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**HOUSE OF
REPRESENTATIVES**

STANDING COMMITTEE ON PETITIONS

Reference: Selected petitions presented up to 14 September 2009

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**HOUSE OF REPRESENTATIVES
STANDING COMMITTEE ON PETITIONS**

Wednesday, 28 October 2009

Members: Mrs Irwin (*Chair*), Mr Broadbent (*Deputy Chair*), Mr Adams, Mr Chester, Ms George, Mr Hawke, Mr Simpkins, Mr Craig Thomson and Ms Vamvakinou

Members in attendance: Mr Adams, Mr Broadbent, Mrs Irwin, Mr Simpkins, Ms Vamvakinou

Terms of reference for the inquiry:

To inquire into and report on:

Petitions presented up to 14 September 2009

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Committee met at 10.17 am**PEACOCK, Ms Dianne, Director, Student Income Support Policy, Department of Education, Employment and Workplace Relations**

CHAIR (Mrs Irwin)—I declare open this public hearing of the Standing Committee on Petitions and welcome everyone in attendance. Under the House of Representatives Standing and Sessional Orders, the committee is able to examine matters relating to petitions as a way of complementing the ministerial response process. The committee conducts public hearings on issues raised in petitions. Today the committee has invited three departments to provide advice on issues raised by petitions. This morning we welcome representatives of the Department of Education, Employment and Workplace Relations; the Department of Immigration and Citizenship; and Department of Human Services. The transcript of what is said today will be posted on the committee's website. This hearing is open to the public.

I invite Ms Peacock to the table. Although the committee does not require you to speak under oath, you should understand that this meeting is a formal proceeding of the parliament and giving false or misleading evidence is a serious matter and may be regarded as a contempt of the parliament. We have a petition, which you are aware of, and a ministerial response to that petition where certain citizens of Australia draw to the attention of the House the Rudd government's changes to the workforce participation criteria for establishing independence under Youth Allowance. As we are all aware, that went through the House in a vote yesterday. The petitions we have received on this matter argue that rural areas run the risk of losing young people because the present arrangements encourage them to move away in order to study. Are there any new arrangements to maintain the contact between young people and their home regions?

Ms Peacock—The Youth Allowance reforms are directed at improving access for young people and to allow them to participate in education and training by increasing the parental income range, predominantly, that enables people to access Youth Allowance and to move away. Certainly these reforms do nothing to try to separate young people from their families or their locations—in fact I think the reforms would enhance the connections.

CHAIR—The new arrangements contain, as we all know, a number of elements including, as you were just saying, changes to the independent status, changes to the thresholds for family income and scholarships. Could you give the committee and the people who signed this petition a picture of how these elements work together?

Ms Peacock—Yes, I am very happy to do that. Under the new arrangements the parental income threshold for access to the maximum benefit under Youth Allowance will increase from the current setting of \$32,800 to \$44,165. What that does is to bring access to Youth Allowance exactly into line with access to family tax benefit part A. So in effect what the government is doing is providing support for young people from birth right through to the time they achieve independence under Youth Allowance, with access being relatively even right through. There are some slight differences in the way that the family tax benefit operates compared with the Youth Allowance.

The other very important part of the reform—which I think is not well understood; perhaps because it is complex—is that the taper rate for access to payment has been softened quite extensively under the arrangements. Under the current settings for Youth Allowance a 25 per cent taper is applied for each child in the family. In effect, if you like, the taper stacks where there is more than one child of Youth Allowance age. So it would be 25 per cent for one child and 50 per cent for a second. There are some concessional benefits that apply but they do not work to offset the effect of that stacking.

The new arrangement, if it is passed by parliament, will introduce a 20 per cent taper across the whole family. So if there are three children in the 16- to 24-year age range, for instance, all in education and training then that taper would be shared across the three children.

CHAIR—Can you give us an example there of where you are saying that the taper is shared across three children?

Ms Peacock—So if there are three children between the ages of 18 and 24 then the taper rate of 20 per cent would be shared at 6.6 per cent for each child, if my maths is correct. Anyway, it would be shared evenly across the three children. So it is a much shallower taper rate and shallows out very much so that, for instance, it tapers out very slowly. For instance, in the department's submission to the Senate inquiry that reported last night we mentioned that for two children living in a rural area where they would receive the away-from-home rate they would receive access to Youth Allowance with parental incomes up to nearly \$141,000. The importance of that is that if the children are at university then they will also receive the full amount of the student start-up scholarship and the full amount of the relocation scholarship if they are living away from home. Because they are receiving the away-from-home rate of youth allowance, they are also eligible to receive rent assistance. So the total package that is available to young people who live away from home to attend the institution offering their choice of course is quite substantial under the new arrangements.

CHAIR—Can you give us an example in dollar terms?

Mr BROADBENT—Have you got the figure there?

Ms Peacock—I can provide you with the exact figures after this meeting but, as a rough estimate, I think it is about \$9,500 if they are on the maximum rate of youth allowance. The student start-up scholarship is \$2,254. The relocation scholarship in the first year is \$4,000. In other years of study it is \$1,000. Rent assistance pays up to \$110 a fortnight, depending on the amount of rent that is paid. Rent assistance is also provided for university college accommodation. It is available for the range of accommodation that young people might desire to take up.

Mr ADAMS—I just want to deal with the taper. For an income of \$141,000 and a taper of 20 per cent for, say, three children, how does that—

Ms Peacock—For every \$5 over \$44,165, there is a \$1 reduction in the payment rate. If there are several children in the family then it is not \$1; it would be 50c or 33c or—

Mr ADAMS—Or whatever. So it works more equitably.

Ms Peacock—Yes.

Mr BROADBENT—One of the drivers behind the petition was the inequity between a country person and a city person applying for the same things. Another one of the changes that the government had in mind was reducing the rorting of the system. Do you think that the current arrangements have achieved both of those goals? You can say, ‘I would not like to answer that question because it is an assessment you have to make—

Ms Peacock—I would take it on notice.

Mr BROADBENT—Could you talk a little bit more about the figures for a country person—

Ms Peacock—In relation to the second part of that question, I would not agree with you that there has been rorting of the system. Perhaps there has been an unintended way for people from higher income families to access the payment. Because the settings have been very strict under the current arrangements, a lot of young people have come to the conclusion that the only way for them to access student income support is through the workforce independence criterion. So it is certainly not a rort, because they are operating perfectly legally. The intention of student income support is to provide a benefit that enables young people from lower income families to participate in education and training, unimpeded by financial barriers. So the government’s objective, as I understand it, has been to vastly improve access to income support, as I said before, very much in line with access to other family benefits.

In comparing rural children with city children, rural children who need to live away from home to study receive a higher payment rate. That is \$371.40 a fortnight in comparison with \$244 for somebody who is 18 years and over living at home. I can send through the accurate—

Mr BROADBENT—It is something like \$50 a week difference?

Ms Peacock—It is more than that. In addition to that, the relocation scholarship will only be available to people who move away from home to study. It was designed particularly to assist with the costs of setting up initial accommodation. That is why it was set at \$4,000 for the first year. And it was designed to provide some ongoing assistance with the cost of rent. In addition to that, as I said before, they are also able to access rent assistance.

Mr BROADBENT—Sometimes for country students—and I am bouncing a little bit away from the actual petition here—it is so difficult for them that, even once they have gone through the whole process of relocation, they last six months and then say, ‘I’m out of here.’ Apparently it is quite common for them not to continue. How does the department handle the relocation costs? Are they a one-off payment for someone who goes through that and, if they fall away within the first year, the department does not claim back any of that?

Ms Peacock—If the student has made a genuine attempt to relocate to study, as I understand it, there will be no attempt by Centrelink—

Mr BROADBENT—To take punitive measures?

