hefren-Webb:** Sure.

**Mr Lye:** I have the figures for the question you asked about VIM in Western Australia. Between 24 November 2008 and 3 June 2011, 1,521 people entered into a voluntary income management agreement. Of that 1,521 customers, 73 have entered into three or more VIM agreements.

**Senator SIEWERT:** Now that the three-month process has been put in place, and it has been in place over three months now, are we seeing people come off after the three months?

**Ms Hefren-Webb:** No, we have not seen a significant trend in people deciding to come off after three months.

**Senator SIEWERT:** Thank you. I will ask again next time and we will see. Can we go to the trial sites now and get an update about where we are up to.

**Ms Hefren-Webb:** Yes. We have undertaken consultations with each of the state governments and also in each location. We undertook a consultation in Shepparton on 31 August, Logan on 5 September, Rockhampton on 6 September, Bankstown on 13 September and Playford on 16 September. As I said, we have met with each state government and had a number of discussions about how income management will operate and how child protection officers in those jurisdictions might prefer into the program. We have also just had discussions with housing authorities in each of those jurisdictions about how they might refer people in rental arrears into the vulnerable stream of income management when it comes into effect.

We have had discussions with a number of peak organisations and community organisations separately as well. We have met with the Welfare Rights Network, ACOSS, the Arab Council Australia, the Fairfield Migrant Resource Centre, the Benevolent Society and Bankstown council's Aboriginal and Torres Strait Islander Advisory Committee. We are now having a series of so-called merchant engagement sessions, which are to inform local shopkeepers and other service providers about how the BasicsCard works and how they might interact with it. The last of those sessions is being held tonight in Bankstown. We have done a fair bit of community consultation and discussions with the states.

**Senator SIEWERT:** Is it here I ask about the advertisements that have been going out on the BasicsCard or should I ask Human Services?

**Ms Hefren-Webb:** Human Services are running those sessions and have run the advertisements.

**Senator SIEWERT:** I thought so. I will leave it there. Are the referral processes—and the child protection ones are more clear cut—going to work similarly to the Western Australian process?

**Ms Hefren-Webb:** That is the intention.

**Senator SIEWERT:** We traversed the housing issue quite a bit last time. I am interested in following that up. You said you had just had those conversations. That process does not happen in Western Australia; it is a different process.

**Ms Hefren-Webb:** That is correct. It will be new to these trial sites.

**Senator SIEWERT:** Can you tell me what progress has been made in determining how that process will work?

**Ms Hefren-Webb:** We have been talking to each state about the nature of the client group that is potentially in rental arrears in each of the five locations, what are the processes that they already have in place to try to assist people to manage their rent, whether people can be encouraged to take a voluntary step first towards voluntary housing payment deductions et cetera. That has been the nature of the conversations. As we discussed last time we are pretty keen that this not be an immediate response when someone is in rental arrears. We are keen for it to be part of a planned approach with potential discussions with the client about other options or about how they have got into this situation and what is behind it. We have been having those discussions with each jurisdiction but have not yet reached a final position in any jurisdiction as to how exactly it will operate.

**Senator SIEWERT:** I remember we had those discussions and I expressed some concern about the people working in housing having to be the ones who do the identification.

**Mr Lye:** We have not departed from the principle that the social worker at Centrelink will be the decision maker, not a housing worker.

**Senator SIEWERT:** I remember we had that discussion last time, but when does someone in the housing authority make the decision to then refer them to a social worker? I understand that you are saying that the final decision maker is the social worker, but what you are doing is making the housing officer a decision maker about when people get referred to the social worker and when the flag goes up about them being potentially vulnerable.

**Ms Carroll:** We are still in the process of working through the process that Ms Hefren-Webb described with each of the states and territories. There are a whole range of other steps. We need to think about the seniority of the person making the referral et cetera, and none of that has yet been finalised. We are still working that through with each of the jurisdictions.

**Senator SIEWERT:** Are the states comfortable with their housing authorities having to do this?

**Mr Lye:** It is early days but, interestingly, those states which have got what we would say is a fairly good collection of rents and very few arrears that are greater than, say, two or four weeks do not see this as potentially a significant add-on to what they do now. The states that have greater proportions of rental arrears that are very long term, say, over five, six or seven weeks, seem to be more interested in it. What is common to the discussions with the states at the moment is that they would see this happening not as a first resort but as third, fourth, fifth measure.

**Senator SIEWERT:** What about community housing organisations? I anticipate that those are perhaps some of the potential people that may fall into this category, and certainly into the future, given the way that we are moving with community housing—and it is not a criticism at all of that. Have you engaged any of the community housing associations and do you expect them to be doing the same thing?

**Ms Hefren-Webb:** As yet we have not had any discussions with community housing organisations about this. As Mr Lye said, the Centrelink social worker is the final decision maker. It is the case that those social workers discuss issues with a whole range of providers in their local network, so it is potentially possible for a community housing provider to be referring someone to Centrelink for assistance and for this issue to come up. So we are looking at the issue even though we do not have any particular plans to engage with community housing.

**Senator SIEWERT:** In another area: we are using the criteria from the Northern Territory, for example, for vulnerability. There are children going to school—

**Ms Hefren-Webb:** No, that is not a criterion for vulnerability. That is a criterion for exemption.

**Senator SIEWERT:** Yes, I beg your pardon. In terms of domestic violence?

**Ms Hefren-Webb:** Domestic violence is not a criterion for vulnerability, no. It relates to issues such as unstable housing or risk of homelessness, lack of ability to self-care, financial crisis or being subject to financial exploitation—those are the criteria in the vulnerable test.

**Senator SIEWERT:** People from the Northern Territory have told me that domestic violence or risk of violence has been one of the things that they have had raised with them.

**Mr Lye:** That has come up in the consultations with community groups in relation to the trial sites. A significant number of NGOs have that belief. It is not the case.

**Senator SIEWERT:** Aboriginal people have told me that—people who are under this process.

**Ms Hefren-Webb:** This issue did get reported in the Equality Rights Alliance report—that there was some sense that coming forward and talking about domestic violence was a trigger for an assessment under the vulnerable instrument. It is not the case, but, because we were concerned about that perception being around, we have asked Centrelink to check whether there has been any impact of the introduction of vulnerable income management on the flow of requests to social workers for assistance. They have reported to us that there has been no impact on the flow. They have had a steady flow in the last 12 months of requests for assistance around domestic violence issues to their social workers in the Northern Territory, as they have had in past years. That is not to say that that perception is not out there; it clearly is and, as Mr Lye said, it has come up a couple of times when we have been consulting. But it is not the case.

**Senator SIEWERT:** Just so I am really clear now, for the new trials that we are talking about, we have got homelessness—

**Ms Hefren-Webb:** And failure to self-care, financial crisis or risk of financial exploitation.

**Senator SIEWERT:** Okay, thank you. It still leads us to the other issue about people wanting to come and seek financial assistance and then being concerned that they are going to be classed as vulnerable. How are you dealing with that?

**Ms Hefren-Webb:** We will be monitoring that, as we have monitored this issue around domestic violence, to see whether there is any impact on people's behaviour or people's feelings that they can seek help. But it is not just one trigger of financial vulnerability that

immediately means that a person will be subject to income management. The Centrelink social workers undertake a pretty rigorous assessment and do a lot of checks and a lot of follow-up work before they ever place someone on income management.

**Senator SIEWERT:** Last time we talked, we talked about the issue of having essentially a partnership with NGOs in the area in terms of having case managers for people. Is that process on track?

**Mr Lye:** I think we talked about Communities for Children. In the 10 sites, there are three that are new set-ups: Rockhampton, Shepparton and Bankstown. We have selected providers in those three sites. There is also enhancement of funding to another seven Communities for Children sites in the remaining trial sites. There is some ongoing work with those NGOs involved and also with state and territory governments around how we make sure that people are not the subject of two, three, four case management plans and that there is one plan and there is not inconsistent advice or requirements, particularly for teenage parents—so, if a teenage parent has an interaction or an ongoing relationship with the child protection authority, they are not getting one set of messages from the child protection authority and a different set through their case management plan.

**Senator SIEWERT:** When you were choosing these various sites, did you do any prior consultation with the states about it?

**Ms Carroll:** There was not prior consultation.

**Senator SIEWERT:** So there would not have been with local authorities either?

**Ms Carroll:** No.

**Senator SIEWERT:** In terms of your subsequent discussion with the states, have all the states accepted that they are comfortable with these sites being used?

**Ms Hefren-Webb:** All jurisdictions have indicated that they support working with the government on this initiative, yes.

**Senator SIEWERT:** And, whatever the various child protection equivalent departments are called in each of the states, they are all willing to refer people from the state system through to this?

**Ms Hefren-Webb:** All states have indicated that they are interested in working up a referral model with us. I guess it is probably a little too early to say that each state has got firmly in mind what kind of referral model they want to implement, but, yes, each state is engaged in discussions with us about the detail about how they might refer into the process.

**Senator SIEWERT:** You have already said you have been in negotiations with the NGOs in each of the trial sites. Are all the NGOs supportive of the trials?

**Ms Hefren-Webb:** I think you would be aware there are a lot of views about income management amongst the non-government sector that have been expressed to us. I would not want to say that there is universal support for every aspect of the trial, but NGOs have been pleased that we came to talk and interested in making it work as best they can for their client group within the different views that they have about the policy.

**Ms Carroll:** Could I just add that, in the 10 trial sites in total, the Department of Human Services is the lead organisation on the ground. The national advisory group has been established and has already met, and they are establishing the local advisory groups in each

location. They are working with us as a department to see what they can use, but there will be a kind of an NGO local advisory group as well. But you could put questions to Human Services about the detail of how they are going about that.

**Senator SIEWERT:** How far are you progressed in the evaluation process?

**Ms Hefren-Webb:** This is for the new trial sites?

**Senator SIEWERT:** Yes.

**Ms Hefren-Webb:** The evaluation went to open tender on 5 October. Tenders close on 1 November. That is to seek an independent evaluation provider for a four-year study of income management in the new trial sites.

**Senator SIEWERT:** In each of them?

**Ms Hefren-Webb:** We are seeking one provider to do an evaluation of all five.

**Senator SIEWERT:** To do the five or the 10?

**Ms Hefren-Webb:** We are seeking one to do income management. There is a broader evaluation strategy around the whole Building Australia's Future Workforce package, which DEEWR have responsibility for, but we have separate funding for income management evaluation. I am just speaking about that evaluation.

**Senator SIEWERT:** Where is the evaluation of the Northern Territory, specifically income management, up to?

**Ms Hefren-Webb:** Originally we were expecting to receive the first report of the evaluation in December 2011. That has now been delayed until March 2012 because of some delays in receiving ethics clearance of the study. Ethics clearance has been received from the University of New South Wales and the Central Australian Human Research Ethics Committee, but the Top End Human Research Ethics Committee asked the researchers to go away and produce a substantial amount of additional information, which they have now provided. That has slowed the process, so the evaluators have not been able to commence the field work with income managed clients as early as they hoped.

**Senator SIEWERT:** Are each of the five income management sites starting at the same time? When are they starting?

**Mr Lye:** 1 July next year.

**Senator SIEWERT:** Will they run for the four years?

**Ms Hefren-Webb:** Yes.

**Senator SIEWERT:** Are there any other plans for any other sites during that time?

**Mr Lye:** It is not really a question we can answer.

**Senator SIEWERT:** Does part of the evaluation evaluate against the criteria we used to select the sites we traversed last time?

**Ms Hefren-Webb:** As I think we discussed, the criteria included such things as long-term dependence on welfare, levels of education et cetera. In the evaluation, we will be assessing whether there have been any trends or movements. The sites were chosen for a whole series of initiatives and so it is going to be quite complicated to tease out the effect of any particular initiative.

**Senator SIEWERT:** Yes, anything I have missed there I will put on notice. My other questions are for Human Services.

**Senator FIFIELD:** Going back to the genesis of the trial sites, what information was provided to the minister for the purposes of selecting the trial sites in the first place? Did the department provide the minister with a list of electorates and localities? Did the department provide data from the social and economic indexes for area? What was the range of data?

**Mr Pratt:** A host of questions on this topic were asked a bit before lunch.

**Ms Carroll:** Senator Bernardi asked them.

**Senator FIFIELD:** I will consult the *Hansard*. Were those issues addressed in the questions from Senator Bernardi?

**Mr Pratt:** Yes.

**Senator FIFIELD:** No worries. I will not detain you any further on those, then. Were you asked questions about the APY lands before lunch?

**Mr Pratt:** No.

**Senator FIFIELD:** Okay. Would you provide—take this on notice, if you need to—details of how many FaHCSIA staff or contractors for FaHCSIA visited the APY lands in the last financial year?

**Mr Pratt:** We'd have to take that on notice.

**Senator FIFIELD:** Could you also take on notice the total costs associated with travel, including accommodation?

**Mr Pratt:** Yes.

**Senator FIFIELD:** And also, how many FaHCSIA staff are permanently based, or are resident, in the APY lands or within a reasonable proximity to the APY lands.

**Mr Pratt:** I would have to take that on notice.

**Senator FIFIELD:** Thank you, very much. Roughly how much is spent by the portfolio each year in the APY lands? Do you have an aggregate figure across all the things that you do?

**Mr Pratt:** These are primarily issues we would probably cover off in tomorrow's Indigenous estimates, but I am happy to take that on notice as well.

**Senator FIFIELD:** Is there a ballpark figure that you throw around when talking about what you spend in the APY lands?

**Mr Pratt:** Certainly not in my mind.

**Senator FIFIELD:** There isn't? Okay. I'll leave that, then. Can we go to the Volunteer Grants program. I want to go to the decline in the number of organisations that have been assisted by the Volunteer Grants program since 2007. Correct me if I'm wrong, but I think that 7,734 organisations were assisted by the program in 2007.

**Ms Calder:** I believe that's correct.

**Senator FIFIELD:** That sounds about right? Thank you. In 2011 there were 4,638 organisations. Is that right?

**Ms Calder:** Yes.

**Senator FIFIELD:** There is usually a reasonable explanation for these things, but could you explain the decline from 2007 to 2011 in the number of organisations that have been supported?

**Ms Calder:** In 2007 the amount of money that an organisation could apply for was only up to \$3,000. Since that time there has been a change in the policy parameters. Organisations are able to apply for between \$1,000 and \$5,000 in support for their organisation. That has reduced the number of organisations that can be funded within the amount of money allocated.

**Senator FIFIELD:** So you have fewer organisations applying for larger amounts of money.

**Ms Calder:** Certainly organisations are able to apply for larger amounts of money, and consequently—

**Senator FIFIELD:** Sorry, not necessarily fewer organisations applying for larger amounts of money: you might have a larger number of organisations applying, but the upshot is that a smaller number of organisations is being granted larger amounts of money.

**Ms Calder:** Yes. The amounts of money those organisations are in fact requesting have brought down the number of organisations who are successful.

**Ms Carroll:** Just to clarify: often both the amounts of money and the number of applications vary. Obviously we don't have control over the number of organisations that apply, but that varies year by year—for example, in 2008 there were around 7,000 organisations.

**Senator FIFIELD:** There were around 7,000 organisations who applied or who were granted?

**Ms Carroll:** Who were granted. Both the number of organisations and the amount of money granted changes, and historically has changed since the inception of the program back in about 2000. It is quite variable.

**Senator CAROL BROWN:** Apart from the amount of money, is there any other change to the program? Is there a focus on certain organisations?

**Ms Carroll:** We often look at what the focus of the grants might be year by year. As I understand it, in this round of grants one of the key things was to look in particular at organisations that were in disadvantaged communities, at those that were in regional and remote communities. One of the things we also did this time was, for volunteer organisations in the flood areas who normally would have been told that if they got a grant the previous year they would not be prioritised to reapply, to recognise the impact of the floods and take that into consideration and say that if they were in a natural disaster area they would not be disadvantaged.

**Senator FIFIELD:** Could you take on notice the number of applications made for grants from 2007 to 2011. I have those that were granted over that time, but if I could have the total number of applications that will provide me with the number that were unsuccessful by subtracting the two. Also, could you provide a breakdown over the same period of the number of individuals who benefited through the program, because one of the criteria is the number of people who might benefit through each organisation.

**Ms Calder:** We will take this on notice.

**Senator FIFIELD:** Thank you for that.

**CHAIR:** We are now moving on to men's sheds and Senator Abetz and Senator Furner are interested in that topic.

**Senator ABETZ:** Is it correct that we fund the Australian Men's Shed Association? Was there a grant or something of \$3 million?

**Ms Carroll:** We might not have that information at the table right at the moment.

**Senator ABETZ:** If you do not even have that information, I think I will put them all on notice because you will not be able to tell me the purpose of providing whatever that amount of money was.

**Ms Carroll:** We are just checking. We think it might have been the Department of Health and Ageing, but we are confirming that for you.

**Senator ABETZ:** This committee always gives me grief, despite our best endeavours, but I will—

**Ms Carroll:** I think it could well be for the mental health programs.

**Senator ABETZ:** If that is the case, how come other men's sheds questions can be asked here, Chair?

**Mr Pratt:** I will take that on notice.

**Ms Carroll:** If I could just clarify, different kinds of grants get approved under the Community Investment Program. There have been individual men's sheds funded under the Community Investment Program.

**Senator ABETZ:** No, this was the Australian Men's Shed—the peak body.

**Ms Carroll:** I understand what you are asking but, for clarification about where things fit, that is why it would have been directed with us into this outcome. If we have not funded that organisation, then it may have been funded, for example, by the department of health, which often funds some of these same organisations. But we will take that on notice and find out.

**Senator ABETZ:** I will write some questions out on notice and provide them. Whether it is you or Health, if Dr Holland could sort that out for us I would be much obliged.

**Ms Carroll:** We will find that out for you.

**Mr Pratt:** I would also flag that we may fund men's sheds through some of the Indigenous programs as well.

**Senator ABETZ:** But this is the peak body. I understand that a particular grant was made to it, as a result of which they appointed a communications manager who used to work at the Lodge. But we will pursue that through written questions. Thanks a lot.

**CHAIR:** Senator Furner, that may mean that your questions on the men's sheds process will not follow on, but do you have a couple of other questions?

**Senator FURNER:** Yes, I do have some questions following on from Senator Fifield's questions about volunteer grants. Senator Fifield led with 7,000-plus volunteer grants having been supplied in the last financial year. Is that correct?

**Ms Calder:** No. That figure was for 2007.



**Senator FURNER:** That was during the time when a grant's capacity was \$3,000?

**Ms Calder:** The maximum grant organisations could apply for was up to \$3,000

**Senator FURNER:** How long was it capped at that amount—at \$3,000? Was it only for that year, or for previous years?

**Ms Calder:** I would have to check the exact detail. I think the changes were made in the ensuing couple of years after that. Perhaps I could take that question on notice—the exact year of the change—and we can get that information to you.

**Senator FURNER:** In 2007 it went from \$3,000 capped to \$5,000. Is that correct?

**Ms Calder:** I would like to check that, Senator, and confirm with you whether it was at the end of 2007 or in 2008.

**Ms Carroll:** Perhaps I can help with some information. For example, in 2009 obviously there was an increased amount, because the average funding per organisation was \$3,154. In 2010 the average funding per organisation was \$3,445, and this year—2011—the average funding is \$3,450.

**Senator FURNER:** So it is an average.

**Ms Carroll:** But that is obviously based on what bids people have put in.

**Senator FURNER:** With some of the ones I have been to there is a whole host of voluntary organisations that have had access to it. You also mentioned that some of the flood affected areas had priority with respect to those volunteer grants. Would it be fair to suggest that a number of those would have been in Queensland, and some in Victoria, as a result of the natural disasters this year? Do you have any quantum on those who may have had access to those grants?

**Ms Calder:** We certainly will have received applications from a wide range of organisations. Around 80 per cent of Australia was affected through disasters in the last year, so we did receive applications from Queensland, New South Wales and Victoria that related to organisations supporting those communities and volunteers in those communities.

**Senator FURNER:** However, the website does not identify those organisations or people who had access or were successful when they were flood affected. Is that correct?

**Ms Calder:** That is correct. The website does not identify individual organisations. We do know that 87 per cent of the funding in 2011 will assist 4,029 community organisations located in disaster affected areas.

**CHAIR:** Thank you very much. I think that wraps up questions on outcome 3. But, as usual, the officers will expect many questions on notice, so thank you very much for your help.

[15:07]

**CHAIR:** We will now move on to outcome 4, seniors. We have only Senator Fierravanti-Wells asking questions on this item, but we do not have her in the room right now. While we are waiting for Senator Fierravanti-Wells to arrive, Senator Furner has some questions.

**Senator FURNER:** Can you give some explanations about the new work bonus for seniors: how it will be rolled out and what sort of initiatives are available for seniors in working for that particular initiative?

**Ms Sawyers:** The new work bonus commenced on 1 July this year. It allows for the first \$250 of income from employment to be disregarded for the purposes of the income test for pensioners over age pension age. It also allows for pensioners who are working, even if they are not working at a particular point in time, to accrue the value of any unused part of that \$250 disregard up to a maximum of \$6,500, which the individual can then use to offset future earnings. For instance, if they do seasonal or casual work as a Santa Claus or do exam supervision they can use it to offset those earnings.

**Senator FURNER:** Do you have any figures on growth in employment in this particular area?

**Ms Sawyers:** I have some updated figures. The work bonus is a long-run policy reform and it is a little too early to make informed judgments about its long-term impact. But the early signs we are observing are promising. The average rate of new commencements on age pension with employment income—and when I talk about new commencements, that is people who have come onto age pension within the last 12 months—in the five quarters before pension reform was introduced, 8.1 per cent of those coming on within the 12 months had reported income from employment, and over the seven quarters after pension reform was introduced that went up to an average of 10.1 per cent. That is growth of nearly 25 per cent since work bonus was originally introduced in September 2009. Of course it has now been enhanced. It is way too early, given that the new work bonus started only in July, for us to make any comment about the impact of that change.

We can also say that the average growth in employment income for new commencements has increased. For the five quarters prior to September 2009 the average was \$17,596. For the seven quarters post pension reform it was \$22,617. That represents growth of around 28.5 per cent.

We know that from June 2008 to June 2011 the growth in employment income of new commencements to the age pension was around 38 per cent. That compares to growth in average weekly earnings of around 15 per cent for the same period, which suggests to us that in addition to wages growth pensioners are actually spending more hours in work.

**Senator FURNER:** What sort of initiatives have been available for self-funded retirees, particularly from around the period of the global financial crisis? What has the government been doing in that area?

**Ms Sawyers:** I will just find that in my folder.

**Mr Pratt:** While we are waiting can we give you an update on one of the issues we discussed on problem gambling.

**CHAIR:** Yes, we will put that on record and then go back to Senator Furner's question.

**Ms Carroll:** We were asked if we had had any correspondence and I said that we had not. We did have one piece of correspondence from Mr Wilke to Minister Macklin providing a copy of the Joint Select Committee on Gambling Reform's first report.

**Mr Emerson:** Regarding the Commonwealth Seniors Health Card, self-funded retirees can access that card. They receive a range of benefits under the card, including medicines listed in the Pharmaceutical Benefits Scheme, at the concessional rate; bulk billed GP appointments at the GPs discretion; and reduced out-of-hospital medical expenses, after reaching the lower extended Medicare safety net threshold. They also receive discounted rail

travel on Great Southern Rail. Also, a number of state and territory governments and local governments provide self-funded retirees who have a Commonwealth Seniors Health Card with a range of concessions: health, household, transport, education and recreation. So there is quite a range of concessions available for self-funded retirees who hold a Commonwealth Seniors Health Card. My colleague may wish to add to that.

**Ms Sawyers:** I am also aware that there was a relief in the minimum draw down arrangements for people with superannuation accounts. Following the global financial crisis the government halved the minimum draw down requirements over the years. In the current financial year, knowing that the market was still demonstrating a bit of uncertainty, and to allow pensioners the opportunity to ensure that their capital had the opportunity to recover its value and that pensioners were not having to draw down on that, they have extended the time period and, this time, the relief is 25 per cent for this financial year.

**Senator FIERRAVANTI-WELLS:** How many card holders are there currently?

**Mr Emerson:** At 30 June 2011 there were 282,186 CSHC holders.

**Senator FIERRAVANTI-WELLS:** In terms of the previous two years, is that an increase or a decrease, in percentage terms.

**Mr Emerson:** That is an increase in overall numbers.

**Senator FIERRAVANTI-WELLS:** What briefing materials, if any, have been prepared by the department on changing the income threshold for eligibility to access the Commonwealth Seniors Health Card index?

**Mr Emerson:** No briefing.

**Senator FIERRAVANTI-WELLS:** So, no work is being done at all on changing the eligibility for the card?

**Mr Emerson:** The department considers a range of options all the time. At this stage no briefing has been provided on that.

**Senator FIERRAVANTI-WELLS:** Taking you back there, you obviously have done some work.

**Mr Emerson:** No, we have not done any work on this, but if there were options we would be considering those—but no changes or options considered at this stage.

**Senator FIERRAVANTI-WELLS:** But you have done work on it? I did not quite understand the context when I asked you before. There has obviously been some work done in terms of changing—

**Mr Pratt:** If I can give you my interpretation, I think Mr Emerson is saying that he has not provided briefing on this matter, but he—

**Senator FIERRAVANTI-WELLS:** There is a difference between work being done in the department and briefing material being given to a minister.

**Mr Pratt:** But also Mr Emerson would be very reluctant to talk about any policy thinking that may be going on in the department. He does not know what other people are doing. He is not at liberty to also talk about anything that—

**Senator FIERRAVANTI-WELLS:** Perhaps I will put the question to you, Mr Pratt, as the secretary of the department. Has any work been done in your department in relation to changing the eligibility for the Commonwealth Seniors Health Card.

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

**Senator FIERRAVANTI-WELLS:** Not to your knowledge. Could you make inquiries about that? You have a big department—I don't want to put you on the spot. If you could come back to me with a degree of assurance that there is no work being done to change that. A lot of people would be very agitated to know that it was inferred that some work was being done in this area.

**Senator Arbib:** There was no inferring that any work had been done.

**Senator FIERRAVANTI-WELLS:** Senator Arbib, is any work being done? I got the impression from Mr Emerson that work was being done.

**Senator Arbib:** Mr Pratt has answered the question.

**Mr Pratt:** I will take that on notice and if I am wrong I will come back and let you know.

**Senator FIERRAVANTI-WELLS:** Okay. How many pension recipients have needed to utilise the pension advance payment facility more than once?

**Ms Sawyers:** Over the 2010-11 year 524,019 pensioners—this is all pensioners, not just the age pensioners—have accessed advances. There have been a total of 917,163 advances. Of the pensioners who have accessed advances over that period, 229,279 accessed only one advance. The remaining pensioners accessed multiple advances.

**Senator FIERRAVANTI-WELLS:** Is that pension recipient required to provide an explanation or evidence to substantiate their request for the advance?

**Ms Sawyers:** No. They simply have to apply for the advance and provide Centrelink with the information that they have the capacity to repay the advance over the 13-fortnight period.

**Senator FIERRAVANTI-WELLS:** Are there instances where it could be refused if it is demonstrated that they do not have the capacity over the 13—

**Ms Sawyers:** Indeed.

**CHAIR:** Now we will move on to outcome 6, which is women.

[15:21]

**Senator FIFIELD:** I have a question on a tender for contract which I asked about in the cross portfolio this morning. It was deemed more appropriate to ask it here. That was on contract CN421394 for gender training to the value of \$11,751.30. What was the purpose of that gender training?

**Ms McKenzie:** That was to provide training for an international delegation that was going overseas. It was an innovation in the Office for Women. Prior to this, one of the ways in which we ensured that Australian delegations were able to understand the gender issues was to have an Office for Women person as part of the delegation. We thought it would be worthwhile seeing whether we could instead train up a delegation and give them an understanding of gender equality issues and then they would be able to take that forward. So this was about training up the delegation that was going to the APEC Women and the Economy Summit.

**Senator FIFIELD:** Where was that?

**Ms Steele:** That was in San Francisco, I understand.

**Senator FIFIELD:** This was a delegation of people from the office of—

**Ms McKenzie:** No.

**Senator FIFIELD:** Who were they?

**Ms McKenzie:** The delegation included people from DFAT, Austrade, the Department of Innovation, Industry, Science and Research, and a female entrepreneur, who attended the public-private partnership component of the summit.

**Senator FIFIELD:** Were these men and women, or was it a delegation of women?

**Ms McKenzie:** I do not have details of whether they were men or women.

**Senator FIFIELD:** How many people took part in the training?

**Ms McKenzie:** In the delegation or in the training?

**Senator FIFIELD:** Are the numbers one and the same?

**Ms McKenzie:** No. I think there were eight people who attended the training and there were a few more on the delegation. The training materials were provided to those people who were also on the delegation but unable to attend the training.

**Senator FIFIELD:** Obviously with the exception of the female entrepreneur, were these SES level people?

**Ms McKenzie:** I do not have information on that.

**Senator FIFIELD:** Who conducted the training?

**Ms McKenzie:** The University of Western Sydney, which is one of the people on the gender panel. So we used one of our people with gender expertise, and they had two people who took the people through the half-day of training.

**Senator FIFIELD:** Was that conducted at UWS?

**Ms McKenzie:** It was conducted by the people from UWS. I am not aware of where the training was conducted. It may well have been in Canberra.

**Senator FIFIELD:** Was this gender training to equip or educate people about gender issues in the country that they were visiting?

**Ms McKenzie:** My understanding is that it was about the gender dimensions of the APEC policy framework and it concluded four particular issues: (1) women's access to finance, (2) access to markets, (3) capacity and skills building and (4) women's leadership, including an analysis of the types of barriers facing women and ways to overcome such challenges.

