



COMMONWEALTH OF AUSTRALIA

Proof Committee Hansard

SENATE

COMMUNITY AFFAIRS LEGISLATION COMMITTEE

Estimates

(Public)

THURSDAY, 26 FEBRUARY 2015

CANBERRA

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SENATE

COMMUNITY AFFAIRS LEGISLATION COMMITTEE

Thursday, 26 February 2015

Members in attendance: Senators Bilyk, Cameron, Ludlam, McLucas, Moore, Peris, Polley, Reynolds, Ruston, Seselja, Siewert, Smith, Waters, Xenophon.

SOCIAL SERVICES PORTFOLIO

In Attendance

Senator Payne, Minister for Human Services

Senator Fifield, Assistant Minister for Social Services

Senator Fierravanti-Wells, Parliamentary Secretary to the Minister for Social Services

Department of Human Services

Ms Kathryn Campbell, Secretary

Outcome 1

Mr Grant Tidswell, Deputy Secretary, Service Delivery Operations Group

Mr Russell Egan, General Manager, Face to Face Service Delivery Division

Ms Michelle Lees, General Manager, Indigenous, Regional and Intensive Services Division

Mr Graham Maloney, General Manager, Service Performance and Coordination Division

Ms Jenny Teece, General Manager, Smart Centres Division

Ms Elizabeth Zealand, General Manager, Child Support Smart Centres Division

Ms Malisa Golightly, Deputy Secretary, Participation, Aged Care, Service Strategy and Integrity Group

Ms Catherine Rule, General Manager, Service Strategy Division

Ms Melissa Ryan, Acting General Manager, Participation Division

Mr Craig Storen, General Manager, Aged Care Division

Mr Mark Withnell, General Manager, Business Integrity Division

Mr David Learmonth, Deputy Secretary, Families, Older Australians and Service Information Group

Ms Vicki Beath, General Manager, Older Australians Division

Mr Darren Box, General Manager, Service Information Division

Mr George Thiveos, General Manager, Families Division

Mr Dennis Mahony, National Manager, Families and Child Support Policy Branch

Mr Barry Sandison, Deputy Secretary, Health, Compliance and Information Group

Mr Colin Bridge, General Manager, Health Support and Business Services Division

Ms Alice Jones, General Manager, Health Programs Division

Ms Debra Weise, Acting General Manager, Debt, Appeals and Health Compliance Division

Ms Michelle Wilson, General Manager, Strategic Information Division

Mr Jonathan Hutson, Acting Deputy Secretary, Enabling Services Group

Ms Rosemary Deininger, General Manager, Whole of Government Coordination Division

Mr Hank Jongen, General Manager, Communication Division

Mr Barry Jackson, General Manager, Corporate Operations Division

Mr Michael Nelson, Acting General Manager, People Services Division

Ms Vicki Parker, Chief Counsel, Legal Services Division

Mr Jeff Popple, General Manager, People Capability Division

Ms Mandy Ritchie, General Manager, CRS Australia

Ms Jo Talbot, General Manager, Enterprise Agreement Negotiation

Mr Gary Sterrenberg, Chief Information Officer, CIO Group

Ms Emily Canning, Acting Chief Financial Officer, CFO Division

Mr Allan Gaukroger, General Manager, Audit Division

Mr Nathan Williamson, General Manager, Program Management Office

Mr Tam Shepherd, Executive Director, Welfare Payment Infrastructure Transformation Program

Ms Sue Bird, General Manager, Program and Commercial Management Division

Mr Jim McMahon, Acting General Manager, eGovernment Division

Australian Hearing

Mr Bill Davidson, Managing Director

Ms Gina Mavrias, Operations Director

Department of Social Services**Executive**

Mr Finn Pratt, Secretary

Ms Barbara Bennett, Deputy Secretary

Ms Felicity Hand, Deputy Secretary

Mr Michael Lye, Acting Deputy Secretary and Chief Operating Officer

Ms Carolyn Smith, Acting Deputy Secretary

Ms Jackie Wilson, Deputy Secretary

Ms Serena Wilson, Deputy Secretary

Cross Outcomes

Mr Philip Brown, Acting Group Manager, Families

Mr Scott Dille, Chief Finance Officer and Acting Group Manager, Finance and Services

Mr Sean Innis, Group Manager, Policy Office

Mr Steve Jennaway, Group Manager, Deregulation, Assurance and Property

Ms Margaret McKinnon, Group Manager, Corporate Support

Mr Peter Qui, Chief Information Officer and Group Manager, Information Management and Technology

Dr Tim Reddel, Group Manager, Program Office

Ms Janean Richards, Chief Legal Counsel and Group Manager, Legal and Compliance

Mr Iain Scott, Group Manager, Delivery Strategy and Operations

Ms Sharon Bailey, Branch Manager, Ministerial, Parliamentary and Executive Support

Ms Tracey Bell, Branch Manager, Communications and Media

Mr Watson Blaikie, Branch Manager, Application Services

Ms Helen Board, Branch Manager, Program Performance

Mr Peter Broadhead, Branch Manager, Property, Environment, Procurement and Security

Ms Christine Bruce, Branch Manager, Civil Society and Program Delivery Policy

Ms Tracey Carroll, Acting Branch Manager, Budget Development

Mr David Dennis, Branch Manager, Policy Evidence

Ms Helen Duke, Branch Manager, IT Operations

Ms Allyson Essex, Branch Manager, Policy Strategy

Mr Alan Grinsell-Jones, Branch Manager, Schools, Youth, Child Care and Corporate Legal

Mr Leo Kennedy, Branch Manager, Support and Selections

Ms Kathryn Mandla, Branch Manager, Policy Systems

Ms Shona Moloney, Branch Manager, People

Mr Tristan Reed, Acting Branch Manager, Project and Deregulation Office

Mr Matthew Roper, Branch Manager, Commercial and Aged Care Law

Ms Chantelle Stratford, Branch Manager, Program Systems and Strategy

Outcome 1

Mr Philip Brown, Acting Group Manager, Families

Mr Scott Dille, Chief Finance Officer and Acting Group Manager, Finance and Services

Ms Cath Halbert, Group Manager, Payments Policy

Mr Steve Jennaway, Group Manager, Deregulation, Assurance and Property

Mr Paul McBride, Group Manager, Social Security Policy

Ms Janean Richards, Chief Legal Counsel and Group Manager, Legal and Compliance
Ms Tracey Bell, Branch Manager, Communications and Media
Ms Tracey Carroll, Acting Branch Manager, Budget Development
Mr Ty Emerson, Branch Manager, Labour Market Payments Policy
Ms Alanna Foster, Branch Manager, Eligibility and Participation Policy
Mr Murray Kimber, Branch Manager, Social Security Performance and Analysis
Mr Sidesh Naikar, Acting Branch Manager, Family and Students Payments Policy
Ms Michalina Stawyskyj, Branch Manager, Age, Disability and Carer Payments Policy
Mr Matthew Roper, Branch Manager, Commercial and Aged Care Law
Mr Andrew Whitecross, Branch Manager, Rates and Means Testing Policy

Outcome 2

Mr Philip Brown, Acting Group Manager, Families
Mr Damian Coburn, Acting Group Manager, Housing Homelessness and Gambling
Mr David De Silva, Group Manager, Early Childhood Strategy
Mr Scott Dilley, Chief Finance Officer and Acting Group Manager, Finance and Services
Mr Steve Jennaway, Group Manager, Deregulation, Assurance and Property
Mr Michael Maynard, Group Manager, Delivery Strategies and Early Childhood State Network
Ms Cate McKenzie, Group Manager, Multicultural, Settlement Services and Communities
Ms Gillian Mitchell, Group Manager, Early Childhood Initiatives
Mr Bryan Palmer, Group Manager, Housing, Homelessness and Gambling
Ms Margaret Pearce, Group Manager, Early Childhood Care Support
Dr Tim Reddel, Group Manager, Program Office
Ms Janean Richards, Chief Legal Counsel and Group Manager, Legal and Compliance
Ms Tracey Bell, Branch Manager, Communications and Media
Ms Helen Board, Branch Manager, Program Performance
Ms Christine Bruce, Branch Manager, Civil Society and Program Delivery Policy
Ms Kris Cala, Branch Manager, Settlement
Ms Flora Carapellucci, Branch Manager, Birth, Adoption and Care
Ms Tracey Carroll, Acting Branch Manager, Budget Development
Ms Tracy Creech, Acting Branch Manager, Families and Children
Mr Alan Grinsell-Jones, Branch Manager, Schools, Youth, Child Care and Corporate Legal
Mr Matthew Hardy, Branch Manager, Early Childhood Analysis
Mr Matthew Johnston, Acting Branch Manager, Welfare Conditionality Reform
Mr Leo Kennedy, Branch Manager, Support and Selections
Ms Amy Laffan, Acting Branch Manager, Family Safety
Ms Jill Mills, Director, Housing and Homelessness Branch
Mr Warren Pearson, Branch Manager, Multicultural and Communities
Ms Lara Purdy, Acting Branch Manager, Financial Capability and Children's Policy
Mr John Riley, Branch Manager, Disability Employment Taskforce
Mr Matthew Roper, Branch Manager, Commercial and Aged Care Law
Ms Chantelle Stratford, Acting Branch Manager, Program Systems and Strategy

Outcome 3

Ms Rachel Balmanno, Acting Group Manager, Aged Care Policy and Reform
Ms Fiona Buffinton, Group Manager, Access Reform
Mr James Christian, Group Manager, Aged Care Quality and Compliance

Mr Scott Dille, Chief Finance Officer and Acting Group Manager, Finance and Services
Mr Steve Jennaway, Group Manager, Deregulation, Assurance and Property
Ms Donna Moody, Group Manager, Ageing and Aged Care Services
Ms Janean Richards, Chief Legal Counsel and Group Manager, Legal and Compliance
Ms Tracey Bell, Branch Manager, Communications and Media
Ms Tracey Carroll, Acting Branch Manager, Budget Development
Mr Michael Culhane, Branch Manager, Quality and Regulatory Policy
Mr Russell de Burgh, Branch Manager, Policy
Mr Craig Harris, Branch Manager, Access Reform
Mr David Laffan, Acting Branch Manager, Aged Care Complaints
Ms Shona McQueen, Branch Manager, Aged Care Programs
Mr Nigel Murray, Branch Manager, Finance and Funding
Ms Louise O'Neill, Acting Branch Manager, Ageing and Sector Support
Mr Matthew Roper, Branch Manager, Commercial and Aged Care Law
Mr Ben Vincent, Branch Manager, Home Support Implementation
Ms Bernadette Walker, Acting Branch Manager, Prudential and Approved Provider Regulation
Ms Kerrie Westcott, Acting Branch Manager, Reform Support and Engagement

Outcome 4

Mr Damian Coburn, Acting Group Manager, Housing Homelessness and Gambling
Mr Scott Dille, Chief Finance Officer and Acting Group Manager, Finance and Services
Mr Steve Jennaway, Group Manager, Deregulation, Assurance and Property
Mr Bryan Palmer, Group Manager, Housing, Homelessness and Gambling
Ms Janean Richards, Chief Legal Counsel and Group Manager, Legal and Compliance
Ms Tracey Bell, Branch Manager, Communications and Media
Ms Tracey Carroll, Acting Branch Manager, Budget Development
Ms Jill Mills, Director, Housing and Homelessness Branch
Mr John Riley, Branch Manager, NRAS and Gambling
Mr Matthew Roper, Branch Manager, Commercial and Aged Care Law
Mr Stuart Thomas, Branch Manager, Housing and Homelessness

Outcome 5

Ms Fiona Buffinton, Group Manager, BSWAT
Mr Scott Dille, Chief Finance Officer and Acting Group Manager, Finance and Services
Dr Nick Hartland, Group Manager, NDIS
Mr Steve Jennaway, Group Manager, Deregulation, Assurance and Property
Mr Evan Lewis, Group Manager, Disability, Employment and Carers
Ms Janean Richards, Chief Legal Counsel and Group Manager, Legal and Compliance
Ms Laura Angus, Branch Manager, BSWAT Employment Response Team
Ms Tracey Bell, Branch Manager, Communications and Media
Ms Tracey Carroll, Acting Branch Manager, Budget Development
Mr Mitchell Cole, Acting Branch Manager, NDIS Transition and Disability Service
Ms Lisbeth Kelly, Branch Manager, Disability Employment Services Program
Ms Jillian Moses, Branch Manager, Financial Policy and Performance
Ms Lyn Murphy, Branch Manager, Disability Employment Services Compliance
Ms Karen Pickering, Branch Manager, Mental Health
Mr Matthew Roper, Branch Manager, Commercial and Aged Care Law

Ms Sharon Stuart, Branch Manager, Disability Employment Services Policy

Ms Karen Wilson, Branch Manager, Disability and Carers Policy

National Disability Insurance Agency

Mr David Bowen, Chief Executive Officer

Mr Scott Dille, Chief Finance Officer and Acting Group Manager, Finance and Services

Ms Louise Glanville, Deputy Chief Executive Officer

Ms Liz Cairns, General Manager

Mr David Fintan, Acting General Manager, Governance

Ms Esther Kerr-Smith, General Manager, Market and Sector

Mr Stephen Payne, Chief Financial Officer

Ms Anne Skordis, General Manager, Scheme Design

Social Security Appeals Tribunal

Ms Jane Macdonnell, Principal Member

Ms Louise Anderson, Registrar

Mr Scott Dille, Chief Finance Officer and Acting Group Manager, Finance and Services

Australian Aged Care Quality Agency

Mr Ross Bushrod, Acting Chief Executive Officer

Ms Ann Wunsch, General Manager, Operations

Mr Chris Falvey, General Manager, Corporate Affairs

Committee met at 09:00.

CHAIR (Senator Seselja): I declare open this public hearing of the Senate Community Affairs Legislation Committee on 26 February, 2015. The Senate has referred to the committee the particulars of proposed additional expenditure for 2014-15 and related documents for the portfolios of health and social services, including human services. The committee may also examine the annual reports of the departments and agencies appearing before it. The committee is due to report to the Senate on 17 March, 2015 and has fixed 17 April, 2015 as the date for the return of answers to questions taken on notice. Senators are reminded that any written questions on notice should be provided to the committee secretariat by close of business on Friday 6 March, 2015. The committee's hearings today will begin with its examination of Australian Hearing.

Under standing order 26 the committee must take all evidence in public session. This includes answers to questions on notice. I remind all witnesses that in giving evidence to the committee they are protected by parliamentary privilege. It is unlawful for anyone to threaten or disadvantage a witness on account of evidence given to a committee and such action may be treated by the Senate as a contempt. It is also a contempt to give false or misleading evidence to the committee. The Senate by resolution in 1999 endorsed the following test of relevance of questions at estimates hearings:

Any questions going to the operations of financial positions of the departments and agencies which are seeking funds in the estimates are relevant questions for the purpose of estimates hearings.

I remind officers that the Senate has resolved that there are no areas in connection with the expenditure of public funds where any person has a discretion to withhold details or explanations from the parliament or its committee unless the parliament has expressly provided otherwise. The Senate has also resolved that an officer of a department of the Commonwealth shall not be asked to give opinions on matters of policy and shall be given reasonable opportunity to refer questions asked of officers to superior officers or to a minister. This resolution prohibits only questions asking for opinions on matters of policy and does not preclude questions asking for explanations of policies or factual questions about when and how policies were adopted.

I particularly draw the attention of witnesses to an order of the Senate of 13 May, 2009 specifying the process by which a claim of public interest immunity should be raised. Witnesses are specifically reminded that stating that information or a document is confidential or consists of advice to government is not a statement that meets the requirements of the 2009 order. Instead, witnesses are required to provide some specific indication of the harm to the public interest that could result from the disclosure of information in the document.

The extract read as follows—

Public interest immunity claims

That the Senate—

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

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

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

(1) If:

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

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

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

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

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

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

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

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

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

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

(13 May 2009 J.1941)

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

I now welcome the Minister for Human Services, Senator the Hon. Marise Payne; the departmental secretary, Kathryn Campbell; and officers of the Department of Human Services. Minister, I see that you and Senator Cameron have conspired to bring Human Services to the front of the queue for the first time in a while. Would you like to make an opening statement?

Senator Payne: No, I do not have an opening statement.

[09:02]

Australian Hearing

Senator CAMERON: Welcome, everyone. Mr Davidson, thanks for hosting the visit to the Hearing Hub. It was very good. It was excellent to see the work being done out there. It has just confirmed my view that the privatisation of Australian Hearing would be not in the national interest. What is happening in terms of the scoping study for the privatisation of Australian Hearing? Where is that up to?

Mr Davidson: Thank you. Just a wee point of correctness, if I may. The hosting was done by Macquarie University. We participated. Yes, it was a good day and thank you for your attendance. The scoping study's current status is actually a matter for the government. We are not party to that.

Senator CAMERON: But have there been further meetings since the meetings that you advised us of at the last estimates?

Mr Davidson: Since the last estimates there has only been one meeting, which I attended. Apart from that, there has been no further involvement.

Senator CAMERON: Who did you meet with?

Mr Davidson: I met with the scoping study committee in Canberra. That comprised of various department officials and the scoping study team.

Senator CAMERON: How long did that meeting go for?

Mr Davidson: I think it went for longer than I was there for. My particular element was about one hour.

Senator CAMERON: Do you have the date of that meeting? You can come back to that.

Mr Davidson: It was 5 December.

Senator CAMERON: You have had no further contact with them since 5 December?

Mr Davidson: No.

Senator CAMERON: What issues were canvassed at that meeting?

Mr Davidson: The meeting was called to ask my advice on, and ensure that we had been adequately consulted during, the process and whether Australian Hearing had any further questions regarding the scoping study. These were the two main topics.

Senator CAMERON: So one was that you were adequately consulted, and what was the second one?

Mr Davidson: If I had any further questions.

Senator CAMERON: So they brought you to Canberra to ask you whether you had been adequately consulted and whether you had any further questions?

Mr Davidson: Obviously the discussion went to the background of how the scoping study had come about, its status and if Australian Hearing were comfortable that they had been adequately consulted.

Senator CAMERON: What was the cost to get you to Canberra? Did you travel on your own?

Mr Davidson: Yes I did. I can get that information for you.

Senator CAMERON: Is Australian Hearing still meeting all of its KPIs and government requirements?

Mr Davidson: We believe so. We have no reason to believe otherwise.

Senator CAMERON: How about profitability?

Mr Davidson: We still continue to meet our targets.

Senator CAMERON: In terms of profitability, you are not a cost to government are you?

Mr Davidson: We are not a cost to government.

Senator CAMERON: Does that include the research arm?

Mr Davidson: The National Acoustic Laboratory is a subset of Australian Hearing. It is not supported by Australian Hearing.

Senator CAMERON: So their funding is directly from government?

Mr Davidson: Some of the funding comes directly from government. Some of the funding comes from the grants, opportunities and applications that they get.

Senator CAMERON: What is the cost of keeping the National Acoustic Laboratory in place?

Mr Davidson: It is roughly \$6½ million to \$7 million per year. That is the cost of the whole business.

Senator CAMERON: Can you briefly tell me some of the achievements of the National Acoustic Laboratory?

Mr Davidson: They are quite numerous in terms of research into hearing and associated issues. Would you like us to read some out for you?

Senator CAMERON: Ms Mavrias, if you could just indicate what they key achievements have been.

Ms Mavrias: Some of the major projects that the National Acoustic Laboratory has delivered include the LOCHI study, which was mentioned. That is a child outcome study looking at the benefits of early intervention. That has been running for quite a number of years. They have also done quite a lot of research into central auditory processing disorder and were one of the first to develop a diagnostic test and remediation package for one specific condition. Some of the other things they've done is develop a piece of equipment called HEARlab which helps with the objective testing of children with hearing aids. Again, some of that is what Australian Hearing uses in their practice. They have also done a lot of research in noise and the impact of noise on hearing loss. A lot of that information is available on the website as well as other publications. They have also done quite a bit of research into the benefits of directional microphones and other technologies that helps with hearing and background noise.

Senator CAMERON: I think one of the research studies that we looked at was safety on worksites for improved headsets and earmuffs. Is that correct?

Ms Mavrias: That is correct. They have been actively looking at hearing conservation.

Senator CAMERON: Is there any commercial organisations in Australia performing a similar function to the National Acoustic Laboratory?

Ms Mavrias: Not that I'm aware of. There are other research organisations. The National Acoustic Laboratory's focus is mainly around hearing conservation.

Senator CAMERON: I thought, Mr Davidson, if my memory serves me correctly, that the research labs for commercial operations are based overseas?

Mr Davidson: That is correct. The other major research houses are based overseas. There are two in Germany, one in Copenhagen and one in Minneapolis. They tend to do comparable work to that of the NAL. Some of the Australian universities do their own research currently into similar subjects. In many cases they cooperate with the NAL.

Senator CAMERON: But the NAL has an international reputation of being a centre of excellence, hasn't it?

Mr Davidson: We believe so, yes.

Senator CAMERON: Are you operating financially within your projections and in a competent manner?

Mr Davidson: Yes we are.

Senator CAMERON: How many interactions have you had with the public?

Mr Davidson: If you are talking about activities in terms of dealing with our clients and associated bodies, last financial year we had some 450,000 interactions.

Senator CAMERON: This is with young Australians and defence personnel generally or is it just retired defence personnel and older Australians? Is that the sort of demographics that you are mainly working in?

Mr Davidson: Yes, we are.

Senator CAMERON: So if you go, these groups would then have to rely on commercial services for these issues?

Mr Davidson: I don't know if I am in a position to answer that, because that would be a matter for government.

Senator CAMERON: But if you did go? Your operation is under scoping study for privatisation. So there is a very real chance that a decision will be made, maybe even a captain's pick, that it goes.

Mr Davidson: Again, I would need to understand the circumstances of that going in order to be able to respond accurately to that.

Senator CAMERON: Okay. I think that is me for Australian Hearing.

Senator SMITH: In the finance estimates earlier this week, I was able to ask the secretary of the Department of Finance and officials about a variety of issues around the funding of Australian Hearing services and the importance of contestability under any future arrangements, noting of course that no decision has been taken. I am trying to understand a couple of specific issues around funding and I am hoping that you might be able to help me. When decisions were made prior to the 2013 election to establish the National Disability Insurance Scheme, were any Australian Hearing funds diverted to contribute to the NDIS for future years?

Mr Davidson: No.

Senator SMITH: Not at all?

Mr Davidson: Not at all.

Senator SMITH: Okay. That was not quite the answer I was expecting to get. Can anyone else help me?

Mr Hutson: Australian Hearing obtains its revenue from a variety of sources, some of which are in connection with a particular scheme called the community service obligation. Australian Hearing provides those services under a memorandum of understanding with the Department of Health. It is probably those services that the Department of Finance was referring to.

Senator SMITH: Okay. Is that a polite way of saying that I should be asking these questions of Health?

Mr Hutson: Health is certainly the organisation which funds the community service obligation.

Senator SMITH: Are you aware of any diversion of funds from Australian Hearing services to the NDIS?

Mr Hutson: That is getting to the point where I would have to ask you to ask the Department of Health. I am really just not au fait with their funding arrangements.

Ms Campbell: The introduction of the National Disability Insurance Scheme was more choice for consumers. I think that may have been one of the factors around Australian Hearing—if consumers were still going to choose Australian Hearing or maybe choose an alternative. That was the issue around the National Disability Insurance Scheme.

Senator SMITH: Absolutely, and my question is whether there was any diversion of funds to support that greater choice?

Ms Campbell: My understanding is not at this point, no.

Senator SMITH: Are there any plans?

Ms Campbell: That it goes to the issue of individual choice of the recipients, so that would be something that would occur over time. I think that there has been discussions with Australian Hearing and the National Disability Insurance Scheme about how those services will be offered and packaged to individual recipients of packages.

Senator SMITH: Thank you.

Senator CAMERON: Just a follow-up on that, Mr Davidson. Are you confident that if Australian Hearing stays in public ownership that you would compete effectively for the NDIS funds that are available for NDIS recipients who have hearing problems? Would you be competitive?

Mr Davidson: That is an interesting question. Again, depending on the parameters set for us—if we were government owned. If in fact the situation was that we were competing hard, and we would compete very hard, I would be as confident as anyone would be going into a competition such as that. We have a good team.

Senator CAMERON: In fact, for many of the recipients of NDIS you would already have them as clients.

Mr Davidson: That is potentially correct. Again, until we know the detail of the NDIS we are not sure what sector of our client base may be included and what may be excluded.

Senator CAMERON: So you are actually in a competitive market now anyway for a lot of your work, aren't you?

Mr Davidson: We are in the voucher services market, which is 70 per cent of our current income. We compete with some 230 to 240 other service providers and we hold roughly 30 per cent of that market, in competition, at the present moment.

Senator SMITH: The substance of the evidence that was provided to me by Finance earlier in the week is that a decision has been taken that the money, if you like, will follow the client, which is a well-established principle in the NDIS. Was Australian Hearing services aware that that would be the approach?

Mr Davidson: Yes, we were. We have two of our senior members of staff currently advising the NDIS on some of the matters that are affecting hearing services.

Senator SMITH: When were you advised of that?

Mr Davidson: It was just in the general publications of the structure of the NDIS and the likely time frames and pilot schemes that are currently in place.

Senator SMITH: Right. So prior to September 2013?

Mr Davidson: Yes.

Senator CAMERON: Would you consider the services you provide as leading edge? Is it comparative to anything that is on the private market?

Mr Davidson: I would have to say that I believe that to be the case, because we have been successful with up to 30 per cent of the market capture. Although, being fair, that means that 70 per cent of the market is being

provided by other parties quite satisfactorily. So I think the market itself is working well to the benefit of clients across the country.

Senator CAMERON: But you are part of the market.

Mr Davidson: We are part of the market—very much so.

Senator CAMERON: How do your prices compare to some of the private market prices?

Mr Davidson: It is interesting. We do not get the comparable figures from competition. We think that we are competitive.

Senator SMITH: Some people would try and argue that future risk to Australian Hearing might exist. It is not an argument I would offer, but others might argue that future risks for Australian Hearing exists around privatisation. But, in actual fact, the contestability that has now been introduced as a result of the NDIS will force Australian Hearing to be much more innovative and competitive.

Mr Davidson: As I have already expressed to Senator Cameron, we are in a highly competitive arena in the voucher services market. We are confident that we can extend that if we have to into any other market opportunities.

Senator SMITH: So you are confident that you can compete?

Mr Davidson: We are.

Senator SMITH: Excellent! Thank you.

CHAIR: We will leave that and will now move on to whole of department corporate matters.

Department of Human Services

[09:22]

CHAIR: We will now begin questions concerning corporate matters of the Department of Human Services.

Senator CAMERON: Ms Campbell, why is your department giving the benefit of the doubt to those who might be a threat to our country?

Ms Campbell: On every occasion when we consider an application for a payment, we follow the legislation. We follow the extant legislation and we determine eligibility around those criteria.

Senator CAMERON: I had a look again when I heard the statement. Obviously I was concerned that the Prime Minister believes that Centrelink was providing the benefit of the doubt to people who were a threat to the country. You have a very extensive process of checks and balances within Centrelink, haven't you, in terms of people getting access to benefits and only those who are entitled to the benefits?

Ms Campbell: We do. Sometimes we find other information from other parties which we may not be aware of, such as people who may have left the country on different passports and that information is fed back to us. We are then able to make adjustments to eligibility around those that are set in the legislation's criteria, as well as the new legislation on foreign fighters.

Senator CAMERON: You signed off on a letter to the minister, which is part of your annual report. You signed off on 25 September that you were operating in accordance with guidelines 5.8 of the Commonwealth fraud control guidelines, 2011?

Ms Campbell: Yes.

Senator CAMERON: You have a whole range of fraud control and compliance measures in place. Because when I word searched 'compliance' and 'fraud', there was a huge amount in your annual report on how you deal with these issues, isn't there?

Ms Campbell: Yes.

Senator CAMERON: You do engage with the Department of Immigration and Border Protection—page 152 of the annual report. So if someone is setting off to be a foreign fighter and they are receiving either Centrelink payments or any payment under Centrelink, you would become aware of that, would you?

Ms Campbell: If an individual leaves the country under their own passport and we get the information back from Immigration, we are able to check against the eligibility criteria to determine whether they remain entitled to a welfare payment.

Senator CAMERON: So this argument that your department, the government and the community is funding people who are engaging in terrorist activities overseas while they are on Centrelink payments, that could only happen if there was a pretty big fraud taking place?

Ms Campbell: And leaving the country on a different passport.

Senator CAMERON: That is fraud, isn't it? That is an illegal activity. Have you been consulted about this issue of giving the benefit of the doubt to people who would cause harm to the country? When did you first hear this?

Ms Campbell: When the foreign fighters legislation was being developed we were consulted and worked with the Attorney-General's Department on how that would work in operation. Once the legislation was through, how the processes of notification would work and how we would provide advice back to government in that regard.

Senator CAMERON: When was that?

Ms Campbell: That was last year.

Mr Withnell: That was in November last year.

Senator CAMERON: Did the Attorney-General's Department raise the question that your department was providing support to people who would do harm to the country?

Ms Campbell: I think the Attorney-General's Department raised issues when they became aware of someone who may be in this circumstance how we would go about ensuring that the appropriate actions had been taken under the then current legislation for social security and then the legislation which is now in place for foreign fighters.

Senator CAMERON: So you are confident that if someone on a Centrelink payment leaves the country with their own passport, compliance measures are in place whereby if they were overseas committing acts of terrorism they would not be doing that on Centrelink payments?