Ms Peacock—That is right.

Mr SIMPKINS—What is the drop-off rate for those who start up and get \$4,000 and then do not reapply for the subsequent \$1,000?

Ms Peacock—We do not know because those reforms will only commence from the beginning of next year, if the legislation is passed.

Mr SIMPKINS—Of course. Is there any modelling that would suggest what it would be? I hear that there is a great dropout rate at universities, in general terms.

Ms Peacock—Our understanding is that if students are assisted on income support, Youth Allowance or a study then their likelihood of remaining for the duration of their course is comparable to that of other students.

Mr SIMPKINS—With regard to the deferring of the arrangements so as not to disadvantage those who have taken up the gap year option, when was the decision actually made to defer?

Ms Peacock—For gap year students the transitional arrangements were announced on 26 August.

Mr BROADBENT—Could you explain the transitional arrangements.

Ms Peacock—The transitional arrangements will allow a young person who completed year 12 in 2008 who is currently taking a gap year and who had based their plans around going to university on taking a gap year in order to qualify for Youth Allowance as an independent student by about the end of June 2010 to achieve those plans as long as the parental home of the young person is at least 90 minutes distant from the institution offering their course. So it provides an opportunity for those young people who might have themselves as disadvantaged by the announcement of the reforms to achieve independence.

Mr BROADBENT—Have we got an estimate of how many that might be?

Ms Peacock—It was close to 5,000. It was around 4,700 young people.

Mr BROADBENT—Why is it that figures of 20,000 and 30,000 were raised? Are they taking into account students this year and next year?

Ms Peacock—In the budget documentation, we estimated that around 30,700 people would not be able to access Youth Allowance as independents because of the tightening of the workforce participation criterion.

Ms Peacock—When the reforms were announced on budget night, the government announced that around 68,000 young people would get access under the parental income test for the first time. About 34,000 would receive a higher benefit as a result of that. On the other hand, around 30,700 young people would not gain access to Youth Allowance via the workforce participation criterion for independence. However, it is estimated that more than half of those young people would access Youth Allowance as dependants. In addition to that, because of the transitional arrangements announced in August, close to 5,000 young people will be able to access the workforce participation criterion for independence.

Mr BROADBENT—In your processes, were government outlays increased with these reforms or decreased?

Ms Peacock—It is a budget neutral package.

Mr BROADBENT—Is it still a budget neutral package?

Ms Peacock—Yes, it is.

Mr BROADBENT—Even with the changes?

Ms Peacock—Yes, because the personal income threshold which applies to students' own earnings was due to be lifted from \$236 a fortnight to \$400 a fortnight from 1 January 2011 to offset the cost of the transitional arrangements. That commencement date has been deferred to 1 July 2012.

Mr BROADBENT—I think you are absolutely brilliant, by the way, the way you are able to answer these questions.

Ms Peacock—Thank you.

Mr BROADBENT—How does the taper work for the students who actually earn that amount of money, if there is a job available? How does the taper work from the students' income?

Ms Peacock—For every dollar they earn above the current setting of \$236 or the new threshold of \$400 their payment would be reduced by 50c. So for every dollar of additional income their payment would be reduced by 50c up to a further threshold of \$80 above the threshold—so \$480 under the new arrangement. Then it is reduced by 60c in the dollar. That \$400 a fortnight allows students to work for between 12 and 14 hours a week, according to the Fair Pay Commission minimum hourly rate. The Universities Australia report on student finances indicated that on average students are working about 14.8 hours a week.

Mr BROADBENT—Can you tell me how many students we are talking about in a given year?

Ms Peacock—Do you mean students who are receiving youth allowance?

Mr BROADBENT—Yes, students who are receiving youth allowance in the first instance—not those not receiving youth allowance. A lot of the benefits that the government provides for students cannot be accessed until they qualify for the independent rate of youth allowance.

Ms Peacock—Or qualify for youth allowance anyway.

Mr BROADBENT—Yes, qualify for youth allowance anyway—they cannot get the leaving home benefit and the next year's benefit and all of that unless they actually qualify for that. If you do not qualify, you do not get the benefit and the family has to pay.

Ms Peacock—No, that is right. In June this year there were 278,664 students receiving youth allowance. Of those, 60.8 per cent or 177,414 students are dependent and 114,611 or 39.2 per cent are independent.

Mr BROADBENT—Are there any other benefits that we have not addressed today that students receive?

Ms Peacock—There are other benefits that help rural students such as the fares allowance, which enables them to have a return trip from their home to where they need to live in each year—so that is a trip each way.

CHAIR—It is one return journey per year.

Ms Peacock—Yes, and there is a remote area allowance for remote students. I would have to provide you the details of that later.

Mr BROADBENT—Is there a communication from the department to an intending student that outlines what the government provides?

Ms Peacock—We do not know who an intending student is, I guess I would have to say, but there is a lot of information available on the Centrelink website. The DEEWR website has a range of fact sheets that have been developed to provide information on the new reforms. The DEEWR website also includes access to a student assistance estimator, which allows prospective students and their families to enter such details as estimated parental income, the family type and size, and the ages of students, to get an indication of the amount of assistance that they might receive.

Mr BROADBENT—Is it your view that students should not automatically think that they are unable to access tertiary education without fully investigating what the government offers?

Ms Peacock—Absolutely. I would encourage any young person not to make assumptions and to investigate what is available to them. The department provides a lot of advice to people. We have ministerial correspondence, as you are well aware. Also people do write directly to the DEEWR website address and they receive a response to advise them on the sort of information that they require. I do believe that the reforms will offer young people much better access to assistance than is commonly understood and I would encourage any family or any young person to explore the assistance that might be available to them.

Mr BROADBENT—Part of the process we are going through at the moment is an e-petitioning process, on which we are putting a report out on the Monday we come back for sittings. The whole process is that the parliament therefore becomes more available to people through the petitioning system and the process that you, Diane, are going through yourself at the moment. It will be an opportunity for people are concerned about an issue—in this case Youth Allowance—where we end up, through the response of the minister and through the response of people like you, communicating to a wider group the facilities that may be available or what the government offers; as once challenged through a petition. Do you think that the e-petitioning process might be a further advantage to a community that has changed a lot since 1647?

Ms Peacock—Yes, I do because I believe that people have a right to information, a right to understand the assistance that is available to them currently and certainly a right to understand the nature of changes that might be made. So, yes, I think the e-petitioning process would be very helpful.

CHAIR—I have one quick question before handing over to Mr Adams, and I am conscious of the time. There are a lot of students who have got entitlements but some other students are not aware of their entitlements—some of them do not know how to go about getting them or about their parents income et cetera. Are students who, say, are sitting the higher school certificate informed about this? Do they get fact sheets from the department or do they have to check the website or go to a Centrelink office?

Ms Peacock—Information has not been provided directly to schools. I suppose in a way we have to be very careful about the information that is provided when the legislation has not yet been passed. But there is information about how the reforms are expected to work that is available and anyone who contacts Centrelink would be advised to look at the website and look at that information. The information will be increased as soon as the legislation is passed, if that happens.

Mr ADAMS—The Bradley review was the catalyst for this because that review found that student income support was very poorly targeted and that there were a lot of regional students missing out on support and opportunity for higher education. I just wanted to ask: is it 68,000 more students who will now receive support?

Ms Peacock—Yes, 68,000 more students would be able to receive support under the changes to the parental income test and a further 34,000 would receive a higher payment—some of whom of course would go from a part payment to a maximum rate.

CHAIR—There being no further questions, thank you very much for appearing before the committee today. I am sure that the principal petitioner and the people who signed that petition will be very interested to read our website on the questions that have been asked and the answers that have been given. Thank you very much.