**Senator FIFIELD:** Do these relate to issues in Australia or issues in APEC member economies?

**Ms McKenzie:** I do not have the detail as to whether it was one or the other. I would assume it was in relation to the APEC economies, but I can certainly get back to you if it is not. I could note that the participants found it helpful. Having attended the meeting, they came back and said that they thought the training was helpful. I can also note that one of the departmental reps from another department suggested that it might be useful to do it more broadly.

**Senator FIFIELD:** More broadly in what sense?

**Ms McKenzie:** In departments, to—

**Senator FIFIELD:** For outgoing delegations?

**Ms McKenzie:** Yes.

**Ms Carroll:** As Ms McKenzie described it, it was kind of an innovation. The purpose of it is to build broader capacity and understanding of women's issues and how they affect women in a broad range of settings. It is to build that capacity not just in the Office for Women but across the Public Service and the public more generally. It was really to train up the group of people who were attending and were part of that particular delegation.

**Senator FIFIELD:** Take this on notice. Can the committee please be provided with the training materials?

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

**Senator FIFIELD:** If you could. Thank you.

**Senator CASH:** Who was the female entrepreneur who was on the delegation?

**Ms McKenzie:** I do not have her name here with me. We will have to take that on notice.

**Senator CASH:** And how was she selected?

**Ms McKenzie:** I am assuming it would have been done by DFAT.

**Senator CASH:** So she was from there. I will turn to the Global Ambassador for Women and Girls. What is the role of the Office for Women in relation to Penny Williams?

**Ms McKenzie:** We work with the global ambassador in terms of providing a briefing for her, in the meetings she attends and generally seeking to support her in any way we can.

**Senator CASH:** How will Penny Williams in her role as the Global Ambassador for Women and Girls help address the problem of poverty amongst the 35 million girls worldwide, as stated in a press release that was issued?

**Ms McKenzie:** The issues really are Australia's being able to take a role in a number of forums in which we may not have been able to take as strong a role before and her being able to put forward the need to address poverty, to work with other governments in thinking through solutions, and trying to get these issues addressed in the international forum that she attends.

**Senator CASH:** What will she actually be doing?

**Ms McKenzie:** She will be attending the range of international meetings that are considering women's issues.

**Senator CASH:** What will she be doing at these meetings?

**Ms McKenzie:** As I understand it, she will be advocating in terms of the things that Australia values internationally, but also an international approach to dealing with the issues around women.

**Senator CASH:** It is basically just an advocacy role.

**Ms McKenzie:** An advocacy role, but also one of working with other delegations to agree joint positions on work that may be able to be done in the future.

**Senator CASH:** What will Ms Williams do to champion the needs of women and girls in Australia's domestic policy, or is this purely an international role and she won't have anything to do with the domestic?

**Ms McKenzie:** In terms of bringing back ideas that may be useful, we certainly have an ongoing communication with her. We can take on board the issues that she brings back. Similarly, we brief her regularly on the issues that we're dealing with. She also has communication with the minister's office and with the minister.

**Senator CASH:** Minister Ellis?

**Ms McKenzie:** Yes.

**Senator CASH:** Does Ms Williams have a formal brief as to her role and what she should be doing?

**Ms McKenzie:** I assume so.

**Senator CASH:** Could you table a copy of the brief?

**Ms McKenzie:** You would really have to go to DFAT for that.

**Senator CASH:** Is the Office for Women aware of what the brief is? If you are meant to be working with her, advising her et cetera, is it not appropriate that you would need to know what she is meant to be doing and achieving so you know what you're actually meant to be achieving?

**Ms McKenzie:** I think we do know in the broad—

**Senator CASH:** But you haven't seen the brief.

**Ms McKenzie:** I'm not able to say, 'I have seen the brief.'

**Senator CASH:** Mr Pratt, has anybody within the Office for Women seen the brief?

**Mr Pratt:** Quite possibly. However, it wouldn't be appropriate for us to give evidence to you on something which is the responsibility of the foreign affairs department.

**Senator CASH:** I'm not asking you to give evidence in relation to the foreign affairs department. Evidence has been given that the Office for Women is undertaking what would appear to be considerable work in working with Ms Williams. My question to you is: have you seen her brief? Do you know what she's actually meant to be doing, so you can inform yourselves appropriately?

**Mr Pratt:** I would be very surprised if we didn't.

**Ms McKenzie:** I can certainly say that she has spoken with people in the Office for Women about her role, and I would assume that that counts as briefing.

**Senator CASH:** I wouldn't assume anything, myself.

**Ms McKenzie:** In that way, yes, we have been briefed about her role.

**Senator CASH:** But you haven't personally been briefed?

**Ms McKenzie:** I have been briefed by the branch manager, Mairi Steele.

**Senator CASH:** What is her role then? Is it the general advocacy role?

**Ms McKenzie:** It's an advocacy role, certainly, but it's also a role of working with other countries to be able to put forward ideas that will be picked up and that will make things happen for women in other countries.

**Senator CASH:** Ms McKenzie, you said that you'd had a number of meetings with Ms Williams and been provided with a number of briefings.

**Ms McKenzie:** The office has.

**Senator CASH:** She was appointed on 13 September. Are you able to advise me how many meetings the Office of Women has had with her?

**Ms McKenzie:** I'll have to take that on notice.

**Senator CASH:** Ms Steele, do you know how many meetings there have been?

**Ms Steele:** I can only attest to one meeting I've had with Ms Williams, just prior to her appointment.

**Senator CASH:** What was the purpose of that meeting?

**Ms Steele:** Basically, for her to introduce herself and for us to discuss what we do in the Office for Women and where we could help in terms of briefing our own domestic issues. She works particularly closely with AusAID and DFAT on the international business of her office.

**Senator CASH:** Is there a formal meeting structure in place with Ms Williams and the Office for Women?

**Ms Steele:** I don't think there is a formal structure, as yet, but she has an assistant who we've also been meeting with. It's not always with Ms Williams.

**Ms Carroll:** If I can just add: as you have indicated yourself, it is a new appointment and we are still working through all those things. One thing that obviously the Office for Women does in terms of the briefing and everything is to look at what are the specific issues that might require a briefing on. Part of the remit is to go to: what do we know around specific issues and how can we help around those individual issues? We would obviously set up some sort of regular meeting structure, not necessarily with her but with her assistant, into the future. In particular, around when she was travelling to specific meetings and find out what briefing was required, how we could best assist and also, from our information, what other agencies might be able to assist. The Office for Women is able to point in the right direction of areas that might have particular knowledge.

**Senator CASH:** Are you able to provide on notice the schedule of meetings that Ms Williams has attended with the Office for Women since her appointment?

**Ms Carroll:** We can take that on notice.

**Senator CASH:** Thank you. You said that you had already briefed Ms Williams on issues from the perspective of the Office for Women. What were the issues that you briefed her on?

**Ms Carroll:** I think Ms Steele explained that she briefed her on what the Office for Women does, to provide a broad background of information about what the Office for Women does and on the kinds of areas we would believe we would be able to provide some input.

**Senator CASH:** What were those areas?

**Ms Steele:** The three broad areas that the office is involved in go to improving economic outcomes for women, reducing violence against women and ensuring women's equal place in society.



**Senator Arbib:** I have the brief on it, so I will give you a bit of an answer on the role of the ambassador. Internationally, the ambassador will be an advocate for Australian government policies and activities for women and girls in the areas of eradication of violence and of trafficking in women and girls; better educational and health opportunities, including sexual and maternal health; gender equality and elimination of discrimination; protection of women and girls in conflict; promotion of the role of women in peace building; and enhancing participation of women in decision making and leadership.

More generally, the ambassador will work to more fully harness the potential of girls and provide them with greater opportunity, providing better access to education for girls, raising economic productivity and improving overall development outcomes.

**Senator CASH:** Is that the briefing note for you as minister or is that her actual job description that you are able to table?

**Senator Arbib:** These are the notes I have on it and my understanding is that this is the role of the ambassador.

**Senator CASH:** Are you able to table that? You can take it on notice.

**Senator Arbib:** I do not see any reason why not, but I am happy to get you information on that.

**Senator CASH:** I appreciate that. In terms of Ms Williams's travel itinerary, whose role is that? Is it the Office for Women or DFAT?

**Ms McKenzie:** DFAT.

**Senator CASH:** So if I need Ms Williams's travel itinerary, following her announcement, including her recent trip to San Francisco and New York, I would ask DFAT?

**Ms McKenzie:** Yes.

**Senator CASH:** In terms of the cost of each overseas trip, that would also be from DFAT?

**Ms McKenzie:** Yes.

**Senator CASH:** Does the Office for Women have any input into how the budget of \$96.4 million that has been budgeted for this role will be administered in the Asia-Pacific region?

**Ms Carroll:** That will be a matter for DFAT.

**Senator CASH:** If you are providing her with policy input, again, would it not be appropriate for you to know what they are looking to achieve by way of the budget?

**Ms Carroll:** Budget issues are always a matter for the department that has primary responsibility. We would consider that was a matter for it.

**Senator CASH:** Is your role more of a reactionary role? Ms Williams will come to you, as opposed to you taking a proactive role and actually offering her advice?

**Ms Carroll:** We would do both things. We would obviously respond in the course of her itinerary or her key commitments and we would assist with briefing. But, as we indicated, we will also be setting up, and it is very early days—

**Senator CASH:** In other words, it has not been set up?

**Ms Carroll:** We will be setting up some sort of regular contact and briefing, which gives us an opportunity to be proactive and to feed in to those processes.

**Senator CASH:** Why hasn't that been set up already? This announcement was now made some time ago. Ms Williams has already travelled quite extensively with Mr Rudd. Why has the Office for Women still not put in place a formal process?

**Ms McKenzie:** I think the issue is that what we have done to date has been really dependent on the issues that have required to be faced, the events that were being attended, the things that happened on a day-to-day basis, and a lot of that advice has been relatively informal, both with Ms Williams and with the adviser.

**Senator CASH:** Are you able to take it on notice to provide me with a list of all of the advice that the Office for Women to date have provided to Ms Williams?

**Ms Carroll:** We could take that on notice and see what we can provide you with.

**Senator CASH:** Thank you very much. Are you aware of what Ms Williams is being paid?

**Ms McKenzie:** That is a matter for DFAT.

**Senator CASH:** And her tenure as the ambassador?

**Ms McKenzie:** That is a matter for DFAT.

**Senator CASH:** In terms of the \$100 million that has been spent on this program, what input has the Office for Women had into where it could be spent if the role does surround a Global Ambassador for Women and Girls? What was your input into where this \$100 million should be spent? It is women's issues, and this is the Office for Women.

**Ms Carroll:** Are you asking what our input was prior to the announcement?

**Senator CASH:** Exactly. Do you have policy ideas surrounding where you believe the \$100 million should actually be targeted? You are a specialist office. That is my understanding. So I mean in terms of your specialist knowledge of issues facing women internationally.

**Ms Carroll:** Through the minister for women, feedback has been provided through to the foreign minister and their office, and that is the kind of input that we had prior to the announcement.

**Senator CASH:** Are there any specific issues that you would like to see targeted that you see as, say, the top three issues internationally?

**Ms Carroll:** I think Ms Steele has already outlined what the key priorities are.

**Senator CASH:** Which are very much domestic issues, but you see them also translating into the international scene?

**Ms Carroll:** Yes.

**Senator CASH:** I now turn to the BSafe program. What role do the Office for Women have in relation to BSafe?

**Ms Smart:** The Office for Women has no role in relation to BSafe. Funding was provided by the Attorney-General's Department.

**Senator CASH:** I understand that it was provided by the Attorney-General's Department. However, my understanding is, and as Ms Steele has already highlighted, that one of the top priorities for the Office for Women is to reduce violence against women and children. My understanding, in reading all the briefing papers on BSafe and the report that was drawn up after the three-year pilot had concluded, is that that is what it was achieving. So what input has the Office for Women had? Are you telling me you actually have no input at all into a program that is designed to actively reduce violence against women and children, which is meant to be one of your No. 1 priorities?

**Ms Smart:** My understanding is it was funded by Attorney-General's. I cannot reference the exact program name that they fund it under, I am sorry. We have ongoing conversations and discussions with Attorney-General's around the directions and issues around their programs but, in terms of the management and responsibilities for the program, questions need to be directed to the Attorney-General's Department.

**Senator CASH:** I appreciate that, but this is a program that was put in place—it was a three-year pilot—to reduce violence against women and children. Have you actually looked at what the outcomes were? Have you read the final brief on it?

**Ms Smart:** I personally have not.

**Senator CASH:** Has anybody at the table read the final brief on it?

**Ms Smart:** I would say no.

**Senator CASH:** Mr Pratt, what is the role of the Office for Women in terms of this program then?

**Ms Carroll:** Can I just go back to some of the things that Ms Smart was trying to describe. The role of the Office for Women more generally is to provide broad advice across government around whatever the key women's priorities for the government are at the particular time and encourage agencies themselves to think about and progress whether it be programs, policies, broader considerations—

**Senator CASH:** That is a very interesting point you just made.

**Ms Carroll:** across government. In—

**Senator CASH:** So what advice did you give to the A-G's Department in terms of progressing the BSafe Program?

**Ms Carroll:** Can I just finish?

**CHAIR:** Excuse me, Senator Cash. The process continues to be that you ask a question and the officers answer it. When they have finished their answer you can ask your next one.

**Senator CASH:** The answer is not exactly on point, Chair, due to the times we had—

**CHAIR:** Senator, I will keep an eye on what is on point and you will not interrupt the witnesses giving an answer. I have lost who had the call there, because people were talking over each other.

**Senator CASH:** It was Ms Carroll.

**Ms Carroll:** I was trying to describe a broad role and our specific capacity to deal with individual programs across the whole of government. Obviously, our role does not go into individual programs; it is about ensuring that people understand what the key priorities for the

government are, how they might address those and take them forward. So there would be areas and programs within different departments where we would not have specific input and part of the processes, as we have talked about in this committee before, are about ensuring that across the whole of the Public Service there is an awareness of the key priorities and the key elements of those.

**Senator CASH:** From reading all the reports, including the final report, this was an exceptionally successful program. You only need to read the testimony of the women who had the BSafe device and who said it saved their lives to assume it is an important program. It was also raised with Minister Ellis by Dr Sharman Stone. Did Minister Ellis raise the BSafe program with you when it was raised with her last year?

**Ms Carroll:** I would have to take that on notice.

**Senator CASH:** So you do not know?

**Ms Carroll:** I do not have that information at hand.

**Senator CASH:** In your evidence you said that one of your roles as the Office of Women is to provide advice to other departments on policies. What advice did you provide to the Attorney-General's Department when it was determined that they would no longer fund this program, despite the overwhelming requests for it not only to continue to be funded but also to be extended across Victoria?

**Ms Carroll:** As I tried to clarify, that advice is at a broader level, but we are not the decision makers for the funding of different programs in individual departments.

**Senator CASH:** But this is a program where the economic benefits to society are clear. Those women who accessed crisis accommodation and returned home with BSafe cost \$3,755.12, while those who did not have access to it cost \$10,195.90. Is this not something that you monitor?

**Senator Arbib:** Is this in relation to—

**Senator CASH:** BSafe.

**Senator Arbib:** I understand it is BSafe, but what is the actual issue?

**Senator CASH:** The office seems to know nothing about what is considered to be an extremely successful program that has been piloted for three years. The overwhelming evidence, particularly the final report, was that it was successful not only in reducing violence against women and children but also in the economic benefits to society in the money saved. The federal government has axed the funding—

**Senator Arbib:** I think that these questions might have been better directed at Minister O'Connor's portfolio, because it was that department that funded the project at the time.

**Senator CASH:** I totally agree. The funding was done through the A-G's Department. However—

**Senator Arbib:** I understand there are some outstanding issues and questions you might want to direct to the Victorian minister. There is also an issue around the Goulburn health service, which undertook the project. It is an issue for the Victorian government rather than—

**Senator CASH:** Regardless of those issues, though, I am very surprised that the Office of Women does not appear to be aware of this program, has not read the final report and does

not have an opinion on a program that has proved to have had a positive outcome in reducing violence against women and children—which is a hallmark of the Office of Women.

**Senator Arbib:** But it is not a program that is operated out of this department.

**Senator CASH:** If you are providing advice to other portfolios about policies that work, I would have thought that this was a policy that you would provide advice on.

**Senator Arbib:** You can have that opinion and you have made that opinion known. The committee recognises that, but these officials do not administer the program, so it is very difficult for them to answer those questions.

**Senator CASH:** I will move on then due to the time. What is the total staffing level at the Office of Women?

**Ms McKenzie:** At this stage I think it is about 55.

**Senator CASH:** Could you take on notice to confirm that figure.

**Ms McKenzie:** Yes.

**Senator CASH:** Do you have a breakdown of the expenditure and program staffing and numbers in each of the portfolio programs that you administer?

**Ms McKenzie:** The programs that we administer are the women's safety program, the women's leadership and development program and the trafficking support program.

**Senator CASH:** Can you take on notice to provide a breakdown of the staffing involved in those particular programs and expenditure on each program.

**Ms McKenzie:** Yes.

**Senator CASH:** What cross-portfolio programs are handled by the Office for Women?

**Ms McKenzie:** I do not quite understand that question.

**Senator CASH:** Programs that you work on with other departments.

**Ms McKenzie:** Most of our work happens with other departments, so it is very hard to say. For example, on the National Plan to Reduce Violence against Women and their Children, which Ms Smart manages, we work with a range of other departments from A-G's right through to the Department of Broadband, Communications and the Digital Economy. If we go to an issue like preparation for international meetings, we work with DFAT and others. If we are doing work on workforce participation, we work with DEEWR. Most of our work is done with at least one another department, and quite a lot of our work is also done with state governments.

**Ms Carroll:** Can I just clarify that we do not jointly manage programs.

**Senator CASH:** Which government boards fall within the Office for Women?

**Ms McKenzie:** The only government board that, I think, fell within the Office for Women would have been the violence against women board.

**Ms Carroll:** That is not a board.

**Ms McKenzie:** It is not? Then there are none.

**Senator CASH:** I will also put on notice a number of questions in relation to expenditure in areas. Unless you have expenditure information with you here and now, I will put those on notice. Just going to the women's budget statement, one of the issues that was announced in

that statement was providing \$80 million over four years to support up to 31 training places. These are going to commence under a new national partnership agreement in January 2012. What is the status of the new national partnership agreement?

**Ms Carroll:** That is a question for DEEWR.

**Senator CASH:** I appreciate this will be a question for DEEWR, but is this one of those items again that you announced in the women's statement that has nothing to do with the Office for Women?

**Ms Carroll:** The Office for Women obviously has some input into this. I am actually on an interdepartmental committee that is overseeing the broader implementation of the Building Australia's Future Workforce measures generally, of which this national partnership agreement is one in the skills area. There is a mechanism inside government where we are monitoring the progress of that.

**Senator CASH:** Will it commence in January 2012? Is that the expected commencement date?

**Ms Carroll:** That is the announced date, but questions on any further details would need to be directed to DEEWR.

**Senator CASH:** In terms of the Office for Women's role, how many training places do you expect will actually be supported in the first six months?

**Ms Carroll:** In the national partnership?

**Senator CASH:** Yes.

**Ms Carroll:** You would have to ask DEEWR.

**Senator CASH:** What monitoring arrangements have been put in place by the Office for Women to track how many women will be supported by this initiative?

**Ms Carroll:** There will be broader evaluation and monitoring that occurs across the whole package, including the skills national partnership.

**Senator CASH:** What will the broader evaluation and monitoring be?

**Ms Carroll:** Questions on the detail you would need to direct DEEWR.

**Senator CASH:** So basically DEEWR is administering this program. What is the Office for Women's role?

**Ms McKenzie:** I will just explain. With the Women's Budget Statement, the Office for Women coordinates the pulling together and the publication of the statement, which has a range of initiatives from across government that relate to the budget. The Office for Women does not necessarily have a direct management role in all of those initiatives.

**Senator CASH:** Yet it's a specialist unit.

**Ms McKenzie:** It's a specialist unit and it performs the job of coordinating the budget measures that relate to women and bringing back the budget statement.

**Senator CASH:** But you just refer it to the other department; you don't have any information on it? Shall we talk about the department of health, and what you are doing on women's health? Or do I have to direct all of those questions to the health department, even though the national women's health policy was within the women's budget announcement?

**Ms McKenzie:** That would be appropriate for the Department of Health and Ageing.

**Senator CASH:** One of the questions I asked on notice was No. 186:

What has the Federal Government done to support women who have been impacted by the flooding crisis in Queensland, Victoria and Western Australia?

The answer I received was:

The Government is committed to strengthening the provision of gender analysis, advice and mainstreaming across Government. Broad support is provided through the Office for Women including through the Gender Panel, and Womens Inter-Departmental Committee (IDC).

What have you done to strengthen the provision of gender analysis, advice and mainstreaming across government and how has it supported women who were impacted by the flooding crisis in Queensland, Victoria and Western Australia?

**CHAIR:** Senator Cash, I'm going to break in while Ms McKenzie is looking for that answer. We're going to go on in this portfolio until 10 past four, but Senator Rhiannon has a number of short questions before she goes to another area. I'm going to break in and give Senator Rhiannon the call.

**Senator RHIANNON:** Thank you, Madam Chair. The Equal Opportunity for Women in the Workplace Agency reports that:

Despite long-term growth in women's overall representation, women continue to be under-represented at higher classifications in the public sector.

I understand that, at June 2010, women comprised 37 per cent of SES and that women are overrepresented in public sector resignations, with 60 per cent in 2009-10. What actions are being pursued to address the underrepresentation of women in senior positions and overrepresentation of women in resignations from the public sector?

**Ms Carroll:** This would need to be directed primarily to the Australian Public Service Commission, as it has overall responsibility for the overarching women's leadership areas for the Public Service.

**Senator RHIANNON:** I appreciate that. I understand that you made reference to it in an early *Hansard* and that the job of the department is to provide broad advice and priorities. Could you share with the committee what your broad advice is to the government about those developments?

**Ms Carroll:** One of the things that we do regularly, as I described before, is work with agencies. We would work with the Public Service Commission about the kinds of things that have been learnt internationally and across both governments and the private sector in Australia about initiatives that might work and assist in the promotion of women across the public sector. We would obviously be in regular contact with them. Earlier today we gave evidence about specific initiatives that FaHCSIA has around Indigenous employment and employment of people with a disability. FaHCSIA is in quite a good position within government in that it has a high representation of women in senior executive positions, but we are certainly always contributing in discussions with the Public Service Commission and within the other agencies about how that can be improved.

**Senator RHIANNON:** You said that you look at the kinds of things that are learnt in government and the private sector, and at initiatives that might work. Could you share with us what those specifics are?

**Ms Carroll:** I would have to take that on notice.

**Senator RHIANNON:** I want to return also to the Be Safe question. You talked earlier about providing broad advice. What broad advice did you provide to the Attorney-General's Department when it decided to wind up this program?

**Ms Carroll:** The broad advice is not about specific programs. It is about highlighting to different department and agencies what the priorities of government are and what some of the key components of those priorities are. Decisions for particular programs are decisions for departments and the respective ministers.

**Senator RHIANNON:** In answer to the previous question you talked about initiatives. Then we moved to the next question and you talked about priorities. Are you saying that you never go to the point of giving examples or advocating for specific ways of doing things?

**Ms Carroll:** As part of the broader input into government policy making, which has occurred over successive governments, the Office for Women and all its predecessors has always given input into—for example—cabinet processes and all of those things. But that is one input into the decision making of government. At the end of the day, it is the responsibility of specific ministers and departments to make decisions and in particular funding decisions.

**Senator RHIANNON:** So across government you do not and have not made specific recommendations about programs or specifically what needs to be done? Your advice is in a broad policy sense. Is that what you are saying?

**Ms Carroll:** That is the primary role: to make sure that across government there is that awareness.

**Senator RHIANNON:** Once we get past the primary role, do you get down to specifics?

**Ms Carroll:** It might be that different departments come and talk to us about some specific areas. We would work with them in those areas and for—

**Senator RHIANNON:** Did the AG speak—

**CHAIR:** Senator Rhiannon, will you let the officer finish, please, before you jump in.

**Senator RHIANNON:** I apologise.

**Ms Carroll:** For example, on the target for women on government boards we are certainly working very closely with a number of agencies about how to improve their representation on government boards.

**Senator RHIANNON:** Thanks. Coming back to the Attorney-General's Department and Be Safe, did you sit down with them and discuss this program? If those discussions were held, did you make recommendations?

**Ms Carroll:** We have already given that answer.

**Senator RHIANNON:** Under how you interpret your brief, could you have made a request to discuss the future of Be Safe with the Attorney-General's Department?

**Ms McKenzie:** As Ms Carroll has said, what we provide to other departments is broad policy advice. We engage with them around their programs when they seek that advice. We also manage a very large program in terms of women's safety initiatives. That includes the 1800RESPECT helpline, the 1800RESPECT helpline web site. It includes community action



grants, respectful relationship grants and the nurse practitioner program. There is a whole range of activities that we run in terms of priorities for reducing violence against women.

**Senator RHIANNON:** Thank you. Considering that ACT, Victoria and Western Australia have over the last decade reformed their laws that cover women's reproductive health—particularly with regard to termination—but other jurisdictions lag behind, is there a case for uniform law reform to remove abortion from criminal acts so that women and doctors can access abortion services without fear of prosecution? Is this something that COAG could examine to ensure national uniform laws?

**Mr Pratt:** That is something that you should ask of the Department of Prime Minister and Cabinet.

**Senator RHIANNON:** Considering that this is a major issue for women and you provide advice, what would your broad advice on this issue be?

**Mr Pratt:** We provide advice to other departments and to our ministers. We do not provide policy advice in the course of estimates hearings.

**Senator RHIANNON:** I was not asking for policy advice to be provided. I understand that that is not the role of these hearings. Maybe I should phrase it in a different way. Has the department followed the case in Queensland in which a woman and her partner were charged under state legislation for procuring an abortion? Did you monitor those developments?

**Ms Carroll:** We were aware of those developments.

**Senator RHIANNON:** What does 'aware' mean in terms of how that would play out in your department?

**Ms Carroll:** As in the case of a range of policy issues, the department across the board is responsible for ensuring that it knows what is going on and key developments.

**Senator RHIANNON:** Did you proactively provide any advice on this issue to other departments or any other sections of government or was advice requested from you?

**Ms Carroll:** It would not normally be our role to do that. Ms McKenzie described in a bit more detail what our role is. As far as I understand, we have not been requested to provide any advice.

**Senator RHIANNON:** Thank you. I wanted to ask some questions about pregnancy counselling services. With the response that you have given about your job being to provide broad advice, I will ask you to bear with me on this. In other estimates that I have been in, they have referred me to you, so I am hoping that I will not be bounced somewhere else. What is your broad advice and how do you determine that advice with regard to the pregnancy counselling services that are needed by women in Australia?

**Senator Arbib:** I do not think that that is a question that can be answered here.

**Senator RHIANNON:** It cannot be answered here?

**Senator Arbib:** No.

**CHAIR:** It seems to me that those questions were at another stage.

**Senator RHIANNON:** They were. But they did not go anywhere and it was suggested that I should ask them here.

**CHAIR:** I do not remember that suggestion, and I was chairing. I do not remember the officers saying that you should come here.

**Senator RHIANNON:** I apologise if I have made a mistake. Considering the department that you are, what work do you do on this issue? What work are you doing with regard to the broad advice that you provide?

**Senator Arbib:** On which issue?

**Senator RHIANNON:** On pregnancy counselling.

**Ms Carroll:** That is a very specific issue. As we have already outlined, the key priorities of government are pay equity, the broader economic outcomes for women, violence against women and ensuring women's equal place in society. Primarily, those are the areas around which our advice focuses. The work that we do across government is about promoting those government priorities.

**Senator RHIANNON:** Thank you for explaining that. When you talk about priorities, you are using that term in terms of general policy rather than anything specific. You do not go to what the programs should be. Is that what you are saying?

**Ms McKenzie:** I may be able to help out in one way. Part of the role of the Office for Women is to try and build the expertise in line departments to be able to provide policy advice and programs that take better account of women's needs. The things that we do include improving access to gendered advice through the gender panel, assisting departments to understand women's issues—as we discussed previously—and working internationally. It is really about giving other departments the capacity to also do things for women. It would be impossible for the Office for Women to be across in detail every issue that was being dealt with in every department. Rather, we are trying to enhance the capacity of all departments to deal with women's issues.

**Senator CAROL BROWN:** So your program supports the government's priorities?

**Ms McKenzie:** Yes. In terms of the response to question 186, we noted in our response that the Attorney-General's Department has the lead responsibility in the Commonwealth government for responding to disasters. We provide broad support, through the gender panel and the women's interdepartmental committee. However, in this particular instance I can also say that the minister for women has provided funding to two of the women's alliances to look at work in this area. Funding has been provided to the Economic Security for Women Alliance to look at gender appropriate economic responses to natural disasters. They are going to turn a gender lens on disaster affected areas in Queensland and Victoria and identify a range of gendered approaches addressing the economic empowerment needs of women affected by natural disasters. In addition, the Rural Women's Coalition is looking at a project on developing disaster resilient rural communities. They are going to develop a toolkit and a manual to support women in rural, regional and remote communities to undertake leadership roles in disaster preparation.

**Senator CASH:** It is wonderful that that is going forward. In relation to the women who were impacted by the flooding crisis in Queensland, Victoria and Western Australia, you have done nothing?

**Ms McKenzie:** We will work with the Attorney-General's Department to try and increase their capacity to provide gendered advice—

**Senator CASH:** And how have you done that? That is my question. What have you done?

**Ms McKenzie:** We provide the gender panel. We have the IDC. We are available for departments. We talk with the departments around the women's budget statement in terms of their initiatives and how they can help women. Our role is in capacity building.

**Senator CASH:** Do you ask for feedback from them? For example, there were women who were impacted by the flooding crises.

**Ms McKenzie:** Absolutely. That is why Minister Ellis funded those two projects.

**Senator CASH:** But in relation to actually supporting those particular women, what did you do? There was evidence that women in small business, for example, were more severely impacted than men by the flooding crisis in Queensland. Have you asked for feedback on what has been done in relation to women who were impacted by the crises as opposed to looking at what you could do in the future.

