



Australian Government
Department of Social Services

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Secretary

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Committee Secretary
Joint Committee of Public Accounts and Audit
PO Box 6021
Parliament House
Canberra ACT 2600

Dear Ms Cardell

Further to my Executive Minute on the Joint Committee of Public Accounts and Audit (JCPAA) *Report 461: Commonwealth Risk Management* (Report 461) of 29 May 2018, I am providing an update on the Department of Social Services' (the department's) progress on Recommendation 4 of Report 461.

The recommendation required the department and the Department of Human Services (DHS) to investigate the capture and sharing of data between federal departmental systems and with state and territory governments to improve the identification and exclusion from review of manifestly eligible and other severely disabled recipients of the Disability Support Pension (DSP). The department agreed to this recommendation, and subsequently commenced investigations into the feasibility of conducting data matching (sharing) with other organisations for this purpose.

The department investigated the sharing of data between federal systems and with state and territory governments. Discussions with the Department of Health did not identify any current sources of data that might be able to be matched to exclude DSP recipients from being selected for reviews.

The National Disability Insurance Scheme (NDIS) is currently being rolled out across the country and was considered a guiding source of information in relation to this issue. The National Disability Insurance Agency (NDIA) has advised that while the roll out is underway, data on individuals' disabilities are held by multiple jurisdictions and in various non-standardised forms. Conducting a data matching exercise with numerous agencies or departments in each state would be a very complex way of addressing the risk of including manifestly eligible and other severely disabled recipients of DSP in reviews.

The NDIS will be fully rolled out by July 2019, except for Western Australia, which will be fully rolled out by July 2020. After 2020, the NDIA will hold Australia-wide, standardised data on the disabilities of NDIS participants.

Noting the above information, the provisions of the *Guidelines on Data Matching in Australian Government Administration* state that any proposal to conduct a data matching exercise should take into account the costs and benefits of the proposed data matching program, as well as whether there are any alternative measures to data matching that could achieve the same result. Accordingly, the department has also considered other developments as well as data sharing to address the specific issue relating to the selection for reviews.

Since this issue first arose, as a part of the 2016-17 DSP Medical Risk Based Reviews measure, the department and DHS have worked together to improve the methodology used to select recipients for review.

In response to the Australian National Audit Office Recommendation 2 of Report No. 18 of 2015-16, *Qualifying for the Disability Support Pension* the department worked with DHS on strengthening risk profiling within the service profiling medical review program. DHS, in consultation with the department, developed new risk profiling and selection criteria specifically for the 2016-17 DSP Medical Risk Based Reviews measure. The identified set of criteria were weighted and used to either exclude or identify recipients for review.

DHS has also put in place an extensive range of safeguards for this measure, to minimise unnecessary requests and assessments for vulnerable customers who may have difficulty obtaining medical evidence. As part of these safeguards, DHS health and allied health professionals carefully check available evidence to identify customers who may require nursing home level care or meet other manifest medical eligibility criteria, and therefore do not need to attend a Job Capacity Assessment interview.

The department considers the improved arrangements developed with DHS for the selection of reviews substantially address the issues raised by the JCPAA. Taking into account the *Guidelines on Data Matching in Australian Government Administration* and the challenges associated with data matching in the short term, further consideration of this option should be deferred until after 2020 where, if similar issues arise in the future, a cost benefit analysis could occur with the benefit of an established NDIA data set.

Yours sincerely

Kathryn Campbell

5 September 2018