[10.47 am]

BURKE, Ms Anna, Member for Chisholm, and Deputy Speaker of the House Representatives

ILLINGWORTH, Mr Robert, Assistant Secretary, Compliance and Integrity Policy Branch, Department of Immigration and Citizenship

NIBLETT, Ms Julia, Assistant Secretary, Onshore Protection Branch, Department of Immigration and Citizenship

TANKIANG, Ms Jan, First Assistant Secretary, Policy and Planning Branch, Department of Immigration and Citizenship

WILSON, Ms Jackie, First Assistant Secretary, Community and Detention Services, Department of Immigration and Citizenship

CHAIR—I invite representatives from the Department of Immigration and Citizenship to the table. Although the committee does not require you to speak under oath, you should understand that this hearing is a formal proceeding of the parliament; and giving false or misleading evidence is a serious matter and may be regarded as a contempt of parliament. Before I go to questions, I note that the committee has invited Ms Anna Burke, the member for Chisholm and Deputy Speaker of the House of Representatives, to come to this hearing and to join us at the table—if you wanted to ask any questions. Anna actually presented this petition to the parliament. The petition is on mandatory immigration detention and detention debts.

Ms Wilson—Thank you for the opportunity to speak to the committee. We welcome the opportunity to talk through the petition this morning. Today I am going to speak about the two issues which were raised in this petition which concerns Australian government policy towards asylum seekers. Firstly, I will address the issue of mandatory detention of asylum seekers and, secondly, I will talk about the cost of their detention. I will address these issues today in the context of the government's current reform agenda for immigration detention. As you are aware, in July 2008 the Minister for Immigration and Citizenship, Senator Chris Evans, announced the government's 'New Directions in Detention'.

This new direction included the introduction of seven key immigration detention values to guide detention policy and practice into the future. These reforms commit the Australian government to policies that will engender a more humane approach to all people in immigration detention, including those who are seeking asylum. I am pleased to advise that work is well progressed to implement the objectives of the petition both administratively and through government sponsored legislative change. The new directions in detention commit the department to detention as a last resort and for the shortest practical period, and to the rejection of indefinite or arbitrary detention. Immigration detention is administrative and not punitive.

In relation to mandatory detention, I wish to clarify the statement that all asylum seekers who arrive in Australia are subject to mandatory detention. This is not the case. There is no policy of

mandatory detention of asylum seekers. In line with the key immigration detention values, mandatory immigration detention applies to three groups of people: firstly, all unauthorised arrivals, for the management of health, identity and security risks to the broader community; secondly, unlawful non-citizens who present unacceptable risks to the community; and thirdly, unlawful non-citizens who repeatedly refuse to comply with the conditions of their visa.

Under a policy setting followed by successive governments, people are not subject to mandatory detention because they seek asylum. If an asylum seeker is placed in immigration detention that is because they fall in one of the three categories I have outlined. An example of this is the detention of irregular maritime arrivals seeking Australia's protection. Their immigration detention is on the basis of people being unauthorised arrivals, not on the basis of their being asylum seekers. Immigration detention is for the purposes of conducting health, identity and security checks and to ensure that any potential risks to the Australian community are managed responsibly. In most instances, asylum seekers who arrive onshore do so while holding a valid visa. In the majority of these cases their claims are considered and processed while they remain lawfully in the Australian community.

Turning to detention debt, which was the second request made by the petition; I am pleased to advise the committee that the Migration Amendment (Abolishing Detention Debt) Act 2009 will come into effect on 9 November 2009. From that date all people in immigration detention, with the exception of newly convicted people smugglers and illegal foreign fishers, will no longer be required to repay the costs of their immigration detention. All outstanding immigration detention debt will also be extinguished. This addresses the inequities in previous policy, acknowledging the Joint Standing Committee On Migration's recommendation that the government abolish detention debt. The commencement of this act will represent the first legislative step in the government's commitment to establish a fairer, more humane and more effective system of immigration detention.

In conclusion, the government's new direction in detention and key immigration detention values balances the need to protective the safety of the Australian community with Australia's moral and legal obligations to treat asylum seekers fairly and with dignity.

CHAIR—You just gave us a good briefing on mandatory detention and on detention debt. I want to go to mandatory detention, where you stated that when people arrive on our shores they have to go into a detention centre, as we are all aware. We have been told that the timeframe is about six weeks, for health checks and police checks. Is that correct? Does that process take six weeks or is it taking longer?

Ms Wilson—Sorry, can I clarify whether you are talking about irregular maritime arrivals on Christmas Island or about people who arrive on the mainland by—

CHAIR—Both on Christmas Island and on the mainland.

Ms Wilson—The first point I would make is that if they arrive on the mainland we would need to assess health, identities and security. But the point I made in my opening statement is that many of these people who arrive actually have visas.

CHAIR—Correct, some do. This is by plane?

Ms Wilson—They are already in the community, they sought the visas before they got on the plane, they arrive here, they are in the community and then they make an approach to us about staying longer or presenting other issues while they are actually in the community. Many more people are doing that, having the process happen while on the community, than are being detained. In relation to Christmas Island, which is a different issue, the government's policy is that irregular maritime arrivals will be taken to Christmas Island and processed. There is a step process, which is similar to mainland arrivals—health, identity and security. We try to do that as quickly as we can. The last statistics I have seen show that the period from arrival on Christmas Island to settlement on the mainland is taking about 110 days.

CHAIR—Fine. I want to go now to detention debt. As we are aware, that legislation comes into effect on 9 November this year. You stated that all outstanding debt will be waived. So if a person was here in Australia in a detention centre and they had a debt of, say, \$2,000, \$3,000 or \$4,000—sometimes it can be a lot higher than that—and then go offshore and return to their place of birth and reapply to come to Australia, that debt will not show on the application? No-one would be aware of that debt that was owed to—

Ms Wilson—That is right. I will get my colleague Ms Tankiang to explain in a bit more detail, but what will happen is all our records of existing debt will be extinguished. As you know, when a person is applying for a visa from overseas one of the things you take into account is the outstanding debt. So all our different records of that debt in the system will be extinguished.

Ms Tankiang—That is correct. With the movement alert list, which is checked at the border as these people re-enter, there will be a message for the people behind the counter and in Immigration to say that all debt has been extinguished. No person will have outstanding debt. We are working with all areas in the organisation and the overseas network and with people who deal with people applying for visas at the counter. We are also looking at the system and making sure the system changes are occurring. We are aiming for a seamless transition on the day.

CHAIR—A seamless transition?

Ms Tankiang—That is what we are aiming for.

Mr SIMPKINS—Thanks very much for coming. Your statement clarified a few issues. Is 'unauthorised arrivals' the terminology for boats?

Ms Wilson—Irregular maritime arrivals.

Mr SIMPKINS—How many people have passports when they come in irregular maritime arrivals?

Ms Wilson—I do not have that information with me, but I guess, to make a general statement, that most people have very little documentation when they arrive. Part of the process that takes a bit of time is confirming their identity and that helps to inform the security discussion around them.

Mr SIMPKINS—Of course, when people come in irregular maritime arrivals without anything which identifies who they are it must really drag things out.

Ms Wilson—Part of the process is very much about them telling their story about why they have come, how they have come, who they are, who they are related to and a whole bunch of information which helps us develop a picture about the person that we can then go and corroborate through other sources. When our staff interview the clients on that particular boat, they are also looking to substantiate other people's stories through the stories that are being told. They use a variety of interview processes to obtain information and to further add to and confirm the information we have already received.

Ms VAMVAKINO—You do that in order to establish identity.

Ms Wilson—That is right.

Ms VAMVAKINO—Just talking about people on boats, what sort of contact do you have with their presumable place of origin? If you know where people are from, do you have contact? I am just trying to understand the bureaucratic process by which you would make those identifications.