**Senator Arbib:** These are questions more appropriate for Human Services and Centrelink in particular, as they have been delivering the services on the ground for these people and for these women. They will be up very soon, so you may want to ask those questions there.

**Senator CASH:** I had a whole lot of questions for you, Ms Conway. I apologise that I have not been able to ask them today. I will put them on notice for you. Thank you for being here.

**Mr Pratt:** During the testimony around social housing we undertook to provide some updated figures to the middle of October on the number of houses commenced and completed. With your permission, I would like to table that information.

**CHAIR:** That is fine. Thank you very much, Mr Pratt, and thanks to the officers of your department. We will see you tomorrow for the cross portfolio estimates. Thank you minister. That ends the FaCSIA section.

**Proceedings suspended from 16:12 to 16:29**

## **HUMAN SERVICES PORTFOLIO**

### **In Attendance**

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

### **Department of Human Services**

Ms Kathryn Campbell, Secretary

Mr Sam Campisi, National Manager, Multicultural Services

### **Outcome 1—(including the Child Support Program, CRS Australia, Centrelink and Medicare Australia)**

### **Output Group 1.1—Services to the community (incorporating Medicare and Centrelink)**

Mr Ben Rimmer, Associate Secretary Service Delivery

Mr Grant Tidswell, Deputy Secretary Customer Service Delivery

Mr Jeff Popple, Deputy Secretary Future Services, Rehabilitation and Compliance

Mr Barry Sandison, Deputy Secretary Strategy and Deputy Secretary Applications

Ms Barbara Bennett, Deputy Secretary, Enabling Services

Ms Malisa Golightly, Deputy Secretary Health and Older Australians

Mr Gary Dunn, Deputy Secretary Participation, Families and Future Services

Ms Eija Seittenranta, Acting Chief Information Officer Infrastructure

Mr David Hancock, Acting General Manager, Recovery, Health and Business Compliance

Mr Mark Brown, Acting General Manager, Business integrity

Ms Dianne Fletcher, General Manager, Rehabilitation and Assessment Services

Ms Mandy Ritchie, General Manager Smart Centres

Ms Joanne Talbot, Acting General Manager People Services

Mr Paul Cowan, General Manager Strategic Information

Mr Yusuf Mansuri, General Manager ICT Corporate Services and Strategic Projects

Ms Kathryn Harris, Acting National Manager Workplace Relations, Health and Security

Mr Darren Box, Chief Financial Officer, Budget and Finance Strategy

Mr Allan Gaukroger, General Manager Financial Services

Mr Hank Jongen, General Manager Communications

Ms Cindy Briscoe, General Manager Corporate Operations

Ms Sue Bird, Chief Counsel, Legal Services

Ms Michelle Cornish, General Manager People Capability

Ms Catherine Rule, General Manager Service Strategy and Policy

Ms Sheila Bird, General Manager Health Programs

Ms Melissa Lond, Acting General Manager Disability, Carers and Older Australians

Ms Michelle Wilson, Acting General Manager Business Services

Ms Sue Kruse, General Manager Health E-business  
Ms Brenda Parkes, General Manager Participation  
Ms Kate Hay, National Manager Participation Coordination  
Mr Jonathan Hutson, General Manager Audit  
Ms Laura Gannon, National Manager Participation and Education Programs  
Mr David Le Roy, Acting National Manager Families and Child Care Programs  
Ms Christine McPaul, Acting General Manager Future Services Design  
Ms Cathy Sear, National Manager Customer Communication and eReference  
Mr Mitch Levy, Acting General Manager ICT Core Infrastructure  
Ms Moya Drayton, General Manager Whole of Government Coordination  
Ms Roxanne Ramsey, General Manager Indigenous Regional and Remote Servicing  
Ms Susan Cartwright, National Manager Deduction and Confirmation Services  
Ms Sheryl Lewin, General Manager Network Capability  
Mr Graham Maloney, General Manager Access Services  
Ms Melissa McClusky, General Manager SDR Implementation

**Output Group 1.2—Child Support**

Ms Philippa Godwin, Deputy Secretary Child Support  
Mr David Mole, General Manager, Business, Strategy and Projects Division  
Mr Geoff Mutton, General Manager, Operations  
Mr Dennis Mahony, Acting General Manager, Program Management

[16:29]

**CHAIR (Senator Moore):** I now declare open the supplementary hearing of the Senate Community Affairs Legislation Committee considering the budget estimates for the portfolio of human services. The committee has before it a list of the outcomes relating to matters which senators have indicated they wish to raise at this hearing. In accordance with the standing orders relating to supplementary hearings, today's proceedings will be confined only to those matters.

Senators are reminded that written questions on notice in respect of the supplementary hearing must be lodged with the secretariat no later than 5 pm on Friday, 28 October. The committee has set close of business on Friday, 9 December as the date for the return of answers to questions on notice. Officers and senators are familiar with the rules of the Senate governing estimates hearings, and if you need assistance you can turn to the secretariat, who are here to help. I particularly draw attention to the Senate order of 13 May 2009 specifying the process by which a claim of public interest immunity should be raised, which I now incorporate in *Hansard*.

*The extract read as follows—*

**Public interest immunity claims**

That the Senate—

- (a) notes that ministers and officers have continued to refuse to provide information to Senate committees without properly raising claims of public interest immunity as required by past resolutions of the Senate;
- (b) reaffirms the principles of past resolutions of the Senate by this order, to provide ministers and officers with guidance as to the proper process for raising public interest immunity claims and to consolidate those past resolutions of the Senate;
- (c) orders that the following operate as an order of continuing effect:

(1) If:

- (a) a Senate committee, or a senator in the course of proceedings of a committee, requests information or a document from a Commonwealth department or agency; and
- (b) an officer of the department or agency to whom the request is directed believes that it may not be in the public interest to disclose the information or document to the committee, the officer shall state to the committee the ground on which the officer believes that it may not be in the public interest to disclose the information or document to the committee, and specify the harm to the public interest that could result from the disclosure of the information or document.

(2) If, after receiving the officer's statement under paragraph (1), the committee or the senator requests the officer to refer the question of the disclosure of the information or document to a responsible minister, the officer shall refer that question to the minister.

(3) If a minister, on a reference by an officer under paragraph (2), concludes that it would not be in the public interest to disclose the information or document to the committee, the minister shall provide to the committee a statement of the ground for that conclusion, specifying the harm to the public interest that could result from the disclosure of the information or document.

(4) A minister, in a statement under paragraph (3), shall indicate whether the harm to the public interest that could result from the disclosure of the information or document to the committee could result only from the publication of the information or document by the committee, or could result, equally or in part, from the disclosure of the information or document to the committee as in camera evidence.

(5) If, after considering a statement by a minister provided under paragraph (3), the committee concludes that the statement does not sufficiently justify the withholding of the information or document from the committee, the committee shall report the matter to the Senate.

(6) A decision by a committee not to report a matter to the Senate under paragraph (5) does not prevent a senator from raising the matter in the Senate in accordance with other procedures of the Senate.

(7) A statement that information or a document is not published, or is confidential, or consists of advice to, or internal deliberations of, government, in the absence of specification of the harm to the public interest that could result from the disclosure of the information or document, is not a statement that meets the requirements of paragraph (1) or (4).

(8) If a minister concludes that a statement under paragraph (3) should more appropriately be made by the head of an agency, by reason of the independence of that agency from ministerial direction or control, the minister shall inform the committee of that conclusion and the reason for that conclusion, and shall refer the matter to the head of the agency, who shall then be required to provide a statement in accordance with paragraph (3).

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

I welcome back Minister Mark Arbib and also Ms Kathryn Campbell, Secretary of the Department of Human Services. Ms Campbell, I also want to put on the record our appreciation for the briefing session we had with officers of your department to help us through the structural changes for these estimates. It was very useful, but I believe it has failed totally because we are lost already in terms of where we will be asking these questions. But I know that you will be patient with us, as you always are. Minister, would you like to make an opening statement?

**Senator Arbib:** No, thank you.

**CHAIR:** Ms Campbell, would you like to make an opening statement?

**Ms Campbell:** No, thank you.

**CHAIR:** We will start with general questions around outcomes.

**Senator HUMPHRIES:** You can take this on notice if you want to. On the previous occasion I asked about Centrelink payments to people making claims for disaster recovery entitlements arising out of the flood and cyclone events in Australia at the beginning of the year. I was told that there were investigations in relation to about 12,500 potential cases of fraud. I was also told that debts had been raised to the value of about \$3.9 million arising out of those investigations. Can you update us on those figures?

**Ms Campbell:** I think we can provide you a further update on where we have got to.

**Mr Popple:** In terms of the number of cases which were referred for investigation, up until 13 September this year 10,800 cases had been referred for review and a total of \$5.2 million in debts has been raised.

**Senator HUMPHRIES:** On the last occasion, Mr Tidswell was answering questions about how many claims for AGDRP there had been. Unfortunately, the *Hansard* records variously that he said over 720,000 claims and 712,000 claims. Unless you can recall, Mr Tidswell, you may take on notice how many claims you told the committee there were at that time. Could you also give us an update on how many claims have been made with respect to those disaster events?

**Mr Tidswell:** Yes. As of 30 June 2011 for the Australian government disaster recovery payment, there were 725,684 claims granted.

**Senator HUMPHRIES:** Why 30 June? Are people not eligible to claim after 30 June? Or do you not have any figures after that?

**Mr Tidswell:** We have a variety of cut-off dates for the various events as they travelled across Australia. So some of the entitlement is still open in that sense, but a good number have closed off.

**Senator HUMPHRIES:** Thank you. That was my one question.

**Senator FIFIELD:** I think you mentioned that \$5.2 million in debts had been raised.

**Mr Popple:** Yes.

**Senator FIFIELD:** That essentially means people who have been paid.

**Mr Popple:** That's right.

**Senator FIFIELD:** The last figure I saw was \$4.2 million. That was from newspaper reports from about a month or so ago.

**Mr Popple:** Probably, Senator. The figure could be changing as we move forward.

**Senator FIFIELD:** It is \$5.2 million now. In that same article I saw a month or so back, I think it said that a million dollars had been recovered to date.

**Mr Popple:** About \$1.2 million has so far been recovered.

**Senator FIFIELD:** How much has Centrelink spent to date on recovery efforts, for want of a better phrase?

**Mr Popple:** I would have to take that on notice.

**Senator FIFIELD:** Thank you. And now for a change of pace: I refer to an article that was published in the *Daily Telegraph* on 23 August headed 'Centrelink spends up for a laugh'. According to the article, a workshop of up to 150 staffers, from customer service representatives to management, were given a session on laughter yoga by a company called Laughter Works. The article says that this was at a cost of \$2½ thousand. The first thing I would like to do is check whether those details are correct—that there was a workshop for Centrelink staffers on laughter yoga.

**Ms Bennett:** The answer is yes.

**Senator FIFIELD:** Do you mean yes Centrelink staff did attend a session on laughter yoga?

**Ms Bennett:** Yes.

**Senator FIFIELD:** Thank you. I do not necessarily always take at face value what I have read in newspapers, which is why I come here to check what I read. At first blush I am a little surprised.

**Ms Bennett:** We might be able to get you the date on which the workshop occurred. I do not have a precise date, but it was June 2010. It was a two-day leadership meeting, and Laughter Works was engaged to provide an icebreaker session during the opening hour. The meeting pulled together the key leaders in Centrelink's Sydney service delivery areas. The session cost \$2,660 and was used as a way to break ice and for people to have an informal moment to get to know each other better.

**Senator FIFIELD:** Some icebreaker! Some people try jumping up and down or going for a walk around the block.

**Ms Bennett:** We will be thinking about that in future!

**Senator FIFIELD:** How many staff participated in the leadership workshop?

**Ms Bennett:** We will have to take that on notice.

**Senator FIFIELD:** You mentioned that it was a leadership session. Were they SES staff?

**Ms Bennett:** No, they were a combination. They were people who had leadership roles, so they were supervisors and team leaders. There probably were SES officers there, but I can confirm that later.

**Senator FIFIELD:** Thank you. Would you be able to provide a breakdown of the activities over the full leadership forum but also take on notice—unless you can advise the committee now—the particular activities that Laughter Works undertook as part of the laughter yoga session?

**Ms Bennett:** Yes, I will.



**Senator FIFIELD:** You do not have those to hand?

**Ms Bennett:** I do not have the program for the two days, no.

**Senator FIFIELD:** Do you have the program for the icebreaking session?

**Ms Bennett:** No.

**Senator FIFIELD:** Or the activities?

**Ms Bennett:** No.

**Senator FIFIELD:** I will check this with you as well. For the company Laughter Works, the laughter leader for the session apparently trained with the founder of the world laughter movement, Madan Kataria, and also—I assume that this is Mr Popp, the laughter leader—founded the South Yarra Laughter Club. Are you aware if any of these factors were important in Centrelink engaging Laughter Works as an organisation to undertake this icebreaking work?

**Ms Bennett:** If I could just clarify the question: you are asking if we were aware—

**Senator FIFIELD:** Was this background looked at, and did the Centrelink management of the day think, 'Well, that's terrific; we need an icebreaking session run by the founder of the South Yarra Laughter Club'?

**Ms Bennett:** I would have to take on notice the basis of how they were selected.

**Senator FIFIELD:** I am just looking. There must have been some compelling reasons or something in the background of this organisation that led to Centrelink engaging them.

**Ms Bennett:** I will take that on notice.

**Senator FIFIELD:** That would be helpful. Is it usual for leadership forums that Centrelink undertakes to commence with an icebreaking session?

**Ms Bennett:** No, I would not say it was usual. This was provided on a one-off basis. I have to say that I do not think it is entirely unique that organisations might be brought in to assist in icebreaking and team building, but for that company it was a one-off engagement and they have not been engaged since that event.

**Senator FIFIELD:** Were these sessions conducted during office hours?

**Ms Bennett:** Yes, the two-day leadership program was during business hours.

**Senator FIFIELD:** What was the purpose of the leadership sessions over the day or two?

**Ms Bennett:** As I advised previously, I will have to look at the program and take that on notice.

**Senator FIFIELD:** Do you know who authorised this expenditure?

**Ms Bennett:** I will have to take that on notice.

**Senator FIFIELD:** I will put this to you first. The newspaper article that I referred to says:

The top testimonial on the Laughter Works website is from Centrelink and states: "I think it really hit the mark ... As a workplace health and safety measure, I sensed that it was appreciated by a majority."

Do you know who gave that testimonial for the Laughter Works website?

**Ms Bennett:** No, it was not attributed.

**Senator FIFIELD:** It was probably on one of those feedback forms which are done. Despite that testimonial, would it be a fair assumption that Centrelink will not be seeking to have any more sessions on laughter yoga?

**Ms Campbell:** The Department of Human Services, as you know, is a very large organisation. Sometimes we will have workshops in a location, and they are not necessarily controlled by senior staff, but there will be guidance provided to decision makers about the appropriateness of procurement and the use of taxpayer funds in the future about such activities. I think that there are some lessons for us to learn from these types of activities that we can more broadly promulgate.

**Senator FIFIELD:** But you would agree that spending \$2,660 of taxpayers' money on a laughter yoga workshop is not a good use of taxpayers' money?

**Ms Campbell:** It is not something that I would suggest would be a good use, no.

**Senator FIFIELD:** And it is something you would not want to see happen again?

**Ms Campbell:** That is correct.

**Senator FIFIELD:** Thank you for that. I will move on from there. I refer to an answer to a question on notice, HS10, which I placed. It was in relation to inappropriate use of social media by staff. The answer to the question on notice said:

Code of Conduct action has been taken in relation to the inappropriate use of social media against four staff members, with the following outcomes:

- one ... resigned before action was finalised;
- one ... had a reduction in classification;
- one ... had a five per cent reduction in salary imposed for 12 months; and
- one employee was issued with a reprimand.

Are you or your officers able to expand a little on what the nature of those breaches of the code of conduct was in relation to the use of social media?

**Ms Campbell:** I will just see whether we have someone here who is across those cases—also to ensure that in no way would anyone's privacy be breached by looking at that.

**Senator FIFIELD:** That is taken as read.

**Ms Campbell:** It does not appear that we have anyone with any detail here, but if there are any specifics we would be happy to take those on notice.

**Senator FIFIELD:** Thank you for that. Just in a similar vein, the response to another question on notice in relation to staff misconduct, answer HS12, provides a table, a breakdown by category, of the type of breach. There were 197 investigations, of which 128 cases were found to have breached the code of conduct. Did any of those 128 which breached the code of conduct result in a criminal investigation?

**Ms Campbell:** I do not have the detail of the breakdown of what penalties were applied or whether they led to further criminal investigation. We will try and seek that while the hearing is in play tonight.

**Senator FIFIELD:** Thank you for that. That answer covers the 2010-11 financial year up to 10 June 2011. Could you take on notice from that period until now as well.

**Ms Campbell:** Okay.

**Senator FIFIELD:** Thank you.

**Ms Bennett:** The information that was provided did not include the whole financial year, and the 197 included both those finalised and those still underway.

**Ms Campbell:** We will provide that on notice.

**Senator FIFIELD:** Thank you for that. Has the department undertaken costings of any policies of the Greens or the Independents through the process which is provided for as part of what I guess you call the bilateral agreements between the government and the Greens and the Independents to seek from time to time to have their policies costed?

**Ms Campbell:** Not that I am aware of since March of this year, but I will just check to see whether there were any previously. No, we have no knowledge of any costing.

**Senator FIFIELD:** So that is no costings that have been sought by the Greens or the Independents?

**Ms Campbell:** Not directly to the department, no.

**Senator FIFIELD:** But I guess they would come through the Prime Minister's office.

**Ms Campbell:** I am not quite sure of the process.

**Senator FIFIELD:** Regardless, you have not been asked to undertake any?

**Ms Campbell:** No.

**Senator FIFIELD:** Obviously you will let us know if you do become aware.

**Ms Campbell:** If we become aware, we will of course correct the record.

**Senator FIFIELD:** The department has recently called for tenders, I guess, for a number of cash-dispensing units or vending machines.

**Ms Campbell:** We do not appear to have anyone here that has detailed knowledge about these machines. We are trying to find someone.

**Senator FIFIELD:** How about some general knowledge?

**Ms Campbell:** We can try general knowledge.

**Senator FIFIELD:** What are they and what is their purpose?

**Ms Campbell:** In some of our Medicare offices, there is a machine which, rather than having cash in a till, dispenses the amount. The computer system is linked up and, when a customer provides the invoice from the doctor, the Medicare officer transacts it and works out how much money is to be paid to the customer and the money is automatically dispensed from this machine and then handed to the customer.

**Senator FIFIELD:** It has been a while since I have gone into a Medicare office. So you can present your completed form with the account and get cash rather than be sent a cheque or whatever?

**Ms Campbell:** We have many different ways that refunds can be paid, and I will hand over to Mr Tidswell to take us through them.

**Mr Tidswell:** These cash-dispensing units are put into the sites where we co-locate with a former Centrelink premise. We have got the staff from the Medicare program in the open area outside of a sort of a counter, so the cash-dispensing units are the ability for the operator to pay people the money. Effectively what goes on is, once the transaction is completed, the

machine spits out the correct amount of money for that item and that is then given to the customer. So they are uniquely about the units where we are moving away from a Medicare-only shopfront and having one of our co-located shopfronts.

**Senator FIFIELD:** No tills?

**Mr Tidswell:** That is correct.

**Senator FIFIELD:** Are there any other components of the Department of Human Services other than Medicare that dispense or distribute cash?

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

**Senator FIFIELD:** So these machines are purely for the delivery of cash to people making a Medicare claim?

**Mr Tidswell:** Yes, in a co-located site, and they are set up around the country.

**Senator FIFIELD:** Will there still be any standalone Medicare offices or is everything currently being co-located?

**Ms Campbell:** We have a plan over a number of years for co-location. This will be a transition period. We are reviewing each of those on a regular basis to see which offices are suited to co-location, and that is quite location dependent.

**Senator FIFIELD:** I am just having a quick look through the contracts. It looks like these machines will be several hundreds of thousands of dollars. At the moment, what do Medicare staff have? Do they have an old-fashioned till or a drawer with money?

**Mr Tidswell:** A drawer with money. The computer determines the payment and then the staff member gets the required amount and pays that over the counter.

**Senator FIFIELD:** So it has improved security. I guess it is like an ATM. It is physically safe and robust.

**Mr Tidswell:** It is robust and the machine is never opened during office hours, so it is always safe and secure.

**Senator FIFIELD:** And the staff do not have the issue of reconciling their drawer?

**Mr Tidswell:** That is correct. There is an added advantage there in administration.

**Senator FIFIELD:** How many machines nationwide are there?

**Mr Tidswell:** I will have to take that on notice. We will get that before the end of this session because it would be where we have a co-located site where a Medicare service has gone into a Centrelink site. That is where we have the cash-dispensing units. I will make sure I get that to you before this session is over.

**Senator FIFIELD:** Thank you. In the process undertaken by the department to obtain these machines, were specs drawn up in the usual fashion?

**Ms Campbell:** I do not think we have anyone here at the moment who was responsible for that process.

**Senator FIFIELD:** I will move on then. Has the department undertaken any work to look at the impact of the carbon tax on the running costs of the department?

**Ms Campbell:** No.

**Senator FIFIELD:** That has been a common answer from every department and agency. Is that something that you will be doing at some point?

**Ms Campbell:** We will go through our normal budgeting processes. We develop our budget throughout the organisation, looking at costs. We are yet to commence that for past the current financial year at this stage.

**Senator FIFIELD:** Would you have someone who could advise the committee on what the current annual electricity bill is for the department in all its parts?

**Ms Bennett:** I can provide the following information. These are under the previous agency arrangements rather than whole portfolio, so it is broken up between Centrelink, Medicare and the Department of Human Services. Centrelink spent in 2008-09 a total of \$14.571 million and in 2009-10 a total of \$14.659 million. Medicare Australia spent in 2008-09 \$2.947 million and in 2009-10 \$2.996 million. The Department of Human Services, which included the Child Support Agency and CRS, spent in 2008-09 \$1.98 million and in 2009-10 \$2.304 million.

**Senator FIFIELD:** So it will be another 10-odd per cent minimum on top of that for you. For just the power bill alone there will be a 10-odd per cent increase. Will DHS look to find savings in other areas to cover the costs of that, along with other increases in its running costs, or would DHS put in a bigger bid in the relevant budget round?

**Ms Campbell:** We will have a range of supplier costs across all our locations. It will be our responsibility to look at how those costs are attributed, as we do every year as different things go up at different rates, and we will look to manage within the funding that is provided.

**Senator FIFIELD:** Did Treasury, or the Department of Climate Change and Energy Efficiency for that matter, consult with DHS at any stage regarding the development of any policy in relation to the carbon tax?

**Ms Campbell:** I do not think we would have been consulted on policy information. On implementation, yes.

**Senator FIFIELD:** What areas of implementation? I guess it would relate to some of the payment changes.

**Ms Campbell:** Changes to the payments to our customers, yes.

**Senator FIFIELD:** But it was purely in relation to those sort of program delivery issues?

**Ms Campbell:** That is my understanding, yes.

**Senator FIFIELD:** Have central agencies had any discussions with DHS about the likely effect of the carbon tax on your department?

**Ms Campbell:** Not that I am aware of.

**Senator FIFIELD:** Could you take that on notice and check. When I say 'central agencies' I suppose I should throw the Department of Climate Change and Energy Efficiency in there as well.

**Ms Campbell:** We have had discussions about the implementation for the customers.

**Senator FIFIELD:** I am thinking specifically of the effect on the operational running costs of DHS as an organisation as opposed to the particular programs.

**Ms Golightly:** As Ms Campbell mentioned before, looking at the impact on the department's implementation of the measures will happen as part of the normal budget process. Discussions will proceed as they normally do.

**Senator FIFIELD:** I will go to the issue of co-location now. Would somebody be able to advise me on how much the department has spent on the purchase of new furniture for offices as part of the co-location process?

**Ms Campbell:** We will see if we can get somebody who can talk about how much we have spent on that sort of stuff over the last year. But most of our co-location activities are occurring at a natural junction when the lease of an existing premises expires and we need to move anyway. We are very focused on doing it in a business-as-usual fashion with a minimum cost. So these expenses would be part of the normal budgeting process of all of our repairs and maintenance budget, for want of a better term.

**Senator FIFIELD:** By the same token, if a lease expires and you move into a new building it is common to say, 'This furniture will not be the go here. It is a bit tired. It does not meet ergonomic standards. Let's get some new stuff.'

**Ms Campbell:** I think the best thing we can do is see whether we can find how much we have spent in 2010-11 on that type of fit-out work. If we do not have it at the table we will endeavour to get that for you shortly.

**Mr Tidswell:** Senator Fifield, before we move on, I can give you an answer about those cash-dispensing units. We have 33 of those units across the country. We have 27 of those in the co-located sites and six in the stand-alone Medicare program sites. There are 33 in total.

**Senator FIFIELD:** And it is about half a million dollars worth of contracts?

**Mr Tidswell:** I will have to take that on notice. Do you mean the actual cost of each machine or the cost of the tender?

**Senator FIFIELD:** Both.

**Mr Tidswell:** We will take that on notice and get back to you.

**Senator FIFIELD:** Thank you. Now furniture.

**Ms Campbell:** We are just going to see whether we can find you how much we spent on fit-out and furniture in 2010-11.

**Senator FIFIELD:** And also how much was spent on rebranding for the purposes of communication?

**Ms Campbell:** If we talk about signage, when the other signage was obsolete, we have been going through a process. We did not go out on 1 July and replace every sign. What we are doing is, as we transition the normal repairs and maintenance, we are replacing the signage at that stage. You will see throughout Australia we have quite a lot of legacy signage, and it will be replaced as part of that normal cycle.

**Senator FIFIELD:** But you have got people looking for that detail at the moment?

**Ms Campbell:** They are looking for that now.

**Senator FIFIELD:** Could they also look for—this will more straightforward—how many officers have been co-located to date?

**Ms Campbell:** I think we can get you that, and we can actually get you the names as well if you are interested.

**Senator FIFIELD:** Thank you.

**Mr Tidswell:** As of 30 June 2011, we have in total 18 consolidated Centrelink and Medicare services at the one location. That is the co-location sites. There are 35 where we have extended services either into a Medicare site or into a Centrelink site. Typically it could be a Medicare staff member in a Centrelink site or a Centrelink staff member in a Medicare site or it could be a self-service extended capability in those sites.

**Senator FIFIELD:** When we talk about the 18 consolidated sites, are they necessarily 18 new sites where the various elements have come together? I guess in some cases they are and in some cases you are consolidating on an existing location.

**Mr Tidswell:** That is correct. When we talk about a consolidation, that is literally bringing the two service offices together—that is the Medicare program and the Centrelink program—and in some it is also the child support program, to try and get that joined-up service approach. There are plans for this year for another 139 sites that are scheduled to co-locate.

**Senator FIFIELD:** You would not know where each of those 139 sites are already, I guess. That is still a work in progress.

**Mr Tidswell:** We have documentation here that we can provide.

**Senator FIFIELD:** If you could, for those 139 sites and also for the 18 existing consolidated sites.

**Mr Tidswell:** Yes.

**Senator FIFIELD:** I just want to go back to rebranding for a tick, or should I wait?

**Ms Campbell:** We have got some information that we have got some decals, which are like stick-on things that have gone on the front of some of our shopfronts. I think that was a cost of less than \$20,000.

**Senator FIFIELD:** Are there other rebranding costs, or are you still in the process of seeking details?

**Ms Campbell:** What do you mean when you say 'rebranding'?

**Senator FIFIELD:** Changes in signage, which you have said happen progressively.

**Ms Campbell:** That is what we have just discussed.

**Senator FIFIELD:** But there would still be a cost to it. I guess signs do not fall off walls. You have to take them off and put new ones on.

**Ms Campbell:** That will have been included in our ongoing fit-out budget, so we probably have not identified those in detail separately.

**Senator FIFIELD:** What is the ongoing annual fit-out budget then?

**Ms Campbell:** We are looking for that now and we hope to have it soon.

**Senator FIFIELD:** Have any consultants been engaged for the rebranding or new signage task, designing a new look, new decals?

**Mr Jongen:** Yes. We appointed a company called FutureBrand to assist in the development of the total package of new imagery in relation to the new brand.

**Ms Campbell:** I do not think you will find that in the consultancies. I think that was a contract.

**Senator FIFIELD:** What is the total amount that has been paid to FutureBrand thus far?

**Ms Bennett:** It was \$353,000.

**Senator FIFIELD:** That is how much has been paid so far?

**Ms Bennett:** Yes.

**Senator FIFIELD:** Is there likely to be any more paid, or have they been paid for all the work that they will be doing?

**Ms Bennett:** No, that is it.

**Senator FIFIELD:** Were there any other consultants for the rebranding?

**Ms Bennett:** No.

**Senator FIFIELD:** Just those. Would you be able to provide a breakdown of that figure?

**Mr Jongen:** Most certainly. I will have to take that on notice.

**Senator FIFIELD:** Okay. I know there are 139 sites that will be co-located in addition to the 18. Will that represent the total number of co-located sites that are envisaged at the moment?

**Ms Campbell:** No. Over the next five years we would like to see all of our sites be able to provide multiple program services, even if we use self-service functions at all our Centrelink offices to allow people to claim Medicare online, for example.

**Senator FIFIELD:** Sorry—I should have said consolidated rather than co-located.

**Ms Campbell:** We have a broader program and we are doing that on a case-by-case basis. So we have the original plans at the moment, which Mr Tidswell spoke about, but that will not be the final point. Every time a lease expires, we do look at what the best way to provide services to our customers is and how best we can offer that service.

**Senator FIFIELD:** Are there any department owned buildings that are currently unused following co-location or consolidation?