Ms Campbell: Depending on what payments they are under, the Social Security Act determines how long payments continue when people leave the country. Under the foreign fighters legislation, that allows for people who are identified as being engaged in such activities to have their payments reconsidered.

Senator CAMERON: Take me through the compliance process. Let's have a look at this issue that has made the news. You know, we have people getting a benefit who would do harm to the country. What are the checks and balances in place to stop that?

Ms Campbell: I will start by saying it depends which sort of payment is under consideration. Maybe if we take Newstart as an example.

Senator CAMERON: How about Newstart and DSP?

Ms Campbell: I will ask Ms Golightly to work through the compliance requirements of that.

Ms Golightly: Of course, they need to be a resident of Australia. We do all sorts of liquid asset tests and all of that sort of thing before they get on the payment. If at any time we find that they do not meet those basic requirements, then we would look to review that payment. Once the person is on Newstart, for example, they also have, as you know, mutual obligation and reporting requirements. They are meant to regularly declare income, for example, that they may have earned. They are meant to attend appointments and do their compulsory activities. So there are a range of processes in place to make sure that people are meeting those obligations. Some of that is done by employment service providers. For example, in the income declaration side of things the jobseeker will have a regular point in time when they are supposed to report by. Also, we have, for example, data matching with the ATO. That gives some flavour of what happens with Newstart.

Senator CAMERON: On page 13 of your annual report, your key performance indicators, 'fraud prevention and compliance measures', you have achieved your target each year for the last three years. Is that correct?

Ms Golightly: Yes.

Senator CAMERON: As I said, these are very sophisticated fraud compliance and exposure measures that you have in place. On page 76 you say that you undertake research and analysis activities to further develop your core role in the community. Is that research and analysis to make sure that you comply with the department's fraud and non-compliance agendas? This is under 'vulnerable people'.

Ms Golightly: I think that refers to more general work we do in terms of what assistance or interventions we might be able to provide vulnerable people. It is much broader than just fraud and compliance.

Senator CAMERON: Chapter 9 in your annual report is where you go to the issue in detail. On page 142 you say that you take a strategic approach to risk, that your 'focus is on preventing incorrect payments' and that you do that through education and intervention. You say you also work with 'others such as the Australian Federal Police to promote a high level of programme integrity...' When you say 'others such as', does that include the Department of Immigration and Border Protection?

Ms Campbell: Yes.

Senator CAMERON: How does it work? I assume that if a 'person of interest' is on Centrelink payments and they use their own passport to leave the country, there would be a process between either the Crime Commission, the Federal Police or border security to advise Centrelink that there is an issue here. In colloquial terms, is that how it works?

Mr Withnell: It is similar to that. We have a real-time match with the department of immigration for people leaving the country. People are required to let us know when they leave the country as well, but not everyone does. If a person leaves the country and the payment they are on has no portability arrangements, then there is an automatic cancellation or suspension of the payment.

Senator CAMERON: So the passport get scanned, they are not supposed to be going overseas or the payment does not apply if they are overseas—

Mr Withnell: That is right.

Senator CAMERON: Has the payment automatically gone?

Ms Golightly: It depends on the payment.

Senator CAMERON: That is what I'm saying: if the payment is one of those payments that you have outlined.

Ms Golightly: Yes.

Senator CAMERON: What are those payments?

Mr Withnell: I do not know all of them, but Newstart is one of them.

Senator CAMERON: So as soon as someone gets their passport scanned to leave the country, even without a red flag of being a person of interest, then that payment stops immediately through your processes?

Mr Withnell: If they are on a payment that does not have portability arrangements—that is not allowed to be taken overseas.

Senator CAMERON: I'm talking about Newstart.

Mr Withnell: With Newstart that is the case.

Senator CAMERON: The DSP provides some portability, doesn't it?

Mr Withnell: That is right.

Senator CAMERON: That has been tightened up recently, hasn't it?

Mr Withnell: That is correct.

Senator CAMERON: What is that length of time?

Ms Golightly: It is four weeks.

Senator CAMERON: It is possible, then, that someone could go on the DSP and be overseas while doing harm to the country and getting paid the DSP? Is that the benefit of the doubt where the issue is active? Is that the issue, Ms Campbell?

Ms Campbell: If this person is not known to the authorities, has not been identified and cannot be dealt with under the foreign fighters legislation, that is possible for four weeks.

Senator CAMERON: But if the department of immigration, the Crime Commission or the Federal police has a red flag on the person, do you have the capacity to stop the payment immediately?

Ms Campbell: It would depend on under what legislation the payment was to be stopped. Under the foreign fighters legislation there is a set of parameters where the Attorney-General's Secretary seeks information, I write back and provide that information, the Attorney-General makes a determination and then writes to the Minister for Social Services.

Senator CAMERON: So people on DSP can go overseas for a month and have no stop to their payments. And that would happen to people who were overseas for a range of issues. That is a genuine position where people have the freedom to do that and still be paid.

Ms Campbell: For four weeks under the portability.

Senator CAMERON: What discussions have you had, Secretary, in relation to the 'benefit of the doubt'?

Ms Campbell: I have not had any discussions about that specific statement. We have had discussions with the Attorney-General's about the foreign fighters legislation, to put in place the ability when a person is identified to remove payment, as well as the social security extant criteria.

Senator CAMERON: When was the first that you heard of this term 'benefit of the doubt'?

Ms Campbell: I heard it when the Prime Minister—

Senator CAMERON: When the Prime Minister—

CHAIR: Senator Cameron, sorry to cut you off now. But in a few more minutes I will go to others who are waiting.

Senator CAMERON: I will have to come back to this, obviously. The first you heard about Centrelink providing the 'benefit of the doubt' to people who would cause harm to the country and Centrelink being part of that problem was when the Prime Minister made a public statement?

Ms Campbell: The actual terminology. Of course we had been working with the Prime Minister's department, the Attorney-General's Department to ensure that there were mechanisms in place to deal with known individuals.

Senator CAMERON: How did you understand 'benefit of the doubt'?

Ms Campbell: I understand that we implement the legislation to ensure that the legislation is in place. I think Minister Morrison went out and talked about the legislation and Centrelink applying the extant legislation that was in place.

Senator CAMERON: What is the definition of 'benefit of the doubt'?

Ms Campbell: Senator, I am not a lawyer.

Senator CAMERON: I am not asking for a legal definition. You are the person responsible for the oversight of these payments. The Prime Minister has made a very clear statement that Centrelink is giving the benefit of the doubt to people who would cause harm to the community. What is 'the benefit of the doubt'?

Ms Campbell: I took the comment in the context of the legislative base that was available for Centrelink to implement, and that the Prime Minister was interested in what other legislative mechanisms could be put in place to ensure these individuals were not on payments.

Senator CAMERON: Have you had discussions with Minister Payne on this issue?

Ms Campbell: Yes we have.

Senator CAMERON: On specifically what the 'benefit of the doubt' means?

Ms Campbell: I think we talked about it in the context of the legislative framework that was available.

Senator CAMERON: It is another three word slogan, really.

Senator Payne: That is a comment.

CHAIR: It is four. This will be the last question, Senator Cameron, and then I will go to Senator Smith.

Senator CAMERON: Can you just take me through your intelligence capabilities that you mention on page 143?

Mr Withnell: We have a number of levels of intelligence capabilities. We have links to the Australian Crime Commission, the Australian Federal Police and a range of other agencies. We have officers posted to those organisations. We have a number of AFP officers seconded to us who which sit with our intelligence and investigative teams. We have intelligence officers who operate both at a strategic and a tactical operational level, depending on the need. So there are some who will survey the broader landscape, if you like, in terms of payments and where we might best use our resources. There are others who provide support in relation to investigations or particular activities that are undertaken.

Senator CAMERON: You have a public relations and media capability, don't you??

Ms Campbell: Yes.

Senator CAMERON: How many people are employed in that?

Ms Campbell: It is approximately 70.

Senator CAMERON: Have any of these 70 people tried to explain to the media in recent times the strategic approach of how you prevent incorrect payments and how you have a forensic capability? Is that being done?

Ms Campbell: I do not have the exact details of those arrangements, but we can take that on notice.

CHAIR: Thank you. We will leave this question—

Senator CAMERON: I want to come back to that point. I am very concerned that you are not aware. While these other questions are taking place, do you have anyone here who could come to the table and tell me what is being done? I'll get the call shortly.

Senator CAMERON: You will certainly get further opportunities. I will now go to Senator Smith.

Senator SMITH: I want to go to the issue of the enterprise agreement, the progress of negotiations and perhaps to address some of the myths and untruths that might be circulating around in the community.

Ms Campbell: I am hoping that someone will join me at the table. But I can try to start for you.

Senator SMITH: The previous secretary did remind me once that *Hansard* does not record silence. So it is uncomfortable for us, but it does not look bad in the record. Turning to the issue of the enterprise agreement, I keep hearing reports from the CPSU that employees superannuation will be cut by 9 ½ per cent. Are you familiar with those reports?

Mr Hutson: Yes, we are familiar with a number of claims made in respect of superannuation in our proposed enterprise agreement.

Senator SMITH: Are they accurate?

Mr Hutson: Mostly, I would have to say, they are not accurate. The situation is that in our current enterprise agreement there is a provision that says that the department will contribute in respect of the public sector superannuation accumulation plan. That is a plan that covers somewhat less than half of our staff—15.4 per cent. That provision in our enterprise agreement mirrors the provision in the trust deed for the public sector superannuation accumulation plan, which is the real basis upon which we are actually making that payment. While under the current government's bargaining policy we are required not to rely upon the enterprise agreement where there is other legislation making those provisions. Therefore, we are seeking to take the 15.4 per cent reference out of the enterprise agreement and rely on the trust deed as we now do.

Senator SMITH: Just step us through and remind us what processes you have actually been undertaking around the enterprise agreement negotiations. When did they start and what key milestones have already been met? I will come to the cooperation or otherwise of the CPSU shortly. So you do not need to reflect on that just yet.

Mr Hutson: I will ask Ms Talbot to take you through that.

Ms Talbot: We actually issued our notice of employer representational rights on 3 June. That signalled that we were ready to bargain. On 10 June we finalised delegate facilities arrangements with the CPSU. On 11 June we actually started our formal bargaining. To date we have had 35 bargaining meetings. We obviously have gone through quite extensive negotiations. We have tabled two remuneration offers to date and numerous drafts of the enterprise agreement. We have also spent time with our staff on policy feedback workshops. It was very clear to us that our staff wanted to understand how our agreement looked. It was more streamlined than what it had been previously. A lot of detail is now sitting in policies, so we have developed a whole range of draft policies. To take our staff through those, we had workshops across Australia. We tabled our remuneration offer on 17 and 18 February and we are now in the process of going to talk to our staff about that remuneration offer.

Senator SMITH: In October I read a report that the union alleged that the department had walked away from negotiations. Was that true?

Mr Hutson: No, that is not true. We have never walked away from negotiations.

Senator SMITH: When these allegations and untruths are made in the public arena, how do you get your side of the story out there?

Mr Hutson: Within the department, we have a number of avenues. We have created as part of this enterprise agreement negotiation a very transparent process. We have a particular site on our intranet which is known as 'bargaining watch', which advises staff of all of the things that happen in negotiations on a day by day basis. In addition, when there are some particular issues of concern that make the press, we often issue an all-staff notice explaining that we believe that the department has been misrepresented.

Senator SMITH: Just remind me of the total number of employees of the department.

Mr Hutson: It is roughly 34,000 or 35,000.

Senator SMITH: How many are union members?

Ms Talbot: There are 14,500, according to the protection action ballot, who are eligible to vote.

Senator SMITH: Can you just explain that to me? My next question was the number of people who participated.

Ms Talbot: When the CPSU sought to undertake industrial action, they had to undertake a protected action ballot. There were 14,500 CPSU members in the department who were eligible to vote in that ballot.

Senator SMITH: In all of this, what is important to me and others senators here is what impact this has on the department's ability to service its customers. How have you managed issues around industrial disputation to ensure that they do not adversely affect Australians that are in receipt of benefits?

Ms Talbot: For particular actions which might have more of an impact on the department, the CPSU must provide us with five days notice. That was an undertaking we sought at the Fair Work Commission. For other actions it is three days. What we do when we receive a notice is look at it very carefully to understand the potential extent of the impact. Our approach in this is to minimise any impact on customers and ensure that we are able to maintain services on behalf of government. I have a meeting with all of my general manager colleagues when a notice is received and we look at what steps we might need to put into place to ensure that there is no impact. To date, there has been minimal impact. We have had no customer complaints in relation to industrial action and there has been a low level of participation of our staff in industrial action.

Senator SMITH: Well, congratulations on both fronts. How many strikes has the CPSU called?

Ms Talbot: We have had industrial action on a number of occasions. On 3 December, 5 December, 11 December and then on 19 February. At different times there have been different types of action. Some have been specific to certain sites. Some have been across the board, and any staff who are members of the CPSU could have participated in those actions.

Senator SMITH: So despite that strike activity, you have been able to maintain services to Australians who are in receipt of benefits?

Ms Talbot: That is right.

Senator SMITH: Where is the bargaining process up to as of today?

Ms Talbot: We have indicated that we will be going back into bargaining in March. We have not determined the date yet. We have advised the CPSU and other bargaining representatives that we would come back in with a further draft agreement based on the discussions and deliberations we have had over the last number of months. At the moment, the pay offer has been made. We spent two days taking representatives through those details, and we have indicated that we wish to take some time with our staff to actually explain what the pay proposal is.

Senator SMITH: Again, congratulations on the minimal impact to Australians who are in receipt of benefits. And congratulations, Secretary.

CHAIR: Senator Siewert.

Senator SIEWERT: I have some questions that I will ask here but if you tell me they should be in community services, that is fair enough. They are both about specific contacts I have had over the phone and interaction with Centrelink, which seem to be a bit systemic. That is why I am not necessarily bringing them up as individual issues.

Ms Campbell: Is this about the performance of Centrelink?

Senator SIEWERT: Yes, particularly the phone line for disability and carers.

Ms Campbell: I think we were going to do corporate first, but I think we have already gone somewhere else already, so we can answer the question now if that would suit.

Senator CAMERON: I am happy for it to be answered now, but I will be coming back to some of these issues probably in the appropriate area. I just want to make clear that I thought we were dealing with corporate issues and that we had been. You said that we had strayed out of corporate. I thought all of the issues we had dealt with were corporate.

Ms Campbell: It is how the definitions go.

Senator SIEWERT: I am happy to leave it there, but I have some significant issues that I need to go over.

CHAIR: Before you proceed, Senator Siewert, I will seek some guidance from the departmental secretary. With the DHS in particular there is often a lot of crossover. There will be crossover, so are you comfortable that questions that could be asked in outcome 1 are asked now?

Ms Campbell: If that would assist the committee.

CHAIR: I think it is probably simpler. Go ahead. I do not want to limited and if the secretary is happy, then I think we should proceed.

Senator CAMERON: I am okay with that.

Senator SIEWERT: We do generally stray. One is about the phone lines. I have had a number of concerns raised with me about people not being able to get through on the phone lines, specifically for people with issues

around disability and carers. It is not irregular; it is constant. Even when we contacted Centrelink, the person we contacted admitted that they could not get through on the line. It was constantly engaged. The feedback was that to try and phone at the beginning or the end of the day. One of the people I had been talking to had been doing that. If it was just one I would say, okay, it is just a busy period. But I have had a number concerns raised.

Mr Tidswell: We take about 59 million calls per annum. It is a significant number. Naturally at certain times of certain days we get peak periods. December, January and July are peak periods. It is difficult to manage all of the demand. But on average we have set a key performance indicator of 16 minutes average speed of answer. So people are answered within 16 minutes. For the year to date, across all of the Centrelink phone lines we deal with in the social services area, we are just under that 16 minute target. It is absolutely true that, like anywhere, at certain times of the day—and we have a finite limit of resources—if people try to get on at the same time we will get delays in answering people within that 16 minutes.

Senator SIEWERT: When it is 16 minutes, do you know you are on a wait call?

Mr Tidswell: We want people to increasingly try to do as much work as they can themselves. We still get a vast number of calls, probably 200,000 a week, that are more general inquiry calls. When people come into what we call our IVR, which is the entry point into the phone lines, they will receive messages about things they can do themselves and that you do not need to ring if these circumstances occur. What we try to do is give people the information and direct them to our mobile apps and our self service applications. We try to direct them to other ways in which they can find the information through websites and other sources. That is the way all service industries are moving forward.

Senator SIEWERT: I understand what you are saying. Some people either can't find the answer online or have difficulty accessing online. In fact, people in the bush are still having trouble with speeds. And I am not starting a discussion about the NBN at this stage. For those who still want to be able to talk to somebody, or if their issue is too complex, when they get on the phone and they get a message. But do they get to know how long it is before they can speak to somebody?

Mr Tidswell: One of the things we have done in the last couple of years is in response to what our customers have said. They would like to know the wait time and they would like to then make a decision about whether they want to hang on hold or go and do something else. On top of that, we also have in place what we call a place in queue. So if somebody is registered and we know who that person is, if we have that information, we can make contact back with them on the wait time that they would have experienced if they had stayed in that queue.

Senator SIEWERT: I understand that.

Mr Tidswell: And that is working very well.

Senator SIEWERT: What these people are getting is an engaged tone.

Mr Tidswell: Every so often what happens is that we have to protect out infrastructure. We get surges of demand. So that the whole system does not crash, we have to make sure that there is a limited amount of people who can enter into those queues so that we can answer them in a reasonable time. But we also have to protect the infrastructure. We are doing less and less of that. But in peak times, absolutely, so many people have to ring us. That is why we are trying to develop alternatives to make it easier for Australians to contact us and do their business with us in a variety of ways.

Senator SIEWERT: So peak times are December, January and July.

Mr Tidswell: Definitely in December and January, and at tax time when there is other activity. There are other seasonal peaks depending on the payments.

Senator SIEWERT: What are the other seasonal peaks?

Mr Tidswell: Where it is family tax benefit time, et cetera. We have peaks in child support. Obviously in July there is a lot of activity with tax time. So we do have these quite extraordinary times. What we are trying to do is match our staff profile to the scheduled arrival of those calls and to those peaks. Increasingly, we are using a variety of means to do that—to have the staff ready for the volume that we predict. But it is difficult to manage over the entire activity that we do. And it is difficult to manage when people ring us at certain times and in certain patterns. It is the same with face-to-face services as it is in providing a telephone service.

Senator SIEWERT: You have different lines for different allowances. What were the waiting times for different lines? Is that easy to get or are you able to give us something there?

Mr Tidswell: One of my colleagues may well have that information. I do not have that information in my folder to break it down individually.

Senator SIEWERT: I would like to know the average wait time per line.

Mr Tidswell: For disability and carers, and that is the line that you were interested in—

Senator SIEWERT: That is the one that I have had a lot of complaints about recently, but I would like to know the average wait times for all of them.

Mr Tidswell: We have monthly figures. What is your preference?

Senator SIEWERT: Would it be possible to table the monthly figures in terms of the most recent average?

Mr Tidswell: We have figures here month by month for this financial year.

Senator SIEWERT: It will take too long to read all of those out, so if you could table the progressive month by month figures. But what was it for January?

Mr Tidswell: As I said, the total wait times for all of those lines was just under 16 minutes. In disability and carers it was 21 minutes and 46 seconds. For employment it was 23 minutes and 14 seconds.

Senator SIEWERT: What is employment?

Mr Tidswell: It is Newstart. For families it is 18 minutes and 39 seconds. For older Australians it is 19 minutes and 18 seconds. For youth and students it is 25 minutes and 19 seconds. For the participation solution scheme it is 17 minutes and 51 seconds. January is our busiest time.

Senator SIEWERT: That is what I was asking for.

Mr Tidswell: It is a really challenging time. We have short weeks. We have days when people are off. People naturally tend to do their holiday thing and their Christmas thing. We have people finishing jobs at the end of the calendar year—factory closures, et cetera. We then have school leavers and university leavers. It is the whole period of things. Once people have had some time off over Christmas, they usually come in hard and fast. So it is one of our most difficult times.

Senator SIEWERT: I understand that.

Mr Tidswell: With all of those averages, obviously we get times when it is much quieter.

Senator SIEWERT: I will check the time when some of my complaints came in. But I know for a fact that one of them that I have done a lot of work on was not in January.

Ms Campbell: Senator, were these complaints calling from Western Australia as well?

Senator SIEWERT: Not all were from Western Australia. Certainly not. They are from the eastern states as well. Why did you ask about Western Australia?

Ms Campbell: Just because there is the time delay.

Senator Payne: The time zone difference has an impact.

Ms Campbell: Of course, we do not have as many people answering the phone at night.

Senator SIEWERT: Yes I understand that. When we are all still up and working.

Ms Campbell: We are constantly putting in place strategies to ensure that we can deal with that issue. I was just interested to find out whether it was Western Australia.

Senator SIEWERT: Some of them are, but definitely some of them are not. If I could get that table, it would be appreciated. How often do you review that process? When do you look at when it is time to actually do something about putting in more infrastructure for the telephones?

Mr Tidswell: It is a constant thing. We have people monitoring, as we call it, queues every minute of our operational day and to respond quickly to certain events. To give you an example, we have had to quickly establish some telephone lines for cyclone events. So in that sense we are constantly monitoring the boards and looking at where we have the efforts. We constantly look at where our staff are and whether people are adhering to the schedule and being where they need to be so that we have adequate people to manage the demand. But it is difficult because the arrival patterns of how people make their phone calls and at what time of the day.

Senator SIEWERT: If you could take on notice each month for the last 12 months, but including the previous years so that I have last January through to this January. Again, I have had a complaint, but this is a generic question. You have gone to sending a lot of the administration online. I have an example here—and I actually have a copy of the letter so it is not just hearsay—of someone who would have had to report next in December from March. She then thought that things must have changed and she must have been doing everything right. Some time later she then got a letter in her inbox saying that she should report on 27 January. She got that e-mail on 3 February. Obviously it changed what she was told, but she was also told that she should have reported in January. But she was told in February.

Ms Campbell: We are happy to take personal circumstance—

Senator SIEWERT: I will give you this. My question is: how many of these examples do you have where this is happening?

Ms Campbell: Sometimes there can be individual circumstances where something else may happen which triggers those types of activities. We generally look at these on a case-by-case basis. If we saw something systemic, then we would look to see whether we had an IT problem.

Senator SIEWERT: You're right, there may have been something to trigger it, but to send a letter after the fact that you have to report in January. She could very well end up getting breached under the new regime because she had missed a reporting date when she did not even know she had one. And she had actually been told that she did not have to report until March.

Ms Campbell: We are happy to take that individual case and look at it to see whether it is a systemic issue. Clearly it is hard to report on 27 January when you are told on 3 February. But if we can look at that and see whether there are any other cases. I do not think we have seen a systemic issue.

Mr Tidswell: We deal with such big volumes and the reporting regime, our customer base, it really does understand the approach. We get upwards of 80 per cent of people reporting their earnings online or through mobile apps. We are always trying to communicate with people about what their arrangements are. We are increasingly doing that through electronic mail and getting it sorted. So to me, I do not have issues in that area that tell me that there are systemic failures. But there can be these complicated things going on with different payments, different start dates, different date of effects and how the reporting things kick in.

Senator SIEWERT: I understand that. The fact is that people will get breached. I have a whole lot of other questions about that. I had an example of someone in Western Australia who was literally getting kicked out of her house because the payments had stopped and she could not meet her rent. An administrative error means that somebody can be breached and literally miss the payments on their house and lose their accommodation. You can see why people are a bit upset. You say that you are dealing with lots of people. I understand that. But now the system means that there are severe consequences for that.

Mr Tidswell: I do not know this specific case, so we'll look into it. But generally we get these things fixed. That is why we have a network of offices and the ability for people to get these sorts of complex kind of enquiries and matters of sorted.

Senator SIEWERT: Have you had any reports of this happening?

Mr Tidswell: There will be cases, absolutely.

Senator SIEWERT: How many?

Mr Tidswell: I have a watch list of all the things going on, all the things that we are worried and concerned about. This has not been brought to me as a systemic issue. But that does not mean that this particular case is not absolutely as you describe. We need to look into what has occurred, what has happened, why did this correspondence go at that time and what triggered that letter to advise her to report after the date. That is the sort of thing that we need to look at. It could well be a confluence of activities and events that for this particular individual customer.

Senator SIEWERT: As I said, I have copies of it here. I will double check that it is okay to hand her name over. She may just want the circumstances. I'll do that before the end of the day. Secondly, if I understand correctly what you have just said, you are not aware of this type of thing happening before.

Mr Tidswell: I am not saying that. I just do not know that it is systemic. It has not been presented to me. We hear about these things quite quickly. One of the things we do have is an extensive complaints mechanism. Complaints are down. We are happy about that. So we have a whole infrastructure around service recovery, getting on top of these things and sorting them out. Basically, it is a complicated system and it is difficult to administer. We do not always get it 100 per cent right. But our aim is to get it right and get it corrected so people are not impacted unfairly, as you have suggested.

CHAIR: Senator Siewert, we might leave that there. I'll go to Senator Reynolds and then to Senator Cameron.

Senator REYNOLDS: Thank you and good morning, Secretary and Minister. I would like to keep on the theme of technology and client services and move on to IT and your ISIS ICT system. The more I have read about it the more I think it sounds like Frankenstein's monster. Can you give me a bit more information about the nature of your ICT. Is it called ISIS?

Ms Campbell: Yes.

Senator REYNOLDS: I understand that it is 30 years old.

Ms Campbell: It is the 'integrated social infrastructure system', and it is some 30 years old. It does the job. It makes sure the payments are made, but it is very old. It is very difficult to make changes in that. It is not flexible at all and that is why we have been building a business case about its replacement.

Senator REYNOLDS: How many customers do you support? Is it around seven or eight million?

Mr Sterrenberg: It is around seven million customers.

Senator REYNOLDS: Did you say 34,000 staff use the system?

Ms Campbell: We have 34,000 staff. Not all of them use ISIS.

Senator REYNOLDS: So, many thousands of staff have daily access to the system. How many transactions would you do daily, monthly or yearly on it?

Mr Sterrenberg: We do 12 billion database reads and around 21 billion http calls between the system's infrastructure.

Senator REYNOLDS: Presumably you do a lot of batch reporting and processing every day.

Mr Sterrenberg: Yes. We do 16,500 batches every night. Just to clarify what that means, every time somebody presses a keystroke it creates a protocol, a http call, and then that call goes through our infrastructure. Every time it moves from one piece of infrastructure to another it will create a secondary call. That is what equals 21 billion.

Senator REYNOLDS: How many separate pieces of infrastructure have you got across the system? Do you know?

Mr Sterrenberg: Yes, we do know, but it is quite complex to describe. I will provide rough numbers. We have close to 45,000 desktops. We have three mainframes, 3000 virtualised servers and we store 13.4 terabytes of data. It is a very large infrastructure.

Senator REYNOLDS: Presumably in recent times, as we talked about last time, you have added all of the new IT systems and structures, all of the interfaces, onto this Behemoth. How is that working? Has that added strain on to the system or is it just an additional level of complexity, along with the tablets, myGov and all of the new technology.

Mr Sterrenberg: Over the last 10 years the constant layering of complexity has brought us to a stage now where we believe our systems need to be replaced.

Senator REYNOLDS: I would imagine you would have tens of millions of lines of code now.

Mr Sterrenberg: More than that.

Senator REYNOLDS: Is it 20, 30 or 40 million lines of code?

Mr Sterrenberg: Yes. The infrastructure is very large. To give you an example of our data centres, we have close to 2,500 kilometres of structured cabling, 2,600 connection points and over 600 kilometres of fibre patch leads. That is just to cable our data centres. That is not taking into account the connection points where we use the managed telecoms network.

Senator REYNOLDS: Do you have a costing for maintaining the hardware and the software and maintaining the system? Do you have global figures for that?

Mr Sterrenberg: Yes we do. It is \$252 million for the business as usual. That covers the maintenance of the infrastructure and the application maintenance. Then we have the telecoms cost, which is connecting all of the staff and customers to our networks. That is \$293 million. We have projects of \$274 million and then we have capital replacement costs of \$167 million. That gives a total of \$986 million.

Senator REYNOLDS: So we are looking at nearly \$1 billion a year just to maintain this system?

Mr Sterrenberg: To maintain the operating system is \$252 million.

Senator REYNOLDS: But all of the associated expenditure adds up to somewhere between \$950 million and \$1 billion a year?

Ms Campbell: That includes the smart centres, the telecommunications and the entire ICT operations of the department. It is about \$1 billion a year.

Mr Sterrenberg: That covers not just the Centrelink program but Medicare and child support. We also do the infrastructure for the Department of Veterans' Affairs.

Senator REYNOLDS: That is right. We talked about that last time.

Mr Sterrenberg: We also do a number of others.

Senator REYNOLDS: Under the myGov—

Mr Sterrenberg: Yes. We are one of the designated government internet gateways where we look after the Internet gateways for, I think, around 12 other agencies.

Senator REYNOLDS: Given the complexity and the age of the system—and I guess you have 30 years of technology there that you have plied in together—is it difficult to find the expertise still, especially dealing with a lot of the legacy systems and the software and hardware that you have? Is that an issue?

Mr Sterrenberg: Yes. And it will be an increasing issue over the next couple of years.

Senator REYNOLDS: A lot of the ICT specialists would not have even been born when the code was being written.