Ms Wilson—We have several agencies involved in identity and security processing, including the AFP and intelligence agencies. They have networks around the world and databases of people around the world that they look into as part of their processes.

Mr SIMPKINS—It obviously would speed things up if people were actually in possession of passports or other documents which reasonably stated that they were the person they said they were.

Ms Wilson—We would still have to confirm that they were that person and the validity of the documents.

Mr SIMPKINS—Of course, absolutely. At the moment we have quite a few people arriving who are Tamil Sri Lankans. What percentage of those would come directly from Sri Lanka by boat and how would they have come if they had not come directly from Sri Lanka by boat? Obviously there are a number who have come from via Indonesia. Do they all go in a boat from Sri Lanka to Indonesia or is there another option that they use?

Ms Wilson—I do not have the detail of that information, but can I make a general point. There are different pathways being used at the moment. So we have the direct arrivals from Sri Lanka and we have had people who have gone via Malaysia or Indonesia as transit countries to join other clients and find a boat to come here.

Mr SIMPKINS—Sure. So you could not tell me the percentages?

Ms Wilson—I do not have that information with me.

Mr SIMPKINS—Does the department?

Ms Wilson—I can tell you that as at 16 October we had about 1,088 people on Christmas Island. Out of those about 571 were Sri Lankan, but I cannot split that into those who came directly from Sri Lanka as opposed to via a transit country.

Mr SIMPKINS—Does the department have that anywhere? Is that information that the department is interested in?

Ms Wilson—Certainly. We are analysing the trends. There is a lot of work being done in the department about working with countries in the region and analysing the patterns of movement of various groups of clients.

Mr SIMPKINS—Obviously, those who come from Afghanistan cannot hop on a boat in Kabul and come to Australia. Again, would they come via Malaysia, through Kuala Lumpur, or directly to Indonesia, from Pakistan, say?

Ms Wilson—Most of them transit through Pakistan. But, again, from there there are very different routes by which people make it through Asia to Australia.

Mr SIMPKINS—There may not be visas required between, say, Pakistan and Malaysia, or Pakistan and Indonesia, but would passports be required?

Ms Wilson—Let me just check with my colleague Ms Niblett, to see if she is aware of that.

Ms Niblett—I assume passports are required for boarding an aircraft to travel to those countries.

Mr SIMPKINS—You would think so. So those who come from Afghanistan would presumably have passports when they left Afghanistan.

Ms Niblett—I am not sure what the documentation requirements are to enter those other countries you mentioned—Malaysia or Indonesia—so I cannot comment on that. But I am presuming some form of identity document or travel document would be required.

Ms VAMVAKINO—Wouldn't that have been useful for us at this stage, after all this experience with people—'clients', as I have noticed you call them—to know that sort of information as to what sort of documents were required to travel from Afghanistan to somewhere else? I thought it would be pretty obvious that that information would be known to Immigration and to everyone else.

Ms Niblett—Yes. I think the information is probably known, but I do not have it with me today, sorry.

Ms Wilson—We tend to work across agencies on all of these issues. Our colleagues in Foreign Affairs are involved in a task force on these issues. They would be the point through which they inform government about all of these things. Your question as to how people move, and what documentation they need to move, is subject to a lot of discussion within government at the moment, in the context of whether we can tighten up some of those arrangements. But, while it might be in Australia's best interests to tighten up those arrangements, some of those countries might not be as keen because of free trade and a whole range of other issues. There is a whole range of issues we have to work through there.

Mr SIMPKINS—I understand that, for things like the Hajj, the documents for movement between Islamic countries can be a little bit easier. I do not think there are any visas involved. But on the streets, when people come and speak to me, there is that sense of concern that at some point a lot of the people who happen to be on boats had at one time flown out of a particular location which would have required an identity document, but which cannot be found when they get here. That would, in my mind, seriously undermine confidence in the identity and motives of those involved. Maybe that is more of a statement.

Mr BROADBENT—How many people were affected by detention debt? I will explain the basis of my question. There was a staffer in the building who drew me aside to speak to me privately, so therefore he was not from my side of the fence. He said that he heard me speaking on the detention debt issue while he was driving his car across a very vast area of Australia and he was in tears. I asked, ‘What has it got to do with you?’ What we did not realise was that there were many affected by this debt, because this debt became transferred debt when these people who had been held in detention entered into marriage and other relationships. This debt became not the debt of the few that you are about to tell me were affected by this. The fact is that our country was only ever able to recoup four per cent of the debt that we as a nation imposed on these people. But we also transferred that debt from the person who had been held in detention to others. We referred this debt to what we see as mainstream Australian families rather than the stereotype that the community may have held. Did the department at any stage have an approximation of the numbers of people who had incurred detention debt?

CHAIR—Sorry, I have to leave. I will hand back over to Mr Broadbent.

ACTING CHAIR (Mr Broadbent)—The debts actually affect a lot more people than we envisaged that they affected, that is all. That is going to be removed.

Ms Tankiang—I have a statistic here. At 30 June 2009 there were 338 people with active debt.

ACTING CHAIR—So there were 338 people with active debt.

Ms VAMVAKINO—At an average of?

ACTING CHAIR—That is an important issue. The chair a minute ago mentioned hundreds of dollars. It was hundreds of thousands of dollars in some cases.

Ms Tankiang—That totalled an amount of \$8 million.

ACTING CHAIR—So it is \$8 million divided by that amount of people. That is a lot of money.

Ms Wilson—I take your point, Mr Broadbent. We have had lots of correspondence from people with debt who have married and who have started families and who have young children. They cannot buy a house because they have to deal with this debt first and they cannot really move on with their lives. This is why the changes happening on 9 November are very positive.

ACTING CHAIR—Was that correspondence written afterwards or was it correspondence written to you prior to this legislation?

Ms Wilson—All through. We have correspondence all through—

ACTING CHAIR—All the way through. And that would be people seeking opportunities to enter into an arrangement to pay off the debt?

Ms Wilson—And also people saying how difficult it was to manage the detention debt as well as starting a family and starting a new life. It was not just people approaching us about repayments but in general quite a bit of correspondence from people making comments about how difficult the whole process was.

ACTING CHAIR—I want to go back to the arrivals into this country and some numbers. How many arrived who were not maritime arrivals last year, this year or whatever—any time period that you want to pick? How many existing arrivals have we? Am I asking this question correctly? No. Help me, please.

Ms Wilson—My colleague Mr Illingworth has just pointed out that about four million people enter and leave the country ever year—temporarily.

ACTING CHAIR—You want to keep coming down from that if you can. I have been through it myself before, but it would be of great help if you could go through it.

Ms Wilson—Is there a particular cohort of this big group that you are interested in or do you just want to talk forever?

ACTING CHAIR—We talk about asylum seekers and overstayers or whatever. It used to be about 60,000. I think that it has come down a bit to about 48,000, but I would like you to tell me what those figures are. If you could go from the millions down and knock up some of those categories, that would be good.

Mr Illingworth—Of the air arrivals, there would be in the order of 1,000 or 2,000 people a year who are refused immigration clearance at the border. It fluctuates because it is a very low percentage of the total. It is a process of refusing immigration clearance at the border. It is the formal process where somebody goes through the immigration control point on entering the country through an airport, and at that point an immigration officer can decide that the person is undocumented—that happens sometimes.

ACTING CHAIR—So there are 4,000 of them?