**Ms Campbell:** We do not own any buildings.

**Senator FIFIELD:** That is easy. I guess you would not move out of a building that you leased unless the lease had expired.

**Ms Campbell:** Generally, we do not move unless there is a reason why the building is no longer meeting the needs of the organisation.

**Senator FIFIELD:** Are there any buildings which the department currently leases which are not being used by the department?

**Ms Campbell:** I will check with our property people, but I think not. We will get that one on notice.

**Senator FIFIELD:** Okay. If there are, could you tell me what is currently being paid out in lease costs?

**Ms Campbell:** Yes.

**Mr Tidswell:** Generally our approach is to take advantage of lease end dates and use them as a game plan to look at those sites that we will consolidate. As you can imagine, it is a



complicated picture, constantly moving and changing, but the whole game plan is to take advantage of natural breaks in leases to negotiate single, consolidated sites where possible.

**Senator FIFIELD:** Could you also take on notice, if there are any vacant leased buildings, how long they have been vacant?

**Ms Campbell:** Yes.

**Senator FIFIELD:** I have asked you to provide the addresses of the 18 consolidated sites and the 139 sites still to be—

**Ms Campbell:** Would you be satisfied with the suburbs or do you want the exact address?

**Senator FIFIELD:** If you could also give us the addresses, that would be good. Thank you. I am sure you know what is coming and that is the issue of staff bathroom breaks. An article appeared in the *Sunday Telegraph*, dated 4 September this year, headed 'Workers timed on the toilet'. I will just read the first couple of lines of the article:

CENTRELINK call centre staff are being forced to log each toilet break they take—and are reprimanded if they stray over five minutes.

A staff member at one NSW centre said employees had to punch an individual identity code into their phone each time they went to the bathroom and had to offer an explanation to management if they took too long.

Then they quote an anonymous staff member:

"If you go to the toilet for longer than five minutes, you've got to do a 'please explain ...

My first question is: is there indeed such a policy in place?

**Ms Campbell:** There is not, and Mr Tidswell will take you through that.

**Mr Tidswell:** Absolutely not. I do not know where this story originated from. We have no evidence of that ever occurring. In our call centre environment people are naturally scheduled for routine breaks—meal breaks, tea breaks. They are then entitled, obviously, to go and use the bathroom when needed. This is just a complete furphy. That is not how you could run a proper call centre. This is just beyond the pale.

**Senator FIFIELD:** Do Centrelink run their own call centres or contract out the management of these call centres?

**Mr Tidswell:** Across the Centrelink program we have 25 call centres that operate and we operate them completely by ourselves.

**Senator FIFIELD:** So there has never been a requirement that staff punch an identity code into their phones whenever they get up to go—

**Mr Tidswell:** No.

**Senator FIFIELD:** How do you think such a story got leaked?

**Mr Tidswell:** I have no idea.

**Senator FIFIELD:** Did the paper call Centrelink, the ever accessible Mr Jongen?

**Mr Tidswell:** I do not know whether that was the case. But, certainly, in our experience in running these set-ups, that is completely not how we run them. I would be happy to take you to a call centre close to your electorate and you can see exactly how it works.

**Senator FIFIELD:** I might take you up on that.

**Mr Jongen:** The answer is no. They did not approach us in relation to this story. Basically, what we had to do was respond subsequently.

**Senator FIFIELD:** Which I am sure you did vigorously.

**Mr Jongen:** Yes, we did.

**Senator FIFIELD:** Did you write a letter or provide some other form of written communication to the editor?

**Mr Jongen:** We issued a media statement, and we provided it directly to the newspaper in question. But, in addition to that, I do know that the matter also came up in a couple of talkback sessions that I conducted and where I also corrected the record.

**Senator FIFIELD:** Are you able to provide a copy of the statement that you provided?

**Mr Jongen:** Certainly.

**Senator FIFIELD:** Thank you. As for Mr Jongen laughing, I do not necessarily take it at face value what I read in the papers, which is why I seek to raise matters here to find out that which is true and that which is not.

**Senator Arbib:** Can I quote you on that the next time you attack me in the Senate—you do not believe everything you read in the paper?

**Senator FIFIELD:** Not necessarily.

**Senator FURNER:** Was the article in the *Daily Telegraph*?

**Senator Arbib:** The *Sunday Telegraph*.

**Senator FURNER:** Did the paper publish the statement that you provided?

**Mr Jongen:** I cannot recall. I assume they did not. But I can certainly take that on notice.

**Senator FIFIELD:** I am getting used to the consolidated department. We can go pretty much anywhere, can't we?

**Ms Campbell:** Yes; we have one outcome.

**Senator FIFIELD:** It is a new feeling of freedom that we are not used to. I want to raise an issue that was canvassed in an article in the *Adelaide Sunday Mail*, dated 11 September, which relates to welfare benefits paid to fugitives. I have my usual caveat on things from the media:

LAW-ABIDING taxpayers will be feeling a little peeved today after learning how their taxes are funding criminals on the run, with Centrelink doling out payments to fugitives.

In SA, we have almost 9000 criminals at large, with many enjoying their freedom thanks to Centrelink money.

The thesis of the piece is that there are fugitives from the law who are on Centrelink payments.

**Ms Campbell:** At the moment, we are struggling to find that article. If we could get a copy of it, that would be very useful. Mr Tidswell will provide some general information on payments.

**Mr Tidswell:** Without seeing the content of the press statement, a prisoner who is a fugitive and obviously who has escaped from custody, a secure facility, would not be on Centrelink payments of any description. Maybe somebody is a fugitive because they have

breached their parole or have done some other things in that area and they may well be on entitlements. Police and correctional authorities get information about when people are in custody and we take action to cease payments accordingly.

**Senator FIFIELD:** While that article is being copied, I will move on to another area just to save time. I am referring to yet another article with respect to the issue of financial information service seminars, conducted by Centrelink. I will continue on this and then we will come back to the other matter later.

**CHAIR:** Whenever any newspaper articles are quoted, the officers should have them in front of them. Do you have the financial management one?

**Ms Campbell:** I think we do have the financial information system services one in front of us.

**Senator FIFIELD:** The *Daily Telegraph*, dated 23 August. It was probably in multiple papers. My apologies, it is the *Australian* of 1 September.

**Ms Campbell:** I think we know the issues.

**Senator FIFIELD:** Firstly, Centrelink do undertake financial information seminars throughout the country.

**Ms Campbell:** Yes.

**Senator FIFIELD:** How many of those would be undertaken each year?

**Ms Golightly:** In the order of 2,000 to 3,000. That could be participants, Senator. I will check that for you.

**Senator FIFIELD:** Thank you. And what is the purpose of those?

**Ms Golightly:** It is basically to help people work out what they may be entitled to, what services are available, to make sure they are fully knowledgeable on that subject. It is one of the things we do to make sure that people are accessing benefits if they are eligible for them.

**Senator FIFIELD:** It is whether they are eligible for benefits. Is there any financial management advice as well?

**Ms Golightly:** There are other programs for actual financial management and budgeting advice, but generally things are covered.

**Senator FIFIELD:** The article in question says that there is a Centrelink ban on these seminars taking place in venues that might happen to have poker machines. Is that correct?

**Ms Golightly:** No. There is no blanket ban at all.

**Senator FIFIELD:** Is there a policy that prefers some venues over other venues?

**Ms Golightly:** No. The policy goes more to guidelines in fact. They give advice to our officers about making sure that selected venues are, most importantly, accessible to people in the community who might be availing themselves of these seminars. That would take into account first and foremost things like easy transport, disability access and general comfort for the community. Then there are other things that we advise our people to take into account. For example, things like whether there are cultural or alcohol issues and perhaps gaming issues, but first and foremost it is about the accessibility, useability and convenience to encourage people to come to these seminars.

**Senator FIFIELD:** The article says:

A Centrelink spokesman said the policy was introduced in response to "community concern", but also admitted no blanket ban applied.

You are aware of that spokesman's comment?

**Ms Golightly:** Yes, and indeed these guidelines have been around for some time and are reviewed every now and again. Back in 2008 a particular community organisation raised with us a concern that they had about gaming facilities and it was at that point that the guidelines made some mention but, again, it was not at the expense of all of the other accessibility and convenience issues. We just recently clarified the guidelines again to reinforce the accessibility and useability criteria.

**Senator FIFIELD:** I am a little unclear. It does sound as though Centrelink takes into account issues such as gaming. Even though there may not be a blanket ban, it sounds like Centrelink does take into account issues such as whether a place also happens to be a gaming venue in determining—

**Ms Golightly:** It is more properly characterised by the fact there are some mandatory requirements around accessibility and transport and, basically, first and foremost, people being able to get there and use the venue. There is then some guidance that, all other things being equal, some of the other issues that may be taken into account—but not at the expense of accessibility—are things like whether there is some particular religious affiliation, and one of those lists is gaming.

**Senator FIFIELD:** So, all other things being equal, if you have a couple of choices of venue and they are all accessible and all near public transport, and one of them happens to be a gaming venue, you would pick the other venue. Is that correct?

**Ms Golightly:** Not necessarily. We would take it into account.

**Senator FIFIELD:** So it is something that is taken into account.

**Ms Golightly:** It is part of the overall consideration—or could be part of the overall consideration.

**Senator FIFIELD:** Often in country towns you will find that one of the main function venues will be the local horseracing club. It may have some gaming. They are not precluded?

**Ms Golightly:** If it was the best suited venue for the seminar and people were comfortable with it then it would be selected.

**Senator FIFIELD:** So it does sound as though there is not a ban on gaming venues but a bit of a disposition against them.

**Ms Golightly:** No, I would not even call it disposition. There are quite clearly mandatory things that our staff must take into account, and this is not one of them. It is on that 'other things you might consider' list.

**Senator FIFIELD:** Could you table a copy of the guidelines?

**Ms Golightly:** I will check on that for you.

**Senator FIFIELD:** There would be no reason they could not be tabled, would there?

**Ms Golightly:** They are internal guidelines. They do not have any force of law or anything like that.

**Senator FIFIELD:** I appreciate that, but there would be no reason they could not be tabled.

**Ms Campbell:** I do not see any reason why not.

**Senator FIFIELD:** We might return to the fugitives issue. I think the context of this piece is people who might be sought by the police but who have not been incarcerated—people the police would be seeking for one reason or another. I guess there is a presumption of innocence if someone is being pursued by the police, so the fact that the police were seeking them would not necessarily mean that if they were in receipt of a Centrelink payment that would be stopped.

**Mr Tidswell:** I have reviewed the articles here and you are right: I think the term 'fugitive' is a little loose.

**Senator FIFIELD:** It comes from people who have watched too many movies!

**Mr Tidswell:** It does imply that you have gone over the wall and through the razor wire and all that sort of stuff. I do not know whether these figures from South Australia are accurate or not, but these are people who have warrants out for their arrest or warrants outstanding—perhaps they have not paid traffic fines, court fines, fines for speeding and what have you. As you well know, if you are picked up by the police and they run a check then you are likely to end up in custody.

**Senator FIFIELD:** No, I do not know! But I hear it.

**Mr Tidswell:** Sorry, Senator! I did not mean from your personal experience.

**Senator FIFIELD:** No, I am just being cheeky.

**Mr Tidswell:** In that context, that is where our system kicks in when people are incarcerated. You are right: people are presumed innocent in that sense. Also, the provisions for Newstart imply that you can continue to work in that situation. You may well front for court, and there might be some other outcome as a result of extenuating circumstances. Just because you have outstanding warrants, it does not automatically mean you get incarcerated.

**Senator FIFIELD:** I will just give you a scenario to work through. Let us assume someone is accused of armed robbery. The police are seeking them, the person is not proving cooperative in helping police with their inquiries and the person is receiving some form of payment through Centrelink.

**Mr Tidswell:** In that sense they are not a fugitive; they are innocent until proven guilty.

**Senator FIFIELD:** I mean 'fugitive' in that they might be trying to evade being captured, which lots of innocent people do, I presume. But I am just trying to work this through with you from a public point of view. The public would think, 'Hang on, that is crazy. Someone who is accused of robbing a bank and the police are after is out there on a Centrelink payment.' I assume they would not walk into a Centrelink shop front in that circumstance to try to arrange a payment! But I am trying to work out at what point it is that payments are lost and there is liaison between police and the DHS?

**Mr Tidswell:** That does take place. Obviously how we deal these instances and the police is a fairly sensitive issue. But by and large the proposition is that you are still innocent until proven guilty. Our system works and our rules of engagement are that if you are still able to attend appointments, search for jobs and live and—

**Senator FIFIELD:** They might be breached for other reasons.

**Mr Tidswell:** That is right.

**Senator FIFIELD:** For my benefit if somebody is convicted of a crime and they are going to jail, at what point does communication happen between the justice system and DHS?

**Mr Tidswell:** In that setting we have that ability to be alerted to the fact that people are in custody.

**Senator FIFIELD:** How does that happen?

**Mr Campisi:** There are notification arrangements between DHS and the various correction societies across Australia. In the states and territories we have agreements with each of the correction authorities. So there are notification arrangements where they advise us who has entered the prison, and we take action to stop the payment. People go into the jails and talk to prisoners about debts or overpayments and underpayments. We retire those or reassign them according to what the circumstances are.

**Senator FIFIELD:** So the reconciliation happens as a matter of course.

**Mr Campisi:** Yes.

**Senator FIFIELD:** I guess there would be the circumstance where the police might seek information about whether there had been any activity on someone's Centrelink account and Centrelink might provide that to the police to help them identify someone's movements.

**Mr Tidswell:** We do have circumstances of that. In some cases it is a sensitive issue, in terms of privacy. This is handled very carefully and obviously people—

**Senator FIFIELD:** But there are established protocols and liaisons.

**Mr Tidswell:** We would be happy to give you an in camera briefing if you want it.

**Senator FIFIELD:** Thank you. At face value it does sound strange, but one can appreciate the reasons why someone who might be sought by the police is still in receipt of payments. Are there any circumstances where payments might be stopped in the absence of someone not having been convicted and in the absence of someone not discharging their obligations to Centrelink?

**Mr Tidswell:** In terms of a criminal matter?

**Senator FIFIELD:** Yes.

**Mr Tidswell:** Someone who is not incarcerated? Not to my understanding.

**Senator FIFIELD:** There is no, sort of, secretary's discretion?

**Mr Tidswell:** The bottom line here is that if this were a perfect world nobody would be on the streets with outstanding warrants. The police would be picking people up and taking what action the courts would be dealing with this.

**Senator FIFIELD:** I was sure that was the case, but I was checking that there was nothing else there.

**Ms Campbell:** We have a couple of answers to your questions. We currently have no leases that are vacant. The cost of fit-out, the lease improvement plan, for 2010-11 in total for all the elements was \$83.5 million. That is across some 700 buildings. That was for Medicare Australia, the Department of Human Services and Centrelink properties throughout—

**Senator FIFIELD:** How do you describe the \$83.5 million?

**Ms Campbell:** It is a lease improvement plan.

**Senator FIFIELD:** And what does it cover?

**Ms Campbell:** Fit-outs, and any co-locations would be included in that. But it is not specifically for co-locations; it is part of the normal repairs.

**Senator FIFIELD:** It covers fit-out, furniture, decal.

**Ms Campbell:** Furniture, repairs and maintenance, decal—that line.

**Senator FIFIELD:** What period is the \$83.5 million for?

**Ms Campbell:** It is for 2010-11.

**Senator FIFIELD:** Is it possible to get a breakdown of the \$83.5 million.

**Ms Campbell:** I can give you a breakdown between Medicare Australia, DHS and Centrelink. Medicare Australia was \$25.2 million, DHS was \$7.6 million and Centrelink was \$50.7 million.

**Senator FIFIELD:** And you will take on notice the matter of giving a further breakdown?

**Ms Campbell:** We will see what other details we have that further break down those costs.

**Senator FIFIELD:** I am sure there is the capacity to be slightly more granular than \$83.5 million.

**Ms Campbell:** I am sure there is.

**CHAIR:** Senator Fifield, you indicated that you had a question on CRS. We are still in the general cross-portfolio corporate stage. I will check with Ms Campbell. Are all of those things centralised now, in terms of corporate services and things?

**Ms Campbell:** Some of the Commonwealth Rehabilitation Service services are still to be integrated.

**CHAIR:** Are your CRS questions corporate type ones?

**Senator FIFIELD:** Yes. How many officers does CRS have?

**Mr Popple:** We have 180 permanent locations and 140 visiting locations.

**Senator FIFIELD:** The visiting locations are where you might book some space for a day or two for appointments.

**Mr Popple:** Yes.

**Senator FIFIELD:** Of those 180 offices, who many does CRS own, if any?

**Ms Fletcher:** Of the 180 premises that we currently have as permanent locations we have leasing arrangements for each of those premises.

**Senator FIFIELD:** So CRS does not own any sites.

**Ms Fletcher:** Not that we operate out of.

**Senator FIFIELD:** What sites that you do not operate out of do you own?

**Ms Fletcher:** CRS Australia owns one property in Townsville. It is a commercial property.

**Senator FIFIELD:** Is that an investment property?

**Ms Fletcher:** It is a property that CRS Australia formerly operated out of but has since moved to another location that is far more suitable for access by job seekers and employers.

**Senator FIFIELD:** What is the history of their being just one? Did CRS once own a number of properties and has been disposing of them over time, with this as a legacy property?

**Ms Fletcher:** I would have to take that on notice—in terms of the history—but over the life of CRS Australia and its predecessors, they have owned property that has been disposed of over time.

**Senator FIFIELD:** I know that CRS has a long history dating back to post World War I, was it?

**Ms Fletcher:** 1941.

**Senator FIFIELD:** While the Second World War was still on. Is the Townsville site currently leased out?

**Ms Fletcher:** Yes, there are four tenants within the building.

**Senator FIFIELD:** Do you have any idea what the Townsville site is worth?

**Ms Fletcher:** I do not know its value. I would have to take that on notice.

**Senator FIFIELD:** If you would. Also, could you take on notice the matter of what CRS is getting from the tenants. Does CRS have any plans to dispose of the Townsville building?

**Ms Campbell:** I think it is fair to say that as we integrate we will be reviewing the ownership of this property and considering why it remains in Commonwealth ownership.

**Senator FIFIELD:** I assume the addresses of each of the 180 CRS offices are on your website.

**Ms Fletcher:** They are available through the internet.

**Senator FIFIELD:** Would you take on notice, and this will probably necessitate your giving us the addresses in that format anyway, the size in square metres of each of the 180 sites and what the cost per square metre of the lease is? Does the CRS have any liabilities at the moment? You don't owe any money on the Townsville building?

**Ms Campbell:** CRS is part of the Department of Human Services, so the accounts are consolidated in that fashion.

**Senator FIFIELD:** I still can't get out of my head that it is a separate entity.

**Ms Campbell:** We are transitioning.

**Senator FIFIELD:** We're all transitioning. How many staff in total does CRS have at the moment? Can we still ask that question; things haven't been aggregated to that extent?

**Ms Campbell:** The way we talk about staff who work on particular programs is that there might be X number of staff who work on Centrelink program or Y number of staff who work on Medicare program and an amount of staff who work on the CRS program. So we should be able to answer that.

**Ms Fletcher:** At present, working within the CRS Australia program there are just over nineteen hundred individuals.

**Senator FIFIELD:** Nineteen hundred: that's full-time equivalents?



**Ms Fletcher:** No, that's nineteen hundred people. It works out to about fifteen hundred and some, in full-time equivalents.

**Senator FIFIELD:** How many SES-level staff does CRS have?

**Ms Fletcher:** We currently have four SES staff. Sorry, I should correct that. CRS Australia has two SES staff: myself and the National Manager of CRS Australia. I have two other SES staff in my division.

**Senator FIFIELD:** The answer you gave to my question earlier about the power bill of DHS would include CRS?

**Ms Campbell:** It would.

**Senator FIFIELD:** I will jump back to Centrelink corporate, to market research contracts. According to the *Daily Telegraph* of 29 June, Centrelink had lodged multiple market research contracts over the preceding six months, including one for \$562,000. Is it correct that a market research contract was ordered for \$562,000?

**Ms Bennett:** The department commissioned 33 market research projects during the 2010-11 period.

**Senator FIFIELD:** Thirty three by the department, some of which would have been for Centrelink?

**Ms Bennett:** For the whole department. What you call Centrelink is a program for the department. The largest projects that were conducted were basically satisfaction surveys.

**Mr Jongen:** There certainly was a major study undertaken for that amount. It was awarded to a company called Ipsos-Eureka.

**Ms Bennett:** It was for \$577,460.

**Senator FIFIELD:** Was that for a satisfaction survey or something else?

**Ms Bennett:** It was to look at the way information should be segmented and shaped for customers with different needs and determining the sort of message or the medium where that would work—whether that would be a print format or an online format or some other way of contacting customers to meet their specific needs.

**Senator FIFIELD:** Are you including in that people with English as a second language, people with sensory impairments and those sorts of things?

**Mr Jongen:** Yes. Basically, we face a very real communication challenge in integrating the three key programs that constitute the service delivery aim of the department. They fall into various customer groups and various demographics—non-English speaking et cetera. In addition to that, we face the challenge of integrating the website from three quite separate and diverse websites into one single website. In the previous Centrelink model, we had what I guess you would call a marketing model for communicating with customers, where we identified a series of life events that were the reason customers came to the organisation for assistance. We packaged our information around the needs of those customers.

Integration has broadened those customer groups and what we are currently working through is the best way to structure our information so that it addresses the needs of the diverse range of customers, which now extends to well in excess of 20 million people. The research has only been completed in the last month or so, but we have been working

progressively with the research company. The first manifestation of the outcomes of that research will very soon become apparent with the new single website. We are not simply taking the three existing websites, chunking out the information and slamming it into a new website. We are creating a totally new website which better targets the diverse range of audiences. Those principles then have to be extended to allow print products and all other communication mediums. There has been a need for a very thorough review if we are going to effectively communicate to the full range of our customer groups.

**Senator FIFIELD:** Is the Ipsos-Eureka contract one of the 33 for 2010-11?

**Mr Jongen:** Yes, it is.

**Senator FIFIELD:** What is the total value of the market research of those 33 companies?

**Ms Bennett:** The 'market research' term has an interesting definition but, broadly, in 2010-11 just over \$7 million was spent in this area obtaining information for customers, shaping the information in the right way and integrating it so that, as Mr Jongen said, there can be a complete picture when someone is doing something instead of the view that there are three agencies they had to go to—'Here's one thing you might do for the birth of a child.'

**Ms Campbell:** This would not be considered a business-as-usual expenditure. This was the transition to the integrated organisation and we would not expect that that would be an annual spend.

**Senator FIFIELD:** Is there anywhere in the annual report or on the website I can go to that lists the 33 market research contracts?

**Mr Jongen:** Most certainly; they are all listed in the annual report.

**Senator FIFIELD:** What about for the current financial year to date? Are those figures available publicly? Or do you need to take those on notice?

**Mr Jongen:** No, but I will read what the secretary said: 'These are significant one-off expenditures. There will be a significant reduction, certainly in my area of responsibility, over the next 12 months.'

**Senator FIFIELD:** We look forward to that. Could you take on notice the amount for the financial year to date.

**Ms Campbell:** We can take that on notice.

**Senator FIFIELD:** Would you happen to have a figure to hand for the financial year to date for market research?

**Ms Bennett:** No, we will take that on notice.

**Senator FIFIELD:** You mentioned that some of the market research relates to satisfaction surveys. What sort of satisfaction are they seeking to measure?

**Mr Tidswell:** Within the Centrelink program, and we are in the phase of consolidating our customer satisfaction work, we run monthly surveys of our call centre activity and our service centre activity. We also run a yearly survey. That gives us the sort of information we need to drive better performance across the country.

**Senator FIFIELD:** Are any other measures of satisfaction undertaken that might relate to the working of a new policy, a new payment, a new allowance? Is any market research of that nature undertaken?

**Mr Tidswell:** In the customer surveys we are talking about, it is about the service we provide; it is not about the policy intent. It is about the service and how we explain it.

**Senator FIFIELD:** I appreciate that was what you were referring to. I just wanted to check whether, in addition to satisfaction surveys of the service provided by the organisation, there is any broader measure of satisfaction?

**Ms Campbell:** Our focus is on the service we provide and how we implement the government policy for which we are responsible for implementing. Our general focus is on the customer's satisfaction of how that service was delivered, how we can do that better and how we can meet the needs of individual customers.

**Proceedings suspended from 17:58 to 19:02**

**CHAIR:** We will go back to corporate and general questions of the Department of Human Services. Ms Campbell, you have some questions or information to share with us?

**Ms Campbell:** And some clarifications as well. We now know that we have a commercial property—one office property—in Townsville. We also have a few staff houses in remote locations, which have been around for many years. To the best of our knowledge, at this time we have just this one property in Townsville.

**Senator FIFIELD:** The staff houses in remote locations: would they originally have been CRS houses?

**Ms Campbell:** Centrelink, we think. We can get details, but it is a very few staff houses.

**Senator FIFIELD:** If you could provide details on those residences.

**Ms Campbell:** Mr Tidswell has an answer with respect to the cash machines.

**Senator FIFIELD:** Do you know the locations of those residences?

**Ms Campbell:** We'll grab that for you, but it is generally remote, where there has been market failure, such as Karratha or somewhere like that.

**Mr Tidswell:** In relation to your earlier question about stand-alone cash dispensing units: the individual cost of one of those units is \$27,280.

**Senator FIFIELD:** I will move to the protocols in relation to the provision of film footage from Centrelink investigations to the media, which is a matter that has been canvassed publicly by the Disability Discrimination Commissioner, Mr Innes. I appreciate this is an area where it is important to get a balance between respecting people's privacy and highlighting that people who do seek to cheat the system will be caught and prosecuted and that releasing footage with appropriate pixelation can serve as a deterrent to people. I am interested in what the protocols are that govern the release of footage and tip-offs—for want of a better phrase—to media outlets.

**Mr Jongen:** As you can appreciate, there is a fine balance, but we do release this footage because we believe it is of very important deterrence value. We adhere to very strict privacy guidelines. Not only is any footage that we hand over pixelated but any briefing or backgrounding that we provide to journalists or interview that is conducted is done so without naming the individual concerned, despite the fact that it is on the public record that the person may have been convicted.

**Senator FIFIELD:** Is the general practice that footage not be released unless someone has been convicted?

**Mr Jongen:** Absolutely. I think it is also fair to say that we face a high level of demand from certain programs.

**Senator FIFIELD:** That explains part of the reason for your public prominence.

**Mr Jongen:** That is one way of looking at it, but of course that is not the primary objective.

**Senator FIFIELD:** I appreciate that.

**Mr Jongen:** What we do know is that it is a highly effective means. When you talk to call centre staff, there are spikes in information provided to us that are from people providing information about others that they believe may be misleading. I am also aware that a significant number of people actually contact us and disclose their own circumstances in order to avoid getting into trouble.

**Senator FIFIELD:** So you have people who phone up and volunteer that they have been doing the wrong thing?

**Mr Jongen:** Absolutely.

**Senator FIFIELD:** They seek mercy.

**Mr Jongen:** I do not have figures. Only last week I was at our Wollongong call centre and the staff were reporting to me that the previous week there had been a significant spike which coincided with an appearance on television.

**Senator FIFIELD:** Are you able to provide the committee with the protocols that govern the release of that sort of material?

**Mr Jongen:** Yes.

**Ms Campbell:** I think Mr Jongen has explained what the protocol says.

**Senator FIFIELD:** Sure, but I assume it would be documented in some fashion or not that formally.

**Mr Jongen:** It boils down to media tactics. Certainly, we have received advice from our legal area. The general way in which we operate may be in the form of an email or articulated in an informal way like that. I can get something for you.

**Ms Campbell:** It is probably accumulated practice rather than necessarily an articulated protocol.

**Senator SIEWERT:** What about a fraud and compliance media strategy?

**Mr Jongen:** There is a much broader fraud and compliance media strategy which has been done in collaboration with our business integrity area and, of course, this forms part of it.

**Senator SIEWERT:** So how do the protocols we have just been talking about relate to that? Surely that is part of the strategy.

**Mr Jongen:** Media management actually comes down in many ways to a tactical exercise, if you like. It involves forging relationships with media and engaging with media in a positive way to try and achieve outcomes. So, from our perspective, when media approach us they want carte blanche—any footage that we can possibly provide. So, from our perspective, we

take very tight, rigid control. Certainly there has been an extensive internal discussion about the way in which—and this goes back over many years, because we have been providing this sort of pixelated footage for many years now; in fact, since the surveillance was first introduced and prosecutions arose out of that process.

**Senator SIEWERT:** With all due respect, you did not answer my question. Are these protocols part of that strategy? Ms Campbell, you have just said it is more built up in operation over a while.

**Ms Campbell:** Senator, I said that it could be that we have not articulated it—we do not have a document that is called 'the protocol'. I am not clear whether we have a document that is called 'the protocol on the release of this information'.

**Senator SIEWERT:** Do you have a fraud and compliance media strategy that is documented?

**Mr Jongen:** Yes, we do.

**Senator SIEWERT:** Is that available?

**Mr Jongen:** I assume that if you ask for it on notice we can provide it.

**Senator SIEWERT:** Could I have a copy of that, or could the committee have a copy of that?

**Ms Campbell:** We will take that on notice, yes.

**Senator SIEWERT:** Thank you. How do the protocols that we have been talking about differ from the fraud and compliance media strategy? I do not understand how that would be different.

**Ms Campbell:** I think the strategy is a more broad articulation of why there is a requirement to engage with the media. This protocol might be more of a 'how' and the operational elements of it.

**Senator SIEWERT:** What you are saying is that that is not necessarily written down?

**Ms Campbell:** I am saying that it is not clear whether that is written down in a single document that is called a protocol or it is something that has come up through practice—like practising guidelines rather than articulated as a separate protocol.

**Senator SIEWERT:** I think that we need to find out whether it is actually a specific process or whether it is just in various documents.