Senator Payne: Thank you for reminding us of that.

Senator REYNOLDS: In terms of the complexity, apart from the cost and the difficulties of running it and adding to it, obviously we had the release of the McClure report this week, and that created a very clear picture of the need to simplify the system, particularly for the payments and benefits. It seemed to me, when I read that, that you are going to need to have an ICT system because if you try to do that with your current system and not reform and have a new system that is much easier, simpler and modern you cannot really do one without the other.

Ms Campbell: I think it is fair to say that it would be very cumbersome and very expensive to try and do it in the existing system.

Senator REYNOLDS: To retrofit the old system?

Ms Campbell: You would have to look at the investment and whether it was worth investing in the old system, depending on what level of changes the government decided to make.

Senator CAMERON: That is not consistent with your previous evidence, but that is okay. I'll come back to that.

CHAIR: Sorry, there was an interjection there. Ms Campbell, do you want to respond? Ordinarily it is disorderly to respond to an interjection, but not so much in committees.

Senator REYNOLDS: I was about to ask the question if you would like to respond to this assertion.

Senator CAMERON: It was not an interjection. It is based on the *Hansard*, that is all.

CHAIR: However we interpret it and whether it is an interjection or not, I will allow Ms Campbell to respond.

Ms Campbell: I think when we have been asked on previous occasions whether or not we could make changes to the current systems, we have said that, yes, we can make changes, but depending on the complexity and how wide the changes were and whether it is a good investment or not. The issue I was talking about just then was whether it would be worth investing in the existing system, depending on the scope of any changes. As you see, we do make the changes in the system. When new policies are implemented in every budget, we are able to make those changes within the existing system. It is a cost benefit issue.

Senator REYNOLDS: As you have gone through and done that cost benefit analysis, and looking further into the future, you have pushed the system and you have made adaptations and adaptations. It has got so complex. Look at the technology that is out there now. Presumably, as you look forward, there will become a point where, apart from anything else, you simply cannot maintain the old system and it becomes so exponentially more complex that it will have to get to a point where it is no longer viable. Is what you are saying that there comes a point where it is more cost-effective just to deal with it earlier and go to a new system rather than just making it worse and more expensive?

Ms Campbell: We think that we are getting to the point where the level of complexity is adding quite additional costs and also not allowing us to be timely in our response, so that we can't make changes in a rapid manner. It also depends on just how many changes there are. The McClure report, which is a report to government, indicates a broad range of changes. Our advice would be, depending on how broad ranging the changes are, that there needs to be a new system to deal with very significant changes.

Senator REYNOLDS: So really it could be almost axiomatic that while the McClure reforms are designed to bring simplicity, without a new system it will actually make the system more complex?

Ms Campbell: Yes.

Senator REYNOLDS: Thank you.

CHAIR: Senator Cameron.

Senator CAMERON: Can I come back now to the benefit of the doubt, which The Prime Minister has indicated Centrelink is giving people who are a threat to the community. I think I got to the stage where I was asking how many people you had doing public relations and media work. It was over 70.

Ms Campbell: Yes.

Senator CAMERON: Who is in charge of that media unit?

Ms Campbell: Mr Jongen is in charge of the media unit. We will ask Mr Jongen to come to the table.

Senator CAMERON: Mr Jongen, how are you?

Mr Jongen: I am very well, Senator.

Senator CAMERON: You have a fairly big team working for you—70 people.

Mr Jongen: I think in the context of the amount of media that we are engaged in, it would be an acceptable number. It is a big team, yes.

Senator CAMERON: If I need to know about the complexity, I will ask. We have a situation where the first that the department knew that the Prime Minister had a concern about the department giving the benefit of the doubt to people who would do harm to the community was when the Prime Minister made the statement. What did you do after you heard that—apart from maybe faint?

Mr Jongen: I looked at it in the context of the broader issue, as the secretary has already indicated, which is in relation to potential terrorists overseas, if you like. Having been aware of the fact that we are very limited in terms of the powers under the Social Security Act, it was actually a fair call.

Senator CAMERON: It was a fair call. So you agree that Centrelink is giving the benefit of the doubt—

Mr Jongen: I didn't say that.

Senator CAMERON: Just let me finish. You are saying it is a fair call. So you must agree then that Centrelink is giving the benefit of the doubt to people who would cause harm to the community. Is that right?

Mr Jongen: I did not say that. What I meant was that the Social Security Act has limitations. Those limitations in this space probably would result in the sort of statements that the Prime Minister made.

Senator CAMERON: Ms Campbell has just been at pains to go through all the checks and balances and all the internal systems and external systems to deal with this. So I am a bit confused that on the one hand we have evidence earlier that says if someone uses their passport to go overseas then that payments will be stopped. You accept that.

Mr Jongen: Yes.

Senator CAMERON: What do you believe this 'benefit of the doubt' is then?

Mr Jongen: Firstly, I am not a subject expert. You are asking me my personal opinion.

Senator CAMERON: No, you are not here in any personal capacity. You are here as a senior public servant. That is the capacity you are in. That is what I am asking you. I am not interested in your personal view.

Mr Jongen: All I can say is that there are no provisions under the Social Security Act, particularly at the time that the Prime Minister made these comments, that actually prevent people of, let us letter say poor character, from travelling overseas.

Senator CAMERON: So people who are engaged in harming the Australian community?

Mr Jongen: That is correct. Those provisions do not exist under the Social Security Act.

Ms Campbell: The department's interpretation of the comments was the legislative framework in which we operate.

Senator CAMERON: Which has checks and balances, as you have indicated.

Ms Campbell: But until recently, when the foreign fighters legislation was introduced and passed through the Parliament, there was not a power to suspend or cancel a payment if someone was suspected of terrorist activity.

Senator CAMERON: When did the foreign fighters legislation go through?

Ms Campbell: At the end of last year.

Ms Golightly: In November.

Senator CAMERON: When did the Prime Minister make this statement?

Ms Campbell: The prime minister made the statement recently.

Senator CAMERON: Well, I will not ask you what the Prime Minister was thinking, because nobody knows that these days. There could be some reputational damage to Centrelink. The statement that the Prime Minister made was that you are giving the benefit of the doubt to people that could harm the community.

Senator Payne interjecting—

Senator CAMERON: Can you let me finish?

Senator Payne: Certainly. I thought you had finished.

Senator CAMERON: Good on you. You have 70 people, Mr Jongen. Do you engage with, say, the Alan Joneses, these shock jocks who are out there running these arguments that there is a system in chaos? How do you deal with that? What do you do to engage and get the story that we heard this morning—not your story because they are a bit different—but the story from Ms Campbell. I'm just worried that you have a different story from Ms Campbell. But, anyway, what do you do to engage with the commercial media?

Mr Jongen: I have a regular cycle of talkback sessions across most key talkback stations. The agreement that I have with those stations is that I do a 30 minutes segment during which I take questions from customers and deal with their issues. Basically, as part of that discussion, part of my role is debt prevention rather than fraud detection. That means that I talk about people's obligations, the requirements that they need to meet and the fact that they should be honest in their dealings with us, et cetera. That becomes one of the central themes. On occasions, if I am asked, I also deal with issues of fraud prevention, but always at a very general level. I talk about the fact that we undertake data-matching exercises with a range of government agencies and that we have internal data matching, all of which contributes to a very sophisticated system of fraud detection.

Senator CAMERON: So you do that 'on occasions'?

Mr Jongen: Yes.

Senator CAMERON: When was the last occasion you dealt with that issue?

Mr Jongen: The last occasion, in terms of specific media, was actually not in talkback radio but on *A Current Affair*. I have also done interviews with *Today Tonight*. We work with those programs.

Senator CAMERON: When?

Mr Jongen: Two occasions in December were the last times. Can I make another point? I do not emphasise fraud on every occasion, because one of the central elements of my message is that the overwhelming majority of Australians are honest in their dealings with us. So although we have to be conscious of fraud, it needs to be always contextualised.

Senator CAMERON: Sure, but you have a situation now where you are the head of public relations, basically. What is your title?

Mr Jongen: General manager, Communications.

Senator CAMERON: So you have a job to communicate with the public and with the media to get the real issues out there. The Prime Minister has made an allegation that the Department of Human Services is giving the benefit of the doubt to people who would do harm to the community. What communications strategy have you developed with your 70 media people and with the secretary to get the message out there that that is not a correct position?

Ms Campbell: Minister Morrison made a statement on the day after, I think—the Monday—indicating his confidence in Centrelink applying the legislation as it was in place, and that, if there were changes that needed to be made, they needed to be made in that legislative frame.

Senator CAMERON: Minister Morrison is a minister for DHS, is he?

Ms Campbell: Minister Morrison is the minister for the Social Services portfolio.

Senator CAMERON: Mr Jongen, what strategies, what planning, have you done to try to disavow the position that some of the shock jocks are running with now that DHS is funding people who would do harm to the Australian community? What strategies have you put in place?

CHAIR: Mr Jongen, just before you answer, we are due to break, so I will allow you to answer this question and then we will go to a break.

Mr Jongen: The issue here, of course, is that the difference is in accountability on the part of the Attorney-General and the Department of Human Services.

Senator CAMERON: Mr Jongen, please—

Mr Jongen: I just need to give you that—

CHAIR: Order! Senator Cameron, you have asked not to be spoken over. Mr Jongen is answering your question.

Senator CAMERON: No, I did not.

CHAIR: You did, actually, a couple of times when Mr Jongen tried to answer your question and inadvertently interrupted you. Could you please allow Mr Jongen to finish his answer?

Senator CAMERON: As long as it goes to my question.

CHAIR: He is entitled to answer his question as he sees fit. You can follow up questions later but Mr Jongen should be allowed to answer.

Mr Jongen: Senator, the answer I would provide would be that there are measures in place to ensure that, with respect to people who leave the country with the intention of doing harm to the Australian community, the Attorney-General can provide notification to us to ensure that payment is not made.

Senator CAMERON: Chair, that is not what I asked Mr Jongen. I have asked Mr Jongen what he has done, as the head of communications, to deal with this issue that has left the impression that the Department of Human Services is giving the benefit of the doubt to people who would do harm to the Australian community. That is the question.

CHAIR: Senator Cameron, you get to ask the questions. You do not get to advise the witness on how they should answer. He has had the opportunity to answer. It is past the time to break, so we are going to break for 15 minutes.

Senator CAMERON: All right, Mr Jongen; I want you back on this one.

Proceedings suspended from 10:33 to 10:52

CHAIR: I will come back to Senator Cameron with his line of questioning. Senator Xenophon is keen to ask some questions so after Senator Cameron I will go to Senator Xenophon.

Senator CAMERON: I should not be too long. Mr Jongen, could you come back to the question I asked, and that is, what you have done in terms of a strategy to deal with this issue that the impression is out there that DHS is giving the benefit of the doubt to people that would do harm to the community. What have you done with your staff of 70 to provide some media response to this issue?

Ms Campbell: As Mr Jongen's senior officer, I have not asked him to undertake any work of that nature. I considered that the statement made by Minister Morrison about the legislative framework in which the Department of Human Services operated had addressed any concerns.

Senator CAMERON: In my memory, this is probably the biggest issue that DHS have faced, certainly in light of the current government. Your media people—you have not asked for anything? Did the media people offer up any strategy to you?

Ms Campbell: I have not asked for any strategy. I do not see that there is a need for any strategy.

Senator CAMERON: Okay. If the media, as they have been doing, say that people on DSP and Newstart are over there doing harm to the community, do you not see any need to respond to that?

Ms Campbell: We respond within the legislative framework. We explain the Social Security Act and how payments can be suspended or cancelled. We talk about the foreign fighters legislation and the provisions within that legislation and we note the responsible parties within that legislation and their roles.

Senator CAMERON: Mr Jongen, do you want to add anything to that?

Mr Jongen: No, Senator.

Senator CAMERON: I didn't think you would. What is the budget of your department, Mr Jongen?

Mr Jongen: I am going to have to take that on notice. I am sorry. I do not have those figures available to me. Off the top of my head, to assist you, it is around \$9 million.

Senator CAMERON: So we spend \$9 million on communications and neither the secretary nor you think that reputational damage to DHS should be dealt with by any media strategy or media response?

Ms Campbell: The money that is spent on the communications division is very focused on ensuring Australians are aware of the conditions under which social security payments are made. Mr Jongen talked about the opportunities he takes to ensure that people are meeting their needs, understanding how payments work, in a very proactive manner to ensure that Australians are informed.

Senator CAMERON: Ms Campbell, in your responses to me when I was asking about you giving the benefit of the doubt—the Prime Minister's statement—to people who would want to harm the community, you seemed to

suggest there were checks and balances in place. The foreign fighters legislation, the existing legislation, makes it very difficult for that to happen; is that correct?

Ms Campbell: The arrangements in place with the foreign fighters now provide an extra level, or balance, in that regard.

Senator CAMERON: I was somewhat comforted by that response. You are looking back at where we were and saying we have got this legislation in place, but Mr Jongen seems to be looking forward and saying there are still problems. What are those problems? Mr Jongen, can you tell me what those problems are?

Mr Jongen: Senator, I was not looking forward. You asked me what my reaction was in relation to the Prime Minister's comment—

Senator CAMERON: Not your personal reaction; I am not interested in your personal reaction.

Mr Jongen: As I attempted to explain to you at the time, at that point in time I recognised that there were shortcomings which the Prime Minister was reflecting on in the social security legislation. Looking forward, which you are now asking me to comment on, we now have the foreign fighters legislation which addresses the reaction that I initially had to the Prime Minister's comment.

Senator CAMERON: I will have a look at your *Hansard* carefully. That is not the impression you gave me.

Mr Jongen: I apologise if I have misled you.

Senator CAMERON: Mr Jongen, have you issued any communications internally about this issue so the staff understand where this is at? I am sure all the staff have not been in a position to see this engagement. What have you done to communicate these issues to the staff?

Ms Campbell: I have not issued any communication to the staff.

Senator CAMERON: Nothing?

Ms Campbell: We conducted a dialogue, which is a regular meeting we have with staff from different levels, last Friday. The matter was not raised.

Senator Payne: Senator Cameron, I know that you would like to cast this in a particular political light, but I think even you could recognise that the government finds itself in quite altered circumstances in terms of—

Senator CAMERON: There is no doubt about the government being in altered circumstances.

Senator Payne: some of the external and, frankly, internal threats we face as a nation from extremists. The impact of those circumstances feels its way through a great deal of government, including those of us who are charged with the responsibility of making payments in a responsible fashion in accordance with the existing legislation.

As both Ms Campbell and Mr Jongen have said, when the Prime Minister reflected on the circumstances we found ourselves in last year, for example, when the fighting perpetrated by IS escalated so significantly and a larger number of Australians began to be engaged, it is quite a confronting circumstance for a government to face. I do not think anywhere in the world would you find a set of existing social security legislation which equips a government to deal effectively with that in the immediate term.

There are a number of provisions within the existing social security legislation—we have discussed those and adverted to those—which are commonly used for removing people from payments if they are in breach of the legislative requirements. But the developing circumstance led to the contemplation of the foreign fighters legislation, which, as Ms Campbell has very clearly said, gives us, if you like, another tool to deal with some of this extremist behaviour.

I think a measured and mature reflection, such as has been made on those circumstances and the challenges with which government is faced—although you might like to characterise it otherwise—is a very important discussion that the country has.

Senator CAMERON: Thanks for that, Minister. Given the chaos and dysfunction in the government, I am concerned that these issues are not being dealt with effectively. I am concerned that DHS has not protected their reputation against another chaotic announcement by a Prime Minister under huge pressure.

Senator Payne: I am absolutely confident in the way in which the Department of Human Services has dealt with these pressures.

Senator CAMERON: I am finished on this.

Senator XENOPHON: These are matters running to child support. The minister and the secretary are familiar with the front page report in *The Canberra Times* yesterday. There is a wry smile there that indicates a familiarity—

Ms Campbell: Yes, I did read that article.

Senator XENOPHON: I am going to touch on a matter which I appreciate is before the courts. As such, I will be restricting my questions in relation to this to the management of the litigation and the cost. Noting section 121 of the Family Law Act—and notwithstanding parliamentary privilege—that it is unlawful to identify the parties in a court case, I want to make it absolutely clear that I will not be doing anything that will identify the parties. I trust that the answers will reflect that as well. Yesterday's report in *The Canberra Times* revealed that the department has spent \$565,000 of taxpayers' money litigating against a father over, effectively, a \$6,000 difference of opinion. I presume the journalist is correct with respect to the \$565,000 figure?

Ms Campbell: The \$565,000 is correct in the total amount involved in this case but it is incorrect in the other amount.

Senator XENOPHON: Incorrect in which matter?

Mr Hutson: The total amount of expenditure of \$565,000 is not about a single matter in front of the courts. It is about a series of matters in front of both the Family Court and the Administrative Appeals Tribunal running over the period of August 2011—

Senator XENOPHON: But the genesis of it was still about the way the department handled this and the amount involved.

CHAIR: Senator Xenophon, if you could just allow Mr Hutson finish before you interject.

Ms Campbell: I reject the fact that the entire amount that has been spent is about a \$6,000 debt.

Senator XENOPHON: Perhaps we can go into that further. I want to talk about processes now. Is this the external Australian Government Solicitor cost, or are there internal costs as well that need to be factored in—in terms of resources of the department that have been expended on this?

Mr Hutson: That does include internal costs of the department.

Senator XENOPHON: It does include internal costs?

Mr Hutson: It does.

Senator XENOPHON: But at this stage the matter has not concluded, so I assume that if this matter is not resolved the costs will continue to escalate and there may well be costs orders involved as well.

Ms Campbell: When we say 'the matter', I think it is a number of matters that are leading through this case. The litigation continues.

Senator XENOPHON: Ms Campbell, we will go into that in a minute. It is the same original matter about the way the agency dealt with this particular issue, but some of them have flowed on to issues of FOI and about findings of the Information Commissioner which ruled effectively against the agency and which are still being contested by the department. I understand that this fundamentally centres about a child support change of assessment that the agency originally got wrong. Is that a fair assessment?

Ms Campbell: The matter commenced with a child support assessment. I am not sure we would characterise it as the agency getting it wrong.

Senator XENOPHON: Let us put it this way: I understand that an objections officer and the Social Security Appeals Tribunal both agreed that the original assessment was out, or wrong, by about 50 per cent. Can I clarify it? Having read the documents, the original assessment was \$12,000 but was later reduced to \$7,000.

Mr Hutson: I am sorry; I do not have that level of detail in front of me.

Senator XENOPHON: I do. You may want to take it on notice if you think that is wrong.

Mr Hutson: Sure.

Senator XENOPHON: Having read the papers, it seems that the SSAT confirmed that it was out by about 50 per cent.

Ms Campbell: Sometimes the SSAT has information that is not available to the original decision-maker.

Senator XENOPHON: I have spoken to the father, and again this morning he advised me that, other than during adjustment periods between the objection and the SSAT decisions, or changes in salary, there has never been an arrears situation. On one occasion there was a significant overpayment. He wants to make it clear: it is not a case about collection, it is not about the father not paying; it is about the processes that the department uses.

I understand that the father has provided me with court orders he is seeking, including a consent order which protects the mother from any arrears that might result from any decision in his favour, so that there is no question of the mother and the children being out-of-pocket as a result of these measures.

Ms Campbell: If we are going to protect the court proceedings in this case I am not sure whether that is relevant for us to comment on. We have watched this case very closely because there have been broader matters of law, other than just the people who are involved in this case. That is one of the reasons why the costs are so high—because we have paid the legal expenses of both proponents, as we have sought to seek clarity over the operation of the child support law.

Senator XENOPHON: It has cost well over half a million dollars, and it could well cost hundreds of thousands of dollars more before this is concluded; is that right?

Ms Campbell: They are important pieces of law to how we administer the entire child support system to determine whether some pieces of evidence are admissible in determining child support.

Senator XENOPHON: But you are aware that the father did contact the department direct to say, 'I am prepared to participate in alternative dispute resolution to try and resolve this without recourse to costly litigation'? Can you acknowledge that?

Ms Campbell: I am aware of that, but there is also an issue about precedent, how we go forward with not just this case but other cases. The reason so much money has been spent on this case has been the need to test at law certain objectives. That is why the Commonwealth, as the model litigant, has paid the expenses of the other two parties involved—so we could test that at law.

Senator XENOPHON: Let us talk about the issue of model litigant. I note that when the agency fronted the Family Court two weeks ago it had a barrister, two AGS lawyers and a departmental lawyer to oppose an untrained, self-representing father asking that his matter be re-opened to lay out documents that he says—and that I say—were erroneously withheld from him and he wanted the judge to consider. It concerns me that there is now an argument about not allowing documents. You are supposed to be a model litigant and you are saying you are fighting—you are spending tens of thousands of dollars with each court hearing—about not allowing documents to be reconsidered in respect of this matter, attempting to refuse that these documents be considered.

Ms Campbell: To do that I would need to call the legal practitioners so that we could go through that level of detail. As you can imagine, we do provide the actual operation of these legal cases to the lawyers to construct those. I do not have the information about that exact point with me.

Senator XENOPHON: Again, I ask that you take this on notice. A fortune is now being spent, with up to four lawyers turning up against an unrepresented father about documents that he says—and I say—were erroneously withheld from him.

Can I go to the AAT? Let us move to the FOI documents that the Information Commissioner has decided are not FOI-exempt. So the Information Commissioner has been involved in this. You have engaged Clayton Utz to represent you in the AAT and I believe you have special counsel and a partner working on the matter, along with an instructing solicitor from Human Services; is that right?

Mr Hutson: That would probably be right.

Senator XENOPHON: So you are there fighting an Information Commissioner's ruling.

Mr Hutson: That is again a very, very important point of law. We believe that the Information Commissioner's decision was not correct. Those documents go to legal professional privilege. In terms of the way we administer the child support legislation, the Social Security Act and all the other legislation we administer, legal professional privilege is an important part of the way we obtain legal advice and consider it. There is some information there which the Information Commissioner believes should have been released. But in our view that should not have been released, and the matter goes to legal professional privilege. That is why we have taken the matter up in front of the AAT.

Senator XENOPHON: I have just got a message from the father, who is looking at this, saying that costs were paid in the first matter only, that you are seeking costs against him in the appeal of the SSAT decision.

Ms Campbell: The first case, which was about what evidence was required and whether or not it could be used, was the matter of law that we were very focused on. I think that is where most of this started and that is where the costs are. These subsequent areas have come from the applicant. So we are, as is our normal practice, working through the legislative—

Senator XENOPHON: But you are seeking costs against him, so you will probably wipe him out. It is supposed to be a test case but you might wipe him out.

Ms Campbell: It was a test case for the first part—

Senator XENOPHON: Well you should have said that earlier.

Ms Campbell: I thought we were still talking about that, Senator. Then you went into the FOI, which I was treating separately; I am sorry.

Senator XENOPHON: Okay, but it is all inter-related, though. One flows from the other, doesn't it?

Ms Campbell: The first case was we were trying to determine whether or not under the Child Support Act we could use a piece of evidence—

Senator XENOPHON: Hearing your answer earlier, Ms Campbell, it would seem you said, 'It is a test case. We are paying his costs'. There are things flowing from that where he could end up losing his house as a result of massive cost orders against him because of the costs that are being knocked up by your department.

Ms Campbell: But they are subsequent actions he is taking against the Commonwealth.

Senator XENOPHON: Arising out of the same set of facts.

Ms Campbell: But they are subsequent actions that he is taking.

Senator XENOPHON: I am glad we clarified that. I have had a look at a few published AAT judgments which involved the department as respondent. It seems to me that mostly in-house lawyers are used to appear at the tribunal; sometimes the AGS. Why are you engaging Clayton Utz in this instance, given the additional cost involved?

Mr Hutson: We have a legal panel and we use it. AGS is simply a member of our legal panel. I am not sure why particularly we used Clayton Utz—

Senator XENOPHON: Let's move on, because I am running out of time. I note that the legal services directions require you to get a written advice before commencing proceedings. Did that occur in this instance?

Mr Hutson: That certainly occurs.

Senator XENOPHON: You also need to get an estimate under the various professional rules as to what the likely cost of this action would be?

Mr Hutson: Yes.

Senator XENOPHON: Can you tell us what the estimate was?

Mr Hutson: No, I would have to take that one on notice.

Senator XENOPHON: Yes, but you will tell me that, won't you? Or the likely costs—

Mr Hutson: If I am able to tell you that. I will take the question on notice and I will—

Senator XENOPHON: No, no. What I do not understand is that you have refused previously to let me know what the costs of this are, notwithstanding that Senator David Johnston, when he was in opposition, was asking similar questions and you provided information to him as to what the costs were a couple of years ago. Back then it was \$25,000. It has now gone up to \$565,000. I want to know why you have refused, in answers on notice, to provide me with details of cost. It does not relate to the identity of the parties. I just want to know what the costs are.

Mr Hutson: I will take that question on notice then.

Senator XENOPHON: It is my intention to put a standing question on notice, as this matter continues, about the costs. Your standard contract terms about refusing to answer questions of costs suggest it is not a problem to reveal monetary aspects of contracts to the Senate. I refer you to clause 15, in particular, and clauses 14.3 under 'confidentiality' and 14.3(d) that 'without limiting the application of this clause, 14.3, is disclosed in order to respond to a question or a direction of a House or a request by a committee of the Parliament of the Commonwealth of Australia or such equivalent bodies of the parliament of the relevant state'. Do you agree that in this process, if you are asked questions about how much a particular matters costs, you ought to disclose that?

Mr Hutson: As I said, I will take that question on notice.

Ms Campbell: We will abide by those directions of the Senate.

Senator XENOPHON: You have not previously.

Ms Campbell: I will go back and review that as to where that has occurred.

Senator XENOPHON: These were previous answers on notice provided.

Ms Campbell: I will review those questions.

Senator XENOPHON: Just to recap and to finalise: in summary, this man, even if there were a finding in his favour, does not want to pay any less to his wife and children. He is willing to give undertakings to the court in respect of that. He was concerned about the processes that were involved. He has been doing this as a self-represented litigant—a very good job, I think, in terms of the way he has been arguing his case. He has approached the department to say: 'Can you sit down and try and resolve this through an alternative dispute resolution?', and you are not prepared to do that.

Ms Campbell: Can I take you through what we understand to be the steps of these matters?

Senator XENOPHON: Can you answer that direct question? On two occasions he has contacted the department saying, 'Can we please sit down and resolve this without this massive litigation war involving hundreds of thousands of dollars of taxpayers' money over a matter based on the SSAT ruling which involves about 5,000'.

Ms Campbell: I reject that it is a matter that involves \$5,000.

Senator XENOPHON: I am just relying on the Child Support Agency calculator: the annual amount of child support was \$12,634; the SSAT recalculated it. After that it was \$7,332.

CHAIR: Senator Xenophon, it might be helpful if we allowed Ms Campbell to outline some of those steps.

Senator XENOPHON: Sure.

CHAIR: Because there are obviously differing points of view here. If Ms Campbell can put the department's point of view about the steps that have been taken, then you can ask any further questions.

Senator XENOPHON: Of course.

Ms Campbell: The first matter was a Family Court matter that was brought in 2011 and was brought by the department in order to clarify an important legal principle which had far broader implications for all child support assessments. The department paid the legal costs for the person involved and the other parent because it was so important to set the principle. It would have been unfair of them to bear that cost. So that was finalised. The second matter was an appeal of that decision in 2012, brought by the individual that you are speaking with, about the documents. That was discontinued by the person you are talking of after three months.

The third matter, which is currently before the courts, relates to the child support assessment. These proceedings have been heard but remain reserved. The fourth matter is currently in the AAT and relates to the department appealing the decision by the Office of the Australian Information Commissioner about access to what we considered to be legal advice. So this is not just about a \$5,000 or a \$6,000 assessment. It is about a much broader range of issues.

Senator XENOPHON: Can you please at least concede that they still arise out of the same set of facts? They still arise out of an erroneous decision that could have been solved probably with a phone call earlier on and it has now taken a life of its own.

Ms Campbell: I do not think that is the case. The first matter supported the Commonwealth's position.

Senator Payne: The Family Court upheld—

Ms Campbell: The Family Court upheld the decision. Then there was an appeal, which was the second matter. Then there is a third matter, which relates to the actual assessment. That first matter was upheld.

Senator XENOPHON: I am very grateful to the chair for the time. I want to wrap this up. One of the orders sought by the father in this is a declaration that the Child Support Registrar is prevented, by way of enactment under the act, from advancing a child support assessment objection when it has prima facie indications that an application or submission arrived at in the part 6A assessment or objection contains false and/or misleading and/or reckless information. That is what he is fighting this about. He says to him it is an important matter of principle—

Senator Payne: And it is to us as well.

Senator XENOPHON: Why will there not be a concession, Minister, on the part of the agency that if an assessment contains false and/or misleading and/or reckless information, whether from any of the parties involved, that that ought to be a factor, that the Child Support Registrar cannot advance a matter until we sort out whether it is false or misleading or reckless? That is what he wants. We are spending hundreds of thousands of dollars fighting something that we ought to be in furious agreement on.

Ms Campbell: I think it was the context in which he thought it was false, whether or not we thought it was false or not. The first case was whether or not the evidence that was used could be used. The Family Court held that it could.

Senator XENOPHON: Let us see if we have any rulings by the time of the next estimates. I want to go to the issue of indemnity costs.

CHAIR: You will have to do it quickly.