Mr Illingworth—There are a range of different reasons. There is about 1,000 or 2,000 people a year who do not have documents, have documents that are suspect or who present with a visa which, say, has a work restriction and it is clear from the circumstances that their work does not intend to bona fide their visit. This would include cancellations of visas at the border. There are about 1,000 or 2,000 of those. Winding back from that, there is a smaller percentage that would actually be asylum seekers in that process of either having their visa cancelled for having the work tools in the suitcase when they are coming in as a tourist, for example, or presenting at the

primary line with no travel documents. Sometimes at that point they will say, 'I need protection.' But it is a smaller cohort that would be referred to the assessment process and be applying for protection.

Mr BROADBENT—Do you detain those people?

Mr Illingworth—Those people have to be detained. They are subject to mandatory detention—that is a continuous policy. They have the same legal status as an IMA on the mainland. So, irrespective of the form of arrival, there is that decision point where a person is assessed as to whether they have permission to enter Australia. If that permission is refused—that is, they are not given immigration clearance—then they are subject to mandatory detention. In the past they have been generally referred to as 'unauthorised arrivals'. But we are using new terminology now, as my colleague pointed out.

Ms VAMVAKINO—Just on that, if someone comes to Melbourne airport with a visa to enter Australia, they will have obviously obtained this visa at an overseas post. The Immigration officer at Melbourne airport decides that they are not a bona fide. So this is a second stage of assessment. I am interested in this because there seems to be two processes: your overseas post, and what you look for in a person to decide that there has been an error in issuing a legitimate entry visa to Australia.

Mr Illingworth—I use the obvious example of a person who is granted a visa for a specific purpose, like coming to Australia as a tourist. But on opening their suitcase you see the butcher's apron, their knives set and three references for a job offer from an abattoir.

Ms VAMVAKINO—How many butchers' aprons or similar things do you find?

Mr Illingworth—There are a reasonable amount. I do not have the percentage in my mind. My recollection is that there are more people in this sort of scenario who are refused immigration clearance at the airport than people who actually present without any documents and say, 'I need protection.'

Ms VAMVAKINO—So they have tools of trade with them?

Mr Illingworth—Some people have tools of trade.

Ms VAMVAKINO—Anything else?

Mr Illingworth—For example, if they were coming in as part of a sponsorship arrangement, there could be indications that the sponsorship was fabricated or that they obtained their visa through providing misleading or deceptive information to a Commonwealth officer.

Ms VAMVAKINO—When you investigate them, what is the rate of accuracy of the initial allegation that there has been a deception? Where does that go? I am trying to find out where the error of margin is—whether it is onshore or offshore?

Mr Illingworth—Onshore, a visa would be cancelled when it is clear that the person was not intending a bona fide visit.

Ms VAMVAKINOU—After you have investigated it?

Mr Illingworth—On the spot. When I say, ‘on the spot’, it is done in real time.

Ms VAMVAKINOU—Okay. It is done on the spot.

Mr Illingworth—There is a process of inquisition and questioning of the person at the airport before immigration clearance is given. This happens in a very small percentage of cases—we are talking four-odd million temporary visits to Australia every year. We are talking a very, very small percentage.

Ms VAMVAKINOU—They are the ones that matter though, aren’t they?

Mr Illingworth—Where there are very clear circumstantial indications that there is a problem, the visa would be cancelled and the person would either be put on a plane—sometimes straightaway—to go back to where they came from, if that is available, or be detained until that could be brought about by the carrier that brought them to Australia. Or, if they raised their hand and said they needed protection, there is a different pathway that would immediately be triggered that would put them into a refugee assessment process. If it was on the mainland it would be through the protection visa.

Ms Burke—The petitioners who have put this together through the Uniting Church obviously deal with a great deal of asylum seekers and so are coming from a point of knowledge. One of the issues with the detention debt was not just repaying the money or granting another visa but getting other lines of credit within Australia. The debt hung over them in situations such as applying for home loans and for legal aid. They could not get legal aid even if they were entitled to it. There is a raft of things that prohibited them—once they had been deemed to be genuine refugees and therefore given, in some cases, citizenship—from getting loans, passports, you name it. So there is not just the visa aspect of being able to re-enter the country but also ensuring that all those other barriers to these individuals’ progressing with life in Australia are also withdrawn so that it is not an issue anywhere—ensuring that it is a guarantee. I know that, particularly within the legal aid system, it is virtually impossible for any of these people to get assistance. In some domestic violence cases it is becoming a big issue.

Ms Wilson—We have a stakeholder communications strategy, and I think you have raised a range of valid stakeholders. I am not sure if they are on the list of who we are writing to about this change, but we might want to generically target some of those bodies at a senior level so that the message gets down through their organisation.

Ms Burke—Yes. I was surprised at how far this spread and at the absolute pall over a raft of people. In respect of what you would call ‘unauthorised arrivals’—I would call them ‘asylum seekers’—what sort of numbers do we have of people who might be overstayers and who end up in detention, or who have breached a visa requirement once they have got through the airport?

Mr Illingworth—The total pool of people in Australia who do not have a visa and should have one—I call them ‘non-Australian nationals’—is under 50,000 people and has remained that way for several years now, with slight fluctuations. Again, this represents a very small percentage of our exposure. Given the high volumes of temporary visitors, it is a very low

number. Internationally it is a very low number as well, if you look at like countries and the challenges they face. And the pool is churning. It represents a reasonably static percentage of people coming into Australia. There are a number of people in that pool who will come into it and go out of it in a couple of days. They may be on their way to the airport when we take the snapshot, having stayed an extra week over their visa.

Ms Wilson—As at 9 October, as a proportion of the total number of people in immigration detention, visa overstayers were 73 out of 1,038 people in detention. That gives you a sense of it. And that is if they get to the detained stage. But, as Mr Illingworth pointed out, there are a range of steps that happen before we get to detention, and we try to manage the clients in the community.

Ms Burke—I am dealing with an enormous number of student visas because I have Monash University in my seat, as well as Deakin. These students get caught up in a whole range of things—for example, the bridging visa did not arrive in the mail. So what I am getting at is that we have a category of people who can end up in this purview of maybe being exposed to detention. It is not just people who arrive by boat.

Mr Illingworth—Right. But, as my colleague pointed out, we are very much applying a risk judgment. If somebody overstays their visa, for example, and then applies for protection, we are not compelled to detain, because we have visas that we can use to maintain the person in the community. Our default position—our starting position—is that we would be giving them that bridging visa, as we call it, to keep them working.

Ms Burke—So those that end up on a bridging visa, probably without work rights, for you to assess until the stage that they can actually go through the system. But they are not going to end up being sent to Christmas Island?

Mr Illingworth—No.

Ms Wilson—As I said in my opening statement, it is people who present an unacceptable risks or repeat offend—and we have tried a whole bunch of things already—that form the 73 out of over 1,000 people in detention.

Ms Burke—Thank you very much to the committee for giving me the opportunity because I now get the opportunity to say that you came to the group who went to a lot of trouble on this particular issue. I really do want to thank you for that. It was a great privilege.

Ms Wilson—On both Christmas Island and detention debt we are talking extensively to the sector, the stakeholders and the minister as an advisory council, which many of these people are members of. So we are trying to get information out.

Ms Burke—I was recently on Christmas Island and ran into one of them, which I thought was quite a scream!

CHAIR—Thank you very much, Anna, for all your comments. It is greatly appreciated. I am just watching the time. We have the other department here but I am going to allow just one very quick question, Mr Simpkins, to do with the petition in front of us.

Mr SIMPKINS—Absolutely. Is there government-provided or government-paid-for legal advice for those in detention that is part of the new policy that was changed?

Ms Wilson—My understanding is there has always been legal advice provided in terms of what we do at the moment. Once asylum seekers are screened as genuine asylum seekers, we work with a range of legal organisations that work with the clients to help put together their case for being considered an asylum seeker. They have access to that legal advice all the way through the legal process, including for appeal purposes.

Mr SIMPKINS—So it is always paid for by the government?

Ms Wilson—Yes.