**Mr Jongen:** I think it would be fair to say that it is in various documents, because it is part of the tactics that are used in media management, as I tried to point out earlier.

**Senator SIEWERT:** I have quite a few more questions here, Senator Fifield—I am sorry I jumped in—in this particular area.

**Senator FIFIELD:** Of?

**Senator SIEWERT:** The media release of footage and things. I interrupted you; I apologise.

**Senator FIFIELD:** No, that is okay. Since we are on that subject, you may as well.

**Senator SIEWERT:** Thank you. In terms of the process that is used, you have said that only those that are actually convicted of fraud—

**Mr Jongen:** Yes.

**Senator SIEWERT:** are used in the footage. But obviously you are taking footage of people before they are convicted. That is part of the process of getting a conviction?

**Mr Jongen:** The first thing I have to say, of course, is that this footage is not obtained for the purposes of media. It is obtained for the purposes of the investigation, which of course sits outside of my responsibility. However, once the investigation and prosecution process has been gone through, it is at that point that we would seek appropriate and available footage.

**Senator SIEWERT:** On the release of footage, in terms of the timing of particular footage, it seemed to me that there was an unhappy coincidence of the release of some of this footage on the day or around the same time that the latest figures on the numbers of people who are on DSP were released. How did that happen, who made that decision and why?

**Mr Jongen:** The first thing I have to say is that that was pure coincidence. It is important to understand that, firstly, the timing of the production of a program is out of our hands. The other thing I have to say is that some of these programs have taken footage that we provided them some years ago and repackaged it. All I can say is that it was a pure coincidence.

**Senator SIEWERT:** How often do you release that footage?

**Mr Jongen:** I think that over the past 12 months there have been five or six occasions where we have physically made the decision to release footage. In fact, I can confirm that it was six occasions—

**Senator SIEWERT:** Over the last 12 months?

**Mr Jongen:** over the past 12 months.

**Senator SIEWERT:** I am not trying to just pick on you, but do Centrelink, now Human Services, always respond when they are asked by *A Current Affair*, for example—or one of those other shows; I am not just picking on them—

**Senator FIFIELD:** *Today Tonight*?

**Senator SIEWERT:** *Today Tonight*. Do you always respond to interview requests?

**Mr Jongen:** Generally yes. Firstly, it gets down to the core philosophy that underpins our service delivery—that is, we believe it is important that we are open and honest in our dealings with the media. On many occasions it is really important to put the record straight to the best of your ability. As I am sure you are aware in your dealings with media, you can do an interview where you absolutely put the record straight but it is still ultimately an editorial decision for these programs.

**Senator SIEWERT:** I appreciate that. I am extremely concerned about how some of the footage and some of the comments have been made to essentially vilify welfare recipients—not your comments, but they are used in that context. On the particular occasion I am talking about, the story in the media on the day that the disability figures were released was a negative story which essentially served to vilify people on DSP. I do not think you are saying that that is what you are trying to achieve.

**Mr Jongen:** Absolutely not.

**Senator SIEWERT:** If a show rings up and says, 'We want to interview you,' when you know very well that those figures are being released, do you still do the interview?

**Mr Jongen:** It does really depend on the circumstances. Often I will do an interview, or the minister may do an interview, and it will be days or weeks before it is actually put to air. We ultimately do not have editorial control of the timing of these stories.

Can I also make the point—and I think this is really important in the context of the point that you are making, which is the vilification of our customers—that, as I am sure you would appreciate, those interviews are lengthy and extensive interviews that could just result in two 30-second grabs. But I am always, consistently, very careful to provide a balanced response in my interviews. For example, when I talk about fraud, I always make the point that it must be seen in the context that the overwhelming majority of our customers are absolutely honest in their dealings with us. But, as I indicated earlier, the reality is that we do not have editorial control.

**Senator SIEWERT:** I do strongly take your point, thank you. I know I have already asked for the actual strategy. If there is anything written down about the protocols, could that also be provided?

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

**CHAIR:** Are there any other questions in this area?

**Senator FIFIELD:** Not in relation to the handling of the media following investigations. I do not have any other questions of a corporate nature except on the Child Support Agency, which I guess we will be looking at later.

**CHAIR:** We are trying to keep it to general, cross-portfolio and corporate. The child support corporate ones can be asked here.

**Senator FIFIELD:** This question is on the Child Support Agency. I think the Child Support Agency have some relatively new powers which relate to the engagement of debt collectors. That is correct, isn't it? They are relatively new powers to delegate collection.

**Ms Godwin:** That is correct.

**Senator FIFIELD:** When was that legislative change made?

**Ms Godwin:** Only relatively recently—July maybe. I do not have—

**Senator FIFIELD:** But around the middle of this year?

**Ms Godwin:** Yes.

**Senator FIFIELD:** What was the effective change to the range of debt collection options?

**Ms Godwin:** The actual legislative amendment introduces a power for the registrar, which is me at the moment, to be able to delegate certain functions to people outside the agency. It is not specifically a debt collection power. The intention that initiated our thinking about this requirement is in relation to debt collection because until the legislation was changed it was not possible to delegate any debt collection powers to a commercial agency, for example.

**Senator FIFIELD:** So it would be the Child Support Agency officers themselves who would undertake a range of activities to—

**Ms Godwin:** That is correct. They will still do that, but what we found when we did some investigation into this a few years ago was that both the ATO and Centrelink were able in certain circumstances to ask a commercial debt collection company to try to follow up debts for them. We did not have that ability. The way we envisage being able to use this power is

that we will continue to do our usual core work and follow up debts to the extent we possibly can but if we have run out of options and we think there might be some merit in asking it to be further followed up by a debt collection agency we now have the power to delegate that.

**Senator FIFIELD:** Has that capacity to delegate that debt collection function been used?

**Ms Godwin:** No, it has not. The reason for that is that we undertook at the time of the legislation that we needed to develop guidelines for the use of the delegation power that needed to deal with not only the legal framework but the protocols that would apply to the use of the power by an external provider around things like privacy and code of conduct. We are in the throes of developing those guidelines. We also undertook that we would consult with staff, and we need to develop guidelines in order to then consult with staff before we can actually use those powers.

**Senator FIFIELD:** I guess there are debt collectors and then there are debt collectors, and the guidelines you will be developing will be to ensure that they are the appropriate sort of debt collectors.

**Ms Godwin:** It is not just that; the department, formerly Centrelink, has I think a panel of providers. But before we went to any of those providers we wanted to ensure that we had crystal clear guidelines about what work we wanted done, in what circumstances and what our expectations were about privacy protection, behaviour of staff and so on.

**Senator FIFIELD:** I apologise, Chair; that was probably stretching the bounds of what is corporate.

**Senator FURNER:** Might I ask whether they are the same guidelines that apply to Centrelink and Medicare?

**Mr Popple:** At this stage we have separate guidelines, but we are working to get them into a single set.

**Senator FURNER:** How long do you think that will take?

**Mr Popple:** We are just in the process of amalgamating the child support compliance area into the old Centrelink compliance division. That should be completed in the next couple of months and I guess we will then look at the various arrangements and procedures to see what we can do to better integrate them.

**Ms Campbell:** We are seeking to have these types of integration issues consolidated within this financial year.

**Senator FURNER:** I have asked this question of every department. Can you indicate what the employment figures have been for Aboriginal and Torres Strait Islanders and also disabled persons within the department.

**Ms Bennett:** The Department of Human Services has a target to increase Indigenous employment to five per cent, by 2015. At the moment, across the department we have 1,157 Indigenous employees, which makes up 3.1 per cent of the department's employees.

**Ms Campbell:** These are employees who identify disability to us. Across the department, the number of people who identify themselves with a disability is 1,373, which is 3.7 per cent of the number of employees.

**Senator FURNER:** Is there any target for that area at all?



**Ms Bennett:** No.

**Senator FURNER:** I have some general questions on natural disasters in Queensland and also on Local Connections to Work and case coordinated programs. Is it best to ask this in general or—

**Ms Campbell:** I think it is best to ask it under the programmatic Centrelink program.

**Senator SIEWERT:** I have a specific question around Kwinana, in Western Australia. I understand you are going to be putting in a mobile office in Kwinana. Is that correct?

**Ms Campbell:** We will be putting in visiting services in Kwinana. Rockingham is not very far away from Kwinana. The government has announced that a Place Based initiative will be undertaken in Kwinana and will be serviced by a mobile service team from Rockingham.

**Senator SIEWERT:** When will that come into operation?

**Ms Campbell:** The Place Based initiative will commence on 1 January. A government action leader is there at the moment, who has already commenced the discussions and is working with the community. I am not sure of the exact timing.

**Mr Tidswell:** What we are trying to do in Kwinana is look at opportunities to work with local government. They are very keen to have us there in some facility. Also, some of the community groups have customers who are involved in these various initiatives, so we are trying to partner with those local community groups to share capability and use some of their space. Effectively, we are servicing the people of Kwinana through an outposted sort of arrangement, taking advantage of what is already there.

**Senator SIEWERT:** Could you tell me how sharing some locations would operate?

**Mr Tidswell:** Most people at the moment, as you well know, travel to Rockingham for general service in relation to general Centrelink program services. What we have been doing, for example, where we have a teenage parent—and I cannot recall the exact name of the service provider there—is to co-service so the client can have appointments and interviews where they may well be attending that service for other matters.

**Senator SIEWERT:** So you would have people that are working on that particular program co-located with those services?

**Mr Tidswell:** Yes, in the context of making appointments. It makes it easier to connect with people by generally joining up the services together. It is the best of both worlds in bringing the service approach to the most convenient place for individual customers.

**Senator SIEWERT:** If somebody wants Centrelink services they will go to Rockingham. But, if they are getting support through one of the programs, will those people be located in Kwinana?

**Mr Tidswell:** In the sense of appointments and other activities, not necessarily permanently. It is an out-servicing approach out of Rockingham. We are looking at all the opportunities there in that local community.

**Senator SIEWERT:** Are the programs place based?

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

**Senator SIEWERT:** Which place based programs will be operating in this particular manner in Kwinana?

**Mr Dunn:** The place based program in Kwinana has a variety of activities. There is the support for teen parents measure which was announced in the budget, which starts on 1 January. That will be placed there. There will be support for jobless families as well, and that starts on 1 July next year. There is case coordination and Local Connections to Work. We have a government action leader, who is already in place in Kwinana, and there will be a community action leader put in place as well. That is in the coming months. All these initiatives were announced in the budget, as was access to a Local Solutions Fund, which will become available over the next period of time. Also, currently in Kwinana, there is the income management issue.

**Senator SIEWERT:** I was going there next. That seems to be a lot of programs. I am trying to get my head around and visualise how it is going to work.

**Mr Dunn:** The main Centrelink services are in Rockingham and in Kwinana. The staff that will be going out and servicing these locations on these particular programs will be quite experienced staff. The issues people generally would raise could be either resolved there or taken back to the office or something. We would not necessarily be saying: 'You can only talk to us about this here. You have to go there to talk about that.' Other facilities are available too—phones and other services.

**Senator SIEWERT:** Will there be a shingle on the door?

**Ms Campbell:** Signage?

**Senator SIEWERT:** Signage, sorry. I'm using my mum's language.

**Mr Dunn:** A shingle may be taking it a little bit too far. But, as Mr Tidswell was saying, servicing these different groups might be better in different locations even within Kwinana itself. That does not necessarily mean that the shingle would be up, in that sense.

**Senator SIEWERT:** I take the point. Some of the programs will be located with different NGOs. If you are partnering with NGOs, they could well be located with different NGOs in Kwinana. Is that right?

**Mr Dunn:** They could very well be. We have not finalised all this yet. We are still sorting out where we are going to be on these different start dates to provide these services, because they start at different periods. Again, one of the focuses will be the question of what is the best way to get the services to the people affected at the appropriate time.

**Senator SIEWERT:** I presume, too, that in doing that you are talking to some of the providers. In fact, Mr Tidswell, you just said that you were talking to some of the providers in Kwinana or Perth.

**Mr Dunn:** In Kwinana, yes.

**Senator SIEWERT:** For some of the providers, their headquarters are not necessarily in Kwinana.

**Mr Dunn:** That is true.

**Senator SIEWERT:** Thank you. I might come back next time and ask how it is going. Would this segment be the one where I would ask about 1300 calls?

**CHAIR:** It depends on whether it is about the program or the payment—who pays the accounts.

**Senator SIEWERT:** It is about the program, I think. It is about 1300 numbers and mobile users.

**Ms Campbell:** You can ask us that. We can find someone to answer it for you.

**CHAIR:** Yes, it is a costing issue.

**Senator SIEWERT:** I know we have talked about these numbers before. I am getting quite a lot of calls from people talking about using the numbers with mobile phones. Do you get those complaints?

**Mr Tidswell:** We are aware of these. We regularly encounter this. Quite often when we are having a conversation with somebody we ask them if we can ring them back: 'We can hear that you're ringing from a mobile phone; would you like us to ring you back?' I have listened to a lot of these calls. Some people say, 'No, no; it's okay—I'm on one of those unlimited-use plans.' But we are conscious that that is an impost. In particular, a lot of people are moving completely to using a mobile phone rather than having landlines. Part of the service approach is to use our phones to connect with them and look at other opportunities for doing that in that area.

**Senator SIEWERT:** I am a total non-tech-head, so I will ask this question. Are you considering being able to provide free access to either an 1800 number or a 1300 number for mobile phone users?

**Mr Tidswell:** This is a big-ticket item for us, and I do not have the metrics in front of me in terms of the cost and what that would mean et cetera. But we are looking at those sorts of arrangements. We are looking at situations where we can provide a capability where people make contact with us and can indicate that they would like to be rung back at a certain time. We are putting that in place across the country. That would enable people who do not have enough money on their mobile phone coverage to have us to make contact back with them. This is an issue on which we are thinking about the best way to respond.

**Senator SIEWERT:** A lot of the people who contact my office are Aboriginals or Torres Strait Islanders who, like many other low-income families, do not have landlines anymore.

**Mr Tidswell:** That is right.

**Senator SIEWERT:** I have definitely noticed a spike in the number of calls from people voicing concerns about that. Thank you. I think those were all of my corporate questions.

**Ms Campbell:** Perhaps I could just provide one answer to Senator Fifield's questions on staff housing. We have 33 staff houses in a number of locations. There are two in Alice Springs, one on Bathurst Island, one at Borroloola, two in Broome, one in Derby, two in Fitzroy Crossing, one at Halls Creek, three at Katherine, two at Kununurra, one at Maningrida, two at Nhulunbuy, one at Yuendumu, one at Tennant Creek, one at Boulder, one at Kalgoorlie, one at Carnarvon, one at Karratha, one at Newman, one at Port Hedland, one at Charleville, one at Emerald, one at Nanum, one at Normanton, one on Thursday Island, one at Ceduna and one at Walgett.

**Senator FIFIELD:** Are they all still occupied or used?

**Ms Campbell:** They are.

**Senator SIEWERT:** I can guarantee that any housing out in WA will be occupied.

**Senator ADAMS:** You have some very valuable real estate there.

**Ms Campbell:** We do struggle with staff housing in those remote locations. There are occasions where, between departments, we may be in someone else's house, but they are Commonwealth occupied.

**Senator FIFIELD:** Do you maintain a valuation of those properties?

**Ms Campbell:** We would, for our accounts, on an annual basis. I am sure that if we dive into the accounts we will be able to find that somewhere.

**Senator FIFIELD:** Perhaps we could have the aggregate of those.

**Ms Campbell:** I will see whether we can get that as well.

[19:41]

**CHAIR:** We will now move on to the Child Support Program.

**Senator FIFIELD:** The Child Support Agency has the capacity to require employers to withhold money from an employee where there is an outstanding child support obligation. Is that correct?

**Ms Godwin:** Yes. That has been in the legislation for some time.

**Senator FIFIELD:** Do you mean it has been the case for a number of years?

**Ms Godwin:** I would have to take on notice exactly when it came into the legislation but I think it has probably been a feature of the scheme pretty much from the beginning.

**Senator FIFIELD:** Thank you. Would you have a register of any complaints you have received from businesses about having to undertake that particular function?

**Ms Godwin:** I would have to take that on notice.

**Senator FIFIELD:** Have the penalties for employers who fail to withhold money in those circumstances changed over the years, other than increasing with the CPI or however they are determined? Has there been any change to the basis or the nature of the penalties?

**Ms Godwin:** I am certainly not aware of any recent changes except for a minor amendment that was made in conjunction with the other one that we talked about.

**Senator FIFIELD:** What was that?

**Ms Godwin:** That was a clarifying amendment in the legislation to put beyond doubt what the offences actually were. There are three levels: complying with notices, deducting and then remitting. They are the three levels of activity that employers are required to undertake. I think the amendment to the legislation clarified precisely what action or inaction constituted an offence.

**Senator FIFIELD:** Was there some doubt beforehand as to what employers' obligations were?

**Ms Godwin:** I think there was a question of doubt. I think the advice we had was that it was not clear and that to put it beyond doubt required an amendment.

**Senator FIFIELD:** Had that been tested in court by employers?

**Ms Godwin:** I don't know. I'd have to take that on notice.

**Senator FIFIELD:** What information sharing arrangements does the agency have in place with the ATO? Is there a memorandum of understanding between the ATO and the CSA for sharing information?

**Ms Godwin:** We do have a memorandum of understanding, but some of the exchange of information relies on legislative power for the tax office to send us information about people's taxable income, in relation to tax refunds and things of that sort.

**Senator FIFIELD:** Is the MOU a publicly available document?

**Ms Godwin:** I'd have to take that on notice. Obviously, we're not the only party to the MOU.

**Senator FIFIELD:** If you could do that and if it's possible to provide that.

**Ms Godwin:** I'll take it on notice.

**Senator FIFIELD:** I guess the MOU has gone through various iterations and changes over the years?

**Ms Godwin:** Probably. I'm aware that we've recently renewed it. The Child Support Agency actually started out as part of the tax office, so at that point—

**Senator FIFIELD:** The tax commissioner used to be its registrar.

**Ms Godwin:** Indeed. So my assumption is that there have been various iterations, because the Child Support Agency moved first from the tax office to what is now FaHCSIA, and then from FaHCSIA to DHS.

**Senator FIFIELD:** So there would have been a change in arrangements between the CSA and the tax office when it left the tax office.

**Ms Godwin:** Yes, and subsequently. We used to be supported on their IT system; we are no longer supported on their IT system. When that was all separated a range of arrangements came into place then. I would have to take on notice the detail because, as I say, some of the arrangements between us are based on legislation and don't rely on the MOU, while some other aspects rely on the MOU.

**Senator FIFIELD:** Would you do that, and also outline what the change in the relationship between the CSA and the ATO has been in relation to information sharing since the organisations separated? Is part of the information sharing the provision of tax file numbers by the ATO where a CSA client fails to provide one? I assume that is one of the things that a client has to provide to the CSA.

**Ms Godwin:** Yes.

**Senator FIFIELD:** Is it the MOU that governs the provision of tax file numbers or would that be something that requires legislation?

**Ms Godwin:** I believe it is covered by legislation, but I'll confirm it.

**Senator FIFIELD:** That's what I would think. What, in general, is the arrangement for the collection of unpaid debts through the tax system. Is that one of the mechanisms by which you recoup money?

**Ms Godwin:** Yes. The principal one is the interception of tax refunds. There are some data exchange arrangements between us and the tax office. When someone lodges their tax

return, if they are due a refund but have a child support debt there are certain circumstances in which we can seek to intercept that refund.

**Senator FIFIELD:** Again, there would be a legislative basis for that, I presume.

**Ms Godwin:** Yes.

**Senator FIFIELD:** I know there is not necessarily a simple answer to this: what was the outstanding accumulated debt from unpaid child support payments at the end of the 2010-11 financial year?

**Ms Godwin:** The accumulated debt at 30 June 2011 was \$1.197 billion.

**Senator FIFIELD:** What is the figure currently?

**Ms Godwin:** I do not have an up-to-date figure.

**Senator FIFIELD:** The end of the financial year is the most recent information you have?

**Ms Godwin:** We do track debt on a monthly basis and I could take that question on notice. I just do not happen to have it with me at the moment. But, generally speaking, the most relevant figure is the end of the year figure because collections move around during the year.

**Senator FIFIELD:** The figure for the end of the financial year or the end of the calendar year?

**Ms Godwin:** Yes, 30 June.

**Senator FIFIELD:** I was just wondering if things improved towards the end of the calendar year.

**Ms Godwin:** No, it is just that you get a complete picture of the year if you have a full-year picture. In the early part of the year, which is the tax lodgement period and therefore when we get higher numbers of tax refund intercepts, the collection figures tend to go up. They tail off a bit as you get later into the year. So at any given point in the year you do not necessarily get a good picture unless you have the full-year picture. That is why we tend to focus on the end of June figure.

**Senator FIFIELD:** At the end of 2010-11, how many individuals had outstanding debts?

**Ms Godwin:** At the end of June we had 229,074 paying parents with a debt, and that included some cases that ended with arrears, as we call it. So they would not all be current cases. If the case ends but not all the child support debt had been paid during the active period of the case, we keep it on the register and we continue to seek collection opportunities.

**Senator FIFIELD:** So the end of the case is when a child—

**Ms Godwin:** Turns 18. So that figure of 229,074 includes a proportion of cases that have ended.

**Senator FIFIELD:** How much debt was written off at the end of 2010-11?

**Ms Godwin:** We do not write off debt in that way. The debt stays on the register unless it is discharged in some way, and it can be discharged either by payment or other credits. In a small number of cases the debt might be waived, or the receiving parent agrees to discharge the debt.

**Senator FIFIELD:** I asked the department as a whole before about its electricity bills. Did that include CSA or not?

**Ms Campbell:** Child support has been part of the department for a number of years. So yes, it includes their electricity bill.

**Senator FIFIELD:** But they are more autonomous than the other elements, aren't they?

**Ms Campbell:** There are statutory positions like the one Ms Godwin occupies as the registrar, which deals with the decision making on cases. But the corporate and administration is all combined.

**CHAIR:** Thank you very much to the officers from child support.

**Centrelink**

[19:54]

**Senator FIFIELD:** I have questions related to the DSP and overseas payments.

**Ms Campbell:** With respect to overseas payments to Australian citizens who are living overseas?

**Senator FIFIELD:** Yes, principally the change to the residency requirements in order to claim DSP, or the bringing of the residency requirements for DSP into line with those of the age pension, and the effects of that decision.

**Ms Campbell:** And this is on how that policy has been implemented?

**Senator FIFIELD:** Yes.

**Ms Campbell:** Maybe if you ask the question, we might be able to find the person who is most suited to answer it for you.

**Senator FIFIELD:** Firstly, let me get it clear in my own mind. The change to the DSP eligibility—to have a residency requirement in line with that of the age pension—took effect from 1 January this year. That is right, I think.

**Ms Campbell:** I am not sure. We are just finding someone who will be able to assist you.

**Senator FIFIELD:** My question is: what has the change been to the number of payments going to people on the DSP overseas as a result of that change?

**Ms Campbell:** I will see whether Ms Golightly has got that statistic, but it is unlikely.

**Senator FIFIELD:** I guess they would not necessarily have been going to them overseas, because they might have come back periodically and received it here.

**Ms Campbell:** And often bank accounts are here and—

**Senator FIFIELD:** That is right, so it might not be a straightforward question to answer. But please try.

**Ms Golightly:** I am just getting the people with the detail on that, because, as you said, it is not as straightforward as it might look. I am getting that for you right now.

**Senator FIFIELD:** Thank you for that. I guess partly the answer to this will be by way of how these payments are made. Let me start with that. If someone was essentially living overseas, not previously a resident in the terms that now apply, and they were receiving the DSP, what would be the different ways that they could have received that payment—going directly into their bank account? Do Centrelink send cheques?

**Ms Golightly:** Not to my knowledge, but I will confirm that. I am pretty sure it is paid into the bank accounts.

**Senator FIFIELD:** And you do not necessarily know where someone is domiciled on the basis of their bank account.

**Ms Golightly:** No.

**Senator FIFIELD:** When this change was being considered, I assume that the government, the department, had a bit of a handle on the number of people on the DSP who were essentially living overseas.

**Ms Golightly:** People are required to tell us when they are travelling over overseas for more than a certain period—

**Senator FIFIELD:** That is the 13-week rule.

**Ms Golightly:** or indeed whether they leave the country permanently.

**Senator FIFIELD:** So you would have—

**Ms Golightly:** So we would have an idea of how many every year, for example, do that.

**Senator FIFIELD:** I would be interested in a month-by-month breakdown for the first six months of the last financial year of those people who were essentially domiciled overseas but claiming the DSP compared to the six months from January this year—to the end of the financial year—which is the period in which the new arrangements would be in place. I am thinking out aloud here as to the most meaningful way for you to provide this information to us. You tell me. There was a purpose to this change. What has been the effect of the change?

**Ms Golightly:** I do not have the monthly breakdown here but I can certainly get that for you.

**Senator FIFIELD:** You understand what I am seeking?

**Ms Golightly:** Yes, I do.

**Senator FIFIELD:** Can you give me something meaningful, month by month, which will demonstrate how things have changed in the first six months with the new legislative requirement from the last six months without that requirement?

**Ms Golightly:** Yes, we will get something for you.

**Senator FIFIELD:** I guess I am looking for the change in the individuals, the dollar value of those payments, the people who were living overseas et cetera. Some people will have made the decision to become effectively a resident of Australia to keep getting their DSP; others will have said, 'I prefer to stay where I am.' I appreciate that it is not a straightforward thing. My apologies for sounding as clear as mud.

**Ms Golightly:** It is a complex area.

**Senator FIFIELD:** Another issue is one raised by Senator Boyce in the last estimates in relation to the situation of carers. This is not on DSP anymore. It is in relation to the plight of full-time carers once the needs of the person that they are caring for become so great that they have to move into a residential care facility. Despite that happening, you can have a carer who is in a situation where they are still effectively carrying out a serious caring role. Those people are removed from the carer register, it has been put to me, and therefore put themselves down as unemployed. This is something that Senator Boyce canvassed before. Is that a situation that has been raised with you previously?



**Ms Campbell:** It has, and I have written to Senator Boyce about the particular case that she raised. The case she was talking about was where the carers were now in receipt of Newstart and there was an obligation to seek employment and to remain in contact—

**Senator FIFIELD:** Sorry, that is what I meant when I said they list themselves as unemployed. It is for the purposes of getting Newstart.

**Ms Campbell:** On those occasions, as in the case Senator Boyce was talking about, where there are still caring requirements, there is the provision to be able to go to Centrelink and talk to a social worker about why they cannot seek employment and receive an exemption from seeking employment for a period of time. But there is still a requirement for us to maintain contact with that person. I think Senator Boyce had some questions about how we did that via some correspondence. Basically when an exemption from seeking employment is provided there is still that requirement to stay in contact so that the person's circumstances can be reviewed on a regular basis.

**Senator FIFIELD:** So in that circumstance where a person has the exemption from seeking employment would they be receiving Newstart or would they be on the carer payment?

**Ms Campbell:** Newstart. In the case Senator Boyce was talking about it was Newstart because they were not eligible for carer payments.

**Senator FIFIELD:** So there is not the discretion to allow that person to be on the carer payment?

**Ms Campbell:** No, because they no longer qualify under those conditions.

**Senator FIFIELD:** Certainly I can understand, apart from any financial difference, the concern of carers who may see some stigma attached to Newstart as opposed to a carer payment.

**Ms Campbell:** And the staff in the front offices—often social workers—work very closely with these individuals in order for them to receive an exemption from that looking for work requirement.

**Senator FIFIELD:** It is probably a difficult thing to register as you go, but do you track or have records of the number of people who were on carer payment who, because of the situation we have described, then go onto Newstart? I guess you do not necessarily know the circumstances which lead to someone changing from carer payment to Newstart.

**Ms Campbell:** I do not think we do and there can be so many reasons why they stop becoming a carer, including the death of the other party.

**Senator FIFIELD:** Do you have the number of people who currently have the exemption that you referred to as a result of their caring responsibilities?

**Ms Campbell:** I am not sure we would have that level of detail. Of course, customers may have exemptions for a number of reasons and it would be quite difficult to track what those reasons are because they are quite particular. It would be a Newstart exemption but it would be very difficult to track what that exemption was for.

**Senator FIFIELD:** I appreciate that. Do you have the number of people who have an exemption overall for a range of reasons?

**Ms Campbell:** I do not think we would have it here.

**Ms Parkes:** We could give you a breakdown of exemptions for people on Newstart. I will take that on notice.

**Senator FIFIELD:** General sorts of categories.

**Ms Campbell:** The general categories but not how many people in each category.

**Ms Parkes:** We could give you numbers in each category too, so we will take that on notice.

**Senator FIFIELD:** That will be helpful. I appreciate any variations to what is really a policy matter rather than an administrative matter for the department.

**Ms Golightly:** Just on your queries in relation to the residency, I should clarify while the changes did come into effect on 1 July, that is for the reviews to be done, so no-one will have their payment cancelled or whatever until, at the earliest, 1 January next year.

**Senator FIFIELD:** It came into effect on 1 January this year, I think.

**Ms Golightly:** The notes I have just been handed say 1 January 2012 because of the delay in the passage of the legislation. I will double-check all of that for you, but that is the latest information.

**Senator FIFIELD:** When did the legislation go through?

**Ms Golightly:** It passed in the autumn sittings and with a 1 July 2011 start date. That was for us to conduct a review.

**Senator FIFIELD:** That is right. It was originally due to commence earlier, wasn't it?

**Ms Golightly:** Yes. We will do the reviews and then make decisions with effect from 1 January next year.

**Senator FIFIELD:** In that case, it makes the task a little easier.

**Ms Golightly:** It does.

**Senator FIFIELD:** How many people are currently on the DSP but not resident in Australia?

**Ms Golightly:** There are a number of reasons—I mentioned a couple before—which might lead us to believe that they are not residing. The first and foremost is that they are required to tell us, so if they have told us that we will look at that. But we also look at things like what we know about where they are residing and whether there are financial ties here or overseas. We review that regularly and as new information comes to light.