Senator XENOPHON: I will. The costs were sought against the father in the appeal. Your department threatened indemnity costs in the second case. I put this to the minister perhaps—

Senator Payne: Which is the case, it was withdrawn by the father. We do not threaten. We are not in the business of threatening.

Senator XENOPHON: I have seen the chaffs. I am aware of the chain of the communications. As someone who still has a practising certificate after 30 years it looked like a threat.

Senator Payne: It is communicable. You and Mr Ruddock I think have your practising certificates after decades in the parliament.

Senator XENOPHON: I still do pro bono work. I still do my pro bono, my guilty pleas for people with gambling problems and the like. I still do that. This is a very important issue. If it is accepted that there are important legal issues at stake here, and that is uncontroverted, given that some of these other matters seem to flow from the original matter, which is the important legal principle—I think if you look at it they all flow from each other—can the department, can you as minister, at least consider or give an undertaking that you will not be seeking costs against the father, potentially bankrupting him, for what he considers are important matters of principle? I think you agree that the seminal issues are important matters of principle. I think you are waiting for a note from the secretary.

Senator Payne: No, I am not, actually.

Senator XENOPHON: Sorry.

Senator Payne: Although I may be in receipt of one, I was not waiting. I am not going to answer that question here. I obviously take advice from the officers in the department. Happily for all of them I am not litigating this, notwithstanding perhaps dreams and ambitions of a former life. Let me take some advice and undertake to discuss this with you further.

Senator XENOPHON: Thank you.

Senator SIEWERT: I want to go back to the issue of breaches, but in a different area—people being breached or suspended. On *Four Corners* on Monday night there were some examples of inappropriate behaviour, documents and reports being falsified. I realise Employment is not this area, so I am not asking you about that. But as a result of that it was suggested that people were breached as a result of forms that were filled out inappropriately, or wrongly or falsely. My question is: in light of that, have you taken any action? Have you spoken to the Department of Employment to address this potential issue?

Ms Golightly: I think the forms that you are referring to were actually in relation to claims for payment for Job Services providers, which is a matter for the Department of Employment. But the program did also talk about people who had other complaints about their providers. My recollection is that is where the breaching issue came up. In relation to that, our normal process—always has been, still is—is that if we receive a participation report from a Job Services Australia provider, reporting some behaviour or a missed appointment or whatever the issue might be, before we breach anyone we always have to look at whether there was a reasonable excuse for what might have happened and we talk to the job seeker as well as the provider, if we need to, but always the job seeker, to try and sort out what the issue was. If there was a reasonable excuse or a reason for why that all happened, then the job seeker is not breached.

Senator SIEWERT: There was one example of a third party saying someone had been breached and one speaking in person of where that had occurred. My question still stands. There is a suggestion or implication that this is widespread and that it could have happened to others. There were two examples where people said that it had happened. My question still stands, with due respect. Are you looking into this in a more systemic manner in terms of the reports of potentially it being more widespread?

Ms Golightly: We always look into reports of if someone is unhappy, if we have got enough of the details.

Senator SIEWERT: I am not asking about individuals who are not happy. I am asking as a systemic issue.

Ms Golightly: I understand. I am sorry, but what I was trying to say in my answer was that that is our normal practice, that we do always look into it. However we receive the information, we always do look into it. If there is a systemic issue we fix it. Quite often there are other things at play.

Senator SIEWERT: In this case have you started that process following on from the allegations that were made on Monday?

Ms Golightly: Where we have enough information to be able to identify that we are looking at the correct case, yes, we have.

Senator SIEWERT: In this instance it is not just the correct case; it is implications were made on Monday that this is widespread, that it has occurred on a number of occasions. It is not just a specific case. There is a suggestion that it is much broader and that it has occurred before.

Ms Golightly: I think I understand what you are trying to say. The program went to a number of issues. The main allegations were around provider payments.

Senator SIEWERT: Yes, I understand. I am going to follow that up next door later this afternoon.

Ms Golightly: But in terms of the issues about job seeker breaching, I am happy to go back and have another look at the program. But my understanding of it was that that was in relation to a couple of people on the program or a third party, in one case, mentioning that someone had been breached and, in their view, unfairly. We do have people all the time asking us about things which they may not understand or feel are unfair. It is part of our normal business—always has been and still is—to always look into that complaint, if you like, or query or concern. And we are.

Senator SIEWERT: You have spoken to the Department of Employment about how you could further look into this?

Ms Golightly: Yes. To identify what might have been happening we do need to have the specifics of cases to look into what the issue was in order to determine whether it is systemic or not or has a systemic aspect or not. In some cases we have the information. In others there was not enough to identify the person.

Senator SIEWERT: Thank you. Have you contacted the people that were featured in the show to try to get some further information about the allegations that were made?

Ms Golightly: I would have to take that on notice. No.

Senator SIEWERT: What exactly has been the response since Monday?

Ms Golightly: Basically where we have information to be able to identify who the job seeker may have been we have been able to look and to see what—I am trying to be careful just because of the privacy stuff—

Senator SIEWERT: I understand.

Ms Golightly: what action had or had not been taken with that individual or individuals.

Senator SIEWERT: The individual cases, you are following up?

Ms Golightly: Where we have enough information. You may recall, some of it was about third party and some of it was not identifiable. Where we can, we are and we will.

Senator SIEWERT: In terms of the third party, have you contacted the person reporting on the third party?

Ms Golightly: No.

ACTING CHAIR (Senator Siewert): I have to keep going. I am Acting Chair. I am presuming I have not done my five minutes yet, so I will ask one more question and then I will go to you. I might as well go for it while I have got it. I will pretend she had follow-up information to questions on notice once I have asked questions next door on that one. Thank you. You answered a question for me, question 158 on overpayment figures. The average overpayment was 0.13 per cent—the Chair is back now—then you gave the figures of the average overpayment. In terms of the overpayments, could you take on notice for me, please, what the causes of those overpayments were? If you could tell me in general and then take on notice what the causes of those overpayments were. Were they misreporting, not reporting on time or were they the department's errors? Is that possible?

Ms Campbell: We will do the best we can. I am not sure what level of specificity we have got on that. We will seek to get as much information as we can.

Senator SIEWERT: You have given me some quite detailed information on breaking it down. I thank you for that because it is really useful. You look at some that are really high. For example, for parenting payment single it is nearly 30 per cent. I am wondering if you could also take on notice that question. But where they are really high in particular, it is very significant for a single parent to have to pay money back, specifically in those high areas. I will ask you that question first.

Ms Campbell: We are constantly looking at why people get overpayments, whether it is not doing the appropriate reporting or not understanding the parameters around which the payments are made. One of the roles of Mr Jongen is to make sure that people understand their reporting requirements and their obligations under them. When we find an area where we are seeing a spike in people getting it wrong, we do that strategy about ensuring that people are aware of their commitments.

Senator SIEWERT: Have you done that in these cases, because it is really high for Austudy, parenting payment partnered, parenting payment single, Newstart, family tax benefit—in fact, there are a whole lot of areas that are really high. Have you done that, and have you seen a decrease in it in the six months since the end of June 2014?

Ms Golightly: We will take the detail of that on notice. In general terms—and what I am about to say is not specific to a payment; I will have to check it—certainly with income reporting and change of circumstances, particularly in a student's place, there are things that we have noticed, as the secretary said, that people often get wrong. We do have quite an extensive information campaign around how important it is to tell us immediately if your circumstances change and to report your income.

I know, as a general statement, those two are fairly high up there in terms of the sorts of things we see that are causing problems. We do have information sessions and products out there to help with that.

Senator SIEWERT: Could you provide those figures to December, to see if we have seen a decrease in response to any actions you have taken? That would be very much appreciated.

Ms Golightly: Certainly, Senator.

Senator CAMERON: Ms Campbell, on IT, is Mr Sterrenberg here?

Ms Campbell: Mr Sterrenberg is making his way to the table.

Senator CAMERON: I see him gallantly pushing his way through. Firstly, can I say thanks very much for the documents that you sent and your answers to the questions on notice. I found both you and Mr Sterrenberg very helpful on this issue of IT. I want to go back to some of your answers this morning, having regard to some of the answers you gave back in October. It may be that I picked it up wrong, but back in October, when we were talking about the ISIS system, you indicated—this is on page 22; I do not know if you have it with you?

Ms Campbell: Page 23.

Senator CAMERON: Page 22?

Ms Campbell: I have only got page 23, Senator.

Senator CAMERON: I have one that you did not pick up. On page 22 you said that to do McClure—and I am paraphrasing here—you would have to work around a much simpler system, a much simpler policy framework, and that would be very difficult to implement under the current framework. That is basically what you indicated.

Ms Campbell: Yes, Senator.

Senator CAMERON: You then went on to say that you could not advise the government that it would be a sensible decision to do a completely new framework in that system, meaning the ISIS system.

Ms Campbell: Yes, Senator.

Senator CAMERON: You said it would be better to build a new system where the integrity of the data was assured.

Ms Campbell: Yes, Senator.

Senator CAMERON: You said on page 23, the one that you have got, 'My opinion is that we need to do something about the system now because it is not able to meet the flexibility requirements and it is not a modern system; I worry about some of the risks if we do not take some action.'

Ms Campbell: Yes, Senator.

Senator CAMERON: I am a bit confused that you may have opened the possibility this morning that further bolt-ons or changes to the current system might be an option.

Ms Campbell: Can I clarify what I said this morning?

Senator CAMERON: Yes, please.

Ms Campbell: Big change—it would be much better to invest in a new system to ensure that integrity and flexibility. If there were changes that needed to be made within a six-month time frame or a 12-month time frame, we have some flexibility, as we have had for many years now, to do those, what I would consider, minor adjustments rather than structural adjustments.

Senator CAMERON: You would do some more IT acrobatics, really, getting the system to talk to the other bits—

Ms Campbell: Indeed.

Senator CAMERON: To be able to get from one spot to the other, bend and twist and get there, but you will get there, if it is small changes.

Ms Campbell: It depends on what the changes are. That always forms part of our advice to government about how complex the changes are.

Senator CAMERON: Mr Sterrenberg, do those views remain your views, based on your technical expertise?

Mr Sterrenberg: Yes, Senator.

Senator CAMERON: We have seen the McClure report. I accept that that is a report to government, not a report of government, and the government will need to have a look at that report. Are you still of the view, Mr Sterrenberg, that there would be a three-year time frame between moving from the existing system to the new system?

Mr Sterrenberg: That time was put forward for the build component of the system. Clearly, there is a time frame to do the normal procurement processes that have to go before that. Obviously, there would be discussions with government to choose what parts of new processes they want to put in place.

Senator CAMERON: It is not like going down to Dick Smith and ordering a new computer, is it?

Mr Sterrenberg: No.

Senator CAMERON: The ISIS architecture document that you have given me—thanks for that—shows an extremely complex system. But the system is still working. It is still the workhorse, isn't it, that you indicated before?

Mr Sterrenberg: Yes, Senator. The system is stable.

Senator CAMERON: But it is a workhorse that needs to go out to pasture, doesn't it?

Mr Sterrenberg: Yes, Senator.

Senator CAMERON: To deal with this we really need a new system.

Mr Sterrenberg: Yes, Senator.

Senator CAMERON: Where is the scoping study up to? We have the McClure report. We have a budget coming up. I think you and I spoke about—and maybe Ms Campbell as well—time frames to get this moving and that it was in the context of the budget. Has the report been finalised?

Ms Campbell: The business case has been finalised.

Senator CAMERON: When was that finalised?

Ms Campbell: This month, I think.

Mr Shepherd: In February.

Senator CAMERON: It went to government this month?

Mr Shepherd: The business case was provided to government this month. I can confirm that.

Senator CAMERON: There is no real capacity to implement the McClure report under the current system?

Ms Campbell: Again, with McClure's report to government—depending on what government decides to do—for the entirety, hypothetically, it would not be a good investment and it would be better to do it under a new system. As we deal with government all the time about working on stand-alone measures, they may be able to implement it within the current system, but to do the entirety, we would recommend a new system.

Senator CAMERON: That would still be your recommendation to government, to get a new system?

Ms Campbell: Yes, Senator.

Senator CAMERON: Minister, there is a report in the *Daily Telegraph* on 24 February, quoting you as saying that the program has been described as 'a turbo charged Commodore 64, which will leave the government with at least a billion-dollar bill to replace it' and you said 'the system needed to be urgently updated'.

Senator Payne: I think I said 'turbo charged Commodore 64 with air dams and a spoiler', but yes.

Senator CAMERON: I am just looking at the quotes in the *Telegraph*.

Senator Payne: I know. They did not use the funniest ones.

Senator CAMERON: They did not use the funniest quotes?

Senator Payne: I thought they were funny.

Senator CAMERON: That is the *Telly* for you! Reading that, I am still a little bit confused as to your position on this now. 'Updating' means that you bolt on another spoiler. Do you mean—

Senator Payne: No, I do not mean that.

Senator CAMERON: You do not mean that? So you are as one with the secretary on this?

Senator Payne: Absolutely.

Senator CAMERON: That is good because I was not sure, having read that report. And I would not hold anyone to any supposed quotes in the *Daily Telegraph*, Minister. I am not sure that you have seen it but I think it was with respect to the McClure report, entitled 'The complexity'. Is this a DHS document?

Mr Sterrenberg: Yes, Senator.

Senator CAMERON: When did you prepare this document?

Mr Shepherd: As part of the development of the business case a range of depictions of the current system were produced. There are technical depictions of the system; there are depictions that represent the complexity of payments. The diagram you have in front of you represents the complexity of payments.

Senator CAMERON: Who decided to put documentation from the business case in the public arena?

Ms Campbell: We provided that information to the Department of Social Services. It is probably a question best directed to them.

Senator CAMERON: This is the one that Senator Payne described as the 'candy crush'?

Senator Payne: That has been attributed to me, Senator.

Senator CAMERON: That has been attributed, yes. It does look like it, I must say. Is the rest of the business case publicly available, Minister?

Senator Payne: No. It is advice to government.

Senator CAMERON: It is advice to government. But some parts may come out?

Senator Payne: It is a matter for the government, Senator. It is advice to government.

Senator CAMERON: Minister, what is your understanding of the situation now about a replacement? Where do you see that being up to?

Senator Payne: As indicated by Mr Shepherd, Mr Sterrenberg and the secretary, the business case has been provided to government this month and that matter is now under consideration by the government. As we have indicated prior to these hearings, it is also a matter under consideration in the budget process.

Senator CAMERON: What would be the scope of training required for staff to move to a new system? You must have looked at this.

Mr Shepherd: I cannot talk about the specifics of the content of the business case, but as you would be aware, DHS has had significant experience over the past three or four years in training staff and helping staff to both use our systems and help customers to go digital.

Senator CAMERON: That is helpful. So they are trained up on the Commodore 64. What I am asking is what is—

Senator Payne: They are actually on their own smart phones.

Senator CAMERON: Actually, would it be fair to say, Mr Sterrenberg, that it might take more skill to handle the Commodore 64 than the new system? Seriously, would that be—

Mr Sterrenberg: Yes.

Senator CAMERON: As Ms Campbell said, you change one part of the system as it is now and it affects other parts because someone who has long gone has programmed some piece of script into the system and it affects another part. So it is extremely complex.

Mr Sterrenberg: Yes.

Senator CAMERON: Is the system an impediment to ensuring that people that want to do damage to this community are kept under proper watch?

Ms Campbell: No.

Senator CAMERON: That is good. That is helpful. You did indicate to me, in October, that you would be raising the issue of local content with the department of industry. What discussions have taken place on that?

Mr Shepherd: Can I just clarify your question? Was that in relation to the question you asked about consultation with the department of industry?

Senator CAMERON: Yes.

Mr Shepherd: There has been consultation with the department of industry. We have met with them twice.

Senator CAMERON: So you have met them twice.

Mr Shepherd: Yes.

Senator CAMERON: Was this after I raised it in the Senate estimates?

Mr Shepherd: They actually participated in a workshop too about the design of the business case and we have had subsequently two additional meetings with them.

Senator CAMERON: When was this participation?

Mr Shepherd: I can get this on notice to you, but the initial discussions with that department in its portfolio were almost two years ago when the business case started. They participated in a cross-agency workshop in December and there have been two officer-to-officer specific discussions with the department of industry.

Senator CAMERON: What is an across-agency workshop?

Mr Shepherd: Sorry?

Senator CAMERON: What is an across-agency workshop?

Mr Shepherd: Agencies come together to help contribute to the design of the business case for this program.

Senator CAMERON: They actually participated in designing the business case?

Mr Shepherd: As you would know, we make payments across multiple agencies, some 20-plus agencies. They each have a stake in the design of any new system.

Senator CAMERON: When was that across-agency?

Mr Shepherd: I think it was 16 December, but I am going to defer to Ms Bennett for that.

Senator CAMERON: Which year?

Mr Shepherd: Last year.

Senator CAMERON: 2013?

Mr Shepherd: Yes. In addition to the one-on-one agency discussions we had almost two years ago, I joined Mr Sandison my colleague on those one-on-one discussions.

Senator CAMERON: What was discussed in the two meetings with the industry department?

Mr Shepherd: Given the issue is with government, I can outline the process. The process included thinking about aspects of the business case, what would be required, any replacement of the ICT systems, and what agency needs were. Those were gathered, collected, analysed and placed into the business case, which has now formed advice to government.

Senator CAMERON: What about the specific issue of local content?

Mr Shepherd: Sorry?

Senator CAMERON: You have a document there. Do you want to read that out?

Mr Shepherd: In terms of the content with the Department of Industry and Science specifically, we talked about the program's impact on the Australian ICT industry. I think that was the key question that you asked. We talked about the status of vendors in Australia. We talked about the government's policy in relation to ICT small-medium enterprise participation and procurement policy.

Senator CAMERON: What is this document you are reading from?

Mr Shepherd: These are my points around that—

Senator CAMERON: They are your points, are they?

Senator Payne: Yes, they are.

Mr Shepherd: meeting.

Senator CAMERON: How come the minister passed them down to you?

Senator Payne: We are very sharing, Senator.

Ms Campbell: I think he has got some in his pack.

Senator CAMERON: He has got his own too, has he?

Senator Payne: I think your little paranoia is slightly off target this time.

Ms Campbell: The minister was quicker to get to them than we were.

Senator CAMERON: The minister was quicker to get to them, was she?

CHAIR: Just a couple more questions.

Senator CAMERON: Where are you up to now with the department of industry?

Mr Shepherd: In terms of process, we wait for a decision of government.

Senator CAMERON: So nothing now until the decision comes out. So you are not sure when a decision could be made. It may not be made.

Mr Shepherd: It is actually for government.

Senator CAMERON: You are saying a decision may not be made; is that correct? It may not be made?

Ms Campbell: Senator, it is an issue before the government.

Senator CAMERON: All right. All I am trying to engage with is to make sure that, if and when a decision is made, Australian industry has got an opportunity to participate. That is fundamentally where I am coming from.

Senator Payne: We are very clear on your views on that.

Senator CAMERON: Does that coincide with your views, Minister?

Senator Payne: Indeed, and the government's procurement policy in relation to small and medium enterprises in the ICT space is also a useful template.

Senator CAMERON: That is excellent. So we should see some local content in this new system?

Senator Payne: I am not in the business of making predictions about matters that are decisions for government.

Senator CAMERON: Thank you, Chair.

Senator REYNOLDS: Just one question of clarification further to Senator Cameron's inquiries: given his obvious enthusiasm and interest in this project, I am presuming that he and his colleagues, when they came into government seven years ago, leapt straight onto this project and implemented some solutions. I am just wondering if you could give me a quick overview—perhaps the minister or the secretary—of the history of this project.

Senator CAMERON: You are leading with your chin.

CHAIR: I will allow her to ask the question.

Senator REYNOLDS: When did it actually start, in substance?

Ms Campbell: The business case was funded in the 2013-14 budget to look at the review.

Senator REYNOLDS: The 2013-14 budget—not 2007, 2008, 2009, 2010 or 2011? It started in 2013. So this project started—

Ms Campbell: Yes, the replacement project.

Senator REYNOLDS: Thank you.

CHAIR: It does not sound like you have—

Senator REYNOLDS: Not a lot of action.

Senator CAMERON: I have a follow-up question on that. Is it true that the Howard government, Mr Sterrenberg, locked us into this system for 10 years in 2014? Is that correct? That is the evidence you gave previously.

Ms Campbell: In 2004 there was a contract signed for the software.

Senator CAMERON: For 10 years.

Ms Campbell: For 10 years.

Senator CAMERON: What was the value of that?

Ms Campbell: I do not have that with me. I will check whether Mr Sterrenberg has got it.

Mr Sterrenberg: I do not. We can take it on notice.

Ms Campbell: We will take it on notice.

Senator REYNOLDS: Locking in a contract is very different from starting scoping work and for the next generation to be ready at the end of a contract. So I would have thought it was a very different time frame.

CHAIR: Thank you. As much as I am enjoying the back and forth, Senator Smith has been waiting. I will go to Senator Smith.

Senator SMITH: I understand that the government has recently opened a joint—if that is the correct word—Medicare-NDIS office?

Ms Campbell: Yes.

Senator SMITH: In New South Wales.

Ms Campbell: Yes.

Mr Tidswell: We have opened a facility in Charlestown in Newcastle with the NDIS, so their quite large and bright new shiny facility in Charlestown. We managed to put in place a servicing point for Medicare servicing. Previously that was located in quite a dingy back area in a small shopping centre adjacent to the new site. We put it in the front of that NDIS facility so at one point you can do your Medicare servicing and, if you are going there as a client of the NDIS, you can receive services in one stop. It is working very well. People are liking it, not only the individuals themselves but also the carers. It makes it convenient. It is certainly something that we are going to do more of. It looks to be a good approach to joint servicing.

Senator SMITH: Why did we choose the New South Wales location over perhaps other options? Were there other options?

Mr Tidswell: We are in the mix now—

Senator Payne: It is the beginning of the process.

Mr Tidswell: It is the beginning of the process, as the minister said, of looking right across all of our property holdings with NDIS. I suspect we will be coming back to this committee with more information about our proposals as we work hard with our colleagues in the agency and the NDIS to get joint property arrangements. Those conversations are happening as we speak. It is the first of many.

Senator SMITH: When did the doors open, so to speak?

Mr Tidswell: I do not have that. Minister Fifield opened it.

Senator Payne: I think the middle of last year was when the doors opened, in general terms. A more formal opening was held some short time after that to give everyone time to settle in.

Senator SMITH: Do we have an indication of the sorts of numbers of people that are accessing the joint office?

Mr Tidswell: I am not sure if I have that with me.

Senator Payne: We do not have those NDIA figures with us. In terms of the Medicare system, Mr Tidswell may have those; I am not sure.

Mr Tidswell: No, I do not have them, unless somebody behind me has got that. I certainly do not have that in my folder. We can take that on notice, Senator. We can get that back to you pretty quickly, actually. I just do not recall. I keep a bunch of figures in my head but not the individual—

Senator SMITH: Of course, the benefit for the customer is they can access both the NDIS service at the same time as accessing Medicare.

Mr Tidswell: Absolutely. It is working very well. Our staff love it. The NDIS staff love it. As I said, the clients themselves think it is a great thing. We met a few of those. Their carers in particular and parents are particularly happy with the approach.

Senator SMITH: It is the first.

Mr Tidswell: That is right.

Senator SMITH: Are you able to share anything about other locations that might have been approved or are under consideration?

Mr Tidswell: There is a major piece of work underway with the agency to look at all their strategic property needs right across the country. We look at our assets, where we need to be and opportunities for co-locations and sharing sites. It is a great thing for government to be able to do this.

Senator SMITH: Thanks.

CHAIR: Senator Siewert.

Senator SIEWERT: Thank you. You might need to take this on notice. Do you have figures on how much it costs to administer each allowance—so how much it costs to administer Newstart and Youth Allowance?

Ms Campbell: We have a funding model with the Department of Finance where we are allocated a certain amount per customer on a certain allowance. I do not have that information with me. We could take that on notice.

Senator SIEWERT: If you could take on notice then how much it costs to administer for a person on Newstart, Youth Allowance, carers payments and DSP.

Ms Campbell: We will tell you what we are given to do it. Is like an average, a unit cost. That is what we can provide.

Senator SIEWERT: I notice the difference of what you have just said. Do you do analysis then on how much it actually costs?

Ms Campbell: We did that a couple of years ago when we updated our model. We will do it again in the future. It is not something we do all the time because it would slow us down in carrying out the work. We work on the costing and then we update it every couple of years when we go back to renegotiate the model with the Department of Finance.

Senator SIEWERT: So then the question is: the amount that you calculated last time—do you have that, or do you have to take that on notice as well?

Ms Campbell: I do not have that with me. We will give you that on notice.

Senator SIEWERT: Is there a difference between what you have calculated and what you get from the department?

Ms Campbell: We negotiated with them. We were happy with the outcome—we would always like more money from the Department of Finance, but that is not usually forthcoming—and it was something that we worked out unit prices on. It is like the average customer; we work it out on how many times they come in on average. Clearly, we are going to have customers who have much greater needs and come and see us more often. They would cost more versus those who do not come near us very often. The average is what we get.

Senator SIEWERT: All you actually have that you can give me is the cost that you calculated—

Ms Campbell: A couple of years ago.

Senator SIEWERT: a couple of years ago and what you are getting now.

Ms Campbell: Yes.

Senator SIEWERT: Do you get indexation? First of all, though, how do you calculate it?

Ms Campbell: I cannot recall whether it is indexed or there is a base amount that is indexed. We will take that on notice as well.

Senator SIEWERT: If you could.

Ms Campbell: And then we come back to do a review. I think the review is in 2017-18.

Senator SIEWERT: Thank you. It would be appreciated if you could take it on notice. So 2017-18. When did you last do it?

Ms Campbell: Was it last year or the year before? 2013-14, 2014-15, 2015-16, 2016-17, and then we get a new one in 2017-18.

Senator SIEWERT: So that is what, four?

Ms Campbell: It is about a four-year cycle, a forward estimates cycle.

Senator SIEWERT: If you could take that on notice it would be appreciated. Do you keep figures on people that apply—I am thinking of Newstart in particular—whose assets are above the threshold?

Ms Campbell: I believe we do; those people that we reject. Yes.

Ms Golightly: I think we do record that as a reason. But we will check.

Senator SIEWERT: Could you take that on notice—if you do, obviously, and, if you do, how many?

Ms Campbell: Yes.

Senator SIEWERT: Can you take this on notice: how long does it take people to use up their assets and come back on? I know that is a bit difficult, because people have different levels of assets.

Ms Campbell: There is a liquid waiting asset period which identifies if someone is likely to be going onto payment and that they have these liquid assets. There is a set of criteria around those. We work that out upfront, depending on how much money it is, how long before they will be able to go onto payment. We could provide some information on that.

Senator SIEWERT: That would be much appreciated. I have one last area of questions. Do you keep any records on the number of people on Newstart or DSP, the various allowances, who are disconnected from essential services like energy? Do you keep any records, or is there any way of knowing the number of people who are disconnected? Anecdotally I am getting a lot of reports of people having their energy disconnected.

Ms Campbell: We do not capture that information.

Senator SIEWERT: I know there are supplements. If people come to you and say, 'I have had my electricity disconnected', what additionally can you do to help?

Ms Campbell: What we can work through with them is advance payments, if they are eligible, and also offer Centrepay, which is a way of deducting some of those regular expenses before the payments are made. We can often work with the customer about ensuring that, once they can get back onto energy and the like, they have a way of making those payments regularly. That is more of an insurance policy about getting cut off again.

Senator SIEWERT: Are you able to provide any data on the number of people who have come to you seek those advance payments related to energy?

Ms Campbell: No, I do not think we would have that specificity.

Senator Payne: It would just be an advance payment as opposed to—

Senator SIEWERT: So you do not keep—

Senator Payne: In relation to purpose, no.

Senator SIEWERT: Thank you.

Senator Payne: Although there are a number of levels which need to be met. 'Hardship' has some specific legislative requirements.

Senator SIEWERT: Yes, to be able to receive it—I understand that. Energy, I presume, is one of those—access to essential services like electricity?

Ms Golightly: It is general hardship—

Ms Campbell: It is general hardship; if people are in hardship and need some money to meet whatever the hardship element is, then they are assessed against that criteria. There are only so many advances per payment, and they need to meet those requirements as well.

Senator SIEWERT: Thank you.

Senator REYNOLDS: I would like to move on to natural disasters. Given we have had two cyclones recently, it has been my observation that emergency services and the defence forces, quite often the first responders, get the most attention in terms of the work they do—the fabulous work they do. I know your department has a significant role to play, not only up front but there would obviously be a lead time in these various disasters. Could you explain to the committee what your role is, and your staff's role, in natural disasters.

Ms Campbell: I will ask Mr Tidswell to take us through this one.

Mr Tidswell: Shortly after the Deputy Prime Minister made some announcements for payments for individuals, we stood up some capability in Yeppoon and Rockhampton on Sunday afternoon, about 2 pm, and deployed staff into recovery centres in both Yeppoon and Rockhampton. On top of that we stood up our phone lines, so we have staff who work 24/7 in Geelong. Those staff were activated to take phone calls immediately upon activation. Then we put up our online claim and established the parameters to make the disaster recovery payment for the Australian government to those individuals and families affected.