CHAIR—Do you want to add anything to that, Julia?

Ms Niblett—I want to just confirm that it is publicly funded advice through the Immigration Advice and Application Assistance Scheme, the IAAAS.

Ms Wilson—It is a formal program.

Mr SIMPKINS—It has been that way for how many years?

Ms Niblett—I would have to check the origin of that.

Ms Wilson—The mid-nineties.

CHAIR—I have been with the department since 1998 and it has always been provided for by the previous government.

Ms Wilson—Even on Christmas Island we have a range of people, provided through the scheme, who fly to Christmas Island to help the clients put together their claims.

Mr BROADBENT—Regarding the administration of detention debt, will you be advising each person by locked, sealed, gold-plated, wrapped-up in ribbon, with chocolates!

Ms Wilson—Yes. We will be writing to each person—with chocolates probably! We will be writing to each client affected by the detention debt. They will get their own personal letter identifying what will be happening.

Mr BROADBENT—Have they had preliminary advice already?

Ms Tankiang—We do have centres. People are encouraged to ring a centre to ask questions about it. There is a point of legality: the debt is due until 9 November—

Mr BROADBENT—Until the legislation—

Ms Tankiang—Yes.

Mr BROADBENT—Explain the 9th then. I thought it was the other day.

Ms Tankiang—On 9 November it will be extinguished and future debt will not be incurred.

Mr BROADBENT—What is the delay from the legislation until the 9th?

Ms Tankiang—It was passed in September.

Ms Wilson—There is a certain time period before it comes into effect.

Ms Tankiang—It is legally still a debt until that time.

Mr BROADBENT—So it comes into effect on 9 November.

Ms Wilson—That gives us a time frame to get all the assistance in place to extinguish the debt.

CHAIR—I would love to thank the department for coming before us today. I am sure that the principal petitioner and the people who signed that petition will look forward to seeing it up on the website and beating the other departments' comments.

[11.24 am]

MELLOR, Ms Rona, Deputy Chief Executive Officer, Medicare Australia

MUTTON, Mr Geoff, Chief Operating Officer, Medicare Australia

ROLLINGS, Ms Deborah, Manager, Service Delivery Reform and Change, Medicare Australia

TRABINGER, Mr David, First Assistant Secretary, Health and Customer Access, Department of Human Services

CHAIR—Although the committee does not require you to speak under oath, you should understand that this meeting is a formal proceeding of the parliament. Giving false or misleading evidence is a serious matter and may be regarded as a contempt of the parliament. Would you like to make an opening statement, or would you like us to go straight to questions and the petitions that are before us?

Ms Mellor—If it pleases the committee, I would like to make some opening points.

CHAIR—Please do.

Ms Mellor—Thank you. We have appeared before this committee before and we thank the committee for the opportunity to appear again. Medicare offices are particularly special in some communities because they do provide a range of services to communities. What is happening within the Australian community at the moment is what I would describe as a quiet revolution around Medicare claiming. There are a large number of medical practices in Australia—in the order of 15,000—and 90 per cent of them have the capacity to claim on behalf of the patient from the surgery. What we have been doing over the last several years is working very hard with the medical profession to actually open up that channel more widely to members of the public. The key thing for members of the public is that it actually saves them a trip to the Medicare office. The claim can be lodged from the doctor's surgery and can be paid into their nominated bank account within a few days. Sixty-six per cent of Australians in our customer service surveys say this is their preferred way of claiming—that they actually do not want to have that additional inconvenience of going to the doctor and then going to the Medicare office.

Based on their feedback, we have been working very hard with the medical profession to enable this. Now we find that 90 per cent of bulk-bill claims actually come to us electronically, and in the areas that are under the focus of this committee today the bulk-bill claiming rates are very high—around 80 per cent or more of people in those areas are bulk-billed. That is not to say that those patients who are not bulk-billed also need convenience, and there are a large number of practices in the areas under consideration by petitioners that do actually offer patient claiming from the point of service. Against that, the choice of where Medicare offices go needs to take into account the bulk-bill claiming rate in the neighbourhood, the access to claiming channels and the access to need for other services. We also have over a million people registered nationally with us online and they do business with us online: for example, they can change their

address details or they can order a childhood immunisation statement and download it online. So, as I said, what we are seeing at the moment is a quiet revolution. Around 40 per cent of people nationally who now visit a GP do not visit a Medicare office to claim their Medicare rebate. They actually have that service provided at the point of service by the doctor. That is the context in which we approach where we would advise government to put a new Medicare office.

Two budgets ago, the government announced the opening of an office in Emerald in western Queensland. That office was opened and co-located within the Centrelink customer service centre, and the feedback from the Emerald community about that has been extremely positive because, particularly for those customers who have another reason to visit Centrelink, they can manage their Medicare business at the same place at the same time. There are three new offices being opened in early 2010—in Belmont in Western Australia, in Belmont in New South Wales and in Warrawong in New South Wales—which will also be co-located with Centrelink services. Again, it is building on that convenience factor—that for those people who cannot get an electronic point of service claim from their doctor's surgery, they can get access to Medicare services in their neighbourhood. So we have a multitude of strategies—

CHAIR—Through Centrelink?

Ms Mellor—Yes. Our people will be located in Centrelink, or Centrelink services will be located in our offices. Sometimes those services will be staffed full time; sometimes they will not. Sometimes it will be a visiting service. For example, in the ACT we have had a visiting service in the Centrelink office at Tuggeranong where we placed a person on a trial basis for half a day once a week. It happened when Centrelink said they had lots of people coming in. We sent a person with mobile computing to that office and they could do pretty much everything that you can do in a Medicare office from the Centrelink site.

Mr BROADBENT—What happened?

Ms Mellor—At the time we did it, the Centrelink office was not that far away from our Tuggeranong Medicare office, and socialising the community to go to Centrelink instead of Medicare—

Mr BROADBENT—There was already an office there?

Ms Mellor—That is right. There was an office close by. What we were trialling—

Mr BROADBENT—You people are too well treated.

Ms Mellor—I will not comment on that, Deputy Chair. What we were trialling was the mobile technology. We wanted to know if we could send a Medicare staff member out to another place with a laptop to do pretty much everything that you can do except pay cash. We do not send them out with a bag of money.

CHAIR—That is understandable.

Ms Mellor—It proved that the technology is available. Now we are working with Centrelink in places where we do not have a location, where Medicare does not have a presence in the community, to see what we can do. In Mirrabooka, one of the sites under petition today—

CHAIR—That is one that we have in front of us today, yes.

Ms Mellor—there is a Centrelink site and we are looking at whether or not we can place a visiting service or service there, whether it is staffed or unstaffed. That might include training some Centrelink people to do some of our transactions, to increase the convenience without building a site.

Mr SIMPKINS—Mirrabooka is a very low socioeconomic area.

Ms Mellor—Yes.

Mr SIMPKINS—It has been my experience—my electorate is just north of Stirling electorate—that the bulk-billing rates are particularly good in lower socioeconomic areas.

Ms Mellor—Yes, they can be.

Mr SIMPKINS—Is that the case in Mirrabooka?

Ms Mellor—That is the case in Mirrabooka; it is over 80 per cent.

Mr SIMPKINS—I would have thought so.

CHAIR—This would be the case with the other petition that we have before us—Pakenham.

Mr BROADBENT—I have to declare an interest. To all the department people, I declare my interest right now. I am very interested in what Ms Mellor has just had to say because I was about to tell you that the people of Moe are about to send in another petition about their situation. They feel particularly aggrieved, and so they will be sending the whole history of Medicare and Moe to the committee shortly. We will ask you to address that at the time, but I think it is a really positive measure that we can have Medicare and Centrelink in one office. One of the things they are very concerned about in Moe is the provision of their postal services and the inadequacy of the facilities there. There are former defence personnel, so we could have DVA services and any other services—

Mr SIMPKINS—A federal service deliverer.