**Senator FIFIELD:** But you will take that on notice.

**Ms Golightly:** Yes.

**Senator FIFIELD:** We did earlier touch on staff disciplinary issues. The department took some questions on notice in relation to that.

**Ms Campbell:** I might have some of those answers in relation to those that were referred to the Commonwealth Director of Public Prosecutions. In 2010-11 there were five matters from Centrelink referred to the CDPP, one from Medicare and one from the Department of Human Services Child Support.

**Senator FIFIELD:** Can you tell us the nature of those particular offences or alleged offences?

**Ms Campbell:** In broad terms, yes. At Centrelink, there were four cases of program fraud and one case of fraud.

**Senator FIFIELD:** What is program fraud?

**Ms Campbell:** Where there is fraudulence against the actual—and I am not sure whether it was in this case—Newstart program or an unemployment program or something that we administer, so not against the department operations but about something that we administer.

**Senator FIFIELD:** Are these cases concluded?

**Ms Campbell:** These were alleged cases that were referred to the Director of Public Prosecutions.

**Senator FIFIELD:** Alleged cases by staff?

**Ms Campbell:** Yes, by staff. So we had four cases of program fraud and one of fraud, which would have been against the operations of the department. With Medicare, it was one case of fraud and with Child Support at the Department of Human Services it was one case of unauthorised access.

**Senator FIFIELD:** With cases of unauthorised access—to customer information, I assume—I assume that, once someone is under investigation, they cease to have access to customer information while that investigation is underway.

**Ms Campbell:** Each code of conduct is assessed on a case-by-case basis, so it would depend on what the allegation was, and the decisions are made on a case-by-case basis.

**Senator FIFIELD:** But it is something that would be likely to happen if someone were being investigated for inappropriate access to customer information?

**Ms Campbell:** It is up to the delegate on each occasion, but I expect that, if there were plenty of clear evidence that this case would be viable, that might be one of the courses that would be taken on that occasion—or reallocation to other duties or suspension from duties. There are a broad range of activities that can be applied.

**Senator SIEWERT:** Can I go to the SEAM trial first?

**Ms Campbell:** Yes. We will get the relevant officers to the table.

**Senator SIEWERT:** I just want to get some figures first. So I am not misleading anyone, I did get some figures next door in the Education, Employment and Workplace Relations committee this morning, but I have subsequently had somebody quote another figure to me. I just want to confirm: how many people have had their income support cancelled as a result of the process?

**Mr Dunn:** To date, there have been two people who have had their payments cancelled.

**Senator SIEWERT:** I think that means I have now got a third figure. It may be simply that people are quoting different dates for the figures.

**Mr Dunn:** It could very well be. Into August, there was one, but since then there has been another one.

**Senator SIEWERT:** Okay. That is it. I had someone quote a figure of seven to me.

**Ms Campbell:** They may have also talked about when they have reapplied and been regranted.

**Senator SIEWERT:** Yes, and that is what I want to get to because we could not solve that this morning.

**Mr Dunn:** One of those had been re-granted, the one that had been cancelled, and another one has applied but their claim is still pending as of today.

**Senator SIEWERT:** Okay. How long have they been off? Does that make sense?

**Mr Dunn:** Do you mean off payment, cancelled, until they came in?

**Senator SIEWERT:** Yes. Can you tell me how long it normally takes to go back on in these particular circumstances?

**Mr Dunn:** The time it takes to go back on will vary again depending on the individual circumstances. I am just trying to find out from my data here whether I can help you.

**Ms Campbell:** I do not think we have the date they were cancelled.

**Senator SIEWERT:** Okay.

**Mr Dunn:** I do not have how long they were off in front of me.

**Senator SIEWERT:** Presumably there would be different processes if they were new people coming on to income support. There would be different circumstances.

**Mr Dunn:** Even in the interim it would depend on whether their circumstances had changed, their family relationships or whatever. That would also impact on the speed of getting them back on payment as well.

**Senator SIEWERT:** Could you take it on notice to get back to me and tell me how long. I know there are only two and it makes it a bit harder. If this process expands, it will become more of an issue, if people get cut off, when they go back and things like that.

**Mr Dunn:** We can take that on notice.

**Senator SIEWERT:** Thank you. This morning also I was given a breakdown of the figures for how much the trial is. The bulk of the money goes over to you.

**Ms Campbell:** It does.

**Senator SIEWERT:** Could you tell me how your share of that money is allocated.

**Ms Campbell:** While the officers are looking for the detail in general terms the costs that we incur are system costs, social worker engagement costs as well as customer service officer costs.

**Senator SIEWERT:** Okay. I do want to go to the social worker costs but could you tell me first off what the customer service officer is?

**Ms Campbell:** They are the frontline person in the customer service centre. They are the person that someone first meets when they come through the door of a Centrelink office.

**Senator SIEWERT:** Why is one of those positions funded out of this particular—

**Ms Campbell:** I am not saying a whole position is. They are the different components of what it is and we are just trying to find the details.

**Ms Parkes:** I can give you the figures over each financial year and give you some idea of the components if that would be helpful.

**Senator SIEWERT:** Yes, it would very definitely be helpful, thank you.

**Ms Parkes:** It is a four-year allocation. In the first year, which was 2008-09, the allocation was \$15,209,000 and the bulk of that was for IT development and set-up for the program. In financial year 2009-10 the total was \$3,933,500. Again there was some IT development in there, some staff and overheads. In 2010-11 the figure is \$2,366,100. Again there are similar costs for customer service officers with some IT maintenance and development but decreasing. Then for 2011-12 the figure rises to \$5.605.6 million. That is because the measure has been extended and there are some additional social work resources in there.

**Senator SIEWERT:** In terms of social workers could you take me through how that process has been operating? How many do you have associated with the trial and where are they located?

**Ms Gannon:** I do not actually have the number of social workers. I can take that on notice. But I am happy to take you through the process, if you like.

**Senator SIEWERT:** Yes. We did go through it a bit this morning. I am particularly interested in the role of the social workers and case management. It seems to me from the discussion I had this morning that the crux of this is the actual case management process.

**Ms Gannon:** It is. The process is that when DHS is notified by either the school or the education authority that a student is not attending, then, depending on which state we are talking about—because we have different arrangements in the Northern Territory, where we deal with the education authorities, whereas in Queensland we work directly with the schools—DHS sends a notice to the parent of that child. In the case of attendance they have 28 days from the day they receive that notice to give them time to contact us to talk to us about why that student might not be attending. That is the point where the social worker will become involved. We can say to the customer, in the letter that goes out, that Centrelink social workers are available for assistance if they would like to contact one. When we have the conversation with the customer we canvass what issues might be precluding that child attending. We look at what we would call a 'reasonable excuse' or special circumstances, and those are taken into consideration before we go into any further detail.

The suspension is the last resort, and that is only after there has not been a reasonable excuse or if no special circumstances have been identified. But even if the payment is suspended it is immediately reinstated as soon as the child re-enrols or attends the school again. It is also reviewed directly with the parent at two-, six-, eight- and 10-week periods to check in and see what is happening. There is ongoing contact with the school and with the authority.

**Senator SIEWERT:** Is it immediately reinstated as soon as the child goes back to school?

**Ms Gannon:** Yes, and when the child does re-enrol or recommence attendance the payment is reinstated in the back pay as well, so there is not a financial disadvantage.

**Senator SIEWERT:** I just want to go back to the review. How often is it reviewed, did you say?

**Ms Gannon:** It is reviewed at two-, six-, and 10-week periods.

**Senator SIEWERT:** This morning we were talking about whether people were cycling through—in other words, the attendance was being maintained.

**Ms Gannon:** I do have some data on that.

**Senator SIEWERT:** That would be great.

**Ms Gannon:** The data is as at 26 August. In the Northern Territory, when you look at enrolment, 133 parents had been suspended and seven were actively suspended, so we were in the process of talking with them about their child re-entering school.

**Senator SIEWERT:** Okay, so that is for enrolment.

**Ms Gannon:** Yes. For attendance, there were 93 suspensions. Of those, 18 parents had been suspended more than once. There were 11 who were actively suspended as at that date.

**Senator SIEWERT:** And that is in the NT. Is that correct?

**Ms Gannon:** The NT, yes.

**Senator SIEWERT:** And what about in Queensland?

**Ms Gannon:** In Queensland, in enrolment, there 151 suspensions. Three of those were parents who had been suspended more than once.

**Senator SIEWERT:** Are you talking about attendance now, or enrolment?

**Ms Gannon:** This is enrolment.

**Senator SIEWERT:** Okay, so three had been suspended more than once on enrolment. Had they moved?

**Ms Gannon:** I do not have the detail, but it would be something like that. And there were 13 who were actively suspended. In terms of attendance for Queensland three had been suspended, two of those more than once. And one was actively suspended.

**Senator SIEWERT:** Sorry; perhaps you could just clarify: three were suspended—

**Ms Gannon:** And two of those three had been suspended more than once.

**Senator SIEWERT:** And one is currently suspended.

**Ms Gannon:** Yes.

**Senator SIEWERT:** I can do the maths myself on how much it costs per person for the trial. You said there were three components to the expenditure: social workers—

**Ms Parkes:** There is a range of components which make up national costs: our IT costs, area costs, which would include social workers and special staff delivering service, some call centre staff costs and overheads. There are several categories there.

**Senator SIEWERT:** So that I don't waste people's time, could you provide me with a table with the breakdown of those costs, please? Could you break them up between the Northern Territory and Queensland for me? Is that possible?

**Ms Parkes:** We'll have a look at that. I'll take it on notice.

**Senator SIEWERT:** I will move to income management and BasicsCard. I want to focus mainly on the new—

**Ms Campbell:** On Bankstown?

**Senator SIEWERT:** On Bankstown and the other trial site, but, yes, I do have some specific ones around Bankstown. Moving to the roll out of the BasicsCard, I understand some advertising has been done to encourage local businesses to take up BasicsCard?

**Mr Tidswell:** I think you might be referring to this particular ad, reference to which was made in questions today. Yes, we are actively—as we speak, I don't know what the time is,

we've almost concluded that session with merchants in Bankstown. As you are well aware, this is all about explaining to people how the system works: income management, the administration of BasicsCard, what storekeepers and merchants have to do et cetera. One of the things we were criticised for, as you well remember, in the early days of income management in the Territory was having a bit of a bias to the big merchants, such as Coles and Woolworths. This is really about trying to get to the smaller merchants that don't really understand what it's all about. We're keen for the mum and dad shopkeepers, and others, to make it easier for customers, so long as they're selling the right goods, to enable that to occur. This is really just about making people alert and aware that something different is happening in these trial sites.

**Senator SIEWERT:** Where did you put the ads?

**Mr Tidswell:** I'm not quite sure on that, but my assumption would be in the local media.

**Senator SIEWERT:** Would you take that on notice?

**Mr Tidswell:** Certainly.

**Senator SIEWERT:** And also the cost of the ads?

**Mr Tidswell:** Shall do.

**Senator SIEWERT:** Did you get a good roll-up to these meetings?

**Mr Tidswell:** I think I have some feedback about the attendance this evening. I think we had 15-odd merchants in Bankstown. I'm not quite sure if that's a good, bad or indifferent roll-up.

**Senator SIEWERT:** Meetings have been held in other locations. Were they different meetings from these? Have meetings been held with businesses in the other locations yet?

**Mr Tidswell:** The one this evening in Bankstown is the last one, as I understand it. All the rest of them have been held and have gone off without a hitch. There's been a lot of interest.

**Senator SIEWERT:** I was just making sure I wasn't confused about meetings in different locations.

**Mr Tidswell:** There are a lot of meetings going on in these particular sites. Mr Dunn provided more information earlier about the broader range of initiatives; these are specifically about the merchants and BasicsCard coming to your locality.

**Senator SIEWERT:** How many businesses have signed up so far in the five locations?

**Mr Tidswell:** We should have that somewhere.

**Ms Cartwright:** In Playford we have 18 BasicsCard merchants approved, we have 199 BasicsCard merchants in the wider surrounding area and we have 1,526 Centrepay organisations. In Shepparton we have 11 BasicsCard merchants signed up, 55 in the wider surrounding area and 2,473 Centrepay organisations. In Rockhampton we have 21 approved BasicsCard merchants, 21 in the wider surrounding area and 3,152 Centrepay organisations. In Logan we have 44 BasicsCard merchants, 287 in the wider surrounding area and 2,473 Centrepay organisations. In Bankstown we have 26 BasicsCard merchants, 410 in the wider surrounding area and 3,521 Centrepay organisations.

**Senator SIEWERT:** What is the nature of the businesses that have signed up?

**Ms Cartwright:** They are a variety of organisations. Specifically, I know that in Bankstown we have recently signed up some pharmacies. There would be food providers. The larger figures that I gave you, on the approved BasicsCard merchants in wider surrounding areas, are primarily Coles and Woolworths and the larger national stores.

**Senator SIEWERT:** Moving to receipts on BasicsCard printouts and dockets and the changes that have been made there, I understand that the Coles group is doing that. Is that correct?

**Ms Cartwright:** Correct.

**Senator SIEWERT:** Are any other organisations doing it?

**Ms Cartwright:** Not at the moment, no.

**Senator SIEWERT:** Who initiated that?

**Ms Cartwright:** We initiated that with Coles.

**Senator SIEWERT:** Have you tried any of the other merchants?

**Ms Cartwright:** Yes.

**Senator SIEWERT:** And they do not want to do it?

**Ms Cartwright:** At the moment they are not. It is a big IT change for the merchants. Coles are able to do the IT change as part of their normal IT changes. We have had conversations with other banks and the other large merchant.

**Senator SIEWERT:** When did that option become available for Coles?

**Ms Cartwright:** On 5 September this year.

**Senator SIEWERT:** Do people opt in to do that?

**Ms Cartwright:** Correct. They can opt in or opt out.

**Senator SIEWERT:** How do you opt in and opt out?

**Ms Cartwright:** By talking to a Centrelink customer service adviser.

**Senator SIEWERT:** Have you had much response from people using it?

**Ms Cartwright:** Yes.

**Senator SIEWERT:** Can you do it all over Australia?

**Ms Cartwright:** Yes, at any Coles outlet.

**Senator SIEWERT:** How many people have opted to use it?

**Ms Cartwright:** I might have to take that on notice.

**Senator SIEWERT:** But you are getting positive feedback from people liking that option?

**Ms Cartwright:** Yes.

**Mr Tidswell:** This is a great initiative and we would hope that this encourages the other big providers to see there might be a market advantage in that sense. It would be good to get that.

**Senator SIEWERT:** I can see why people would want to see that. Are you going to require that in the future as part of the contract that you sign with merchants?



**Ms Cartwright:** We have not thought about that. I would imagine not because some merchants would not be able to participate in the scheme. As you would imagine, in the Northern Territory some of the facilities are not as sophisticated. So, no, I would not imagine that we would.

**Senator SIEWERT:** Okay, point taken.

**Ms Cartwright:** There are many other balance options, as you know. We have been through those on many occasions. In recent times we have introduced some self-service options for customers and we have also introduced a smartphone application for iPhones et cetera, which also has been quite popular.

**Senator SIEWERT:** Could you take on notice the matter of how many people have taken up the feature so far?

**Ms Cartwright:** Yes.

**Senator SIEWERT:** How are you letting people know they can do this?

**Ms Cartwright:** We will let customers know when they talk to us about balances. We also have a small PR product that fits into the BasicsCard wallet. When we issue a new card we also give those to the customers. That is the face-to-face transaction. If it is over the phone we will talk to the customer about it.

**Senator SIEWERT:** Do you have to have a new card for it?

**Ms Cartwright:** No.

**Senator SIEWERT:** If they already have a card do you tell them on the next occasion they interact with you?

**Ms Cartwright:** Correct.

**Mr Tidswell:** Word of mouth would be a big factor here. People would hear about it word of mouth.

**Senator SIEWERT:** I want to go specifically to Bankstown. You have 26 merchants signed up in Bankstown. How many of those are the smaller merchants?

**Ms Cartwright:** I will take that one on notice to get you a breakdown of what specifically those 26 stores are.

**Senator SIEWERT:** You will presumably have the big stores already?

**Ms Cartwright:** That was the middle figure I gave you.

**Senator SIEWERT:** 410?

**Ms Cartwright:** Correct.

**Senator SIEWERT:** Sorry, I misinterpreted that.

**Ms Cartwright:** They are counted separately. Twenty-six merchants would be in the Bankstown or the Bankstown local area.

**Senator SIEWERT:** And the others are the bigger stores, where you have multiple outlets. Is that correct?

**Ms Cartwright:** Correct.

**Mr Tidswell:** We would expect from this evening's seminar or workshop or meeting that we will get more people signing up, and that will increase the number.

**Ms Ramsey:** One of the other things we are doing is actively making contact with the merchants and the small traders to encourage them directly to register and become involved. It is quite a multicultural area, so we are making sure that our multicultural service officers are out there, as well, actively engaging and getting onto the grapevine around that.

**Senator SIEWERT:** Is there a Coles in Bankstown?

**Ms Cartwright:** I will take that one on notice.

**Ms Campbell:** I am sure someone else can check for us.

**Mr Tidswell:** Google it.

**Senator SIEWERT:** I find it hard to believe—

**Mr Tidswell:** Bankstown is a pretty big precinct. I have been there a few times.

**Ms Cartwright:** I have got a nod from a person who lives at Bankstown. So, yes, there is a Coles.

**Senator SIEWERT:** Looking at this receipt based issue. At the moment is Coles the only place in Bankstown where you would be able to get that receipt based process?

**Ms Cartwright:** Yes.

**Senator SIEWERT:** They can still access the phone lines, tough?

**Ms Cartwright:** Yes.

**Senator SIEWERT:** The same phone process still works?

**Ms Cartwright:** Yes.

**Senator SIEWERT:** How long do people have to wait when they are phoning in.

**Ms Ramsey:** The wait times on the call centre are variable, depending upon what is happening. Also, I would point out that we have not yet commenced income management in Bankstown in terms of people being—

**Senator SIEWERT:** I know that, but generally?

**Ms Ramsey:** It is very variable. There can be long wait times. Equally, people can get straight through. I do not have wait times with me.

**Senator SIEWERT:** Can you take that on notice?

**Ms Ramsey:** Yes.

**Ms Cartwright:** I might add that in the new five place based locations we will also be implementing the BasicsCard balance-checking kiosks. There will be two additional kiosks in Bankstown area for customers to check their BasicsCard balance.

**Senator SIEWERT:** How many in each centre?

**Ms Cartwright:** Four. There will be 20 in total.

**Senator SIEWERT:** Where will they be located?

**Ms Cartwright:** We are still negotiating. We have to negotiate with shopping centres and go through the lease process for those. So the account manager position that Ms Ramsey referred to will be looking at where these kiosks are best located. That will depend on where the customers are shopping.

**Senator SIEWERT:** So they would be located in one of the big shopping centres?

**Ms Cartwright:** Yes.

**Senator SIEWERT:** Are all the trial centres starting at the same time?

**Ms Cartwright:** Yes.

**Senator SIEWERT:** How involved are you in the evaluation of the whole five trials? Are you involved at all or is it FaHCSIA?

**Mr Dunn:** We will be involved in the evaluation. The evaluations for the income management in those five place based locations will be driven largely by FaHCSIA but will also involve both us and DEEWR as part of the whole package of the place based initiatives.

**Senator SIEWERT:** Have you been involved in the discussions and development of the evaluations?

**Mr Dunn:** Yes, those conversations have already started and we are involved in them.

**Senator SIEWERT:** Are you allocated resources for that?

**Mr Dunn:** If I recall the evaluation allocation for the whole of Building Australia's Future Workforce measures was given to DEEWR. I am not sure if there is a component that goes to FaHCSIA for the income management pilots. We do not receive any money for evaluation, as part of the broader picture. But we will be doing ongoing reviews and monitoring in that, of course, as we would as a matter of course in our business as usual.

**Senator SIEWERT:** Do you have the figures for the cost of implementing the BasicsCard process?

**Ms Campbell:** Was your question in relation to the five trial sites, or more broadly?

**Senator SIEWERT:** Maybe I could have it for the NT and then for the five trial sites.

**Ms Campbell:** We might take that one on notice.

**Senator SIEWERT:** I understand that it is complicated. On several occasions we have had discussions about the letters that go out. Have you got the latest version of the letter that goes out now in the Northern Territory? Also, what process are you going to use in the trial sites, because it is a different process for the trial sites? We have been through some of the policy with FaHCSIA. I am wondering how you are going to undertake that process? We have been through where they get identified and then how do you take it from there? How do you interact then with the housing authority or one of the other vulnerability factors?

**Mr Tidswell:** In terms of the letters, I am not quite sure that we have the letter with us this evening.

**Senator SIEWERT:** The NT one?

**Mr Tidswell:** Yes. At previous times we have had considerable debate about it, so I am not quite sure we have that with us this evening.

**Ms Ramsey:** There is a range of letters and we have been reviewing them, as you are aware, and changing them.

**Senator SIEWERT:** That is why I have asked. It is because we have had that discussion previously and you are in the process of reviewing them.

**Ms Ramsey:** We are able to provide you with the new copies of the letters, but it is probably best if we take it away and make sure we line them up properly for you.

**Senator SIEWERT:** That is fine. I do want to get to the domestic violence exemptions. Could you take me through how you would do the process differently for the trial sites as opposed to the intake, because it applies to a different group of people.

**Ms Ramsey:** Do you mean around the letters specifically or the end-to-end process?

**Senator SIEWERT:** The end-to-end process. I am still trying to tie it down and then go to the actual contact through the official letters.

**Mr Tidswell:** We are still working through that process. I think we have said that at previous estimates. We continue to work on it, because we are working with state governments and working through with housing authorities and others. I have heard the evidence this afternoon. We are still building that, getting that right, getting that sorted out. It is not locked down at this stage. My view would be, however, that many of the things we have learned as we have put this into various places across Australia we would apply similarly at each of these five trial sites. At this stage I do not think we have got the final version of how we are going to do it with respect to all parts of the puzzle.

**Senator SIEWERT:** I will be following it up in February. I can guarantee that. Will non-government organisations—for example, those providing services to homeless people—be part of the process of notification for vulnerability?

**Mr Tidswell:** As you heard this afternoon, the Centrelink program social worker will be the decision maker and there will be information provided to them from a variety of sources—

**Senator SIEWERT:** I understand the social worker will be the decision maker and you also heard me say this afternoon that essentially you are a decision maker if you make a decision to report somebody. I mean not in a report but a notification. If you are working for one of these organisations you make a decision to tell a social worker and you are essentially a decision maker. You are making a decision to do that. Are you expecting the non-government organisations and service providers that you are supposed to be working with—and we have been through that process of how you are taking a collaborative approach—to report in? How does that work?

**Mr Tidswell:** As I have said, I do not think we have got everything ironed out here. In a sense the way we do it now is that a social worker is given a range of information from which they will make that decision. That could be information provided by a non-government organisation or by somebody from a homelessness provider. It is a range of things; it is not just one thing or comment.

**Senator SIEWERT:** I do understand that, but that information has to come from somewhere. Are you expecting non-government organisations to be reporting in?

**Ms Ramsey:** The process is that customers come to us in many ways. Sometimes referrals come from social workers from non-government organisations or someone who works because they think we might be able to help. Sometimes people walk straight in the door—

**Senator SIEWERT:** This is a different process. These people are already on income support and they will be seeking services from elsewhere. You already have them on the books. What you are doing now is identifying those who you think are going to be vulnerable under this process and then put them on income management. Where does that information come from?

**Ms Ramsey:** Sometimes those customers will come into us anyway, seeking social work support. Even though they are on income support payments, they will need something extra. They may need an emergency payment or a crisis payment or they may have other issues. They will engage with us as well. Sometimes those social workers will have interactions in the community, dealing with these individuals.

**Senator SIEWERT:** We have traversed this issue before. If I go to Centrelink and I live in one of these areas and have several issues, and I know I may get pinned as vulnerable and then I will get income managed, do you think I am going to come to you?

**Ms Ramsey:** The indicators that we are using and that are being developed jointly with FaHCSIA sit around financial hardship, economic abuse—that is, if someone is being financially exploited—failure to maintain personal wellbeing, which might be gambling or substance abuse or one of those other areas, or homelessness or risk of homelessness. They are the key factors that the social workers will be using in making that assessment. We have heard the criticism that people are going to be reluctant to make contact with social workers. The experience and the figures that we have pulled out—and I realise that the place based income management has not started yet so we have not got that experience—show that in the Northern Territory the social work referrals went from 10,803 in 2009-10 to 12,649 in 2010-11. So our experience in the Northern Territory in the last two years has been an increase in social work contacts rather than a decrease. We do not know the place based ones.

**Senator SIEWERT:** On what basis were those referrals made? On what basis was that contact made? Under this process all these people were already on income management.

**Ms Ramsey:** Yes, some of them were.

**Senator SIEWERT:** That is a bold statement. A good many of them were. It is not a good comparison because people had been on compulsory income management in the Northern Territory for three years before that.

**Ms Ramsey:** I take your point; I am just saying that the figures that we have been able to pull on social work show an increase.

**Mr Tidswell:** I think we had a debate at last estimates about how to do this. We have some of the data and I am sure we will have it again in February. In terms of the vulnerable welfare payment recipient income management measure in the Territory—and I know you have all these figures; we are using the same figures now as FaHCSIA—there are 229 customers on that initiative, but there were about 613-odd referrals. Social workers look at that and make the decisions.

We have other things to do. We can put people on weekly payments, we can assist them with Centrepay and we can put them in touch with other non-government organisations, and we do that and we will continue to do that. We are really conscious that this is not a program for everybody and we have a range of other things to do. If you take a line through that—and I suspect things will pan out in a similar manner—there is a range of things that we will do that will not prevent people coming to see us to talk about their vulnerabilities.

**Ms Campbell:** And as we prepare to implement these trials, we are meeting with non-government organisations in each of these communities and talking through how these processes are going to be implemented. That is why we have not finalised yet how it is going to be permitted, because we are still developing those procedures.

**Senator SIEWERT:** Fair enough, you are discussing it with the non-government organisations. I understand that you are still working on the processes. Do you expect those organisations—we have already had this discussion with housing authorities—to be notifying you if they think somebody is at risk and should talk to a social worker about getting income managed?

**Ms Campbell:** Is it 'should be income managed' or 'needs assistance'? We would expect that non-government organisations may see that there is the range of issues that Mr Tidswell just went through that might assist people to deal with certain factors in their lives. We do not think income management is going to solve all those problems, but it could be referred to a Centrelink social worker to assist in a number of ways. That is what we are trying to do. We are trying work with non-government organisations to assist people who have barriers.

**Ms Cartwright:** Perhaps I could just add that the referrals that would come to a social worker would probably be exactly the same as what comes now. There are three stages a social worker goes through to assess someone as vulnerable and to have income management applied to that person. Firstly, they will assess the current situation of that customer, as they would do for any customer. Then they go through the second stage, which, as Ms Ramsey highlighted, is the vulnerability assessment. After those two assessments, if the social worker thinks income management may assist that customer, the social worker applies the income management test or discussion. It is a tool for the social worker to use. If someone refers someone for income management, that does not mean that will be the outcome after the social worker's discussion.

**Senator SIEWERT:** Perhaps I could put a question on notice. It relates to the number of people who have been assessed as vulnerable in the Northern Territory. How many of those are aged pensioners?

**Mr Tidswell:** We have probably got that now. Most of them are on the disability support pension, but a percentage of those are on the aged pension.

**Ms Campbell:** Or we might be able to bring it back to you after the break.

**Senator SIEWERT:** Yes. Maybe you could give me a breakdown of disability, aged pension and parenting payment. That would be great.

**Committee suspended from 20:57 to 21:09**

**CHAIR:** We will reconvene. Ms Campbell, do you have something to tell us?

**Ms Campbell:** Can we just put on the record the value of our staff housing, which we have now been able to find.

**CHAIR:** You have actually worked that out?

**Ms Campbell:** Yes. The total value is \$15.2 million.

**CHAIR:** It is not surprising, where those locations are. Did you hear that, Senator Fifield?

**Senator FIFIELD:** Sorry?

**CHAIR:** Ms Campbell has just put on record the value of the staff housing.

**Ms Campbell:** It is \$15.2 million for the 33 properties, which seems quite low, actually.

**Senator FIFIELD:** Thank you.

**CHAIR:** Thank you very much. Mr Tidswell, you have a piece of paper in your hand as well. What is that going to tell us?

**Mr Tidswell:** Yes, I have an answer to Senator Siewert's question in relation to vulnerable income management. For the 229 people who were on that measure as of 24 June—I think that is the date that FaHCSIA has agreed—36 were age pensioners, 181 were on disability support pension, three were on parenting payment single, four were on Newstart, one was on special benefit and four were on youth allowance.

**Senator SIEWERT:** Thank you. Can I ask a question on notice. It goes back to the same thing; it is a question I forgot to ask. You know when you are going through the process and you write out letters to people because their children are not at school? You can take it on notice, because I know we have done it. You probably write out to a lot more people than are actually suspended. Could you tell me how many people you write out to—in other words, the people who address the situation without needing to be suspended? Is that information that you would have?

**Mr Tidswell:** Is this in relation to SEAM?

**Senator SIEWERT:** Yes, it is SEAM.

**Mr Tidswell:** I am not quite sure, but we will take that on notice.

**Senator SIEWERT:** That is what I meant. Take it on notice. I was not going to revisit it. Thank you.

**CHAIR:** Now we are moving to the issue of domestic violence exemptions; is that right?

**Senator SIEWERT:** Yes, thank you. There is a relatively low rate of applications for domestic violence exemptions, as I understand it. This is exemptions for their compulsory requirements for participation et cetera.