We probably have about 300 people now working solely on this—taking calls, processing claims, being in the recovery centres. Also we have activated people in the Northern Territory who are in some of the communities most profoundly affected. We are working with the NT government to assist them with the work they are doing in that area. We have made a number of claims already. As of last night we have processed about 1,430 disaster recovery payments, to the sum of \$1.86 million. That money should start flowing into people's bank accounts as we speak. Quite often, if we know the customer and they can provide evidence of being impacted by the very serious events, we can make payments very quickly. These are the payments arrangements for Cyclone Marcia, the Queensland event.

Senator REYNOLDS: In light of that, going into a region you would sometimes have business continuity issues which would complicate your response?

Mr Tidswell: Absolutely. We had to source generators. As you can imagine, these are not the normal generators you put next to your caravan; they are serious generators. It is challenging for us because you have to figure out how to configure the right electricity supply for air-conditioning, computing and the size of premises.

We have been running on generators pretty much since then. I do not quite have an up-to-date whether we are all back on mains power everywhere. But absolutely, our staff—they are members of these communities—were impacted. So there are people cleaning up yards and doing stuff. They then put their work gear on and come to work on Sunday afternoon to staff these facilities. We have also sent our mobile service unit—it was in Longreach—down south. That started servicing in communities as of Tuesday this week. That will work its way around to those more isolated communities where it might be more difficult for people who are concentrating on clean-up and other things to assist and provide services.

Senator REYNOLDS: I would imagine from your perspective—sadly you have had a lot of practice in this area—that it is still a complicated activity to coordinate effectively, centrally and then also on the ground, particularly if you have two going at once. What are some of the complexities? Do you have a disaster relief manual with procedures that you go through fairly quickly, mobilising people?

Mr Tidswell: Absolutely. It is unfortunate that those in northern Queensland are very good with this because they have experienced so many of these disasters. We have a well-oiled machine. Our people are able to be deployed 24/7. We have good contact with the key partner agencies in Attorney-General's. They give us the information and provide us the detail about the activation and determinants. We are then able to, very quickly, galvanise teams of people back in Canberra who build the online claims, build the work-flows, get the material put on the website and make sure the whole thing runs as smoothly as possible. So we are pretty proud of this.

Senator REYNOLDS: It sounds a bit like a military operation.

Mr Tidswell: We have learned a lot from the military, actually. Quite often we work closely—

Senator REYNOLDS: Closely with all the agencies.

Mr Tidswell: with the military when we need extra help, particularly if there is a profound outage of telecommunications and electricity supplies. They have helped us enormously in some events.

Senator REYNOLDS: In Queensland you now have the teams deployed. They are making payments and providing the services and support. How long you would expect this operation to continue out in Queensland?

Mr Tidswell: Our goal always is to get into this as quickly as we can. What we try to do is bring people in. We have an emergency reserve staff that we can call on. These are people who are on short notice and short lead times to be able to leave their family home from around Australia. We tend to do this more on a Queensland basis for that event. Our modus operandi is to try and deploy as many people as we can afford to get on top of the job, provide the assistance, provide the help and then retreat back into our normal service presence. So we have service centres in Yeppoon and Rockhampton.

Senator REYNOLDS: What is the lead time? In terms of starting to draw down people, are we talking a week, a month, two months? What sort of time frame?

Mr Tidswell: It does depend on the size of this event. We are pretty good at getting a sense of what the claimant numbers will be—1,430 already granted in terms of the Queensland event. We would think we are about halfway through that event in that sense. So in the next week or so we will start to look at our service presence: do we still need to be in recovery centres, negotiating that with the Queensland government? Do we need our telephone to be operating from 8am to 8pm seven days week or can we moderate and move back in that area?

Senator REYNOLDS: But it is safe to say it is quite a long day for a big event; it is quite a long time.

Mr Tidswell: Yes.

Senator REYNOLDS: So not only is there the challenge of dealing with people who have been impacted—and quite often it will be your own staff as well—needing disaster relief payments, but you have all of the other payments and all of the other clients who still need to be looked after during that time.

Mr Tidswell: Absolutely. These things hit hard and do have—to coin a phrase—downstream impacts in that sense. Often the general, normal 'business as usual' activity for us gets busier in that time as well. We do look at providing those staff teams with extra assistance and support from other parts of the country. But our aim is to get in as quickly as we can, provide the assistance, go where the Queensland government, in this instance, have gone—to their recovery centres—work closely with them, and look to where there are other pockets of issues and problems. There always is with these things. Certain communities get hit harder than others and respond.

Senator REYNOLDS: In very difficult and challenging circumstances, particularly initially on the ground.

Mr Tidswell: That is right.

Senator REYNOLDS: If you could pass on my congratulations—and, I am sure, the congratulations of all of us—on the great work your staff do. They are not always as well recognised as other emergency services personnel, but they are obviously doing a fantastic job; so thank you.

Mr Tidswell: Thank you.

Senator CAMERON: Support a decent wage rise for them!

CHAIR: If you had not blown the budget, Senator Cameron, there might be more money for wage rises. Senator Cameron and Senator Siewert still have some questions. We are due to finish at 12.30. I will go to Senator Cameron, then Senator Siewert and I will finish with a couple of questions.

Senator CAMERON: Thanks. Minister, can we get a debrief on how tropical cyclone Marcia was all handled and what issues arose, if any?

Senator Payne: Here and now?

Senator CAMERON: No—I am asking for a briefing.

Senator Payne: Yes, of course.

Senator CAMERON: Do you know how many additional staff were placed in the Fitzroy region for this incident? You can take it on notice.

Senator Payne: We will take it on notice and get back to you.

Senator CAMERON: I note that the disaster payment determination only covers major damage to the residence and serious injury. That is different from previous disasters, is it not, up until the Blue Mountains fires?

Ms Campbell: I will get someone to check, but I think there were other disasters with that same criteria—some flooding, or something.

Mr Tidswell: Certainly, as we talked about in this committee previously, the Blue Mountains bushfires marked the establishment of the 'severely affected' criteria. I think we have given evidence before that a whole different range of criteria was used in previous events. I think we provided evidence about some case-by-case determinants. It was not a blanket kind of thing in that situation.

Senator CAMERON: For the Victorian bushfire and the Tasmanian bushfire, if you could not get access to your principal place of residence for at least 24 hours or were stranded for 24 hours, or had no electricity or gas or sewerage services for 48 hours there was a payment?

Mr Tidswell: I think we have been here before. I need to have determinations for each event in front of me. I do not have them going back to the Victorian bushfires of 2009.

Senator CAMERON: Are you trying to tell me seriously that in your position you cannot answer that question? If that is the case, that is fine.

Mr Tidswell: I want to make sure I give you the exact answer.

Senator CAMERON: That's fine. Minister, in regard to the issue of the 48 hours and the 24 hours—the previous outcome—you indicated for many, many weeks, even months, that in the Blue Mountains the reinstatement of that was under active consideration. Nothing came of that. Is there any active consideration of providing some benefit to those in the Fitzroy region who have lost power, who have lost gas, who have had expenses outside their own control? Is there an active consideration, or should we just tell them they are not getting it?

Senator Payne: The declaration made by the Minister for Justice, if I recall correctly, which you obviously have seen, sets out the criteria upon which the government is intending to provide support. I do not understand there to be any changes to that declaration.

Senator CAMERON: You did personally indicate in a public way, on a number of occasions, in the Blue Mountains that consideration would be given to extending the payment in the Blue Mountains, regardless of the ministerial position. That is correct, isn't it?

Senator Payne: You asked me about the cyclones in Queensland.

Senator CAMERON: No, I am asking you about the Blue Mountains now.

Senator Payne: I see. So you have changed.

Senator CAMERON: Yes. In the Blue Mountains you said there would be active consideration—

Senator Payne: We had this discussion before. Yes.

Senator CAMERON: You failed to deliver. That is fine. Can I now move to the *Four Corners* report of last week.

Senator Payne: Of this week.

Senator CAMERON: Monday, yes. It seems like a long time ago.

CHAIR: You will have a fairly short period here, Senator Cameron, because I know Senator Peris also has just a minute or so, as well as Senator Siewert.

Senator CAMERON: Let me put my questions. All I can do is put them on notice then.

CHAIR: If you would like to, that would be fine.

Senator CAMERON: In terms of the *Four Corners* report, I will ask this on the record: what steps has DHS taken arising from the allegations of impropriety with people that you engage with, that is, Job Services Australia? Have you done anything on this?

Ms Campbell: Can we just clarify, the Department of Employment has the main engagement with Job Services Australia.

Senator CAMERON: But you have engagement with them, don't you?

Ms Golightly: The contract, though, for the services they provide is with the Department of Employment.

Senator CAMERON: I am not asking about the contract. You have an engagement with them, don't you?

Ms Golightly: We refer people to Job Services Australia. We act on participation reports, for example.

Senator CAMERON: Are you still referring people to the job service groups that were indicated to have rorted the system? Are you still sending them there?

Ms Golightly: Yes, because it is allegations at this point.

Ms Campbell: We will await guidance from the Department of Employment on that matter because it will be up to them, as the contract owners, on those issues.

Senator CAMERON: Thanks. Can I move to enterprise bargaining.

CHAIR: About two minutes, Senator Cameron.

Senator CAMERON: I noticed that you issued your revised staff pay offer. You have abandoned any pretence that productivity is going to be an issue in the bargaining. At least that is a bit honest. This revised pay offer might be a Mr Jongen special again. It said that if the department does not meet its workforce profile ratio target each year this will affect the annual pay increases, mostly in the late years of the agreement; correct?

Ms Campbell: Yes. That is what is on the table at the moment.

Senator CAMERON: How do your employees have any capacity to influence that ratio?

Ms Campbell: We have received significant feedback as part of the bargaining process and other communication we have been having with staff. We hear that message that is coming back. This is something that was within the framework as provided by the Public Service Commission. We will be engaging with the Public Service Commission on that.

Senator CAMERON: This is a John Lloyd special?

Ms Campbell: This has been part of the original framework. This is how we structured our offer. We are hearing back from staff their concerns on this and we are looking at the matter.

Senator CAMERON: Do you agree—I am asking you the question—that your staff have got absolutely no way they can influence this ratio?

Ms Campbell: It is very difficult for individual staff to do that, to influence the ratio, and we are taking that message on board and going back and looking at the agreement. That is what the bargaining process is about. We talk to people. They provide us feedback. We go back. And we are bargaining in good faith.

Senator CAMERON: You are bargaining in good faith, are you?

Ms Campbell: Within the framework.

Senator CAMERON: But you are not allowed to offer those workers in Queensland any increase over and above the pattern that has been established. So you cannot bargain in good faith.

Ms Campbell: This is the second agreement that we have bargained since the department has been brought together. We had a framework in the first agreement. We had a framework for the second agreement. We live within the framework. That is our role.

Senator CAMERON: Can you provide me, on notice, details of your productivity measures that you are looking at? How those productivity measures can be affected by the staff is on notice. I want you to delineate cost cutting from real productivity. Can you give me your definition of productivity?

Ms Campbell: We will give you the definition according to the Australian government framework. We will provide you the information as per that framework.

CHAIR: This will have to be the last one.

Senator CAMERON: Do you agree that you suspended negotiations?

Ms Campbell: No I do not. Suspended?

Senator CAMERON: Suspended.

Ms Campbell: I do not think we suspended.

Senator CAMERON: What did you do?

Ms Campbell: I think we were working with our bargaining representatives. We put some material on the table. My understanding is that we then went to Fair Work. Ms Talbot can take you through the details of what we did.

Ms Talbot: Obviously we went to the Fair Work Commission. After that we then continued to have conversations about the agreement. We provided a further revised working draft agreement.

Senator CAMERON: The question is: did you suspend or not suspend?

Ms Talbot: No, we did not suspend negotiations. We made it quite clear—

Senator CAMERON: Last question. You are getting feedback from your staff. You must be getting feedback that they are not prepared to accept cuts to their standard of living through the CPI position and they are not prepared to accept cuts in relation to their conditions. How are you going to deal with that inevitability and that reality?

Ms Campbell: We continue to negotiate with staff within the framework as provided.

CHAIR: We will leave that there. Senator Peris.

Senator PERIS: I was going to ask the minister if I was able to get an emergency briefing on the current situation in the Northern Territory with Cyclone Lam.

Senator Payne: Yes.

Senator PERIS: When would I be able to—

Senator Payne: Do you want to negotiate diaries across the estimates table?

Senator PERIS: No.

Senator Payne: We will be in touch with your office.

Senator PERIS: Thank you.

CHAIR: Thank you, Senator Peris. Senator Siewert, for just a few minutes.

Senator Payne: If we may, we have one point of clarification for the record.

CHAIR: Certainly. Mr Hutson.

Mr Hutson: I just wanted to correct the \$565,000 that we were speaking about with Senator Xenophon.

Ms Campbell: In the child support case that Senator Xenophon had raised.

Mr Hutson: Those expenses were just external to the department.

CHAIR: Thank you. Senator Siewert.

Senator SIEWERT: I want to go to the issue of the independent assessment that you are now using for people with disabilities.

Ms Campbell: The medical doctors.

Senator SIEWERT: The medical doctors, sorry. That has been implemented from 1 January; is that correct?

Ms Campbell: Yes.

Senator SIEWERT: How many people have been now assessed through that process?

Ms Campbell: There is someone coming to give you that now.

Ms Golightly: I am sorry, I did not actually hear the last part of the question.

Senator SIEWERT: How many new people have now been assessed through that process—it is a double bang one, this one—and also is it being used for the review process that is going on?

Ms Golightly: In terms of the first part of your question, there is only a certain cohort of people who are in scope at this stage.

Senator SIEWERT: Can we go back to the in scope in a minute?

Ms Golightly: We are introducing it in a phased way. As of 25 February we had received 673 new claims for those people who would be in scope. Those claims are in various parts of the process.

Senator SIEWERT: How many of those have actually been assessed by the independent medical process?

Ms Golightly: The process is that they are first tested for base eligibility, residency, all that sort of thing. Then they have to go to a job capacity assessor. After that they go to, if they need to be reviewed on medical grounds, the government-contracted doctor. We need the records, of course, from their medical provider. At this point in time there has only been a small number of that total that have made it through to that end of the process.

Senator SIEWERT: They actually go through the job capacity process first?

Ms Golightly: First, yes, basic eligibility test first, like residency and that sort of thing but then job capacities.

Senator SIEWERT: So not everyone is going through the independent assessment?

Ms Golightly: No. Only if they have made it, I suppose, past the other barriers.

Ms Rule: The disability support pension has a rejection rate of about 60 per cent. We are trying to get people through the job capacity assessment process first, so we are only referring through to the government-contracted doctor once they have already been through some of the other assessments so that we are using the resources in the most efficient and effective way.

Senator SIEWERT: In other words, they are found not to have what?

Ms Rule: The job capacity assessment assesses the person's level of impairment against the impairment tables. There is a high rejection rate once we assess people against those impairment tables that we find they are actually not qualified for DSP. So it is only if they qualify against the impairment tables that we then refer them on to check that they are medically qualified.

Senator SIEWERT: We send them through another—

Ms Rule: What that means is that we are looking to see whether their medical condition is fully treated, diagnosed and stabilised.

Senator SIEWERT: How many people of the 673 that have applied have been through the job capacity assessment and then gone for independent medical assessment?

Ms Golightly: I think we have got around 20-odd people who have got through to that stage and have either just had their medical assessment or have booked in to have their medical assessment.

Senator SIEWERT: What does 'in scope' mean, when you say you are staging this through?

Ms Golightly: For the first part of the first phasing we are starting with people who are under 35 and in capital cities. We will gradually ramp that up. By the end of June it will apply to all.

Senator SIEWERT: New applicants?

Ms Golightly: New applicants, yes.

Senator SIEWERT: What about the 35-year-olds that are in that new process?

CHAIR: This is the last question, so please answer that. I have one question. Senator Cameron has one very brief question. We will allow the answer.

Ms Rule: The measure came into effect on 1 January. So any new claimant after 1 January who is in scope—that is, under 35 or in capital cities, is subject to the new process.

Senator SIEWERT: Thank you.

CHAIR: Very directly.

Senator CAMERON: On this issue of the DSP review, has DHS followed up on any of the recipients who have been moved from support pension to Newstart in terms of what that implication is for their capacity to keep a roof over their head, meet their bills, meet their payments? Has any of that been done? The feedback I am getting is that there are people with intermittent mental issues who are now on the street because of this review. Is that true?

Ms Golightly: The support that we provide anybody on any payment is the same. If someone is having difficulty they are able to come to us. We talked about advanced payments, for example, before. We do not have a register of people that—

Senator CAMERON: So you assess. You cut them off DSP, they go to Centrelink and then you wash your hands of it. That is ridiculous.

CHAIR: We have run out of time. He was making a rhetorical point and perhaps it is better not to respond to rhetorical points. Very briefly, we had the opening of the one-stop shop in Woden recently, which was excellent. The staff were excellent. Thank you for that. I did have a bit of feedback around people not necessarily knowing where it is. It is a bit past the interchange, and some elderly Canberrans fed-back on the radio that day. In terms of the signage—maybe it is not so much signage, maybe it is advertising generally for people to know. If I can feed that back and that can be taken into account to make sure that people do know where the one-stop shop is.

Senator Payne: Thank you.

CHAIR: Otherwise I was very, very impressed with the staff. They were excellent.

Senator Payne: Thank you.

Senator SIEWERT: Can I ask one clarifying question about a number? That is all I need.

CHAIR: If it is a number, go, very quickly.

Senator SIEWERT: Of the 673 people in scope how many were under 35?

Senator Payne: All.

Ms Campbell: They are all under 35.

Senator SIEWERT: Thank you.

CHAIR: Thank you, minister, thank you, Ms Campbell and all of your staff. We will now break for one hour. We will be back at 1.30 with DSS.

Proceedings suspended from 12:30 to 13:29

Department of Social Services

CHAIR (Senator Seselja): I declare open this afternoon's session of the Community Affairs Legislation Committee. The Senate has referred to the committee the particulars of proposed additional expenditure for 2014-15 and related documents for the portfolios of Health and Social Services, including Human Services.

The committee is due to report to the Senate on 17 March 2015 and it has fixed 17 April 2015 as the date for the return of answers to questions taken on notice. Senators are reminded that any written questions on notice should be provided to the committee secretariat by close of business on Friday, 6 March 2015.

Committee proceedings this afternoon will begin with its examination of Social Services, commencing with cross outcomes, corporate matters and grant programs. Under standing order 26 the committee must take all evidence in public session. This includes answers to questions on notice.

I remind all witnesses that in giving evidence to the committee they are protected by parliamentary privilege. It is unlawful for anyone to threaten or disadvantage a witness on account of evidence given to a committee and such action may be treated by the Senate as a contempt. It is also a contempt to give false or misleading evidence to a committee. The Senate, by resolution in 1999, endorsed the following test of relevance of questions at estimates hearings:

Any questions going to the operations or financial positions of the departments and agencies which are seeking funds in the estimates are relevant questions for the purpose of estimates hearings.

I remind officers that the Senate has resolved that there are no areas in connection with the expenditure of public funds where any person has a discretion to withhold details or explanations from the parliament or its committees unless the parliament has expressly provided otherwise.

The Senate has resolved that an officer of a department of the Commonwealth shall not be asked to give opinions on matters of policy and shall be given reasonable opportunity to refer questions asked of the officer to superior officers or to a minister. This resolution prohibits only questions asking for opinions on matters of policy and does not preclude questions asking for explanations of policies or factual questions about when and how policies were adopted.

I particularly draw the attention of witnesses to an order of the Senate of 13 May 2009 specifying the process by which a claim of public interest immunity should be raised. Witnesses are specifically reminded that a statement that information or a document is confidential or consists of advice to government is not a statement

that meets the requirements of the 2009 order. Instead, witnesses are required to provide specific information on the harm to the public interest that could result from the disclosure of the information or the document.

I now welcome Senator the Hon. Mitch Fifield, representing the Minister for Social Services, the departmental secretary, Mr Finn Pratt, and officers of the Department of Social Services. Minister, do you wish to make an opening statement?

Senator Fifield: No, thank you.

Senator MOORE: We had a meeting earlier this week, as you know, Minister, that gave us some information about how questions on the grants process were going to operate this afternoon, and also how we were going to try to look at what we are going to do. We are going to try as hard as we can to keep all the grants questions together. We may fail in terms of the process, but we are going to try to do that.

At that time we were told there could be some more documentation available to us by this afternoon. In the interim we have received an updated diagram. We also got some information on income management. To the best of my knowledge they are the only two pieces of information we have received since that afternoon and today. Is that correct? We were hoping we were going to get some more information about what grants had been finalised—a list of what contracts and grants had been finalised. We know, and we will get it on record straightaway, that the closing date for the final contracts in this round to be signed off is tomorrow and that there may be a number of people who have not returned their contracts and have until tomorrow to do it. We are aware of that fact.

I went away the other afternoon with the opinion that there could well have been some more information available by today, on the basis that a significant number of people had already signed their contracts. I want to clarify whether I went away with a wrong perception or whether there is something else that needs to happen.

Mr Pratt: Good afternoon, Senator. Yes, we do have some additional information for you, which we will seek to table now.

Senator MOORE: That would be good.

Mr Pratt: While that is happening, can I inquire: I understand the intention is that we do all of the grants processing and questions around the grant purchasing exercise in one go. Does that mean that if we are successful in doing that in the next couple of hours during cross outcomes I would be able to release my grants people following that or are we likely to come back to this during the actual outcomes themselves?

Senator MOORE: Mr Pratt, we will do everything we can to fit it in. I cannot guarantee that we will not have supplementary questions. My understanding would be that people could go and we would have to put those on notice. That would be my view, but I cannot speak for everybody on the committee.

Senator McLUCAS: I agree with my colleague, except that if a question arises in the conversation when we are in the outcome and we want to ask a question that is related to a grant, that could be problematic.

Mr Pratt: On that basis we will keep the subset of the grants people here through to the end of outcome 2, which is the after-dinner session tonight.

Senator MOORE: That would be useful.

Mr Pratt: But we might let them go ahead of the Social Security outcome, if that suits.

Senator MOORE: That would be fine.

Senator McLUCAS: Not everybody, just people who may be able to answer those questions.

Mr Pratt: Those who deserve to spend longer in Senate estimates!

Senator MOORE: Exactly.

Senator McLUCAS: You can select those, Mr Pratt.

Senator MOORE: In terms of the process, the kinds of things that would come up would be things that I would expect the senior area managers to know. They could just be technical things that cannot be picked up. For instance, disability advocacy issues and some of the things that happened there with funding could be seen to be under a grant, but we may not get to that in the first area. That is the kind of knowledge we would like to have.

The other issue we talked about was in terms of mapping. Ms Bennett, you will remember that one of the things we asked at previous estimates was around the impact of the grant changes and funding in electorates. We asked that previously and at that stage we could not get information because it was down the process.

On your website and subsequently it has come out quite clearly that most of the grants that I am interested in have come out of the SIEU mapping process and that it would be possible to have a comparison between the

SIEU borders and electorate borders. You would understand that people are interested, in their electorates, as to what money has come in and gone out. Has it been possible to get the information in some way mapped together or not at this time?

Ms Bennett: Not at this time. As we explained when we met the other day, we have had a really good response on executed agreements of over 60 per cent of executed new agreements that went out. As expected there has been a considerable rush in the last few days. We still expect it will take a few days next week because people will be mailing them in. We are dependent on the mail arriving. Then mapping where the new services and new service providers are will be a priority.

Senator MOORE: In terms of timing, Ms Bennett, from the time when we get those finalised, which I understand will be after the close of business tomorrow, in the first round, how long would it take to have that information?

Ms Bennett: It would probably take about two or three weeks. As you know, when the last grants are executed it is a requirement under the program guidelines to publish them on our website within two weeks of the last one being received. We are expecting that this will take about two or three weeks.

Senator MOORE: Two or three weeks from the return of the last—

Ms Bennett: One of the complexities is that an organisation could have been selected to be a provider in an area and yet its business name and its registered ABN could, for example, sit in Brisbane, where it could be a major provider throughout Queensland. We have to take the accepted agreement and then map where those areas are in which they are doing it. So it is not just a computer run of where the address of the organisation is. It is actually then overlaying that into the statistical location areas, placing them in that context and then overlaying that with electorates.

Dr Reddel: Organisations also, notwithstanding that they might sign the agreement at a particular time, have a period of time to determine some of the service coverage issues as part of what we are calling their activity work plan from the agreement. That can take some time. Sometimes it will be an immediate follow-up action to signing the agreement. But it does take some time to determine what their particular service footprint might be. Our state and territory offices are also working with them around how that fits with other organisations that have received funding or existing organisations. Some of that, in terms of being more precise about exactly what location a particular service will be operating in, can take some time, when you work it through on the ground.

Senator MOORE: I understand, Dr Reddel, in terms of getting things up and running, even though it is distressing when there has been such a long delay. What I do not really pick up on is that the organisations have bid and accepted for particular areas of service. I would expect that for the kind of first-line data which we have been seeking, which is about how much funding or resources have gone into a particular area. I would have thought that would mean how much money has been allocated to that particular area. Whether 'Acme Enterprises' gets started on the first week or the third week would not make much difference, but 'Acme Enterprises' has \$15,000 for something in that area. It is the first cut. We would be coming back to you very quickly if we were hearing from people that 'Acme Enterprises' had not started.

Dr Reddel: We can certainly undertake that, Senator.

Ms Bennett: In the sense that, obviously, they have been successful for an area. What this comes down to is that an area might include three or four towns that are near each other and it is about exactly how it is operating right there. For example, if it is families and children, in certain locations there might be a parenting intervention program, there might be a play group. But they have been successful in being allocated an area within an SLA and there is that absolute detail of location. Certainly, with that higher level picture, to know who the provider is within a certain area and for what services, we expect to be able to have that information in about three weeks.

Senator MOORE: As of today can you tell us what is the grant funding that has been allocated for each activity and sub-activity from this diagram? As of now, can you tell us how much has gone into outcome 2, and within that can you tell us how much has gone into the sub-activity components—financial counselling, emergency relief, food relief? Can you tell us how much money has been allocated to each of those subcomponents?

Ms Bennett: We can explain the broad level of offer that has gone to each of those sub-activities. I wish to make a point of clarification. At the time for some programs the initial program guidelines indicated that the contractual arrangements would be for five years. You will have read Minister Morrison's release that some were put in place for five years, but some are now only going to 30 June 2017, due to some redesign issues that we have to address. We can explain through the honeycomb—I can work you through it—what the total up-funding is for those agreements that have been offered. Is that clear?

Senator MOORE: I understand because one of my questions, as you would expect, is: how many grants have gone out for six months as a bridging grant? How many are for two years and how many are for five years? That is the differentiation I am sure we are all wanting to get. From your last explanation, in terms of what was originally allocated for a particular subcomponent, the original budget would have been for five years but it will not have gone out for five years now because of the change that Minister Morrison has made. Is that accurate?

Ms Bennett: Yes. I can explain this, but I cannot provide the bridging funding against that criteria.

Senator MOORE: You cannot provide that?

Ms Bennett: The bridging funding against the program. I would have to take that on notice. Dr Reddel and I can go through the honeycomb and explain which agreements are for how long and the level of funding that has been offered. If we go through the honeycomb, in the subprogram activities, under 'families and children', the children and parenting services, the offers that have been made—

Senator MOORE: I just have to make sure I have got the right honeycomb.

Ms Bennett: It comes under 'families and children' and it is a subprogram under that, 'children and parenting support services'.

Senator MOORE: Where it says '2.1—families and communities program'?

Ms Bennett: Yes. If we work through that honeycomb, would that be helpful?

Senator MOORE: Yes, thank you.

Ms Bennett: Under 'children and parenting support services', the offers totalled \$178.08 million.

Dr Reddel: That is over five years.

Senator SIEWERT: The \$178 million is over the forward estimates, for five years?

Ms Bennett: This is the value of the agreements that have gone out, which are for five years.

Dr Reddel: They are for five years.

Senator SIEWERT: They have been signed, have they not?

Ms Bennett: No, we are saying that is now the total offer. Some have and some have not.

Senator MOORE: Could we get that piece of detail when you deal with the ones that have already been signed and the ones that have not? So these have not been signed?

Ms Bennett: No.

Dr Reddel: Some would have been signed. We can get that.

Ms Bennett: We have explained about 60 per cent of the agreements have been executed. The question I am answering is: what is the total value?

Senator MOORE: There was one group—and we will get to it—that had already been executed before the last estimates, and that was for five years—

Ms Bennett: Yes. I do not have that with me at the moment.

Senator MOORE: That is fine. I want wanted to make sure there was no confusion.

Ms Bennett: I can get that. They were executed in July last year.

Senator MOORE: These ones are part of the current round.

Dr Reddel: Yes.

Ms Bennett: The current round.

Senator MOORE: So \$178.08 million over five years and they will executed by tomorrow.

Ms Bennett: Some have—

Senator SIEWERT: Some may; some may not.

Senator MOORE: That is good.

Ms Bennett: The next that I have information on is intensive family support services.

Senator MOORE: The wider one or the individual one?

Ms Bennett: The implementation capacity support service, which was a direct one. The value of the grant agreements that have been offered equals \$10.02 million.

Senator MOORE: \$10.02 million. Over how long? Two years or five years? Ms Bennett, I thought this was the information that we asked for on Monday and we would have it by today. We knew that we could not get the

names of the organisations. We knew that there would be variations in that some people would not sign and all those kinds of things. But what I thought we had agreed on Tuesday was that that this kind of—I am trying to think of the right term; over-the-top—information, which was allocation and time, would be available to us, rather than us going through this afternoon. There could be another 30 minutes of just writing down figures.