Mr BROADBENT—A federal service delivery. Ms Mellor, I would like you to comment about—I do not think you need to comment further because you are already doing it—where the services could be provided without a monolithic building that says, ‘This is a new Medicare office.’ It seems the policy is that Medicare Australia does not want to create buildings all over the country, but it might be able to consider communities by entering into arrangements with Centrelink.

Ms Mellor—Indeed. We are actively looking at, particularly with Centrelink, options where there are two conditions: where Centrelink and Medicare are reasonably close together, is there advantage in creating for those people who still need to come to an office, whether it is a Centrelink office or a Medicare office—

Mr BROADBENT—And certain communities do.

Ms Mellor—That is right.

Mr BROADBENT—So when you tell me 66 per cent—

Ms Mellor—Sixty-six per cent of people do not want to visit us. They want to get their claim at the doctor's surgery.

Mr BROADBENT—Fine. Other communities, as Mr Simpkins has just explained to you, really need to have that upfront, face-to-face presence. I think that Moe, in particular, is one of those communities, whereas Pakenham already have a Centrelink office. I am not talking about them because they are in my electorate; they are probably generic to the nation. The types of changes that are happening in communities are happening not just in the Pakenhams of this world but probably right across outer Melbourne, all across outer Sydney and other areas as well. The integration of these services would be absolutely fantastic because that swapping of knowledge is always a great help to the other department when they are dealing with individuals.

Mr Trabinger—I want to add a couple of points to the conversation—I guess you are just reinforcing where you are going. I think it is fair to say that the approach that both Medicare and Centrelink are taking is to look at what the local community needs in terms of services right from a basic information service—because there is high bulk billing or high patient claiming at the doctor's surgery—right through to an office. So there may still be communities around the country where, because of the demand for services, you would provide bricks and mortar. But those bricks and mortar probably would not stand alone. They would probably be shared with Centrelink.

Mr BROADBENT—You should be careful here, because you are actually giving us hope.

Ms Mellor—I hope we are.

CHAIR—Keep that hope going!

Ms Mellor—I might just give you a small vignette of something we have done on the south coast of New South Wales which is still in trial. It is at Narooma, which is a fishing town and holiday town and services a rural community. By chance, both Medicare's and Centrelink's leases came up for renewal at the same time. We got together and asked what we could do to enhance convenience for this community. We analysed the community.

Mr SIMPKINS—And save rent as well. It has to be considered.

Ms Mellor—Sometimes it does. But sometimes there is a cost in refurbishing or developing, so not always.

Mr BROADBENT—Narooma is not—

Ms Mellor—It is not a big town.

Mr Trabinger—It is a lovely spot.

Mr BROADBENT—Yes, a lovely spot.

CHAIR—It is a lovely spot. My mother-in-law lives in Narooma. I know it well.

Mr BROADBENT—Narooma is a fantastic spot.

CHAIR—It is growing in population.

Ms Mellor—Medicare's office in Narooma was in the old part of town and Centrelink's office was where the development had started to move. We were lucky to secure premises in that newer part of town, in a bigger shopping centre. It has a pharmacy, a doctor's surgery, a big supermarket and a range of other service providers. We developed an integrated site, with Medicare and Centrelink staff located at the same site. They have a way of managing customers so that people do not have to make a choice about where to go—someone meets them at the front door and talks about why they are there and promotes the fact that they can do multiple business at the site. We are evaluating that site now—as part of the hope—to learn from what we have done and also to look at where else we might be able to apply that sort of approach.

Sometimes bringing a Centrelink office and a Medicare office together can be difficult, because the nature of the services that we provide are very different. The nature of the customer base can be different. If we move through to more integration we want to provide a comfortable service for all members of the community that approach us in that face-to-face environment.

Mr BROADBENT—Are you trying to get to a point where, when a person approaches the counter, that counter is a Centrelink and Medicare office rather than Centrelink and Medicare separately?

Ms Mellor—We are not there yet.

Mr BROADBENT—Because I would have thought that would be very difficult.

Mr Trabinger—It is very difficult for it to be a comprehensive service.

Ms Mellor—It is. But there are some things that can be offered. For example, if I moved house and I was a Centrelink customer, and I am clearly a customer of Medicare, I might want to tell the government just once—those two agencies, for example—what my new address is. Instead of having to go and queue on the Centrelink side and then on the Medicare side and tell the same story twice, that could be brought together. For some of the less comprehensive things we are trying to bring those things together, and we are trying that in Narooma: can we actually save a person having to tell the government more than once something simple about their circumstances? And that needs to be carefully managed around different customers. Some people who visit Medicare are not customers of Centrelink, and they need to be assured that their

privacy will be maintained and that we will manage them sensitively. And that goes to choosing what places might work best for this sort of approach.

Mr BROADBENT—Could that be done—and I am not suggesting that people come to the ladies wear department to buy a men's suit or vice versa—with a customer service person who was located at these dual facilities?

Ms Mellor—Yes—like a concierge.

Mr BROADBENT—In other words, you go to this customer service person, Deborah, and say, 'Deborah, I am presenting for—', and Deborah directs you where to go. So the first link is this customer service person.

Ms Mellor—Indeed. That is what we do. We are trialling that in Narooma, so there is a customer liaison officer. I like to think of them as a concierge—the first person I meet when I come through those doors. I can tell them what I am there for and they can help stream me to the best person at that site to do what I am there for. It may be that my business is such that I need to speak to two people, but they are, if you like, a human-queuing service.

Mr BROADBENT—That is right. And that means you are not left in the Medicare queue or the postal queue to do Centrelink work.

Ms Mellor—That is exactly right. We are trialling that. The feedback so far—and we have not finished our evaluation—in Narooma is highly positive. We are not putting counters in. You will know that some Medicare offices are like old-fashioned banks, with big banks of counters. We do not put counters in. Centrelink and Medicare staff both sit at desks.

Mr BROADBENT—How are the security arrangements?

Ms Mellor—In Narooma we are trialling some new technology. Instead of having cash drawers, for example, we use a fairly new thing from the finance sector—a cash dispensing unit. So our system actually tells this machine how much cash to produce. There is no open drawer or anything like that. It is basically a safe that dispenses the right amount of cash to those customers at that time. Our staff in Narooma are trialling desks. That is new. It is open plan with Centrelink. That is new. Cash dispensing is new. Working in a bigger site is new. These are small offices that have come together, so they are very happy to be in a more team based environment. We are trialling very simple things like rostering lunchtimes, start times and finishing times. The security has been very carefully done. This co-location is the only one we have done with cash.

Mr BROADBENT—We should note that this is only an investigation; it is not a proposal.

CHAIR—It is a trial.

Ms Mellor—It is a trial that is influencing our thinking about where else could we undertake similar services or take them further to the point where a service officer from one of our agencies may be able to handle more for a customer.

Mr BROADBENT—I put to you that there may be—and I stress ‘may be’—places that previously had no hope of gaining a Medicare service which, under new proposals, will have that opportunity.

Ms Mellor—We are certainly looking at sites locations where Centrelink is, and Centrelink is looking at locations where we are, to say, ‘Can we enhance the service on offer to the Australian community by introducing a service there?’ The three new offices that we are opening in early 2010 in Belmont, Belmont and Warrawong will be established as New Medicare offices, but they will have some services provided by Centrelink within them.

CHAIR—So it is a one-stop shop?

Ms Mellor—For those two agencies, yes.

Mr BROADBENT—Would you consider entering into an arrangement for Medicare services with a private organisation?