**Mr Dunn:** Between 1 July 2010 and 31 August 2011, we had 509 exemptions, but that was for domestic violence and for a classification of unusually high stress associated with a relationship breakdown.

**Senator SIEWERT:** Can you break it down beyond that to domestic violence?

**Mr Dunn:** No, we have some difficulty in being able to break it down any further.

**Senator SIEWERT:** You can get an exemption for various reasons. What is that as a proportion compared to the other exemptions that you can apply?

**Ms Parkes:** We would have to take that on notice, but it is a relatively low proportion, yes.

**Senator SIEWERT:** To me it does not seem to accurately reflect the figures that we see in domestic violence, so I am wondering if you have looked at why people are not applying for an exemption or using that facility.

**Ms Parkes:** People do not usually come in and apply for it or tell us straight out that they are suffering from a situation of domestic violence. It is usually something where the service centre officer or the social worker might get to know or have a reason to think that there might be a situation like that and then might ask them or probe more deeply for that person. It is relatively difficult for us to establish that clearly upfront and, as I said, people rarely volunteer that straight out to the service centre.

**Senator SIEWERT:** I can understand that. Since these are relatively new changes to the laws, has there been some training or notification for social workers and people working with people who are likely to be vulnerable to domestic violence? Have you done some training or awareness raising around that? Have you looked at specific interventions—not that I like using that word—to look at how you can address that issue?

**Ms Parkes:** I am not aware of any specific training around domestic violence and awareness but I can take that on notice. We do have e-reference guidelines where we put the information for staff and we publicise those e-reference guidelines to staff.

**Mr Dunn:** Also, as a general rule, in our social work we have ongoing professional development arrangements, and any changes of this nature are promoted and worked through with them. As to the detail of a training component I am not sure, but there would certainly be awareness and then assessments made about the depth of the knowledge they would need to acquire to apply the changed rules.

**Senator SIEWERT:** In terms of the number, 509, that is from last year to this year, so it is for a period a bit over 12 months?

**Mr Dunn:** Yes, it is.

**Senator SIEWERT:** Have you seen an increase in the uptake of this—in other words, that people are now becoming aware that people can apply for this exemption?

**Mr Dunn:** I am not sure. I will just check to see if we have that. No, we would have to take that one on notice.

**Senator SIEWERT:** Can I just go back to this issue of the e-references—that was what you called them, wasn't it? I want to ask about those. That is largely the process you are using to address the issue and raise awareness?

**Ms Campbell:** Our social work networks are also very strong. They provide that professional guidance, and they have a way of promulgating that information to social workers.

**Senator SIEWERT:** Obviously people will go to shelters; women will go to shelters. Is there provision of information to shelters to enable them to pass on the information?

**Ms Campbell:** Our local officers in communities generally work very closely with non-government organisations. I could not say categorically whether or not they had been to each of those shelters, but that is the type of work they do—their engagement with the community.

**Mr Dunn:** Particularly our social workers in refuge-type situations and stuff like that.

**Senator SIEWERT:** Are the e-references public documents?

**Ms Parkes:** They are internal guidelines.

**Senator SIEWERT:** Can anybody else access them?

**CHAIR:** Can we get that on notice from Ms Campbell, because—

**Ms Campbell:** Sometimes with that sort of information we would need to consider whether there was public merit in that information being released publicly, and some of that is about protecting the way we operate in those social work situations, in that clinical type situation. So we would have to consider that on a case-by-case basis.



**CHAIR:** Perhaps we could take that out at a separate time and talk with the minister about perhaps having a briefing with Ms Hargreaves in terms of the whole way the social work network operates in this process. I think that is getting closer to that.

**Ms Campbell:** That might provide more advice.

**Senator SIEWERT:** That would be good.

**CHAIR:** I am just looking at the secretary to remind me that that is something we will discuss. That has come up consistently in the questions about the role of the social workers. Senator Siewert, is that the end of your Centrelink questions?

**Senator SIEWERT:** Yes.

**Senator ADAMS:** I just have one question. It regards the important role of Centrelink social workers in times of crisis for rural people, including in floods, droughts and fires. What processes are being taken to ensure that the social workers have adequate referral pathways to trained mental health professionals—for example, GPs and mental health nurses—in rural and remote areas?

**Ms Campbell:** I am sorry; can I just say what I thought the question was: whether or not our social workers have responsibility for training GPs?

**Senator ADAMS:** No; they have had a referral—I gather that, from the media release from Ministers Butler and Plibersek, Centrelink social workers received more than 300,000 referrals in the last financial year, a lot of it in the flooding, of course, in Brisbane and all those areas. I just want to know what the process is. They have got the person, or whoever it is has been referred to them, and then your officers must have some way of referring those people on to the right person, whether that be a mental health worker, a GP or a mental health nurse.

**Mr Tidswell:** You are absolutely right; that is a critical role that our social-work staff play. Often they are deployed fairly soon after these emergency events. They are often in relief centres and recovery centres providing support. They work very closely with local community stakeholders, state and territory governments, non-government organisations and mental health facilities, and so part of the job for the social worker is building up that range of referrals and contacts—

**Senator ADAMS:** Getting that network.

**Mr Tidswell:** and knowing where to go, and they are the jewel in our crown, when it comes to these events, to assist and help. Sometimes they do come across some of the tricky issues that have to be dealt with. Sometimes these are the sorts of things we are not necessarily paid to do, so we have to make sure we refer people to the right service providers, like in the situation where people were pretty desperate and depressed as a result of the event. So it is very important area for us.

**Senator ADAMS:** The reason for asking that is that I knew you had a lot of your people going out—coming from the city, of course—into rural areas to help, and I was just wondering where the links came, and just how Centrelink actually worked in with the health professionals as to how they got help.

**Mr Tidswell:** One of the important things we did—and you are absolutely right; we did this in the flood situation—was to deploy a lot of people from around the country into the

flood-affected area, but we built on the base of the capability of local staff with local knowledge. So rather than people coming in from Sydney with no sense of the community in Grantham, we had people there. In places like the Lockyer Valley and Grantham, we made a special effort: we worked with the Department of Communities in Queensland to supply capability and support and service with a specific response there in that situation. So it is very tailored and we work with our local staff.

**Senator ADAMS:** Thank you. That is it, Chair.

**Senator FURNER:** I have a series of questions in regard firstly to the natural disasters in Queensland. I know you have come before this committee before, during estimates, and explained your involvement in those, both in Cyclone Yasi and the Queensland floods, so I do not know whether there is anything to update in respect of the last presentation you did before the committee in that area before I go into some specifics, but, if there is, please provide an update of what Centrelink has been doing in that regard.

**Ms Campbell:** I do not think we have anything further to add to what was said last time. We will hopefully be able to answer your more specific questions.

**Senator FURNER:** If that is the case, are there any updated numbers on disaster payment recipients in those affected areas—and once again looking at the areas of Northern Queensland affected by Cyclone Yasi and also South-East Queensland affected by the flooding?

**Mr Tidswell:** I did supply some figures at the start of the hearing to Senator Humphries, but I will run through those figures in more detail. The Australian government disaster relief payment, for claims granted—and this data is as of 30 June this year: 725,684; total amount paid, \$856 million. Disaster income recovery subsidy: total claims granted of 62,344; total amount paid, \$75 million. Ex gratia payments made: 3,231; \$4 million was paid there. Of wage assistance—and that was particularly in the Cyclone Yasi area—there were 461 claims paid, at around \$11 million. So, in total, there was a sum of claims granted of 791,720 and just under \$950 million paid out.

**Senator FURNER:** Would you be able to provide any update in respect of the ongoing work that Centrelink has been doing in those communities?

**Mr Tidswell:** Centrelink surge and respond very quickly to those events and we then resume normal business. But in some of those places that were most profoundly affected we continue to provide the extra assistance and support. So we still have some social work presence in and around those affected areas, particularly the Lockyer Valley and Grantham where circumstances were very tragic. We work with the local communities, particularly Queensland, to assist.

**Senator FURNER:** Unfortunately, some fraudulent claims have been identified. Would you update the committee on those, particularly the compliance work that Centrelink has been doing in respect of those claims for disaster payments and, in particular, how many incorrect fraudulent claims were made and how much of this money has been recovered?

**Mr Popple:** As of 13 September, 10,800 cases have been referred for review across all the areas that have been affected, with a total of \$5.2 million in debts raised identified. Recovery to date, I will have to take on notice.

**Senator FURNER:** So the \$5.2 million is based on the 10,800 claims; is that correct?

**Mr Popple:** Yes. We have currently got \$2.5 million under recovery arrangements.

**Senator FURNER:** So that is guaranteed?

**Mr Popple:** That is through a mixture of voluntary repayments, withholding some payments and garnishees.

**Ms Campbell:** That is where the arrangements are in place.

**Senator FURNER:** In respect of what areas did you gather information? Was it a case of more recovery from Northern Queensland or the flooded areas?

**Ms Campbell:** I do not think we have got that detail, and I do not think we saw any major trends in the activity.

**Senator FURNER:** What happens to those fraudulent claims? Are they then pursued for prosecution at all?

**Ms Campbell:** I think it depends on the situation. If someone has claimed and it seems to be inadvertent or it may have been that they thought they were eligible but it was then discovered they lived just outside that area or they were flooded for a period of time and cut off, which was less than the prescribed period, and willingly paid the money back, it is not generally referred to the Director of Public Prosecutions as a fraudulent activity. So it is done on a case-by-case basis. Clearly, if there is a trend, if there are a number of claims made by the same person, if there is criminal intent, then it is likely to be referred.

**Mr Popple:** So far, we have referred 22 cases to the Director of Public Prosecutions and, so far, seven cases have been successfully prosecuted.

**Senator FURNER:** Can I ask some questions about the Local Connections to Work and the case coordinated programs? The budget had a funding for \$19 million to extend the Local Connections to Work program. Can you just explain what the program does and update the committee on the rollout of the program?

**Ms Campbell:** Local Connections to Work is about bringing all providers relevant to an unemployed person's case together to try to improve the outcomes for that individual—that may be the Centrelink officer, social worker, job service provider or housing and even different health elements—to work through some of the issues that a job seeker faces in trying to gain employment. It is a case coordination mechanism whereby all these individuals can work together with the job seeker to see what sorts of interventions and what sort of help they need to get a better outcome. We had some of these already rolled out before the budget in a trial type of location. We got some quite good results from that. In the budget we announced that a further 19 would be rolled out. Ten of those will be rolled out in the areas of those place based locations, which we talked about earlier, to assist in those initiatives. Then there will be a further nine, and I will refer to Mr Dunn who will be able to talk about whether we have yet finalised those.

**Mr Dunn:** Perhaps I could just talk about the Local Connections to Work component. We already have nine sites rolled out, and a further 15 were announced in the budget. Five more, on top of the nine, will be rolled out between March and June next year, bringing it to 14 by the end of the next financial year. The others will be rolled out subsequently. That is Local Connections to Work; case coordination is separate.

**Senator FURNER:** How many job and training placements have been received as a result of Local Connections? Have you got those figures? If not, I will take them on notice.

**Mr Dunn:** No, I do not. I will have to take that one on notice.

**Senator FURNER:** Perhaps you could go to the case coordination services and provide the same feedback I am seeking there as well. Thank you.

**Mr Dunn:** As the secretary mentioned, with Local Connections to Work we get a lot of people into the one Centrelink location provider for a wide range of services. Case coordination is more of a specific Centrelink-DHS service, which provides more time with individuals to go through specific issues they may be facing. It can provide a more in-depth assessment of those and make referrals and so on to assist them. We have eight in place at the moment, and in the budget it was announced that there would be a further—

**Ms Parkes:** There will be a further three in the near future.

**Mr Dunn:** I might just check that. There are eight in place at the moment. We are looking at a rollout of 19 locations this financial year, increasing to 34 locations by the following financial year and 44 locations in 2013-14. So all up it is 44 over the four years.

**Senator FURNER:** Have any early results come out for both those programs?

**Mr Dunn:** It is very early days still. The first ones, around the case coordination in particular, started really only a month or so ago. But the feedback we are getting from customers already is very positive. I think they are finding that they can get an additional depth of service when they have an identified need for assistance and that we can spend extra time with them and then make referrals happen if they need an internal or external referral. So the feedback so far has been very positive.

**Ms Campbell:** Going back to Local Connections to Work, for the nine sites in 2010-11 we had 509 program participants in two job placements. These were often people who had been unemployed for the very long term, and working quite closely in that joined-up mechanism really helped them facilitate gaining those employment outcomes.

**Senator CAROL BROWN:** I have a question about the Grandparent Advisors program.

**Ms Campbell:** While we are getting that information, perhaps I could table a list. I understand that the committee was looking for a list of those suburbs where we have staff housing locations. I would like to table that for the committee.

**Senator CAROL BROWN:** Can you remind me what date the Grandparent Advisers program came online?

**Mr Tidswell:** We have had grandparent advisers in for some time, but I would have to go back to see when the new measure was announced in the budget. I will have to take that on notice because I do not think I have it here. We did have some grandparent advisers, and we built on that. We now have six grandparent advisers across the country: one in Perth; two in Sydney, at Caringbah and Penrith; one in Melbourne, at Oakleigh; one in Brisbane, at Caboolture; and one in Adelaide, in the city.

**Senator CAROL BROWN:** Which was the last one to come on? Was it Adelaide? Initially there were four. Is that right?

**Mr Tidswell:** I cannot recall that. I remember this as a longstanding initiative trialled in certain places around the country. We built on it, and our minister made an announcement.

**Senator CAROL BROWN:** So it is going well.

**Mr Tidswell:** Absolutely.

**Senator CAROL BROWN:** The program started from the original four, I think—but I stand to be corrected—and you have built on it.

**Mr Tidswell:** Yes, and one of the good things we have done is put in a 1300 number so that people can ring from anywhere around Australia and get connected to those advisers. That enables people to get a sense of what services are on offer. They connect up with community groups and agencies that are not specifically assisting.

**Senator CAROL BROWN:** And those advisers actually connect their clients to other services outside Centrelink as well. Is that correct?

**Mr Tidswell:** That is correct.

**Senator CAROL BROWN:** Perhaps you could give me an overview of how it is going.

**Mr Tidswell:** My advice is that it is going really well. It is popular. We all know, in this business, that it is a vexed issue and a difficult issue, but there are people who are able to understand and assist people with the system. They are not always able to get all the answers for everybody, particularly where there are disputes over custody of children and all sorts of stuff. But my feedback is that it is operating very well, and we have built that increased awareness in the community about how to support people in this situation.

**Senator CAROL BROWN:** Do we have an understanding of how many clients those six officers or advisers have?

**Mr Tidswell:** My figures show that about 1,100 people have been assisted since the program's inception—that is, in the nine months since the announcement. I suspect that there has been a lot of word of mouth and people connecting in with those service providers, who are then able to assist more people as well.

**Senator CAROL BROWN:** That was going to be my next question: do you have any information for the committee as to how the clients actually find the grandparent advisers? Do they communicate with the various grandparent groups that exist?

**Mr Tidswell:** Certainly that is the information I have—that it is well received. The customer base is making that contact, and those non-government organisations and support groups are really thankful to have this capability in place.

**Senator CAROL BROWN:** Are there any plans to expand the Grandparent Advisers program?

**Mr Tidswell:** We are always looking to provide better assistance to particular niche groups of customers. I think that 1300 number, better information on our website and the ability to put people in contact with the right person would be the way we would go, rather than specific advisers.

**Senator CAROL BROWN:** You obviously have the data as to where the grandparents are who are raising grandchildren. You must have some other data that made you choose the initial four or six sites or whatever it is. I want to know: when is Tasmania going to get one? I have heard very good reports about the grandparents advisers and I have heard that it is an extremely good service. We know of 14,000 grandparents who are raising grandchildren

across Australia and, in many cases, under very difficult circumstances. It is a good service and I would like to see more of them.

**Mr Tidswell:** We might take that on notice and come back with some advice on how we provide services there.

**Senator CAROL BROWN:** Thank you. I appreciate that.

**CHAIR:** Thank you to the officers from Centrelink. You had better run away quickly before they find some more questions. I look forward to seeing some of you again tomorrow.

**Ms Campbell:** Because of the way we are now structured, some of these officers will be staying to answer the Medicare questions.

**CHAIR:** There was a suggestion from Senator Furner that we just keep going and then do the cross-agency afterwards, but I rejected that. We will now move on to Medicare. Senators, if an issue is raised that you want to follow up on, jump in.

[21:40]

**Senator FIFIELD:** My questions relate to the Medicare Chronic Disease Dental Scheme. How many complaints have been received about dentists or other health practitioners treating patients under this scheme?

**Mr Rimmer:** As of 30 September, 747 relating to 561 dental practitioners.

**Senator FIFIELD:** How many tip-offs have there been regarding wrongdoings?

**Mr Rimmer:** As opposed to complaints? Is that the question?

**Senator FIFIELD:** A tip-off is like: 'You better have a look at this; there might be something there,' whereas a complaint is perhaps more focused.

**Mr Rimmer:** We do not have that information.

**Senator CAROL BROWN:** Of these 747 complaints, are you able to talk to us about what is a typical example of a complaint?

**Mr Rimmer:** There is no typical complaint. They are all different, but they relate to inappropriate claiming practices; services charged for but not provided; services claimed before they were actually provided to patients; and a range of other specific matters relating to dental procedures—for example, dentures with the wrong number of teeth and those kinds of issues.

**Senator FIFIELD:** Can you provide an overview of the audits that are currently taking place?

**Mr Rimmer:** As at 30 September, there were 556 audits that are either underway or completed, of which 62 have been closed and 494 are still underway. Of the 62 that have been closed, 21 audits have found charging by dentists that is compliant with the requirements of the scheme and 41 audits have found charging that is not compliant with the requirements of the scheme. Of the 41 that are non-compliant, in nine cases there has been what you might call a re-education exercise.

**Senator FIFIELD:** Gee. That sounds—

**Senator FIERRAVANTI-WELLS:** Mr Rimmer has very good at re-education exercises; there is a good history of them.

**Mr Rimmer:** Good evening, Senator. In 32 cases, the department is pursuing recovery activity.

**Senator FIFIELD:** Apart from dentists, are there any other health professionals who are being audited? Are those you have referred to all dentists?

**Mr Rimmer:** The numbers that I was referring to might include some prosthetists or dental specialists.

**CHAIR:** People in the dental area.

**Mr Rimmer:** In the dental area. In addition to that, there are some concerns about the GP end of this scheme as well. More recently, audits of the billing behaviour and practice behaviour of 100 GPs have started in relation to the scheme.

**Senator FIFIELD:** That is separate to the numbers that you have previously given to me.

**Mr Rimmer:** That is separate to the numbers that I went through earlier. The audits on GPs are to check that in all cases the comprehensive care plans were in place as required by the scheme and the referrals were done in accordance with the very strict obligations of the health insurance regulations.

**Senator FIFIELD:** How many audits are you doing of GPs?

**Mr Rimmer:** 100.

**Senator FIFIELD:** Are they randomly selected or are they result of tip-offs or complaints?

**Mr Popple:** These are largely GPs that have a high rate of referral to the scheme.

**Senator FIFIELD:** Okay. So it is as a result of a pattern.

**Mr Popple:** Yes. There is a pattern. There have been no tip-offs. It is just based on patterns of referral.

**Senator FIFIELD:** Have any of those GP audits been completed?

**Mr Popple:** No. They only started in September.

**Senator FIFIELD:** Okay. Of the figure of 100, you said that some of them might have been dental prosthetists. So there will be dentists and dental prosthetists. Are there any other professions?

**Mr Rimmer:** There are some dental specialists that are eligible to claim under the scheme. I am not sure whether any of the audits relate to dental specialists.

**Mr Hancock:** We will have to take that on notice.

**Senator FIFIELD:** If you could break down the numbers by professional categories on notice, that would be good.

**Mr Rimmer:** To be clear, of the 556 dental practitioner audits that are underway, you would like a breakdown.

**Senator FIFIELD:** Yes.

**Mr Rimmer:** We can do that.

**Senator FIFIELD:** And those that have been completed.

**Mr Rimmer:** Sure.

**Senator FIFIELD:** When rattling through those numbers before, you may have covered this. Of the completed audits, how many practitioners have been found to have claimed for treatments that were not provided.

**Mr Popple:** Eight.

**Senator FIFIELD:** Thank you. And that is out of how many completed audits?

**Mr Popple:** 62.

**Senator FIFIELD:** Of those completed 62 audits—

**Senator DI NATALE:** Can I ask a further question on that specific area, Senator Fifield?

**Senator FIFIELD:** Sure.

**Senator DI NATALE:** Eight dentists were essentially found to have not provided the treatment. Does that include people who may have billed for treatment and not provided it but provided it at a later date?

**Mr Hancock:** The eight that have not provided services potentially could have provided those services later on in terms of doing upfront billing and providing those services at a later point in time.

**Senator DI NATALE:** So they had not provided the services at the time of the audit but it is quite possible that they may have billed upfront with the intention of providing the services at a later date?

**Mr Hancock:** Yes.

**Mr Popple:** Some of those dentists have charged for services which they have not provided and which they would seem not to have any intention of providing either.

**Senator DI NATALE:** So there may be some that had the intention of providing the service and others that may not have had any intention at all of providing the service?

**Mr Popple:** Yes.

**Senator FIFIELD:** Of the completed audits, have any practitioners been found to have claimed for expensive treatments that were not needed?

**Mr Hancock:** In terms of the claiming behaviour, it is essentially around not providing the treatment plan to the patient, not providing an itemised quote to the patient and not providing a summary or copy of the treatment plan back to the GP. They are essentially the non-compliant activities that have been occurring.

**Senator FIFIELD:** So there has not been an assessment as to the necessity of particular treatments?

**Mr Hancock:** At this stage our audits are focused on the incorrect claiming associated with the legislative requirements of the determination. We are looking at the potential inappropriate practice of high-priced items being claimed and we are doing some further work on looking at the claiming patterns associated with that inappropriate practice, but at this stage we have not progressed that.

**Senator FIFIELD:** Thank you. Of the completed audits, how many practitioners have been found to breach section 10, which I understand is the requirement to provide patients with a written quote for treatment and to supply a treatment plan to the referring GP? Is that a correct summation of section 10?



**Mr Rimmer:** I am told that it is all of the 41 who were found to be noncompliant.

**Senator FIFIELD:** Just to recap, we have 62 completed audits, 41 are noncompliant and a further eight may—

**Mr Popple:** The eight are part of the 41.

**Senator FIFIELD:** As a matter of logic, they have been noncompliant if they have claimed for treatments that were not provided.

**Mr Rimmer:** Yes.

**Senator FIFIELD:** I am not sure if the minister would use this specific word—Senator Fierravanti-Wells might know—but she is certainly giving the impression that there is rorting.

**Senator FIERRAVANTI-WELLS:** I think she is being liberal with her language.

**CHAIR:** Naturally you do not expect the officers to comment on that statement.

**Senator FIFIELD:** No. It was just whether, to their knowledge, that word has been used. They might not be able to assist. A breach of section 10, being noncompliant—I guess this is a leading question.

I was going to ask whether that would be considered rorting but I guess your response would be, 'Senator, it's non-compliant,' so I will not put that to you, knowing what the answer would be. What happens in the circumstance where a treatment plan needs to change during the course of treatment? Is there an obligation to provide the patient with another treatment plan or to advise that to the referring GP? What happens in that case?

**Mr Rimmer:** The legislative obligation is to provide the initial treatment plan. Updates to the treatment plan do not have to be provided in the same kind of legislative way. It would be good professional practice to do it, but there is no legislative requirement to do it.

**Senator FIFIELD:** If a dentist has breached section 10 requirements or failed to comply with them, does Medicare demand repayment of all benefits that it has paid out in relation to the patient being treated or all benefits paid to that particular dentist? What does Medicare seek to have repaid?

**Mr Rimmer:** It is probably worth stepping back a little to answer that question. The first part of the answer is that the initial approach to the practitioner is usually of an educative nature and usually involves the exchange of quite a lot of information about what appropriate claiming practice is, and in many cases there have been opportunities provided to practitioners to change their claiming behaviour over time.

**Senator FIFIELD:** Where that educative process happens, are there cases where a dentist would say, 'I hadn't realised that; I think I might have got this particular one wrong; how can I rectify that'?

**Mr Rimmer:** Yes, and in some cases that has led to voluntary repayments by dentists.

**Senator FIFIELD:** Are you able to provide us with the number of voluntary repayments which have occurred as a result of the educative process?

**Mr Rimmer:** We could certainly do that on notice. I am not sure that we have the figures right here.

**Mr Hancock:** We do not have the figures with us at the moment, so we could take that on notice. We will need to go back to the start of the scheme to find all the voluntary repayments that have occurred.

**Senator FIFIELD:** The number of voluntary repayments and the total value of those.

**Mr Rimmer:** To be clear: it is a relatively small number in the context of the overall amount of noncompliance that has been discovered to date, but there are a number of people who have done that. There are other opportunities in the process for DHS compliance officers to show some flexibility—

**Senator FIFIELD:** Should I be saying 'DHS' rather than 'Medicare' these days?

**Mr Rimmer:** Until 30 June they were Medicare Australia.

**Ms Campbell:** We understand both.

**Senator FIFIELD:** I am always checking, Ms Campbell.

**Mr Rimmer:** There are opportunities in the process for what you might describe as leniency in the process. Where there are a few isolated examples of noncompliance, generally speaking they are not taken further. Where there is—

**Senator FIFIELD:** Is repayment sought in those cases?

**Mr Rimmer:** It is very difficult to make generalisations. You need to look at the specifics of each case, but there are situations in the audits where the auditors have uncovered one or two examples of noncompliance in a practice that is otherwise fairly compliant, and that has not necessarily been taken further.

**Mr Popple:** As Mr Rimmer said earlier, nine of the 41 have not been required to repay funds. They have been given re-education and further assistance.

**Senator FIFIELD:** With those sorts of noncompliance it might be a case of, 'Look, you didn't provide a copy of the treatment plan to the referring GP,' and, 'Oops, sorry, I'll make sure that happens in future and I'll send one now'?

**Mr Rimmer:** That is probably a slightly different scenario. It is more the scenario where, say, in a practice where 100 patients are referred to CDDS in perhaps 90 of those cases there has been full compliance and in 10 there hasn't been. A practice which has seen 100 patients under this scheme and has provided a treatment plan to the coordinating GP at the time required by the determination in none of those cases that would be non-compliant and would be one of our 41. There are other opportunities, as well. I think it is fair to say that the compliance officers have taken a fairly generous view as to what constitutes a treatment plan. The requirement in section 10 of the determination is for an itemised quote. That has been interpreted with some generosity—

**Senator FIFIELD:** Latitude?

**Mr Rimmer:** and there are a number of other smaller ways, with which my colleagues might be able to help, where during the process we have taken opportunities to provide education to look for opportunities to correct behaviour and work with dentists who are willing to change their billing behaviour in order to get to the right outcome. Notwithstanding all of that, there are some dentists—I should say, 11,469 dental practitioners have claimed under this scheme; we are talking about audits that are complete to date of about 62. So there are many dentists who have done the right thing under the scheme. The numbers we are

talking about, in terms of our audits at the moment, are a relatively small sample. In that small sample there are examples of dentists who have not wanted to comply with the audits and where there has been a demonstrated pattern of non-compliant billing behaviour.

**Mr Popple:** Going back to your earlier question: we don't seek repayment of certain initial examinations, x-rays or emergency services. We allow the fact that a dentist needs to do an initial examination to determine what a treatment plan would be, so we would could cover that money.

**Senator FIFIELD:** If you have various dentists in one practice, each of whom has billed for treatments under the scheme, and there is a range of non-compliance, do demands for repayment go to individual practitioners, to the practice principal or to the practice as a whole?

**Mr Rimmer:** Under the legislation, individual providers are responsible for the claims made under their provider number.

**Senator FIFIELD:** If the dentist is an employee, would they necessarily have their own provider number? I am showing my ignorance.

**Mr Hancock:** Yes, they would have a provider number. They need to register with Medicare to be an eligible dental specialist, general dentist or dental prosthetist.

**Senator FIFIELD:** I know it is hard to generalise, but if it can be shown that all the services provided were appropriate services but a treatment plan was not passed back to the referring GP, what happens there? Is that where you're educative process comes in?

**Mr Rimmer:** No. The treatment plan is an integral part of the—

**Senator FIFIELD:** That is seen as a fundamental breach?

**Mr Rimmer:** There are two answers to that: one is that the policy around the scheme is about the coordinated treatment of people with chronic disease who are experiencing health issues as a result of their dental issues. The coordination between the dentist and the GP is not incidental to the operation of the scheme; it is integral to it. That is the policy rationale, but from the perspective of this agency there is also a very clear legislative obligation. The words of the relevant determination are very clear. They say that benefits can be paid only if the following requirements are met, and those requirements include the provision of an upfront itemised quote to the patient so that they know what services they are going to receive and the amount of money that the government is going to pay on their behalf. The requirements also include the provision of a treatment plan or a summary of the treatment plan to the referring GP.

**Senator FIFIELD:** Of the 41 non-compliant professionals, can you break it down as to what the non-compliance was? Was it failure to provide a treatment plan to a GP? Was it failure to provide a quote?

**Mr Rimmer:** All 41 failed to meet the requirements of section 10. That was sufficient to require repayment of the benefits, and that is as far as the audit—

**Senator FIFIELD:** So you are not able to break that down further as to what element of section 10 was not met.

**Mr Rimmer:** I do not think so.

**Senator FIFIELD:** It could have been multiple things or it could have been one thing.

**Mr Rimmer:** Yes.

**Senator FIFIELD:** I am sure you have heard from a number of practitioners that the dental profession had little to do with Medicare prior to the scheme and therefore dentists may not have been as familiar as other health practitioners with the processes and requirements of Medicare. What was the education and information program that Medicare or the Department of Human Services undertook to inform practitioners of their requirements?