Ms Bennett: Senator, I am sorry. We who were there had a different understanding. My recollection of what happened is that we discussed the approach about handling grants, whether you were going to do it across program, whether we would do it now in across portfolio and then if there were specific questions we had people from each of the business areas.

Senator MOORE: That is all agreed.

Ms Bennett: You asked if we were able to discuss the outcomes. I think we explained that we were still in that process and that there were questions that we would be able to answer and questions that we would be able to provide.

Senator MOORE: Yes.

Ms Bennett: Then we talked a little bit about the differences where we could not look at the past and match it to the future because of the move to using SLAs. We also agreed, and I have asked a number of people about what we agreed—

Senator MOORE: Everything you are saying we agree on.

Ms Bennett: We agreed that for the inquiry we would bring someone from the Bureau of Stats to explain what sits between the various four levels of SLAs.

Senator MOORE: I agree with all of that, Ms Bennett. What I am concerned about is that we have two hours this afternoon. I thought that the kind of information that you are currently sharing with us, which is allocation, time frame and program, would be something that would also be on one sheet. This honeycomb document has become an essential piece of equipment for everyone that works in this area. I would have thought there would have been, for today—rather than having to go back and double-check things—a table saying 'Children and parenting support services: this was allocated; this was the length of time'. 'Broadband for seniors: this was allocated'. I am sorry but I did not think that we would have to spend so much time to get this information, which we must have. I am not saying we do not want the information.

Ms Bennett: I also apologise. We walked out with a different understanding.

Senator MOORE: Okay. So you do not have one piece of paper—rather than the considerable effort that I know that you are both doing, in good faith, going back through your folders and getting the information program by program? You do not have that in one document?

Ms Bennett: No. We can try and do that by the end of today for you. We do not have it in that way.

Senator MOORE: I am looking to the other senators for assistance in terms of what we do. We actually put the grants on first so that we are able to get this general information and then we go into refined questions. We have now started the process and we are just getting the general information. I would think that you would agree that we cannot go much further one by one like this.

Mr Pratt: I have a proposal. Clearly there has been a difference of understanding. To the extent that we have misunderstood, we apologise. I wonder whether it might be possible if we allow Ms Bennett and Dr Reddel to rush through these green boxes and tell us the numbers. We will write them down very quickly. They might actually be able to knock that off in five or 10 minutes or so. That will perhaps give us all the data we need.

Senator MOORE: Can we start with outcome 2 then, because we are most interested in that one. That is the emergency relief one. If we could start with that, that would be good.

Ms Bennett: We have gone through the intensive family support services implementation capability. The next in the box is intensive family support and it is \$3.3 million.

Dr Reddel: That is for five years.

Ms Bennett: Yes. Then there is intensive support for NT and APY lands. That is \$22.99 million.

Dr Reddel: That is for five years.

Ms Bennett: Find and connect is \$9.12 million.

Dr Reddel: That is for two years.

Senator MOORE: Was that always for two years or was it a five-year?

Dr Reddel: That is up to 30 June 2017.

Senator SIEWERT: Yes, but that has been reduced from five to two?

Dr Reddel: Yes. I should say, in terms of the five years that that was an aspiration. Not all programs were determined to be for five years. I am not saying that specific program.

Senator SIEWERT: That is why I want to know what was specifically determined for two years, what was aspirational for five and where there has been a change from five to two.

Ms Bennett: We will get someone on to that for you. The next one is forced adoption services. It had intended to be five years and it is until 30 June 2017, and it is \$9.12 million.

Senator SIEWERT: They are both \$9.12 million. Find and Connect was \$9.12 million as well, wasn't it?

Dr Reddel: It was the same amount, \$9.12 million.

Senator SIEWERT: I just want to make sure it is the same amount.

Ms Bennett: Sorry, forced adoptions is \$3.9 million and Find and Connect is \$9.12 million.

Senator SIEWERT: So it is two when it was going to five.

Ms Bennett: Yes. If we go to the next box, community capacity. I am sorry the first one is 'broadband for seniors'—

Senator MOORE: Ms Bennett, I would really like to start with outcome 2, as I have asked a couple of times.

Ms Bennett: This is outcome 2.

Senator MOORE: Yes, but I was really keen to go to emergency relief. That is what I have asked for twice.

Ms Bennett: Yes, we can start with emergency relief. It had been proposed to be a five year and that is to 30 June 2017. The total amount being offered is \$101.95 million.

Senator MOORE: Yes, for two years.

Senator SIEWERT: Does that include the extra money, the ER money, that was allocated against earn and learn for emergency relief?

Ms Bennett: If I can just give you these figures and then if you want to go through financial counselling I will bring the people up that are doing financial counselling. Food relief, again until 30 June 2017, is \$2.33 million.

Senator MOORE: And it was going to be five as well?

Ms Bennett: Yes. Financial counselling and capability is \$30.04 million.

Dr Reddel: Up to 30 June, so two years.

Senator MOORE: Was it five?

Dr Reddel: Yes.

Ms Bennett: Financial counselling, problem gambling, \$8.18 million.

Dr Reddel: Up to 30 June 2016.

Senator MOORE: So that is one year. We will come back and question that. Cape York?

Dr Reddel: It is, I think, \$1.225.

Senator McLUCAS: Cape York welfare reform—how many years?

Dr Reddel: It was to 30 June 2016.

Senator SIEWERT: So that is one year as well.

Dr Reddel: Yes.

Ms Bennett: The financial counselling helpline is to 30 June 2017. It is \$5.96 million.

Dr Reddel: Till 30 June 2017.

Senator MOORE: So that is two years and it was originally going to be five.

Dr Reddel: I should just correct that. The Cape York welfare reform is only until the end of this calendar year.

Senator MOORE: 2015. Is that up again? Is that on the current one that is being negotiated? There are two on the website that are currently open. Is that one of them or not? I do not want to be confusing at this stage. I am pretty sure it is. So to 2016.

Senator McLUCAS: No, it is to December 2015.

Ms Bennett: Broadband for seniors—

Senator SIEWERT: Can we just go back? Was the financial counselling helpline originally five? You did not end up answering that.

Dr Reddel: We will have to check.

Ms Bennett: Yes.

Senator SIEWERT: It was originally five. Thank you.

Senator MOORE: Broadband for seniors?

Ms Bennett: Broadband for seniors, \$1.27 million.

Dr Reddel: Until 30 June 2017.

Senator MOORE: Two years.

Ms Bennett: It was always two years. Community capacity building and community development and participation, \$20.6 million.

Dr Reddel: Until 30 June 2017. It was never a longer term agreement.

Senator MOORE: It was always short-term.

Dr Reddel: I think a mix in terms of the nature of the project.

Ms Bennett: Diversity and social cohesion, \$4.07 million.

Dr Reddel: Until 30 June 2017.

Senator SIEWERT: Was it five years?

Ms Bennett: It was always two years. Multicultural arts and festivals, \$130,000. It was one year—it was always one year. Volunteering, \$6.36 million.

Dr Reddel: It is until 1 January 2017.

Ms Bennett: And that is what it was always for.

Senator MOORE: Green or black?

Ms Bennett: Green or black?

Senator MOORE: Yes—Disability, Mental Health and Carers Programme?

Ms Bennett: National disability and mental health, National Disability Conference initiative, one year, \$247,000.

Senator MOORE: One year?

Dr Reddel: It was always for one year.

Ms Bennett: Sector development, disability representative organisations, \$4.34 million.

Dr Reddel: It is until 30 June 2017.

Senator McLUCAS: Two years?

Dr Reddel: Two.

Senator MOORE: What was it originally? Was it always two or five?

Dr Reddel: Two.

Senator MOORE: What was that last answer—two or three?

Dr Reddel: Two.

Senator MOORE: I thought I heard three.

Senator SIEWERT: It was supposed to be three.

Senator MOORE: I thought I heard three.

Ms Bennett: We will come back to you in a second and clarify that. Community mental health, open and direct, \$49.38 million.

Dr Reddel: It was for two years.

Ms Bennett: It was for two years?

Dr Reddel: We will have to check.

Ms Bennett: We are down to aged care, service improvement and healthy ageing grants, \$35.19 million.

Dr Reddel: They are for two years.

Senator SIEWERT: Were they always two years?

Dr Reddel: They are projects.

Ms Bennett: They are projects. So some may be a year, some may be 18 months. But the funding was available and it was over that two-year period.

Senator McLUCAS: While we are about to go to outcome 4, can we put the questions on grants in outcome 4 to the end of this conversation?

Ms Bennett: Yes.

Senator McLUCAS: It is a different type of conversation we are going to have to have.

Senator MOORE: Just so the honeycomb is all filled in, how about settlement services and peak body support, under families and communities programs?

Ms Bennett: Settlement grants?

Senator MOORE: Settlement services—it is over on the left-hand side. As yet I have no figures beside it.

Ms Bennett: In that component of settlement services that was part of this grant process—as you know, there are other aspects to that—it is \$141.88 million.

Dr Reddel: They are until 30 June 2019, so four years.

Senator MOORE: Why not! And peak body support?

Dr Reddel: That is \$5.49 million, and that is for two years. That was proposed to be five.

Senator MOORE: Have I missed any? Housing is in Jan's area, so we have covered them all. Thank you very much. It only took just over 15 minutes, so that is good. In terms of the process, after this event, can we have a clear document with all of that written down, so it will not be reliant on our figures? That would be useful.

Senator SIEWERT: While we are on documents, where you have the executed new grants, is it possible to get the list to include what program they are being funded under—or programs, because I realise they could be funded across multiple programs—and the money they got? Is it possible to know whether they have been previously funded?

Ms Bennett: We cannot provide that today, as we explained, because we are still in the process but we will take that question on notice.

Senator SIEWERT: These are the executed ones.

Senator MOORE: What was that, by the way? It is a list that says 'organisation grants'. Some are not yet executed and it only shows the names of the organisations. I am not sure what grants they are.

Ms Bennett: We will work to get that to you as soon as possible once the process has accepted the grant and the range of offers. There is an asterisk that explains that many organisations applied for multiple programs. They may not have accepted every program that they have been offered. It is part of the mapping that you asked us to do earlier. We have to work on that. We will do that as soon as possible.

Senator SIEWERT: I understand what you are saying about the asterisked ones, but surely with the ones that aren't, it will be clearer as to what programs are being funded under. As I understood it, it is only the asterisked ones that have that—

Ms Bennett: We will be able to provide that, but not today. In terms of their past funding level, I do have a concern about providing that—organisations may have received more or have received less—and some of those matters about the level of grant that they received. We will have to eventually publish how much they received in this round, but to do a comparison of the past is about their financial information. I worry that it might leave them with a piece of information that is publicly out if they received less and there might be some issues for them. I would like to take that on notice.

Senator SIEWERT: Just to be clear, I did not ask for previously. I just said: 'Have they been funded before?' I did not ask for how much.

Ms Bennett: We will be able to indicate whether they are an existing provider that had previously been funded.

Senator SIEWERT: I was conscious of not asking for how much.

Senator MOORE: I take your reasons, your explanation. Say Acme—I am going to say Acme again because I am not quite sure where we stand—had been receiving funding for emergency relief in the past and got this much money, which was public and would have been on their books and known to their board how much money they got. In this round, with all the qualifiers that it is a different time, they might have applied for different areas,

what is the problem with saying, 'Acme got \$25,000 in the last round and in this round they got \$15,000'? What is the problem there in terms of public disclosure?

Ms Bennett: I am not suggesting it is a public disclosure. We would like to have a bit of time to socialise providing the 'you got less' information. That is a bit different than 'you got more' in terms of dollars. But we will take that on notice. That will take us some time. We have explained previously that the great benefit of this transformation is that we will have what were 120 grant programs and more than 13,000 agreements sitting on legacy systems sitting on one system in a future state. We are both required to say who won in this round and how much they get. That has to be published. To go back and to find out what they had previously is not just pressing a button on the computer—it requires some manual work. We do know whether they had previously been funded, which is what Senator Siewert asked, but we would have to go back about how much they had received in the past.

Senator McLUCAS: But isn't that just the information that is published anyway in the Murray motion tables?

Ms Bennett: Yes; that used to belong to five different agencies.

Mr Pratt: In any event, can we undertake that we will give it a red-hot go? We will see what we can do. To the extent where we do not have a legal issue or we do not think that there is a significant commercial issue for an organisation, and this is not going to divert the entire department's resources for an extensive period, we will supply as much as we possibly can.

Senator MOORE: Okay.

Senator SIEWERT: Can I ask that question then about the emergency relief dollars? The funding that was there—\$101.95 million—is that right?

Ms Bennett: I am pretty sure it is \$101 million basically over two years to 30 June, emergency relief.

Senator SIEWERT: Where does the money that was allocated in the budget for the earn or learn emergency relief—that we have had a number of conversations about—sit in all this?

Ms Bennett: It has not been passed.

Senator SIEWERT: Yes, I know that.

Ms Bennett: The measure has not been passed. As we explained last time, until the measure is passed it is not part of this contract. I think at previous estimates hearings we explained how we would do that is when the measure was passed. If it is passed, we would then turn to the providers that had been successful—

Senator SIEWERT: To be added on top of that.

Ms Bennett: to see if they were suitable in the priority areas. If they were not able to be delivered by the providers that were successful in this, we would go out for some direct sourcing. That is quite a separate process and not included in that \$101 million.

Senator SIEWERT: I was just double-checking, given that we had seen some change here. I just wanted to be clear. Can we go to what the process was and why the decisions were made to change it from five to two?

Ms Bennett: Yes.

CHAIR: Senator, you do not have any other questions about emergency relief?

Senator MOORE: I have a lot about emergency relief.

Senator SIEWERT: I do too. Do we go there straight away, or do the bigger picture? I do not mind either way.

Senator MOORE: Can we see what we can get out of emergency relief first.

Senator SIEWERT: Let's keep going with emergency relief. We will come back to that other question.

Ms Bennett: Yes.

Senator MOORE: It will run together because we want to know: if the original funding was going to be for five years, what was the budget for five years? The community expectation was that the emergency relief funding was going to be for five years; it is now going to be for two. What was the five-year allocation?

Ms Purdy: Can I just clarify that? The funding advertised for both emergency relief as well as Commonwealth financial counselling was for four years, not for five years.

Senator MOORE: I need a very large whiteboard with big columns with this at the top of it. I will rephrase the question to make it accurate. The funding original allocation that was out there for people to bid on was for four years. What were they bidding on?

Ms Bennett: It will just be what was put out in the program guidelines at the time that they went out to market of how much was available for the four years—

Ms Purdy: It was \$182.654 million for emergency relief.

Senator MOORE: What will be executed by tomorrow afternoon—which is a term I do not like—should be around \$101.95 million; is that right?

Ms Purdy: That is correct.

Senator SIEWERT: Over?

Senator MOORE: Two years. In terms of reduction in emergency relief?

Ms Bennett: We have canvassed this before.

Senator MOORE: We have.

Ms Bennett: I will just recap on it. Emergency relief in 2007-08 was funded at \$33.55 million.

Senator MOORE: For one year?

Ms Bennett: This is 2007-08.

Senator MOORE: For one year?

Ms Bennett: For one year. In 2008-09 the then government, in expectation of the impact of the global financial Crisis, and on the basis of Treasury forecasts that unemployment would rise to 8.25 per cent, provided broadly an extra \$20 million in funding.

Senator MOORE: So \$53.55 million then?

Ms Bennett: In 2008-09 it was \$55.44 million; in 2009-10 it was \$62 million. In 2010-11 it was \$64.4 million and in 2011-12 it was \$62.5 million. In 2012-13 it was \$59.9 million. In 2013-14 it was \$57.4 million. This year it is anticipated that \$62.9 million will be expended on emergency relief. This reflects that there were extensions made to the contract arrangements for existing providers, including the minister's announcement of bridging finance.

In 2015-16 under the new contractual arrangements it is anticipated that it will be about \$49 million and \$49 million the year after. Therefore, taking a full year comparison with 2013-14, taking out the bridging finance funding that has been provided and the doubling up of contractual arrangements, there will be about \$10 million less than there was in 2013-14 but it is still more than \$15 million greater than it was pre the global financial crisis.

Senator MOORE: Thank you for those figures. That is the first time, yes, we have had them in that way.

Senator SMITH: I just want to be very, very clear. From the period 2009-10 to the period 2013-14 we saw annual decreases in emergency relief funding?

Ms Bennett: There was an increase up to 2010-11 and then there was a steady decline, yes.

Senator SMITH: Thank you.

Ms Bennett: In terms of reporting incidents—this is recognising an incident is a person doing a thing; it is not a reflection on the number of people—it has sat consistently around the 900,000, dipping up and down slightly. It was about 933,000 in 2007-08, 976,000 in 2008-09, just over a million in 2009-10, 994,000 in 2010-11, just over a million in 2011-12, 870,000 in 2012-13 and about 900,000 in 2013-14. We do not have the 2014-15 figures. The picture on emergency relief is that it has remained relatively steady on the incidents, even though there has been an increase in funding that has been available.

Senator MOORE: Thank you again for those figures. That is the first time we have had them as well.

Ms Bennett: It took us some time to assemble them.

Senator MOORE: Just to make it clear about how 2014-15 is operating, because people will ask—this is a question about all the grants but at the moment I am just asking about emergency relief—the fact is that there has been that bridging finance but some of the emergency relief organisations got information just before Christmas that they were not going to be funded. Shut me up if I go wrong in this process. I have got to be clear. Some emergency relief organisations got information just before Christmas that they would not be funded. Then after Christmas—I will get all these dates later—because of decisions in the minister's office bridging finance was provided to some of them until the end of June. Is that right?

Ms Bennett: Not for emergency relief.

Senator MOORE: Speak me through why it was \$62.9 million in 2014-15. That jumps out when you are going down the figures. I want to know exactly what that means.

Ms Bennett: The simplest explanation for this is that in October, when it was announced that all grant contracts would be extended until 28 February, that included emergency relief. Then the minister's bridging decision extended emergency relief until the end of March. So there was a three-month extension. There was the first one that went to the 28 February and then another month until the end of March and the new contracts come into effect on 1 March. So there is both the three-month extension plus the one month where there are both the old and the new providers operating in the bridging arrangement.

Senator MOORE: Can you quantify the amounts that that covers?

Ms Purdy: The bridging funding came—

Ms Bennett: This is not absolutely confirmed because it has not been accepted. This is an estimate on the bridging—

Senator MOORE: Absolutely.

Ms Bennett: because there will be those providers that will not accept the offer of bridging funding. The first batch went to 28 February.

Ms Purdy: For the extension, the amount was around \$8.5 million for the two months. For the bridging funding of March, it came to \$5.1 million.

Senator SIEWERT: Was that extended to all those organisations and some have accepted it and some have not?

Ms Purdy: It was extended to all organisations, yes.

Senator MOORE: It was an automatic variation.

Senator SIEWERT: An extra month, basically?

Ms Purdy: Yes, that is right.

Senator MOORE: So two months was \$8.5 million and one month was \$5.1 million?

Ms Purdy: Yes. It was to do with the way the funding was pro rataed for those two months.

Senator MOORE: I just wanted to clarify that. That is what the extra amount is in terms of that process?

Ms Purdy: That is right. There was new money, if you like, into the financial wellbeing capability appropriation of \$5.1 million to cover the bridging period.

Senator SIEWERT: That was from the \$17 million that came out of the relationship program; is that correct?

Ms Purdy: Yes.

Senator MOORE: I have exactly similar questions about financial counselling. They were also in a kind of bridging relationship there in terms of when they wrap up as well. It is the counselling capability lot. You told us that they have got \$30.04 million for two years. Can we get the same breakdown in terms of what the original process was? I have written down that it was for five years. Is that not right?

Ms Purdy: No, they are only four years.

Senator MOORE: I did not think we had any 'fours' read out before.

Senator SIEWERT: Sorry, the financial counselling and capability, how long is it for?

Senator MOORE: Four years.

Ms Purdy: Four years.

Ms Bennett: And their extension, the bridging funding for them is until 30 June.

Senator MOORE: Financial counselling?

Ms Bennett: This is financial counselling and financial capability at an estimated cost at this stage, as I said, not knowing whether everyone accepted, of \$1.9 million.

Senator MOORE: They have got \$30.4 million over two years. What was the original pool that was out there for consideration for the four years?

Ms Purdy: The four years was \$53.506 million.

Senator SIEWERT: What was that question, sorry?

Senator MOORE: What was the original for four years?

Senator SIEWERT: Can we clarify this? I was just checking. The \$30.04 million is for two years and it was four years?

Ms Purdy: That is correct.

Senator SIEWERT: I had down as five.

Senator MOORE: Yes, we were told five.

Senator SIEWERT: Okay.

Senator MOORE: In the financial counselling have you got similar figures for when it started as you gave us for emergency relief?

Ms Bennett: No.

Senator MOORE: Can we request it?

Ms Bennett: Would you like me to take it on notice?

Senator MOORE: Take it on notice; that is fine. All the places that were doing financial counselling capability last year and that applied have now got bridging, if they wanted it? Their contracts go until the end of June; is that right?

Ms Purdy: That is correct.

Senator MOORE: Food relief, same deal? What you have said is that they have \$2.33 million for two years. Can I make a wild guess and say that was originally four?

Ms Purdy: Yes, that is correct. Originally \$3.5 million was allocated to food relief.

Senator MOORE: If we looked at last year's budget—and I have not got my budget papers from last year—would they have had the allocation of \$3.5 million across out years?

Ms Bennett: No. The PBS lumped them up. As you remember, I think it was about page 36, if I recall from our last discussion.

Senator MOORE: I have looked at it enough; you would have thought I would have known that.

Ms Bennett: There were some components. I will just have a look.

Senator MOORE: The reason I am asking—I know it is very basic—is that over four years it is \$3.5 million and over two years it is \$2.33 million. If you double \$2.33 million it is more than \$3.5 million. What I am trying to see is that in an allocation of four years, over that period, is that \$2.33 million lifted again by the bridging component?

Ms Bennett: Sorry, could you repeat that question?

Senator MOORE: I was looking at it. If you are looking at a four-year program the original pool that was put out there that people bid for was \$3.5 million. What has been allocated for two years is \$2.33 million. What I am trying to work out—

Ms Bennett: Actually it is more than that. Of course it is three months of this year.

Senator MOORE: I am basically trying to work out why a four-year program is not—

Ms Bennett: There are a number of factors in this. One of them is that there is three months of this year as well as the two years.

Senator MOORE: That is the bridging?

Ms Bennett: Yes.

Ms Purdy: Another reason is that when the amounts were advertised they included approximate indexation rates for those out years as well, which we now had to remove because we were only advised about indexation in the budget before the coming financial year.

Senator SIEWERT: None of this contains indexation?

Ms Purdy: No.

Ms Bennett: In terms of the question which you asked for the portfolio budget statements, it is page 98, sorry. It has the family and communities and it breaks it down into the program, not to the sub-activity. It does not say what emergency relief or field relief is.

Senator MOORE: No. We went through that at great length. In terms of emergency relief, we have now got all those years. We have asked for the same years, if we could get them, on notice, for financial counselling.

Ms Bennett: Sorry, as we spread over emergency relief we will have to take that on notice.

Senator MOORE: Absolutely. We have said that. It is on notice, to look at the process. That is the gross amounts. One of the other things I am wanting to work through is: which organisations have lost funds completely, which organisations have lost some and the impact in the wider community? That is what I am trying to find out. Particularly for emergency relief, now we have got global figures.

A question I have on that, and I am just wanting to see whether I have got this right, is: when we were questioning the reduction in emergency relief for the year 2014-15 at length in the last round of discussions—2014-15 is last year, last June, the last budget is 2014-15, isn't it?—we were told that there was a smaller bucket for emergency relief. One of the reasons for that was, we were told, that the previous year, looking at previous figures, there had been a lower usage of emergency relief, which had meant that when the program was being budgeted, based on previous lower usage, the bucket was smaller.

We questioned that on the basis that we could not find anyone who said that they had underspent emergency relief. I am just wanting to check that if 2013-14 was \$57.4 million, what was 2014-15 going to be? I am trying to get that clear in my mind. We went through this at length about why there was a smaller allocation.

Ms Bennett: I recall it. In fact—

Senator MOORE: I am just wanting, with the figures you have given me, to see that.

Ms Bennett: Firstly, we gave data that was available at that point in time. Of course that was prior to the finalising of that set of data for 2013-14. I think at the time I said there were 752,000 incidents. In the final reporting that has occurred for the 2013-14 year there were 949,000 incidents. I, too, have gone back through the *Hansard* and I believe that the explanation I was giving about a government decision related more to the pre-GFC funding return.

Senator Siewert and I talked about what figures were available, and Senator Siewert pointed out that numerous organisations were explaining to her that there was a higher demand. I was not disputing that. I was saying that there is a difference between the demand that is funded under these programs and what those organisations may themselves provide from other sources of funding that they have.

I think that is a really important distinction to make. Many of these organisations provide a whole lot of support and services that can be funded through volunteering, through other sources of money that they may receive from state governments or through their own fundraising activities. So I was not disagreeing with Senator Siewert about demand; it was about saying that in terms of the reported information by those organisations to the department, there was a point in time and there was a projection as to what that was. We now have that completed information for 2013-14.

Senator MOORE: I accept that, and I accept the process. It is just that we had been focusing in on a comparison of emergency relief in that period. We could not verify that. In talking with organisations in the community, they could not see that. Now that has put that into a context, and also the differing amounts.

Are you able to tell us the number of organisations that have lost their funding, and allowing for the fact that they now have bridging funding? With respect to the people who were advised at the end of last year that they would not have emergency relief services into the future—and many of them have contacted us and we know them—do you know how many of those there were?

Ms Bennett: Before Mr Brown goes through this, as I said, we have not yet finished the process. Also, Ms Purdy will be able to explain how we are working with the successful organisations that try and look at where past providers might be able to work with new providers. The other thing is that this was an area where, in terms of the interest or the number of organisations that applied, there was a huge oversubscription for a much larger amount of funding that was publicly available.

Senator SIEWERT: For ER?

Ms Bennett: For ER. The point is that they are not yet agreed. This is information about the point in time we are at with offers. We will ask someone to have a look at what has been accepted.

Senator SIEWERT: How much was applied for? What was the figure?

Ms Bennett: No, I did not give you a figure. It was a massive oversubscription.

Senator SIEWERT: No, could you—

Ms Bennett: We will take that question on notice, about how much was applied for.

Senator MOORE: Could you give it to us against each of the subprograms?

Ms Bennett: We will take that on notice, as to what was applied for.

Senator MOORE: What can you give us, Mr Brown?

Mr Brown: At present there are 650 ER service providers funded by DSS.

Senator MOORE: 'At present': can you define that?

Mr Brown: In the current arrangements, excluding those who might not have accepted a recent offer. Say, from the beginning of—

Senator MOORE: Until the new grants are offered? So people who are providing emergency relief before this new round?

Mr Brown: Yes.

Senator MOORE: So there are 650 providers?

Mr Brown: Yes, that is right. I am happy to take you through the approach to the round in a moment, if you like. 537 applications were received. So not all applied in the current group; more than 100 did not. Of these, at this point in time, 295 applicants have been made offers for the new—

Senator SIEWERT: Have been made offers. So half?

Mr Brown: 295.

Senator SIEWERT: So less than half of the original number were given—

Mr Brown: It might be useful to give some contextual information about the way we approached it.

Ms Bennett: I agree. This is important because it is actually about the service area, not about the organisations.

Senator SIEWERT: Sure.

Ms Bennett: It is about client servicing.

Mr Brown: If I step back a little bit, I think my predecessor talked about this a little bit at the last hearings. There has not been a national tender process for ER for something like 40 years—since 1979-80. So service coverage has certainly evolved in a fairly ad hoc way over that period. It has not been clear that funding amounts have been matched exactly to vulnerability or disadvantage. There is no question that it is nationally spread, but the funding amounts have varied over a period. Clearly, over that 40-year period there has been a range of demographic changes. With the 650 service providers, we knew that over 80 organisations received less than \$7,000 in grant funding, and most of those less than \$5,000 in grant funding.

Senator SIEWERT: Over 80 received less than \$7,000?

Mr Brown: Less than \$7,000 per annum in grant funding—so very small. Obviously, as the nature of the program has evolved over the period, from helping people with some emergency food or something like that, it has evolved into ensuring that a vulnerable person in a crisis situation also might get referred on to another kind of service. It might be homelessness, mental health, financial counselling or something like that. So the demand has changed over a period of time.

We are not entirely sure why more than 100—something like 140—existing providers would not have applied. Perhaps some of them did not know. Some of them might have chosen not to because of the very small amounts of money. They might not have thought they really wanted to do the reporting. Often they relied on an individual to keep that service going over that period.

In approaching the round we had a number of goals, notwithstanding a reduction in funding over the next couple of years. One was to make sure that we maximised the available funding to actual vulnerability and need. We did a lot of analysis of SEIFA data to make sure that the funding matched both at the SA2 level and the SA4 level. We will come to what they mean in a moment. We would have a very close look at the data.

We also wanted to make sure that service providers had some flexibility to integrate their service offer. We encouraged consortia, for example, or organisations to collaborate so that they could make sure that, if someone presented with multiple issues, emergency relief was something that was going to help them in the immediate term but hopefully they might also get referrals on to other types of services.