Ms Mellor—It becomes quite confusing to this organisation because we have previously had an association with a private health fund. We certainly do have Medicare services provided in locations other than Commonwealth offices. For example, even in the two places that petitioned today we have what we call Medicare Australia access points. They are like those taxi phones. We have the equivalent phone service in pharmacies in those locations. Around Australia there are over 900 of these. They are largely in pharmacies, in some town halls and in some—

CHAIR—In a lot of country areas.

Ms Mellor—Yes.

Mr SIMPKINS—I have some.

Ms Mellor—You have some, yes. Pharmacies are the most common location. So the patient who, for example, has been to the doctor and heads off to the pharmacy to have their medication dispensed can, while they are there, pick up the phone and speak directly to a Medicare staff member, talk through their claim on the phone, pop their receipt into a drop box that is attached to that phone and their claim will be processed. So they do not need to go to a Medicare office. In terms of whether we would do things with private organisations, we already have a service that is an extended footprint, if you like, of Medicare services located, as you say, largely in rural and regional areas so that those customers can get direct access to Medicare.

CHAIR—I am just watching the time because we have to vacate this room at 10 minutes to 12. There were a number of questions we were all going to ask you today but you have done an excellent job.

Ms Mellor—Oh, good.

CHAIR—You answered virtually all our questions in your opening statement.

Mr SIMPKINS—In the northern suburbs of Perth, or north of the river, there are a number of offices—Whitford and Joondalup, both in the electorate of Moore; Karrinyup, in the electorate of Stirling; Morlee and Perth City, in the electorate of Perth; and Subiaco, in the electorate of Curtin. I have written before, certainly to the previous government, about the possibility of having a Medicare office in Cowan. Obviously, Wanneroo would be the best possible place. Can you conceive of any circumstance whereby we could see a Medicare office there?

Mr BROADBENT—Is that in your electorate?

Ms Mellor—That is okay. If it helps the committee—

Mr BROADBENT—Oh, it is. That's outrageous!

CHAIR—If you don't mind answering the question. We really have to go onto petitions in front of us today. We are deviating a little bit but, if the department feels comfortable answering the question, please go ahead.

Mr SIMPKINS—I am talking about the general northern suburbs!

Mr BROADBENT—The general northern suburbs, yes.

Ms Mellor—It is a question of demand for what service, and therefore what service we offer, that best meets the needs of that community. So the answer to whether I would consider a Medicare office would result from analysing what is happening in the community, what the bulk-billing rate is like, what the patient claiming rate is like, what doctors in that neighbourhood offer electronic patient claiming, whether it would be more cost-effective and convenient for me to invest in outreach staff to doctors surgeries to ramp up their use of electronic claiming. There would be a range of considerations.

Mr SIMPKINS—An outstanding point: whether it is in Mirrabooka or somewhere else, do you see any emerging requirement in the northern suburbs of Perth that is not already met by another office?

Ms Mellor—What I can tell you about Mirrabooka is that we will be discussing with Centrelink whether or not there is an unmet demand for certain services and whether we can meet that demand through the Centrelink service centre.

CHAIR—I think that is very good. I think the principal petitioner and whoever signed the petition would be very happy to hear the department's comments.

Mr BROADBENT—Is all the assessment run by Centrelink?

Ms Mellor—No. The two agencies assess what the demographics of the neighbourhood are, both in terms of general demographics and service demand to the Commonwealth; what the staffing profile is like—can we get staff there, what sort of staff would you need there; what are the services they need; can any of the services be met in another way, for example through electronic claiming. We also look at that comfort factor between Centrelink and us. What is the

business that they are doing? Would non-Centrelink customers be comfortable in a collocated environment?

Mr BROADBENT—I understand that. That would not be bad.

Ms Mellor—So we look at a number of factors. We do that independently on our business. We then bring those together and assess what service they could offer in one of our sites, or what service we could offer in one of their sites.

Mr BROADBENT—It could normalise it. Someone like my family would probably have never been to a Centrelink office. I have only been to open something. So that cohabitation might normalise it for a lot of the community and not stigmatise Centrelink.

CHAIR—It is a very good point. I agree with that.

Ms Mellor—Yes, it is a good point. A lot of people have a view of Centrelink that it is about certain kinds of services. But Centrelink offers a very wide range of services. For example, in Narooma, their largest customer traffic is from senior Australians, and so is ours. So, in one sense, that meeting of minds around who is coming in and what they need is quite important in creating that comfort and dealing with any stigmatism that there might be.

Mr BROADBENT—So it becomes a community place rather than a lower socioeconomic community place.

Ms Mellor—That is right.

CHAIR—I think you mentioned earlier the idea of a Centrelink office and a Medicare office working together. I had an instant where a constituent came in to see me and they thought it was absolutely wonderful. They went into a Medicare office. They had moved a few suburbs. They gave the Medicare office their new address but completely forgot about the AEC. They actually got a letter from the AEC that they had been advised by Medicare. So you have that service there as well, where you are not going from one office to the next.

Mr BROADBENT—At least they were not complaining about their privacy being—

Ms Mellor—I have to ensure the committee that anything that we do with personal information is generally on a consent basis. We certainly do not decide on behalf of the customer, ‘Oh, we’ll help them out by doing this.’ In a service offer we would ask—we do this already in the family assistance program that both Centrelink and Medicare deliver—‘Would you like us to pass this on?’ It is only done on a consent basis.

I might add that in Perth, north of the river, in the city office, we do have seniors and carers program by Centrelink delivered from the Medicare office. That has been very positively responded to by seniors in the Perth region. So it is quietly happening. It does take a lot of analysis. Our preference is for people to claim their Medicare rebate when they visit the doctor. We just have to convince those doctors to do that.

CHAIR—I know some do complain that they might have to put on an extra staff member and they cannot afford it. I hope you do convince those doctors who are not doing it now.

Ms Mellor—As I say, it is a quiet revolution. Close to 40 per cent of patient-billed GP services nationally are now claimed electronically from the doctors' surgeries. That is around 85,000 to 90,000 people a week.

Mr BROADBENT—Sometimes people like me do not know what to do or what question is being asked.

Ms Mellor—Can I give you some comfort. In the last two weeks we have introduced something in our Medicare offices—people might come to you about this—where, every time someone comes to a Medicare office, they will be asked to give us their bank account details. People might think that is a bit odd—'I can get cash while I am here'. And of course they can, in most places—there are some non-cash offices. The important part of collecting the bank account details is so that, if the doctor can provide electronic claiming, they do not have to do it. So that is the first thing you will get asked. If you have been to a doctor's surgery, and you turn up at a Medicare office, and the doctor's surgery you have been to does have electronic claiming, from 12 October we started asking our staff to say to you, 'Did you know you could have had this lodged from your doctor's surgery?' We will not publish the names of doctors who are doing this. That would be too big a burden on them, and not our way of doing things. But, each time someone comes to a Medicare office, if they have visited a doctor who could have done it electronically, we will tell them. We will say to them, 'Next time you're there, just ask them to pop your claim through for you.' So, as long as we have your bank account number, you will have your rebate within two to three days. If you do not have your bank account number, we can still send you a cheque, but we think that is inconvenient because you then have to go to a bank. So there is a very hard drive at the moment to collect bank account numbers—both to help the doctors, so that they do not have to do it, and to help the patients, so they do not have to think about it. So you will see differences in what we are doing in trying to help customers to get knowledge, get information about what can be done.

CHAIR—Thank you very much. I would like to thank everyone for their participation today. The commitment of government departments to the work of the committee, and thus to the work of the House, is much appreciated.

Resolved (on motion by **Mr Simpkins**):

That this committee authorises publication, including publication on the parliamentary database, of the transcript of the evidence given before it at public hearing this day.

Committee adjourned at 11.52 am