**Mr Rimmer:** There was a Senate motion to produce documentation. I think it was moved by Senator Fierravanti-Wells.

**Senator FIFIELD:** That was provided yesterday?

**Mr Rimmer:** It was provided yesterday or the day before. It goes through in some detail a lot of this documentation, because it is very important in understanding how the scheme has been implemented costs. I will give you a very quick summary, just taking the example of dentists, as opposed to prosthetists, specialists and those kinds of people. Dentists were written to on six occasions, starting with a letter from the then health minister, Minister Abbott, on 5 October 2007, through until 29 April 2011. They received letters at regular intervals through that time providing information about the scheme and, in particular, a booklet with a checklist. It has been reissued on a number of occasions but has basically stayed the same since 1 November 2007.

**Senator FIFIELD:** Sorry—what has stayed basically the same since 1 November?

**Mr Rimmer:** The booklet. It is called *Medicare Benefits Schedule: dental services*. It is a 65 page document which goes through in quite a lot of detail the specific requirements of the scheme. There are associated webpages, fact sheets and that kind of stuff. It is worth dwelling on one page of it, which is a checklist for dental practitioners to use. It goes through a number of things that they need to do in order to lodge a successful claim. First of all, starting with the most obvious, they have to be registered with Medicare. Secondly, the patient has to be referred by a GP using an appropriate referral form. But there are a number of things in there that dentists are doing. They are registering with Medicare. In fact, many of them were already registered. We think they are checking whether a patient has been referred by a GP. The advice is that they should call Medicare Australia to check that the entitlement of \$4,250 has not already been used by that patient. We think they are doing that. There is a requirement that the GP care planning items must have been used in the two years prior to the treatment. That is basically the marker as to whether the person is under treatment as a chronic disease patient. Dentists have been doing some aspects of this very effectively in order to lodge successful claims.

The checklist then goes on to say, 'You have to provide an itemised quote to your patient and, by the way, before treatment commences, you have to provide a treatment plan or summary to the referring GP.' In different places in the documentation that is described as a must or a requirement or it is underlined. It is. That kind of language is used.

To go back to the start, there has been a very extensive program of education that started, in fact, under the previous government in October 2007. There has been a lot of engagement with the Australian Dental Association. There have been articles in the Australian Dental Association's newsletter. There has been material on the website. There has been direct communication from government to dentists. There has been communication from the Dental

Association to dentists. There have been a range of activities put in place over that entire period of time.

**Senator FIFIELD:** You mentioned that the booklet has not been substantially changed since 1 November 2010.

**Mr Rimmer:** 2007. This folder here has 12 different versions of it. I have not been able to ascertain the exact wording details that have changed between them, but they are relatively—

**Mr Hancock:** It is mainly adding new item numbers.

**Senator FIFIELD:** So there has not been a substantial reworking of any of the information provided?

**Mr Hancock:** No. It is just updating numbers.

**Senator Arbib:** The book was issued by—

**Mr Rimmer:** The booklet was initially issued by the former government.

**Senator FIFIELD:** Those practitioners who have been selected for audits have come about primarily as a result of complaints about a pattern of billing. Is there any random element as well?

**Mr Rimmer:** Mr Hancock might be able to provide more details, but I understand that the initial sample was from something called a stratified random sample.

**Senator FIFIELD:** A stratified random sample?

**Mr Rimmer:** I am sure Mr Hancock can explain.

**Mr Hancock:** The initial sample looked at 49 high billers in terms of claims of the chronic disease dental scheme. But essentially the ones that are in place now are driven by the complaints and the tip-offs that are coming through. We are increasing our audits to further high billers within the chronic disease dental scheme. When we talk about high billers, they are high billers compared to their peers in terms of the average claim that is coming through.

**Senator FIFIELD:** You mentioned the initial batch of 49, which the minister's press release from June last year referred to. There have now been 62 completed. So in the intervening period there have only been—

**Mr Popple:** Sorry, Senator?

**Senator FIFIELD:** Forty-nine were completed, as the minister referred to in the press release from last year, and 62 are now completed, so does that mean that there have only been 13 further audits completed in the intervening period?

**Mr Rimmer:** Which media release are you referring to?

**Senator FIFIELD:** I will see if I have it.

**Mr Popple:** I think there were 49 underway at the time of the—

**Senator FIFIELD:** No, I do not have it with me; apologies.

**Mr Rimmer:** There was a media release from Minister Plibersek on 20 March which talks about 34 cases being finalised, so I think logic suggests that between 20 March and where we are now, 20 October, another 28 have been completed. These audits usually take around six months to complete, so the 494 that are still underway will complete at different points over the next six months.

**Senator FIFIELD:** What was the 'dental inquiry 20 strategy'? Does that mean anything to you? It does not mean anything to me.

**Mr Hancock:** I am not familiar with the 'dental inquiry 20', but I will take that on notice and have a look at it and see what it was.

**Senator FIFIELD:** Are the audits which have been undertaken voluntary? For those people being audited, is their participation voluntary?

**Mr Hancock:** In all audits that are undertaken by the department in relation to the chronic disease dental scheme the dentists can voluntarily participate in those audits. We have had instances where dentists do not participate in the audit. Our next step would then be to proceed to discuss the matter with the GPs and the patients to make sure that treatment plans and itemised quotes were in place for patients and, for GPs, that the copy of the plan was sent.

**Senator FIFIELD:** You do not have the power to compel an audit? I assume it would not necessarily be a good idea not to take part in an audit, but you do not have the power to compel?

**Mr Rimmer:** There has been a recent legislative change on this very issue, which I think, from memory, took effect on 9 April this year, but all of the material that we are talking about now, all of the audits that we are talking about now, were prior to that legislative change.

**Senator FIFIELD:** What was the legislative change?

**Mr Rimmer:** In short, it provides the ability to require medical practitioners, dentists or claimants under the MBS to participate in an audit. But at the time these services were provided the department did not have the ability to require participation by a practitioner in an audit.

**Mr Popple:** It was the Health Insurance Amendment (Compliance) Act 2011 which gave the powers to the department.

**Senator FIFIELD:** Were practitioners advised that their participation in the audit was voluntary?

**Mr Hancock:** We give a phone call to the dental practitioner before we start and then we provide a letter. We do not ask if they want to voluntarily participate; we ask for their cooperation—and the majority of health professionals overall for the Medicare Benefits Schedule participate in audits undertaken by the department.

**Senator FIFIELD:** There are 11,469 providers who are part of the scheme or participate in the scheme; is that correct?

**Mr Popple:** Yes.

**Mr Rimmer:** Yes.

**Senator FIFIELD:** To date, out of those 11,469, only 41 have been found to be non-compliant?

**Mr Popple:** That is right.

**Senator FIFIELD:** I might say that that is not evidence of widespread rorting. The way you might put it is that to date there is not evidence of widespread noncompliance? I do not want to put words in your mouth. Is that a fair—

**Mr Rimmer:** There are 62 audits that have completed and in 41 of those cases there have been very significant problems associated with claiming under the scheme. I will not associate with any of the words that you have used but I think, on the basis of the facts we have in front of us, there is quite a serious problem in terms of dental practitioners' compliance with the requirements of the scheme.

**Senator FIFIELD:** Though the 62 are predominantly audits that have been undertaken as a result of a complaint, it is not 62 random ones.

**Mr Rimmer:** That is true, but there are a lot more than 62 practitioners who have been complained about.

**Senator CAROL BROWN:** There were 561 dentists against over 11,000 that have participated, so it is still a small minority of the dentists that are being complained against.

**Mr Rimmer:** That is true.

**Senator FIFIELD:** I will leave it there. Thanks, Chair.

**CHAIR:** We want to finish this topic in the next couple of minutes.

**Senator CAROL BROWN:** Out of the 41 dentists who have had audits finalised and been found to be non-compliant—I am reading from a newspaper article—how much are we talking about in repayments in those 41 cases?

**Mr Rimmer:** I believe the figure is close to \$20 million from those 41 cases.

**Ms Campbell:** It is \$19.96 million.

**Senator CAROL BROWN:** From just 41 cases.

**Mr Rimmer:** Yes, Senator.

**Mr Hancock:** That is in relation to 32 cases because in nine of those no recovery action was sought.

**Senator CAROL BROWN:** That is quite a significant problem, even though it is a minority of dentists that have been complained about. There were 747 complaints?

**Mr Rimmer:** Yes.

**Senator CAROL BROWN:** According to this newspaper article from the *Age*, it also says that one case has been referred to the Director of Public Prosecutions. Can you confirm that?

**Mr Hancock:** Yes, we have one case before the CDPP.

**Senator CAROL BROWN:** I want to go to a couple of the other issues raised in this article. Firstly, I would like to ask when we expect to complete the audit. It is obviously time-consuming but there are still about 500 audits to go.

**Mr Popple:** We expect to complete the current number of audits underway in about six to eight months but there would be others that progressively come online as well as we look at more ones that have been complained about and more high billers as well.

**Senator CAROL BROWN:** And you are satisfied that the department and Medicare have advised dentists as to the appropriate rules and regulations surrounding the scheme. You have outlined six pieces of correspondence that commenced in 2007. There is a brochure and I expect there is probably a hotline that dentists could use if they had questions. Are you

satisfied you have done all you can? The fact is that it looks like most Australian dentists have been able to comply.

**Mr Rimmer:** It is perhaps best to say that we are satisfied that a lot of education has been done stretching back now for over four years about the requirements of the scheme.

**Senator CAROL BROWN:** In the audits that have been completed have you found that customers are being left out of pocket?

**Mr Popple:** In some cases the patients have gone to dentists and received the initial visit and then thought they had quite a bit of their \$4,000 to use. They have then gone to another dentist and been told their cap has been expended and they have no further access to the scheme. In that sense there are some patients who—

**Senator CAROL BROWN:** The money has all gone and the work has not been done?

**Mr Popple:** That is right. And, as Mr Hancock said earlier, that has been the basis of the complaints we have received.

**Senator DI NATALE:** When was the audit taskforce first established?

**Mr Popple:** June last year.

**Senator DI NATALE:** When was the CDDS established?

**Mr Popple:** It came into effect from November 2007.

**Senator DI NATALE:** Why the delay of three years?

**Mr Rimmer:** There was not a delay of three years. Audit and compliance activity started in the second half of 2008. But then that gradually worked up. The taskforce was formally established in June 2010. But it is not as if that is the first time that compliance work had started in relation to this scheme.

**Senator DI NATALE:** Of the 747 complaints you have noted, would it be true to say that most of those complaints relate to technical elements of the work completed and are not complaints specifically about the scheme? That is to say, over 700,000 people have been treated through the scheme and one would imagine that if we had treated 700,000 people through private fee-for-service dental services we would expect to see a similar number of complaints?

**CHAIR:** Are you able to make such an opinion? Are you being asked—

**Mr Rimmer:** I am not sure any of the officials are able to comment on the last part of the question.

**Senator DI NATALE:** My point is that of the complaints the vast majority relate to the technical work completed rather than to problems with the scheme itself.

**Mr Popple:** I think I would disagree. Do you mean technical in terms of whether the work was done properly to their mouths?

**Senator DI NATALE:** Yes, wrong teeth in dentures, people not happy with elements of the work and so on.

**Mr Popple:** No, a lot of the complaints have been directed more to the fact that they were billed up front for services they did not receive, or they were complaints with the service. Some of the complaints were tip-offs that came from Medicare staff who had noticed a pattern of referral when people complained when they presented at Medicare offices, or they



have noted claiming patterns which mean that one dentist claims for providing lots of services on one particular day, when it would not have been possible to do so.

**Senator DI NATALE:** Have you broken down the nature of the complaints into categories?

**Mr Hancock:** We have a number of case studies that look at the different patient complaints. As Mr Popple said, we have not broken it down to a level of being able to categorise it, because of the varied nature of the complaints.

**Senator DI NATALE:** But of the 62 completed audits we are saying that in terms of major breaches—I am not talking about noncompliance with treatment plans or with a quotation provided by the dentist—eight, and probably fewer, because some of those people would have provided the treatment, have made a major breach. That is, eight of 62, and probably fewer, were charging for treatment that may not have been completed. Would that be correct?

**Mr Rimmer:** You are using words like 'major breach'. Those words are not—

**Senator DI NATALE:** Okay, I will rephrase it: made breaches that were not consistent with a quote or with the treatment plan.

**Mr Rimmer:** The technical answer to your question is yes. There were a small number of cases identified out of the audits completed where the right services were not provided or were dentists said that services would be provided or had been provided and then those services were not provided.

**Senator DI NATALE:** So that is eight of 62. You were saying that sending the treatment plan back to the GP is an integral part of the service. Are you aware that most GPs never see the treatment plans?

**Mr Popple:** It is an important of the program. It is also required under the legislation. We have to audit it against—

**Senator DI NATALE:** I realise that. But the first part of your comment was about the policy—

**CHAIR:** Gentlemen, one person speaks at a time. Mr Popple, have you completed your answer?

**Mr Popple:** I was going to say that under the legislation that is what we have to audit them against. It is about compliance with the legislation.

**Senator DI NATALE:** Thank you. I was taking up Mr Rimmer's earlier point about the important policy dimension to providing the treatment plans. I was asking Mr Rimmer whether he was aware that most GPs do not sight the treatment plans.

**Mr Rimmer:** I do not wish to be difficult on this matter, but the policy responsibility for this program lies with the Department of Health and Ageing. It is their job to wonder how GPs are engaging with the documents that are coming back. It is our job to administer the scheme according to the legislation that parliament has passed.

**Senator FIERRAVANTI-WELLS:** Your job is to enforce it.

**Senator DI NATALE:** You made a statement earlier about the *Medicare Benefits Schedule: Dental Services* booklet that was sent to dentists by Medicare Australia. Are you

aware, for example, that at page 16 of the booklet, which has the checklist for dental practitioners, there is no reference to the need for a written estimate of fees to be provided to the patient.

**Mr Rimmer:** I am looking at a version of it. Perhaps I am misunderstanding. It says, 'There needs to be a dental treatment plan, including an itemised quotation of proposed charges provided to the patient.'

**Senator DI NATALE:** I am sorry. I meant to say that the earliest version of the booklet does not have that.

**Mr Rimmer:** This is the earliest version of the booklet.

**Senator DI NATALE:** Okay. I have information from the Australian Dental Association that says otherwise.

**Mr Rimmer:** We will have to clarify that.

**CHAIR:** Take that on notice, Mr Rimmer. Get the date of that for us, please.

**Mr Rimmer:** We do not need to take the date on notice. The date of the booklet that we are referring to is 1 November 2007. We can check on notice whether any version of the booklet did not include that sentence.

**CHAIR:** That would be wonderful; it would clarify that point.

**Senator DI NATALE:** The question that I have is this: given the fact that non-compliance is so high—41 out of 62 cases—are you concerned that there has been some systemic problem with the way in which this information has been communicated to dentists?

**Mr Rimmer:** It is too early to say. That is the honest truth. Clearly, in relation to the audits that have been completed there is a problem about the charging or billing behaviour. If in the next 500 audits we uncover equivalent levels of non-compliance then your hypothesis would probably have been proved. But it is too early to say. All any of us at the table can say is that it is very clear on the face of the available documents how many times this material has been communicated and in how many different ways to dentists who are putting in place changes to make themselves able to claim under this scheme.

**Senator DI NATALE:** Thank you. When dentists are found to have been non-compliant, they either get an educational letter or the recovery of all benefits paid is sought. That is the information that I have seen provided to several dentists who have been found to have breached the conditions of the scheme. On what basis do you make the decision between sending an educational letter or seeking to recover the costs?

**Mr Rimmer:** I will ask Mr Hancock to talk to the specifics. I am not sure that the premise of the question is correct. As we talked about earlier, there are many examples through the operation of the audit process and the preliminary educative work where minor or small numbers of non-compliance in otherwise compliant behaviour have effectively been let pass. By the time that it gets to the point at which there is either recovery, an educative letter or an educative process there are already pretty well-established patterns of non-compliance. Mr Hancock might answer the specifics.

**Mr Hancock:** An audit looks at claims for a particular period of time. We look at all aspects of the scheme and whether or not they have been complied with. There is a whole range of things, such as treatment plans, provision of services and sending a copy back to the

GP. We need to take it on a case-by-case basis. If an audit demonstrates that there is only a small amount of non-compliance with a small number of patients here and there it is likely that that will be let through and we will not seek recovery for those benefits. An education letter will be provided. We do not audit the quality of the treatment plans. If we see a treatment plan that is only a couple of sentences we will allow that through, as we are not looking at the quality of those. We are purely making sure that some communication has occurred with the patient.

We have also shown some sort of leniency regarding upfront billing when the claim has been made before the service was rendered but the service was rendered within a reasonable period of time. We will not seek recovery for those benefits. Essentially, where there is non-compliant claiming behaviour that is right across the patient profile that the person is treating—not providing the treatment plan and the itemised quote and not returning the summary to the GP—we are not as lenient.

**Senator DI NATALE:** I will give two examples. The first is a salaried dentist, so does not stand to benefit at all from any perceived rorting of the scheme. Would that be a factor in your decision making, given that they do not stand to benefit from Medicare claims? The second example is someone who took immediate action when they realised that they were non-compliant. They closed the clinic over the weekend, sent out letters to all doctors and provided written treatment plans for each patients that the dentist had seen. Would either of those things—immediate remedial action or the obvious case of a dentist being a salaried dentist—be factors in whether you would pursue a dentist for the recovery of costs?

**Mr Rimmer:** The best answer is perhaps the simplest answer but also the one that is least likely to satisfy, which is that the compliance officers work on the specific circumstances of each case. They treat each case as a different set of circumstances. They look at the claiming behaviour, the responsiveness of the dental practitioner to information that is provided to them, how that dental practitioner has responded to the audit, what kinds of issues have been uncovered in the audit and the circumstances of the practice. There are many factors and it is very difficult to enumerate them in this forum. Is it true to say that whether a dentist is a salaried dentist or not is one factor that would be taken into account? It is fair to say that yes it would be taken into account, alongside a whole range of other contextual factors about that dentist's practice and about their compliance with the very strict requirements of the legislation.

**Senator DI NATALE:** And the second one to do with taking immediate action to rectify the issue?

**Mr Rimmer:** The dentist's behaviour when provided with information that demonstrates non-compliance is very important to what happens from then on.

**CHAIR:** The rest of your questions, Senator Di Natale, need to go on notice.

**Senator ADAMS:** I would like to ask questions on the Medicare access points and the community resource centres. These questions follow on from last time. Firstly, I would like to thank the minister for suggesting that I speak to people in the minister's office. We had a very frank discussion and we came up with a solution. Now I have to see if that solution has been put into practice and where it is going. I am talking about Western Australia. We had 49 community resource centres with Medicare access points originally before things started to

change. Thirty-six of these have Centrelink infrastructure; 13 are without. I would like an update on where we are going, especially with the 13 that do not have Centrelink infrastructure. Are they going to be allowed to keep their Medicare access point? What is going to happen?

**Mr Tidswell:** What we have done in between the last estimates and this estimates—and I know that you had that personal briefing and were provided with information—is create this new department. We have much greater infrastructure now to put to this task. Formally, we had the Medicare access points, Centrelink service centres, Medicare service centres, Centrelink agents and Centrelink access points, we are now looking at that as a complete and total piece of capability. As you were made aware at your briefing, what we are keen to do is look at how we can integrate all of that capability and provide a pretty similar level of service across the country. This will be a Department of Human Services access point and a Department of Human Services agent. Where we have that capability, we would withdraw that MAP capability because it would be part of that newly branded Department of Human Services access point and the Department of Human Services agent service point.

In that sense, we have looked at the whole map and provided senators in answers to questions on notice a level of detailed information about where these service points are. We want to make sure that everybody has access to a service. We continue, however, to provide a full range of alternate solutions, such as online service delivery and the ability to do it from your home in a whole range of ways et cetera. That is the approach that we are taking. We would have to go through line by line if you want information on those particular sites that are of greatest interest to you.

**Senator ADAMS:** I will not do that tonight. But I want to know about the Centrelink phone. The suggestion that we discussed when I had my briefing was that, with the Centrelink phone that is remaining in the community resource centre, you would press 1 for Centrelink and 2 for Medicare. Is that going ahead or not?

**Mr Tidswell:** I am entirely across that level of detail.

**Ms Ramsey:** We are still working on the telephony list, but that is certainly where we are going so that people can access both services from the one phone. They can ring the number currently from the one phone, but whether to press 1 or press 2 is something we still need to work through. That is certainly where we want to go, and in the new system that we are putting in that is what we will be intending to do.

**Senator ADAMS:** I am very pleased to hear that that is moving ahead. For these 13 who are in Western Australia who do not have the Centrelink infrastructure, are they going to be able to keep their Medicare access point phone?

**Mr Tidswell:** I would have to make sure of that. Can you provide me with those 13 to make sure we give you the exact answer? Without knowing that in detail, it would be tricky to say.

**Ms Ramsey:** Where there is no Centrelink service currently we are not intending to remove the Medicare access point. But, as Mr Tidswell said, we want to expand it so it is a Centrelink and a Medicare type of service. Standalone, purely Medicare access points, as we previously called them, will remain unless the host agent—and this has happened in some cases—does not want to keep them. I am not aware of that happening in the WA ones, but

there have been a few sites on the way through where the current host has said they do not want to keep it for some reason.

**Senator ADAMS:** I like to see something going as planned. My next question is on the Family Assistance Office and paid parental leave. Does the Family Assistance Office still exist and, if so, just how busy is it and what is going on there?

**CHAIR:** That is a detailed question. Could you put it on notice?

**Senator ADAMS:** I will put it on notice.

**CHAIR:** That will help in getting a reasonable answer to your question on the whole process of family assistance.

**Senator FIERRAVANTI-WELLS:** I will follow up on some questions that I asked on notice, and they dovetail in generally with audits. I refer to answers HS16, HS21 and HS23 which refer to figures about audits. In HS23 you gave me a breakdown of 2,019 of your audits. HS23 sets out 2,365 completed audits for 477 individuals or entities for an amount of \$7.8 million. You note there that it includes categories of medical practitioners. You then, in HS21, provided me with figures. Can you give me a breakdown for 2008-09 and 2010-11 in the same format as you gave it to me for 2009-10? Do you understand what I am asking?

**Ms Campbell:** Yes. So you want question—

**Senator FIERRAVANTI-WELLS:** At the top of HS23 you provided a table where you looked at the audited group and you gave me those details. You provided information that was the sum of that overlap information in HS21. What I would like are three tables which cover the three years.

**Ms Campbell:** We do not have that with us.

**Senator FIERRAVANTI-WELLS:** I appreciate that. Bear in mind that, using 2009-10 as the example, you had 2,365 completed audits. You obviously have a breakdown of the type of medical practitioners. Could you provide a breakdown of those medical practitioners for each of those three years?

**Ms Campbell:** We will have a look at how complex it is to do that and how much we would have to go into for that.

**Senator FIERRAVANTI-WELLS:** In view of the questions that were asked by Senator Di Natale and Senator Fifield in relation to dentists, you are obviously able to pluck out the number of the dentists that you are pursuing, so you do have those figures. This should not be very difficult. We are only talking 2,365 medical practitioners or thereabouts in any given year. You tell me that in 2008-09, the figure was 2,794 and as at 30 April 2011 you are talking about 1,357. It cannot be that hard to break down the category.

**CHAIR:** The officer has said they will take it on notice. Ms Campbell, because of the complexity, could you get back to us not a long time down the track and give us some discussion about that point?

**Ms Campbell:** I am just trying to clarify whether you want it in the same format as the answer to question 23 or whether you want more detail than was in the format—

**Senator FIERRAVANTI-WELLS:** I would like a breakdown of those medical practitioners and I would like it for those three years. I am interested to see why, all of a sudden, this year—bearing in mind what Mr Rimmer said about the dentists in the past—at

the time when the government is pushing for a close-down of the chronic disease dental scheme, we are suddenly seeing this massive interest in pursuing dentists. I would like verified whether dentists have always been on the agenda or whether, suddenly this year, we have this extra number of dentists being audited.

**CHAIR:** The officers will take that on notice.

**Senator FIERRAVANTI-WELLS:** If you like, I am happy, Ms Campbell, to put it on notice with far greater detail.

**Ms Campbell:** Senator, I am happy; I just did not understand your question, because I thought you were happy with 23 and then I was trying to clarify it.

**Senator FIERRAVANTI-WELLS:** Earlier you talked about the sorts of circumstances that triggered your investigations in relation to dentists. The audits we are talking about are for all medical practitioners. Could you tell me what triggers the audit? Is it confined to high billers and complaints?

**Ms Campbell:** We will ask the officers at the table to go through the criteria that generally alert us to an audit.

**Mr Hancock:** Essentially each year we publish our annual compliance plan, in which we look at the risks associated with the programs that we administer. That risk assessment of the programs that we focus on for that particular financial year is based upon a range of factors. Those factors include environmental scanning to understand what the potential risks to that program are in terms of claiming.

**Senator FIERRAVANTI-WELLS:** Mr Hancock, I did not ask about risks; I just asked about triggers. Before you were talking about the triggers in relation to dentists. You mentioned high billers compared to—

**Mr Popple:** Chair, I think the official should be given a chance to actually answer the question.

**CHAIR:** I accepted that particular process. Mr Hancock had stopped and I think Senator Fierravanti-Wells's question did not clash in the process. Please go ahead, Senator.

**Senator FIERRAVANTI-WELLS:** I am simply confining my question to the triggers. Are the triggers for the dentists that you outlined earlier the same triggers that apply for the audits that were specified in the material that you provided to me on notice?

**Mr Popple:** They would be included amongst the triggers. We look at patterns of referral. Where there are particularly high rates of referrals, that may be one trigger. Complaints and tip-offs would be another trigger that we use. So they are similar. As Mr Hancock was outlining, through some of the environmental scans and some of the other data-matching that we do, we would find other triggers to undertake an audit.

**Senator FIERRAVANTI-WELLS:** Do the triggers change from year to year?

**Mr Popple:** Yes. The base ones will stay the same. Each year, in our environmental scanning, working out where the pressures and the risks are in a particular year, we might change some of those triggers.

**Senator FIERRAVANTI-WELLS:** For each of the three years that you are going to provide me with that information, could you take on notice whether those triggers identify the key triggers for each of those years and whether that has changed?

**Mr Popple:** That is probably set out in the compliance plans for each of those years.

**Senator FIERRAVANTI-WELLS:** Perhaps you might direct me to where I can find them.

**Mr Popple:** Yes.

**CHAIR:** Are those compliance plans public?

**Mr Popple:** Yes.

**CHAIR:** Are they on your website?

**Mr Hancock:** Yes, they are.

**CHAIR:** For three years?

**Mr Hancock:** Yes. They cover the broad areas of focus that we look at.

**CHAIR:** Thank you.

**Senator FIERRAVANTI-WELLS:** But you are saying that it could vary from year to year; that is why I am asking for each of those three years.

**Mr Popple:** Mr Hancock said that they are available for each of those years.

**Senator FIERRAVANTI-WELLS:** Turning to Better Access: you provided me with an answer to question on notice No. HS 17, from last estimates. My question in relation to your answer to HS 17 I will put on notice. Certain cuts, or proposed changes, have been made to the Better Access scheme. There have been some changes on your website in relation to national mental health reform. When those changes were made some material entitled 'National Mental Health Reform - Better Access Initiative - rationalisation allied health treatments sessions' was put up on your website. Ms Golightly, you are aware of the documents I am referring to?

**Ms Golightly:** Yes.

**Senator FIERRAVANTI-WELLS:** One of the paragraphs asks, 'Is it a new measure that will affect my family or me?' It goes on to say:

... this measure will affect people who receive more than 10 allied mental health services, per calendar year, under the Better Access initiative. These patients are likely to have more complex needs and may be better suited for referral to more appropriate mental health services such as the Australian Government's Access to Allied Psychological Services (ATAPS) Flexible Care Packages.

You saw fit a week ago, or thereabouts, to release the draft Medicare benefits schedule for 2011.

**Ms Golightly:** Yes.

**Senator FIERRAVANTI-WELLS:** Obviously, this was being interpreted, correct me if I'm wrong, as allowing people to claim under the GP mental health plan, under Better Access and also under ATAPS. You have had to put up a qualifier about ATAPS; why have you had to do that?

**Ms Golightly:** I will give a general background, and then Ms Bird can fill in the detail. My understanding is that, first and foremost, this is material we get from the policy agency, DoHA—certainly the MBS and its descriptions come from there. It may well be that, through inquiry or other information, a request was made for information.

**Ms Bird:** I'm sorry, I don't have any further detail than that. I wasn't aware of the qualification.

**Senator FIERRAVANTI-WELLS:** That is what I am concerned about. The minister has been quick to reassure the public that people who need more than 10 appointments with a therapist will still be able to access a range of services, including services provided under ATAPS, but it is very clear from the Medicare schedule that you either have to go under Better Access or under ATAPS—you cannot go under both. The Medicare schedule now makes it clear, and it is very clear from the material that has been provided to me, that you have had to make it very clear that you cannot do both.

**Ms Golightly:** The MBS is not ours.

**Senator FIERRAVANTI-WELLS:** I appreciate that.

**Ms Golightly:** Neither are the eligibility requirements. I think that the ministerial statement you are referring to was by the minister for health. I am happy to take your question and check it out with the Department of Health. The eligibility around who can get what and when is set by department of health policy.

**Senator FIERRAVANTI-WELLS:** I appreciate that. What interests me is that the minister made certain comments and you have put certain information on your website, pursuant clearly to what has been provided to you by DoHA. You have now had to qualify certain statements, presumably because what you were told by DoHA is not accurate. That is how the document reads.

**CHAIR:** Senator, time has expired.

**Senator FIERRAVANTI-WELLS:** Ms Golightly, can you clarify that for me?

**CHAIR:** Senator, the time has expired. That question will have to go on notice. Thank you, very much, to all the officers from the Department of Human Services and also to the minister.

**Committee adjourned at 23:00**