We also wanted to streamline some of the arrangements that I spoke about a moment ago. One of the things we did was to institute a minimum grant level of \$7,000. That, again, was to ensure that there was some scale, in a sense, so that they would collaborate, join up the service offer and make sure that those people—vulnerable people, often—were referred on or could be dealt with in a more holistic way. So we certainly encouraged consortia arrangements.

Obviously, we did the round. A smaller number have been made offers. Something like 21 consortia have been successful.

Senator MOORE: Around 21?

Mr Brown: Twenty-one consortia have been successful. But in the selection round it was still important to maintain diversity in terms of the organisational base that were delivering. Certainly, there are some organisations that are large and some organisations that are small. Some of the large organisations include organisations like the Salvation Army, Anglicare and St Vincent de Paul. Smaller organisations include the Illawarra Aboriginal Corporation, the Inverell refuge centre and the Alice Springs Women's Shelter. So there were small organisations as well. We have attempted to maintain a mix, so that it was not all large providers.

Senator SIEWERT: I have had a lot of regional organisations contact me that have lost their funding. They are likely to be the small ones. You might have to take this on notice. I am interested in where the smaller organisations were, when you talk about mapping against vulnerability. Is it possible to get the information on vulnerability—what information you base that on?

Mr Brown: Sure.

Senator SIEWERT: I understand that you want to allocate your resources where the people needing emergency relief are. Do you have that in either a table or a map?

Ms Purdy: I can give you a brief explanation. We use the socioeconomic indices for areas. We match that data about level of disadvantage against the statistical area 2 levels. Then we allocated funding depending on the level of disadvantage and also population size. We took that approach across the country. We also talked to our state and territory office network about changes perhaps in industry that have occurred in the last couple of years. We had a special look at the Northern Territory, because whilst it is obviously very disadvantaged, the population numbers are small. So we increased the funding to the Northern Territory to accommodate that. That was the basic approach that we took.

Senator SIEWERT: Is it possible to give us the actual information?

Ms Purdy: Probably.

Mr Brown: We will take it on notice.

Senator SIEWERT: That would be appreciated.

Ms Bennett: Could I return to a question that you asked earlier, Senator Siewert?

Senator SIEWERT: Yes.

Ms Bennett: You asked: how much did organisations apply up to? We were talking about emergency relief and I said it was very heavily subscribed. It is actually available on our website. Someone has printed it out. I have a copy of it. It was information that was provided for all applicants, to give them a sense of scale of the outcomes.

Senator SIEWERT: Not up to; not that figure. You said it was the most heavily subscribed.

Ms Bennett: Yes, at that point in time before they became two-year contracts. So with the amount that was available, the selection documentation said \$182 million was available, but \$507.4 million worth of proposals were received. This is from our website. I can provide that to the secretariat for every round.

Senator SIEWERT: Okay, that is fine.

CHAIR: Before we proceed, I am conscious of giving this as much of an airing as possible, which we are doing at the moment. That is important. We have two hours in total for this area. That includes some other cross-portfolio. I have a small amount; I think Senator Smith has some questions.

Senator SIEWERT: I have some cross-portfolio.

CHAIR: How much longer do you think you will need for teasing this out, given that we have allowed two hours in total? Could we wrap up the grants part? I know Senator Smith has some grants questions and I have other cross-portfolio, as does Senator Siewert. Could we wrap up the grants in another 15 minutes or so or are we going to need a longer amount of time?

Senator McLUCAS: I will need about 10 minutes to do the two areas that I want to go to.

CHAIR: Are they cross-portfolio?

Senator McLUCAS: No, grants.

CHAIR: We will try and juggle the time. Senator Smith has some grants questions. I will go to him for a little bit and then we will have to make a decision as to whether this needs to be stretched out. It would be better if it does not, but I understand that there is a lot here. Senator Smith.

Senator SMITH: Thanks, Chair. I have a general question first. With respect to the example that was given to me, I will not identify the organisation. It was not given to me in the context of the Commonwealth grants round. A suggestion had been put to me that through a state-based grants program the state had awarded a grant to an organisation to provide a service in a large regional location in Western Australia. The successful applicant had no exposure in that community, had no buildings, had no presence. But the established local organisation missed out on the funding and a brand-new organisation with no local connection was successful. It was a state-based funding program; nothing to do with the Commonwealth. Do those things happen with Commonwealth grants programs? If so, why?

Ms Bennett: We hope not.

Senator SMITH: That is reassuring.

Ms Bennett: But we have always said, and Minister Morrison has stressed this quite recently again, we are at the moment finalising and mapping and the minister has asked us to give particular due attention where there may be a gap that may have occurred. That gap could occur for a number of reasons. It could occur because a grant offer that has been made may not be accepted in its whole. It may be that an existing organisation could have applied or wanted to be funded for something that was not available for funding because of either the change in program or the change in the areas of priority.

In our selection process, which Dr Reddel can go through, we drew on a source of information to determine the best organisations. It was different for every program. But certainly for existing organisations that applied their past performance would be looked at, the types of services they were providing and how they matched the request for selection. There are a multiple number of decisions that are taken into account more broadly. As I said, you would hope that you would not have what was an organisation that was delivering what was needed within the program unless things have changed.

Senator SMITH: Again, this question is a generalisation, but is there an expectation that because an organisation has been funded previously and perhaps even funded for a long period of time, that they will continue to be funded? Is that a common expectation that organisations have—a lack of understanding that with the use of public money there is contestability, priorities do change and approaches to delivering services do change? Is that well understood in the Australian—

Ms Bennett: My personal view in this process is that a lot of organisations did think because there had been funding for a long time that that was enduring, even though they would have had regular new grant agreements and there would have been adjustments made about what they were delivering.

The challenge for our organisation in this grant reform process that the government sought to do included a number of factors. Firstly, as I said previously, we brought together five departments. We had 120 programs and more than 13,000 grant agreements. Each of those arrangements had different reporting time frames. In fact, we found duplication in some areas. We found overlap certainly. That was an important part for the department to bring some order. Secondly, there was—

Senator SMITH: Order and scrutiny?

Ms Bennett: Order and scrutiny and accountability. The other component is that many of these grants had not been out to an open tender for many, many years.

Senator SMITH: That is right. There was something in the previous evidence that suggested—and I might have this wrong—that perhaps there had not been a more regular review of the grants process.

Ms Bennett: The example was just given for emergency relief and some other programs where it is 10 years. The consequence of that is that there could be new organisations that could do it differently. They might have better wraparound services and might have developed an approach of innovation. By not opening it up they are closed out from ever. It becomes an issue about taking regular stock about what is good for the client. In no way is that a suggestion from the department that organisations who were not successful were not valued by their community or may not have been delivering something that was valued by their community, but you close off a new way of doing things if you do not regularly open that up and test whether there are other organisations.

Senator SMITH: The loser in that equation is the family or Australian citizen that might need assistance.

Ms Bennett: Yes. The other thing that we have mentioned several times is emergency relief, which is for such a long period. Social demographics change in 40 years. What might have been a socially disadvantaged area 40 years ago may not have the same level or the same type of disadvantage. The movement that we have done to try and use much more robust data that is provided through the ABS in its statistics on local areas allows us to use a bit more evidence, more solid evidence.

The other factor is that there was a reduction in the budget and therefore we had to make sure that we aligned priorities. To achieve that there was some reduction, but we also reduced reporting, the red tape. We have aligned so that there are single grants. As I said, there were more than 13,000 grants and many organisations had many grants. We are hoping that the reduction in the administrative burden will also free up some of the costs from backroom accountabilities.

Senator SMITH: Some of us in the parliament, Ms Bennett, do not think that more money guarantees better service or better outcomes. Just briefly though, before I finish, Chair. So what next? You have gone through this massive process. On 1 March the grants all kick in. What is the next activity for the department in the context of these grants programs?

Ms Bennett: The priority for us is the smooth transition, and Minister Morrison has made very strong commitments that the bridging funding is to allow a smooth transition. If an organisation may no longer be funded by us they have until 30 June to look at what new providers might be available and transition their own organisation arrangements out. At the same time we will be looking, as we gather all the information and map it in areas, at the delivery on the ground. We will be looking at whether unanticipated service gaps have arisen and we will be going back to the minister on this issue of service gaps.

Senator SMITH: So there may well be—there may not be—opportunities—

Ms Bennett: Analysis.

Senator SMITH: Analysis and perhaps opportunities to fill some of those gaps.

Ms Bennett: If service gaps are identified we will certainly be going back to the minister—and he has asked us to do this—about looking at ways in which we can continue some of those arrangements or how we can join them up or what can be done to avoid having those service gaps.

Senator SMITH: The last question—you are free to take this on notice if it is easier—relates to the Diversity and Social Cohesion Program. Could you just provide me, on notice, the list of successful applicants?

Ms Bennett: Yes.

Senator SMITH: Are you able to provide me the total list of applicants and identify successful and unsuccessful in that?

Ms Bennett: We will take that on notice.

CHAIR: Ms Bennett, just briefly, this may have been answered earlier—there was a lot of detail earlier and I was not following every bit of it—I want to ask about how the grants process works from a structural point of view. In the past we have seen grants programs that are sometimes managed out of ministers' offices, or certainly directed out of ministers' offices. Is that the case here or is it more arm's-length with the department making the assessments of the various grants coming in?

Ms Bennett: All the assessment process was undertaken in the department. All the decisions were recommended. We can go through the various steps in a moment, if you want to go into detail. But there were layers of preliminary assessment, expert panels made up of SES band 1s and a selection board made up of SES band 2s. The delegates were deputy secretaries from the program. I was a delegate for one of those. Those decisions were made. We, of course, advised both Minister Andrews and Minister Morrison of those outcomes, but they made no changes to the decisions that were made. It was arm's-length from the minister.

CHAIR: So the process all takes place at arm's length and then effectively what you are saying is you then came up with the outcomes to both the former minister and the current minister and that was accepted by the minister? Is that broadly the process? So there was not then a direction to do things differently or approve this or not approve that that came out of the minister's office?

Ms Bennett: There was no direction.

CHAIR: Thank you.

Mr Pratt: Just to be very clear on that, it is open, of course, to ministers to actually take the delegation back if they wish to on a process of this sort. But all of the decisions were taken by the department and signed off by the department.

CHAIR: It is the deputy secretaries that have the delegation. That is never taken back. So the dep secs make the decision and then the minister confirms the decision or accepts the decision?

Mr Pratt: The ministers were informed of the outcome.

CHAIR: Informed of the outcome?

Mr Pratt: Yes.

CHAIR: So it is at arm's length. The only other question I have probably follows on a little bit from Senator Smith's questioning. Obviously it is always challenging. You have got a limited amount of money. We have seen the grants selection process—how much comes in in terms of applications versus what can go out. That is always one of the great challenges. When incumbency becomes an overly important aspect of whether someone gets funding going forward, I guess you can get pockets of overservicing and underservicing, relatively speaking. Is that part of what the changed grants process is about—taking a fresh look and saying, 'Are there some areas of Australia that are completely underserved in homelessness services or mental health or all these other grants areas, whereas there are others that, whilst they may not be overserved as such, in relevant terms they may be compared to other areas'?

Ms Bennett: That is right. In fact, Ms Purdy gave an example where in the Northern Territory additional funding was given to that area where on the surface data that is available on a population basis it would not have equalled an amount but because of the level of disadvantage. It is a chance to have a look at the best information that is available and look at what the intent of the programs and the grants are and make adjustments to align those better.

CHAIR: I guess that is the great challenge, though, isn't it, that whenever you make any changes, even if you are looking to refresh and improve, there are opportunities for improvement but there are always going to be some people who are not very happy about it—in some cases with good reason and in other cases perhaps it is perfectly justified to be changing the priorities or to be more efficiently delivering them or delivering them in a different way.

Senator SIEWERT: Senator McLucas has a series of questions that she has flagged and Senator Moore and I are happy for her to do those first.

CHAIR: Sure. I am happy to go to Senator McLucas.

Senator McLUCAS: Thank you. I want to go to the sector development disability representative organisations. My first question goes to the current allocation for peak bodies. I think we can compare apples with apples in this grants program. There is a current allocation for peak bodies that probably goes, from my recollection, to 13 organisations. Is that right?

Ms K Wilson: Yes. Currently around \$2.5 million per annum is provided to 13 national disability organisations.

Senator McLUCAS: Is it proposed under the new program beginning on 1 July—is that when the next round starts for the next funding for peak organisations?

Ms K Wilson: No. As a result of the latest tender process, grant process, the successful disability—

Senator McLUCAS: Sorry, that happened at Christmas time.

Ms K Wilson: Yes. They will get funding from 1 March this year.

Senator McLUCAS: The next year starts on 1 March?

Ms K Wilson: They will get funding from March to 30 June and then two years from 1 July 2015. So up until 30 June 2017.

Senator McLUCAS: Then two years to July 2017?

Ms K Wilson: Yes.

Senator McLUCAS: Those 13 organisations—can you list them, please?

Ms K Wilson: Who are currently funded?

Senator McLUCAS: Yes.

Ms K Wilson: They are: the Australian Federation of Disability Organisations; Blind Citizens Australia; Brain Injury Australia; Deaf Australia; DANA, Disability Advocacy Network Australia; Deafness Forum of Australia; National Council on Intellectual Disability; Physical Disability Australia; First Peoples Disability Network; National Ethnic Disability Alliance; Children with Disability Australia; and Women with Disabilities Australia.

Senator McLUCAS: Let us go through which ones are now going to be funded. Is AFDO going to be funded?

Ms K Wilson: No.

Senator McLUCAS: What is their current allocation?

Ms K Wilson: Their current allocation is \$307,044 for 2013-14.

Senator McLUCAS: Is Blind Citizens Australia going to be funded?

Ms K Wilson: No.

Senator McLUCAS: How much did they receive?

Ms K Wilson: They received \$197,374.

Senator McLUCAS: Brain Injury Australia?

Ms K Wilson: They received \$164,246.

Senator McLUCAS: They are not going to be funded, are they?

Ms K Wilson: No.

Senator McLUCAS: Deafness Australia?

Ms K Wilson: They are not going to be funded; \$197,374.

Senator McLUCAS: What about DANA?

Ms K Wilson: DANA—\$164,246.

Senator McLUCAS: They are not going to be funded?

Ms K Wilson: No.

Senator McLUCAS: Deafness Forum?

Ms K Wilson: They received \$197,374.

Senator McLUCAS: They also have been de-funded, I understand.

Ms K Wilson: They were not successful.

Senator McLUCAS: They are not going to be funded?

Ms K Wilson: That is correct.

Senator McLUCAS: The National Council on Intellectual Disability?

Ms K Wilson: They received \$164,246.

Senator McLUCAS: They are not receiving funding from now on?

Ms K Wilson: That is correct.

Senator McLUCAS: People with Disability Australia, I understand, has been successful?

Ms K Wilson: That is correct.

Senator McLUCAS: How much do they receive currently?

Ms K Wilson: From the Australian government? They are not currently a funded peak group. They get funding under our advocacy program, but they are not funded as a national disability persons—organisation currently.

Senator McLUCAS: So they were not funded under the peak program?

Ms K Wilson: No.

Senator McLUCAS: So they are going to be funded?

Ms K Wilson: Yes.

Senator McLUCAS: To what level?

Ms K Wilson: Each of the new disability peoples' organisations—and there are five of them—will get funding of \$300,000 a year.

Senator McLUCAS: What did Children with Disability Australia, for example, get in the current year in the last program?

Ms K Wilson: I will just check that I have that information. No, I will have to take that one on notice.

Senator McLUCAS: Was it about \$150,000—or \$190,000 maybe?

Mr Lewis: We will have it for you later on.

Ms K Wilson: I have just found it. Currently they are funded \$168,000 per annum. That is the same for the First Peoples Disability Network.

Senator McLUCAS: That was the standard?

Ms K Wilson: Yes.

Senator McLUCAS: Okay. So we have defunded seven organisations representing and advocating on behalf of people with disability. Why was that decision made?

Senator Fifield: I note you use the word 'defunded' to describe the organisations who will not continue to receive funding. What happened is that for the first time in a long time this area of national peak group funding was opened up to a competitive process. As a result there are some organisations that currently receive funding that will continue to receive funding and, in some cases, increased funding. There are other organisations that currently receive funding that will not continue to receive funding. As you mentioned, there is also an organisation that was not previously funded through this area that will now be.

Senator McLUCAS: Well, it was funded.

Senator Fifield: But from a different—

Senator McLUCAS: So you are happy to sit back there, Minister, and watch Blind Citizens Australia go to the wall? You are happy to sit there and watch Deafness Forum go to the wall? For paltry amounts of money—\$164,000—these organisations are going to close their doors. You know that because they have been sending you letters—the same letters they are sending us. You also know that this has been going on for a long time. Ministers over a long time have withheld this move—to a competitive funding round—because the right thing to do is to make sure that the voices of people with disability are heard in the loudest possible way they can be. That is why these organisations have evolved and then been funded. Under this government's watch we have defunded seven disability organisations. You know what is happening out there—

CHAIR: Senator McLucas, I understand your passion about this, but could you come to a question.

Senator McLUCAS: I asked the minister what was the rationale and he said: 'We had a competitive funding round'. I do not think that is an answer.

CHAIR: We might let the minister expand on the answer then, rather than just making statements.

Senator Fifield: I will respond and then pass to Deputy Secretary Hand for some further context. As I indicated earlier, this was a competitive process. There were numbers of organisations, and indeed individuals, who over the years have suggested and advocated that it would be appropriate to open up this program area of national peak group funding—

Senator McLUCAS: Yes, that is true.

Senator Fifield: to a competitive process because what has been the case is that organisations have received funding, I guess, for historical reasons. Organisations have been funded because they have previously been funded. I think opening things up from time to time to give the opportunity for other organisations to put in bids and to state their case is a good thing. Senator McLucas mentioned that People with Disability Australia was already funded. They receive funding from other government programs—not through this particular program. If we are going down that path then we can make reference to funding that AFDO, for instance, receives from other areas of government activity; and that will continue. You cannot just look at those individual organisations in isolation of this particular program. I should also add, for the benefit of Senator McLucas and colleagues, that discussions are under way with the organisations that have not been successful in relation to some extended transitional funding.

I am also advised that many of these organisations will not continue to be funded through this particular national peak group funding program, but intend to continue. There are many organisations in Australia representing people with disabilities that would see themselves as national peaks that have not previously been funded and that are not government funded even after these arrangements. It is not as though the only way for voices to be heard is by way of direct government funding. I think there is a place for organisations that are funded and organisations that are not directly funded to be a voice for and to represent people with disability. I will ask Deputy Secretary Hand to provide a little more context and maybe talk a little about the discussions that are taking place in relation to extending transitional funding.

Ms Hand: One of the key rationales for the open competitive process was that in the past we had a pool of money that was divided across a larger number of organisations and fragmented. These organisations—obviously we have huge respect for them, like you do—represented the interests of a particular disability type or group. We felt that there were potentially some gaps in representation for people with disability.

Senator McLUCAS: It's a big gap now.

Ms Hand: Part of the strategy is about bringing together the five new organisations that competed in this round and were successful to create a new alliance that will represent all the interests of people with all disability types, not just the specific ones that were funded in the past. We had an initial meeting with the alliance last week in Melbourne and we made it very clear that we expect the alliance to engage with the organisations you

mentioned, Senator McLucas, that were not successful in the round, to make sure that they can feed their views and, through the alliance and with the alliance, represent the views of all people with disability.

In respect of the potential transition funding support that Senator Fifield just mentioned, we are in discussions with those eight organisations to see if they require some transition funding from now until the end of June, and also of course in the future. There is nothing to preclude that if there is a specific project or initiative where we think a particular organisation, one of the ones that was not successful, would be best placed to deliver that, of course they may well be selected for something like that in the future.

Senator McLUCAS: Thank you. Is most of that transition funding going to be used for redundancies?

Ms Hand: We are in the midst of discussions.

Senator McLUCAS: I guess a lot of it will be.

Ms Hand: We have had discussions with those organisations. Most are saying it is more about helping them to transition their business model to operate in the new environment.

Senator McLUCAS: Has the department done any analysis of—or, minister, do you know—how many people will lose their jobs out of this decision of government?

Senator Fifield: I am happy to ask officers to indicate to the extent they have knowledge, but I would think issues in relation to staffing are really ones for individual organisations to comment on rather than the department—

Senator McLUCAS: That is why I framed the question in that way. Has anyone done any work to try to find out how many people have to lose their job because of this?

Senator Fifield: As I say, I am happy for the department to comment to the extent that they may have knowledge and would not divulge details which are more appropriately divulged by individual organisations.

Ms Hand: We have had organisations—obviously I will not name them—talk with us. A couple of organisations may well be looking at reducing slightly their staffing numbers, but they were looking at that process before this grants round because they were seeking to change their business, the way they operate their business. I am not aware of any particular redundancies; others may be, but I am not. All our discussions—and we have been in intense discussions with the eight organisations over the last few weeks—have been more about how do they transition to an environment where they will be looking to other funding sources, not necessarily this particular grants round any more.

Senator McLUCAS: I am mindful of time. In this document that was just handed up it says that, for that particular program, up to \$9.8 million was available. But the figure that Ms Bennett read out was \$4.34 million.

Ms Bennett: That is because there was an adjustment in the time; it was one of those that was in a shorter time period.

Senator McLUCAS: So this is over five years, this document?

Ms Bennett: That was before the decision to change it to the two.

Senator McLUCAS: I understand. Thank you. I want to now move to housing and homelessness, service improvement of sector support.

Ms Bennett: We will just get the people here.

CHAIR: You want to move to another outcome, you say?

Senator McLUCAS: Within grants.

CHAIR: Before you do that, Senator Smith had some follow-ups on this particular discussion.

Senator SMITH: Thank you, Chair. Ms Hand, in your evidence you just mentioned that a sum of money was divided amongst that list of 13 organisations. Can you give me a sense of how that money was divided? I am assuming it was done fairly, it was done transparently, each organisation could see why one was receiving \$197,000 and one was only receiving \$124,000. Can you give me a bit of a sense of how those decisions about who got what sum of money were made?

Senator Fifield: In regard to the disability group funding.

Ms Hand: I will give you what I know but I will then defer to Mr Lewis who has been in this area a lot longer than I have. Based on advice to me—it is a bit like what Ms Bennett was saying earlier—decisions about funding had been made many, many years beforehand. They tended just to be rolled over, rather than looking at it strategically and saying, 'Are we actually representing the interests of people with disability as well as we possibly can be?' We did a strategic review. We were getting a lot of feedback from the sector and people with

disability that they did not feel that they were being represented adequately in some areas, particularly in some of those areas like women, Indigenous people, culturally and linguistically diverse et cetera

Senator SMITH: In that list of people I see nothing about LGBTI people with disabilities.

Ms Hand: Yes. That was why, as Senator Fifield said, we really needed to step back and look strategically at and run an open competitive process. In devising the strategy, developing the strategy, we took into account what we were being told by stakeholders in the sector and people with disability.

Senator SMITH: Was it hard for the department to justify why one organisation would get \$307,000, for example, and another organisation might only get \$124,000, or was it formulaic? Could the department point to a formula that says, 'This is how we calculate it'?

Ms Hand: I am not aware of any formula. I will ask Mr Lewis.

Mr Lewis: The funding arrangements for the previous organisations happened over a period, as we have heard, for different reasons and for different times. I have just been consulting with my colleague Ms Wilson. There was some broad division of what money was available. In terms of the deliverables, the argument for the case for particular sectors to have a voice or not, it was an evolutionary process over successive governments.

It is true to say that there are many, as the minister has indicated, organisations out there who have never been funded. There are organisations out there who never applied for funding. There are organisations out there who have a completely different funding model. There are organisations who are emerging, as we speak, who have particular interests, for want of a better word, diagnostic groups, for example, who would say, 'Why not us?' That is the answer in the broad. It is a historical arrangement.

Senator SMITH: Excuse the language, but as the disability landscape changes in our country it makes sense that there will be an evolution in the types of organisations that are best able to represent groups because some groups will come onto the landscape that may not have been there or may not have had a public voice 10 or 15 years ago.

Mr Lewis: Certainly the policy intent, as the minister outlined, is to have a broader church in terms of peak groups representing a broader and more inclusive and evolving sector and to have inclusion for all players under those five categories that we listed earlier in terms of the five groups that did receive funding in this grants round. Yes, to that extent the intent is to include, not to exclude, going forward.

Senator SMITH: I understand six organisations were funded to form the Cross Disability Alliance; is that correct?

Mr Lewis: Yes, that is right.

Senator SMITH: What are those six organisations?

Mr Lewis: People with Disability Australia, Children with Disability Australia—

Senator McLUCAS: It is in the *Hansard*.

Mr Lewis: Yes. The five that we—

Senator SMITH: Please continue.

Mr Lewis: First Peoples Disability Network, National Ethnic Disability Alliance.

Senator McLUCAS: It is called wasting time.

CHAIR: This is not wasting time. We do not need those kinds of interjections. There has been a very fair allocation of time.

Senator McLUCAS: It is just wasting time.

CHAIR: I do not think, when Senator Smith asks a few short questions, that you should be interjecting.

Mr Lewis: And Women with Disabilities Australia, forming the alliance. Then National Disability Services is another that has funding.

Senator SMITH: In another role I am the Chairman of the Parliamentary Joint Committee on Human Rights. I am just curious to know how important the United Nations social model of disability was in informing the government's policy direction in regard to this.

Mr Lewis: One of the things that the committee in Geneva observed in relation to our hearing a year and a half ago was that Australia needed to have a more transparent and rational way of funding organisations and peak organisations. An observation was that we needed to revisit that. There has been some speculation, as you would be aware, in the media about the UN convention and whether Australia is honouring that. There are advocates for both arguments. Our understanding is that in fact we have honoured the recommendation of the UN committee.

Senator SMITH: Thanks, Mr Lewis.

CHAIR: Before we proceed, I have spoken to representatives of the Opposition—I have not spoken to Senator Siewert; I apologise—about the timing. I know we are not going to get through all of this by 3.30. The suggestion to me is that we try and knock it over by four. That will mean that we will need to finish grants soon, because I know there are a few cross-portfolio questions. Is it only Senator McLucas who has further grants questions?

Senator SIEWERT: No. We have some more.

Senator MOORE: We did not realise the questions were going to be quite so in-depth.

CHAIR: I understand. I am talking about trying to finish by four. Is that still the will of the committee? If we push past four obviously there are going to be some other areas that are going to be a very tight squeeze.

Senator MOORE: I realise. I will put many on notice on the basis that if I am putting some of these questions on notice I really need to get them back, not in the agreed time, which is when—is it two months?

CHAIR: What is the agreed time?

Mr Lewis: I think it is eight weeks.

Senator MOORE: I will put them on notice. When I put them on notice I will actually contact the department and ask about anything that is urgent. That is all I can do. I am still going to try to meet the timetable.

CHAIR: So we agree that we will try and keep it to four.

Senator MOORE: Yes, we have agreed.

CHAIR: We will have some time, probably 20 minutes, for other cross-portfolios. Are there other grants questions?

Senator SIEWERT: I have one on disability, just one there. The others I have got on notice. In terms of the decision making on the groups that were funded, what process, in terms of consultation, was undertaken to make the decision on who was in the alliance?

Ms Hand: As Ms Bennett has indicated earlier, there was a consistent, rigorous process across all the grants programs that DSS manages, including disability. I might get Mr Lewis and Dr Reddel to talk to the detail of that process because it was very open, transparent and rigorous with multiple layers.

Mr Lewis: The tender process and the invitation to apply went to the intent, which was to have a collective arrangement, and the sector were encouraged to form alliances, relationships, consortiums to apply. We understand that is what they did. They collaborated. What came as a consequence of that was that the sector applied in the way that it did. Assessment was, therefore, on the application. The application was the alliance.

Senator SIEWERT: Hang on, the application was the alliance?

Mr Lewis: There were a number of applications.

Senator SIEWERT: Are you saying the other organisations that used to receive funding did not apply?

Mr Lewis: They did not apply as part of the alliance. The government went out and said, 'We are seeking a collective voice from the sector. We encourage you to collaborate and to come back to us about how you would see that working.'

Senator SIEWERT: What consultation did you do before that just to understand that in fact the sector wanted—

Ms K Wilson: Over a number of years the department has held annual workshops with the 13 disability peaks that have been funded. On those occasions they all called for greater collaboration. That was needed across the sector. There was a workshop. I cannot remember if it was last year or the year before.

Mr Lewis: There was one in November.

Ms K Wilson: Specifically the sector sought to try and come up, themselves, with some sort of more collaborative-type model.

Senator SIEWERT: 14 November?

Ms K Wilson: I would have to get back to you that it was that day.

Mr Lewis: We will double-check that. There were several workshops last year. We have had email, phone calls, representation from sector members, both those who were successful and not successful, that there needs to be a more collective and collaborative voice from the sector. That has been an historical, long-term discussion.

Dr Reddel: If I could just add in terms of the overall process—I think we discussed it last estimates—and the rigorous governance process over how we assess applications, one of the key principles for that was the overall objectives of the program, which obviously went to that notion of collaboration in this particular instance, and then looking at those objectives, looking at value for money, looking at the distribution across areas, across need, the service provider mix and how the services will be delivered. So those overall principles apply to all the grants, No. 1 one being the overall policy objectives of the program.

Senator McLUCAS: The cut is from \$2.5 million down to \$1.5 million annually; that is right, is it not? The funding for peak organisations was \$2.5 million; now it is \$1.5 million annually.

Ms K Wilson: \$1.75 million.

Senator McLUCAS: So \$300,000 multiplied by five to me says \$1.5 million.

Ms K Wilson: Plus \$275,000 per annum to National Disability Services, who sit outside the disability persons organisations alliance.

Senator McLUCAS: Where are they?

Ms K Wilson: The tender process was for disability persons organisation peaks and for peaks with service providers.

Senator McLUCAS: They applied but not in that program?

Mr Lewis: They did apply.

Senator McLUCAS: In that program?

Mr Lewis: They did apply.

Senator McLUCAS: Did anyone else apply for NDIS money?

Ms K Wilson: As a service peak?

Senator McLUCAS: Yes.

Ms K Wilson: I would have to go back and check.

Senator McLUCAS: That is all I wanted on disability advocacy organisations. I want to go to Housing now, please. In a similar way, for the housing and homeless sector improvement and sector support stream, according to your documentation, up to \$21 million was available in July last year when the program started and \$180 million was applied for by various people, who put a lot of time and a lot of effort and a lot of their energy and their money into applying for it and then we find out in December that it is going to be nothing. Is that a reasonable explanation of what happened?

Mr Palmer: I think the decision about program 4.1 is quite separate to the process of the tendering for the grants round and the \$21 million. The decision was taken by the government not to continue the grants round in December, which meant that we had to cease them processing that selection process.

Senator McLUCAS: I understand that. Minister, why was that decision made?

Senator Fifield: I will ask the relevant officials to give the rationale.

Senator McLUCAS: The official said it was a government decision.

Ms Hand: The decision was made in the context of the inquiry into affordable housing and the Mid-Year Economic and Fiscal Outlook. No services were cut at all. This was more around research, innovation—

Senator McLUCAS: Why was it cut? Mr Lye might be able to help us.

Ms Hand: As part of a broader government decision.

Senator McLUCAS: It was a government decision.

Ms Bennett: It was a 'not proceeding' decision. Mr Lye will be able to talk about that particular decision, and it was set out in Minister Morrison's press releases of 24 and 30 January.

Mr Pratt: I will defer to Mr Lye in a second. It is basically to do with the Pape and Williams decisions.

Senator McLUCAS: You are not going to say that!

Mr Pratt: I am. Senator, that is—

Senator McLUCAS: So, because of Williams, we cannot fund homelessness in Australia. Is that what we are saying?

Mr Pratt: No. It is to do with this particular program. We have to be very careful in this space. I will allow Mr Lye to try and expand a little bit on this.

Mr Lye: I might come to the specific aspect but talk more generally around the constitutional backdrop. In working through the reform of the program suite within the department, we have had one eye on the recent constitutional developments, including the cases that Mr Pratt referred to and, I think it is fair to say, we have taken a very cautious approach about the way we move forward. That, for example, was referenced in the minister's statements around the program's decisions, including around where we have talked about two-year extensions of funding rather than five years.

In a general sense the decision making is around us being able to look at what adjustments or steps we need to take in relation to the program suite within that constitutional set of circumstances. It is very difficult for us to go beyond a general explanation to you, because once we start to drop down into the individual areas of program activity, we are effectively providing you with our legal advice. There is a longstanding principle about us not doing that.

I think it is clear in Minister Morrison's statement that he is trying to give people some exposure to the backdrop that we face for transparency reasons, but then we also have a limit on our ability to talk to you about the specifics below that broad level, as we would be making public our legal advice, which we do not want to do.

Senator McLUCAS: Thank you, Mr Lye. Minister, I think you are hiding behind your department at the moment.

Senator Fifield: No.

Senator McLUCAS: Why can't you answer these questions?

Senator Fifield: I am not hiding behind—

Senator McLUCAS: You are sending out these warriors to run these arguments. It is a decision of government—

CHAIR: Is there a question here?

Senator McLUCAS: It was a decision of government and I would like you to explain to me what drove that decision.

Senator Fifield: Thank you, Senator McLucas. Obviously I have a more intimate familiarity with those areas of my direct portfolio responsibility as opposed to those that Minister Morrison has. As has been indicated, this is a decision of the government. Let me refer you to Minister Morrison's statement where he says, among other things:

As a result of developments in the background law and the High Court's Pape and Williams decisions; some programmes will require redesign to ensure conformity with the law. Some grant agreements will be of two years duration as that redesign process takes place. This will also help to ensure... providers have the scope and flexibility to be responsive, innovative and creative in meeting the needs of the community.

Minister Morrison, also in a release, said:

The Government has also sought to focus on areas of primary Federal responsibility, especially in light of the recent Williams Case that has reframed the funding framework for many services delivered in our communities, and removed the Federal Government from being able to provide direct funding, where previously it may have done so.

I think that is really as much as I can do in terms of providing a context for what is a decision of government.

Ms Hand: I would also add, as I said a minute ago, that key service delivery has not been impacted. So the National Partnership Agreement on Homelessness, Reconnect, for youth specialist services, the National Rental Affordability Scheme, the NAHA—all of those have not been impacted by this decision; no service delivery. This is more about research, peak bodies and those sorts of aspects.

Senator McLUCAS: That is what I want to go to now. What is funded out of that program now?

Ms Hand: I defer to Mr Palmer.

Mr Palmer: We provided a list of the current services funded in response to this question on notice at the Senate Economics References Committee inquiry into affordable housing. In the 2014-15 year, the activities that we fund are the Create Foundation, the AFL Ladder, the Council to Homeless Persons *Parity* magazine, the Homelessness Australia National Secretariat Support Program and related activities with Homelessness Australia, the Australian Housing and Urban Research Institute, the Community Housing Federation of Australia, and National Shelter. We contribute a small amount of money to the Department of Finance clearinghouse. The Department of Finance provides the technology for the Homelessness Clearinghouse. That is what we pay for there. And there was the finalisation of the Journeys Home research project.

Senator McLUCAS: What is the quantum we are spending on that at the moment in the current financial year?

Mr Palmer: In the current financial year the total is \$2.7 million.

Senator McLUCAS: So \$2.7 million for all of those—

Mr Palmer: All of those activities that I read out; that is the total in 2014-15.

Senator McLUCAS: How much do we give to AHURI?

Mr Palmer: In 2014-15 we have given them \$522,000, but we prepaid some from last financial year.

Senator McLUCAS: I understand AHURI is going to continue to be funded?

Mr Palmer: For the next two years.

Senator McLUCAS: For the next two years. Why isn't Williams a problem there, Minister?

Ms Hand: Why is it for two years, did you say, Senator?

Senator McLUCAS: Minister, why isn't Williams a problem for us to fund AHURI?

Mr Pratt: It is funded. We have a contract in place.

Senator McLUCAS: Mr Williams could still take us to court because we fund a research organisation that talks about housing. But no; you will not answer that, and you should not, because you would be then showing your hand for your legal advice. It is a political point—there you go. So \$2.7 million is the current spend in that program?

Mr Pratt: That is right.

Senator McLUCAS: Where did the \$21 million come from?

Mr Palmer: If you go to page 81 of the portfolio additional estimates statement and look at the \$5.5 million a year over the four out years, that adds up to \$21 million.

Senator McLUCAS: What page was that, Mr Palmer?

Mr Palmer: It is on page 81.

Senator McLUCAS: Have you had any feedback from the sector about the defunding?

Mr Palmer: Clearly, we have had some feedback and clearly the services that were receiving funding are disappointed with the decision.

Senator McLUCAS: Mr Palmer, we have talked a lot about consultation that the minister may have with organisations in the housing and homelessness sector. There is the Property Council of Australia and the Master Builders: they will be fine; they are okay. But with Homelessness Australia—this is not a question for you; it is now a question for the minister—how are we going to hear the voice of people who are homeless in our country if we do not have an organisation who can talk on their behalf?

Senator Fifield: We might part company at this point but I do not think that the only mechanism for members of the community in Australia to speak to government is if they are funded under a program to do so. I do not think that is the only mechanism. There are many organisations in Australia that exist and that put their view and their voice to government, either through other resources or on a voluntary basis, that do not receive funding from government for that purpose.

Senator McLUCAS: I did make the point that I could see it was a direct line of representation for the person who is completely homeless; they would know they could write to the minister and they would have the ability to access the email address. You are talking about the most vulnerable people in Australia and we have just cut the funding—

Senator Fifield: We are also talking—

Senator McLUCAS: of an organisation who can speak on their behalf—

Senator Fifield: Are you going to give a monologue or would you like me to respond?

CHAIR: Please respond, Senator Fifield.

Senator Fifield: There are people who represent homeless people to government. There are people who represent many sectors of the community to government. Those representational activities, the voice that people have in many areas, happen in the absence of direct government funding.

CHAIR: We are going to have to come to a conclusion here on grants.

Senator Fifield: Other jurisdictions obviously have their own arrangements for making contributions to organisations.

Senator McLUCAS: Thank you, officials. I apologise for my disquiet.

Senator SIEWERT: I have questions around the healthy welfare card, which is not actually out. I want to know about the department's involvement in the process.

Ms Bennett: It is in outcome 2, which is just after dinner.

Senator SIEWERT: Families and communities?

Ms Bennett: Yes.

Mr Pratt: We will be able to cover off the department's involvement in that process then.

Senator SIEWERT: Could we do that at the beginning of that?

Ms Bennett: Certainly.

Mr Pratt: We are in your hands, Senator.

Senator SIEWERT: Thanks. Can I go back to the issues that you were talking about in Williams? It is not to do with homelessness; it is just general in terms of—

Mr Pratt: Can I make an up-front comment on this? Anything to do with the Williams case really should be directed to the Attorney-General's Department. Please ask your questions, and we will attempt to answer them, but it is an area of enormous sensitivity for us. I know that my lawyers are sitting at the back with their stomachs rumbling with nervousness about what we might inadvertently say up here. I do not want to have to bring them to the table and to be unhelpful.

Senator SIEWERT: Yes, I was going to be very careful. I understand, Mr Lye, you have already made some comments on the legal advice. Are you then coordinating with Attorney-General's? You said it was Attorney-General's that has had the advice?

Mr Pratt: That is right.

Senator SIEWERT: Are all the agencies coordinating with Attorney-General's about how you are going to be responding?

Mr Pratt: Yes. That has been happening for some time.

Senator SIEWERT: I understand that. Is there a time line that you are aware of in which that process is going to be finalised?

Mr Pratt: I am not in a position to respond to that. That would have to go to Attorney-General's.

Senator MOORE: Can I ask one question to follow up on that?

CHAIR: Sure.

Senator MOORE: Mr Pratt, can we get a list of all the organisations for whom the reason for the change has been the legal issues around the constitutional process?

Mr Pratt: We will take it on notice.

Senator MOORE: And also how much information has been provided to the people who have asked for grants on this? I know a number of them in the information they received back from the department have had it quoted to them that the reason is to do with various precedent cases and the Constitution, that things have changed. I just want to know how much information they got.

Mr Pratt: We will correct my advice on notice if I am wrong, but I think the extent of the advice that we have provided to them is what the minister read out from the press statement.

Senator MOORE: If there is any more I would like that. I just want to know because people are talking about this issue and we understand the sensitivities. I just want to know how engaged people are about what is around.

Mr Pratt: Yes, Senator.

CHAIR: I just have a couple of quick ones that I think should fit here in cross-portfolio. One is on Comcare premiums. I just wanted to get a sense in relation to what has been the trajectory of Comcare premiums for the department over the last few years.

Mr Pratt: While my colleagues are getting ready to answer the question, Chair, it is going to be challenging to give a very specific answer because we have undergone quite a few model changes over the course of the last few years which complicates the matter.

CHAIR: With that proviso we will see how we go.

Mr Lye: My answer might not be any better than Mr Pratt's. We certainly have experienced an increase in our Comcare premium. We are happy to provide, on notice, the exact figures for that. Part of the reason for that increase is the impact of the MoG, the change in staffing.

CHAIR: Is it simply a feature of having more staff or is it more per staff?

Mr Lye: It is the change in staffing. We obviously have had some staff transition to PM&C from the former FaHCSIA. That has had an impact on the premium in one direction. We have also had some staff joining us from other constituent departments and that has had an impact on the premium as well.

CHAIR: Let me be clear: is it simply about numbers or is it other factors?

Mr Lye: It is other factors. It is the mix of staff. It could be related to the kind of work that staff are doing that have come on board who may be exposed to greater stressors and the age profile of their staff. There are a range of factors. That will not be the only thing that is impacting the premium, but it certainly is one of the key factors.

CHAIR: What else is impacting the premium?

Ms McKinnon: The premium is determined by a rolling four-year case history. If you think about the MoG changes, we in fact inherited staff because generally in a MoG form follows function. There may be Comcare cases where individuals actually have not been in work and we have to sort through the staff that we have inherited from various departments and look at those case claims. Generally, the premium has been trending up. My colleague is correct; it is a function of our payroll and our people, where there has been an increase. There have also been changes in the composition of the nature of claims over the past four years and the claims history.

CHAIR: Are there any particular actions that the department is taking to try and keep a lid on those premium costs and get injured staff better and back to work?

Ms McKinnon: Certainly. We are working very closely with Comcare to look at what we call our 'long tail' cases, some of which were a function of the MoG. We have dedicated case managers who have now scrutinised pretty much every single case that we have and made contact with the affected staff. We have a strategy also of getting expert specialists' advice. Where we have staff who do not even have the capacity to have a graduated return to work we are asking for independent medical assessments and trying to get active case management going.

CHAIR: Thank you. I will look forward to receiving those answers on notice. I might have some further questions once I have seen those. Mr Pratt, I think this might be for you. Just briefly on the new DSS accommodation. I am getting word around town in terms of some delays. Are you able to bring me or the committee up to date as to whether there are any sticking points at the moment with the new accommodation in Tuggeranong going ahead? Even in recent days I have had people approach me saying that there are some delays, possibly some that involve other parts of government perhaps holding things back. You might be able to enlighten me on that.

Mr Pratt: Certainly, Chair. I am pleased to say that we have agreed with Cromwell the arrangements for the new building. We have now signed the agreement with them. We are expecting their signature on it this week.

CHAIR: If that is the case, what does that mean? Are there any other procedural delays before they can go ahead and start building?

Mr Pratt: I do not believe there are any other impediments to it getting underway.

Mr Lye: That is right, subject to Cromwell signing the agreement for lease. Then we will proceed.

CHAIR: The things I have been hearing are that there are internal bureaucratic issues with other departments. There is nothing of that nature that would be holding things back?

Mr Pratt: Not any longer. There certainly were issues which had to be dealt with, particularly around things like parking.

CHAIR: They have been resolved?

Mr Pratt: Yes,

CHAIR: Are you able to enlighten me at all on the parking? What was the resolution there or is that still in confidence?

Mr Lye: Part of the process for us with the agreement for lease will be that one of the first actions—because the new building is being built on top of the existing carpark at the south-east corner of the property—will be that the developers will build a service road at the back of the property. Off that road will be 200 car parking spaces. That will be in addition to the car parking that will be available underneath the new building and the existing non-affected car parking outside the existing property.

There are some planning issues which have been the subject of broader discussions, but they are outside of the agreement for lease process. Mr Pratt is right; that did complicate the negotiations, but they are separate. We are

proceeding on the basis of the arrangement where we will have the new car parking built as part of the start of the works.

CHAIR: How many car parks will be dedicated for the building once it is completed?

Mr Lye: We might come back to you with a figure. That will depend ultimately where some of the other planning decisions go in the long term for the whole site and indeed for the surrounding area. We can give you an answer on notice of the car parking places that we have locked in. Then we will be able to tell you how many parking places in total once the other planning processes are involved.

CHAIR: Just finally, is that a subsidised car parking arrangement for staff, so they pay but they pay perhaps less than they would in the surrounding areas to deal with FBT? Or is it just some other arrangement that I am not aware of?

Mr Lye: I think that parking will be on the same basis as other parking in the community in the Tuggeranong area. I do have my person here who can tell us.

[15:53]

CHAIR: That is okay. Perhaps you can take that one on notice. Thank you very much. We have finished with cross-outcome corporate matters and grant programs. We will now move to outcome 4, Housing. Before we proceed, Mr Pratt, with 4.1 and 4.2, are we happy to ask just across those or do we want to go sequentially between those?

Mr Pratt: We are happy to assist senators as it is most convenient for them.

Senator Fifield: I should just indicate that Senator Fierravanti-Wells will be joining you for this particular outcome.

CHAIR: Fantastic. Should we wait?

Senator Fifield: I think you can kick off.

CHAIR: We can start and you can do a switch-over. Who would like to kick off? Senator McLucas.

Senator McLUCAS: Thank you very much. I would like to go to the National Partnership Agreement on Homelessness. Can I get an update—Mr Palmer perhaps—on where things are up to with that?

Mr Palmer: As we indicated in the Senate economics committee hearing on affordable housing a couple of weeks ago, any future decision beyond 30 June for the national partnership agreement is a decision for government. It is being considered in the budget context. There is nothing further I can add to that than we said at that hearing.

Senator McLUCAS: There must be conversations that have been had with state and territory counterparts, I imagine, either minister to minister or official to official?

Ms Hand: The program could be one that has matched funding—

Senator McLUCAS: Would you mind speaking up, please, Ms Hand?

Ms Hand: I am sorry—with the states. In the lead-up to budget there are always discussions around whether a program is going forward or not. As Mr Palmer said, it is very much a decision for government in the context of the budget, so we really cannot comment any further.

Senator McLUCAS: Thank you for that. Last year when it was extended for one year the decision was announced prior to budget. That was driven mainly because of the need for organisations who may have had to sack staff to give the required three months notice. That still stands, I would expect, that circumstance?

Mr Palmer: That set of issues is still a live submission.

Senator McLUCAS: Thank you. So we would expect some indication if it was going to be not proceeded with in that three-month window prior to 1 July?

Ms Hand: Senator, as you would expect, the department continues to advise the government on all matters in respect of the budget for our portfolio. This is one of those. It is fair to say the minister and government are aware of all of the issues and are taking them into consideration.

Senator McLUCAS: A brilliant response, Ms Hand! She should get a gold star for that one.

Ms Hand: It must be my former foreign affairs background!

Senator McLUCAS: In the discussions with states and territories, has there been consideration of improved accountability measures in any future agreement?

Ms Hand: For the National Partnership Agreement on Homelessness? Again, I will not comment on advise, obviously, that we give to government but, as the former Minister for Social Services, Minister Andrews said—and we have not yet had detailed discussions with Minister Morrison, but we intend to and he intends to—he was very keen to see increased focus on outcomes from programs funded through the National Partnership Agreement on Homelessness, accountability and delivery, to make sure that those vulnerable Australians, homelessness people, are actually getting the outcomes that the programs are designed to deliver.

Senator McLUCAS: It is just a wait and see now, isn't it, really? We will do it again the way we did it last night, will we, Chair?

CHAIR: If you guys would like to play tag team for a little while, feel free.

Senator LUDLAM: Just staying on NPAH, have you ruled out signing an agreement that might be for more than 12 months?

Mr Pratt: That would be a decision for government.

Senator LUDLAM: Do you guys actually have any awareness of what is under discussion?

Mr Pratt: Yes.

Senator LUDLAM: You do. Great. I understand that the final decision would be up to government. Do the negotiations canvass the possibility—the mere possibility—of signing an agreement that is of greater duration than 12 months?

Mr Palmer: It is possibly going to the process at this point. We do not go into formal negotiations with the state and territory governments until the parameters of a decision from government. So it is not possible to talk with the states and territories about the details around the length of an agreement until government has made a decision around that parameter.

Senator LUDLAM: So that has to come first and then you cut your cloth to suit that?

Mr Palmer: That is correct.

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Senator LUDLAM: Do you have any indication—I am not asking you to give me the date, God forbid!—of when government is going to give you that date so that things can proceed?

Mr Pratt: No.

Senator LUDLAM: No? Unbelievable! Do you have any estimate for us of how many people within front-line or back office homelessness support services have already lost their jobs as a result of this extraordinary delay? It is not your fault, I understand.

Ms Hand: I am not aware of any people having lost their jobs.

Senator LUDLAM: Are you aware that homelessness service providers are preparing to lay people off? It is really difficult to maintain employment contracts under these kinds of circumstances.

Ms Hand: I believe maybe before you came to the room we were discussing this. Senator McLucas raised the issue and at that time Mr Palmer indicated that there are obviously a range of issues that we consider in the context of this program, and that is one of them.

Senator LUDLAM: One of the issues in the range that you consider is that people have no security of employment. What about leases for commercial premises? How on earth are crisis services and homelessness services meant to maintain leases when they do not know if they are going to exist on 1 July?

Mr Palmer: The specific funding agreements with the services are managed by the state and territory governments. They would go to arrangements about leases and the like.

Senator LUDLAM: But you are responsible for half of the funding.

Mr Palmer: We are contributing half the funding through the national partnership agreement.

Senator LUDLAM: I am not taking a shot at anybody here at the table, because none of you sit in the executive. It is that the Commonwealth government—maybe on your behalf, Senator Fierravanti-Wells—is putting an extreme and, I would say, untenable strain on people who are just trying to do a really difficult job, by withholding any funding certainty beyond a few months.

CHAIR: Might we get to a question, Senator Ludlam?

Senator Fierravanti-Wells: Do you have a question, Senator Ludlam?

Senator LUDLAM: My question is: can you please stop doing that?

Senator Fierravanti-Wells: Senator Ludlam, can I just remind you that—

Senator LUDLAM: That was a question.

Senator Fierravanti-Wells: The coalition government picked up the pieces in this space—

Senator LUDLAM: Don't start. I didn't ask about the former government.

CHAIR: Hang on!

Senator Fierravanti-Wells: Senator Ludlam—

Senator LUDLAM: I did not ask about the former government.

Senator Fierravanti-Wells: Senator Ludlam, you asked a question, and I am answering it.

Senator LUDLAM: She has been in government for 18 months.

Senator Fierravanti-Wells: If you are interesting in listening to the answer, I am going to give it.

CHAIR: Senator Ludlam, you gave a speech and asked a highly politicised question. You can allow Senator Fierravanti-Wells to answer.

Senator LUDLAM: Go ahead.

CHAIR: Please do not interject.

Senator Fierravanti-Wells: Do not forget that the previous government did not provide for funding beyond 30 June 2014. This government is now embarking on appropriate measures in this space. I expect that we will consider arrangements in the context of the next budget process.

Senator LUDLAM: Is anybody—either through you, Senator Fierravanti-Wells, or any of the officers at the table—able to table a specific list of services that were cut or abolished or put out of business by the \$21 million cut before Christmas? A fair amount of the commentary revolved around the peak bodies, Homelessness Australia and so on, that we had before us a short time ago, which accounted for less than \$1 million of that \$21 million.

Ms Hand: We addressed that particular question in the previous session.

Senator LUDLAM: So I will find something on the transcript?

Mr Pratt: Yes, and we have taken on notice a question around organisations.

Senator LUDLAM: Can I get any confirmation that the \$44 million that this government cut from the capital budgets of the homelessness service providers—

Mr Palmer: There was no cut to the capital budget. There was no money in the forward estimates.

Senator McLUCAS: Mr Palmer, really!

CHAIR: Don't berate the witness!

Senator McLUCAS: I didn't.

CHAIR: Allow him to answer. We do not need this sort of carping when a public servant answers a question. Mr Palmer, I do not know if you were finished.

Mr Palmer: I think I have finished.

Ms Hand: Just to be clear, prior to the election in—now I am out in my years—2013 there was no funding in the forward estimates for the National Partnership Agreement on Homelessness, which included everything: services as well as capital. When the decision was made last year to extend the agreement for another year, this government was committed to ensuring that service delivery continued. Therefore, the service delivery component of the National Partnership Agreement on Homelessness was continued—noting that, as Mr Palmer said, there was not a cut to capital. The capital was provided every year to deliver on milestones. Those milestones have been delivered. It was very much up to the states and territories to determine whether any further work in that area was needed.

Senator LUDLAM: So service delivery was continued. Just be specific about what was not continued, if you do not want me to use the word 'cut'. What was discontinued?

Mr Palmer: There were two elements: there was a capital element and there was a research element.

Senator LUDLAM: What was the break-up between the two of those?

Mr Palmer: Give me a couple of minutes. I think we answered this question on notice from the last estimates.

Senator Fierravanti-Wells: Senator Ludlam, my recollection is that it has been canvassed at a number of estimates hearings now. I am sure that Mr Palmer has the figure there for you.

Senator LUDLAM: I was going to ask whether there is any consideration of that funding being restored. When we say 'capital budget', it sounds a little bit anodyne. What it means is being able to provide more shelter, more beds.

Mr Palmer: We have answered it; question on notice No. 479 from the supplementary estimates hearing—

Senator LUDLAM: So in October or November or something. I will go chase that. Thanks for that.

Mr Palmer: Anyway, if there is further detail you would like, I am happy to provide that on notice.

Senator LUDLAM: Thank you.

Senator McLUCAS: Mr Palmer, in regard to a previous issue, I opened by saying: can you give us an update on where the government is on the National Affordable Housing Agreement?

Mr Palmer: I seem to recall I get into trouble every time I say that the National Affordable Housing Agreement is an agreement in perpetuity.

Senator McLUCAS: I understand that; you have taught me well. But there must be some conversations occurring between states and territories about how that is moving forward.

Mr Palmer: I am not aware of any discussions to change, or move that forward.

Senator McLUCAS: So the formula that is applied for the funding for next year stays exactly the same—there is no change?

Mr Palmer: That is correct.

Senator McLUCAS: I have got that one, which I think is the most recent one—

Mr Palmer: It is on the Council on Federal Financial Relations website. That is the most recent one. I think it is from 2013.

Senator McLUCAS: Is it? It is not dated.

Mr Palmer: There is a date on the website next to the link.

Senator McLUCAS: Thank you. So that is 2013?

Mr Palmer: That is my recollection. If I have got that wrong, I am happy to correct that.

Senator McLUCAS: Thank you. I will go to that question of accountability again that Minister Andrews was particularly interested in pursuing. So this has not changed since 2013. But there is the opportunity for a government to revisit it and try to renegotiate some of the deliverables out of an agreement like this, I understand. That is correct?

Ms Hand: That is always an option.

Senator McLUCAS: So has there been any discussion following Minister Andrews's desire to improve accountability and transparency of where our money goes in the last 12 months, 18 months?

Mr Palmer: It is all picked up by the white paper process on reform of the Federation. In December last year the government released an issues paper on housing and homelessness that went to the roles of the state and the Commonwealth in housing and homelessness, which effectively picks up what should be a forward-looking arrangement as an issue under consideration. In a sense, the place of the National Affordable Housing Agreement is part of an item of discussion in that broader reform process as part of a white paper on the reform of the Federation.

Senator McLUCAS: But that would not have precluded a revisiting of this agreement in the last 18 months to achieve the outcome that the minister suggested was desirable?

Ms Hand: At the hearing we had a couple of weeks ago on the inquiry into affordable housing, you may recall I mentioned at the time that Minister Andrews had had a number of round tables with industry, community housing providers, etcetera. One of the issues that was raised in those sessions—that obviously were chaired by Minister Andrews—was around accountability, transparency and delivery of desired outcomes under the National Affordable Housing Agreement. There was some really useful feedback from stakeholders and those who attended those round tables that we have fed in, in quite a lengthy way, to the reform of federation process that the Department of the Prime Minister and Cabinet is running.

Senator McLUCAS: That does not answer my question, Ms Hand. I am sorry. That is not going to report until December this year. Then there would be a period of time for government to respond to that. Is there anything to preclude negotiations occurring in the last 18 months to improve accountability measures? I think probably the strongest thing Minister Andrews talked about was the need for improving accountability in this agreement.

Ms Hand: There is nothing to preclude the Commonwealth and the states collectively discussing that.

Senator McLUCAS: Thank you. I have before me the Standing Council on Federal Financial Relations National Affordable Housing Agreement performance reporting document. Do you know what we are talking about? This is a report to CRC, December 2013, so it is a while ago. It says: 'The Australian government has announced its intention to disband the National Housing Supply Council.' And it says: 'Further work is required to develop a measure and identify relevant data to support reporting against performance indicator 8'. That would say that the National Housing Supply Council was providing material that assists in the accountability and transparency. That is gone. What happened as a result of that sort of recommendation from that report?

Mr Palmer: This is a difficult question for us. We have had this discussion before, as Senator Ludlam will recall. Under the administrative arrangement orders, housing supply policy is the responsibility of the Treasury, not of the Department of Social Services. Questions around the National Housing Supply Council and around supply measures need to be addressed to the Treasury, not to us.

Senator McLUCAS: Mr Palmer, this is an analysis of a DSS agreement.

Mr Palmer: It is actually a Treasury First Ministers' agreement.

Senator McLUCAS: Certainly; I take your point. But you administer it.

Mr Palmer: We provide advice on its administration, but it is actually administered by Treasury and the payments are made from Treasury appropriations. So we advise Treasury on its administration. They make the payments.

Senator McLUCAS: Have you talked with Treasury about that recommendation, about indicator 8?

Mr Palmer: Because housing supply policy is a Treasury responsibility, that is something they would progress.

Senator McLUCAS: So they do all of that? You have no role?

Mr Palmer: Housing supply policy is not a policy responsibility of the Department of Social Services; that is correct.

Senator McLUCAS: So I was right. So NAHA is not in DSS?

Mr Palmer: Large parts of the National Affordable Housing Agreement, including the funding of, and the performance indicators for, social housing service systems, are a DSS responsibility. But in regard to the questions around supply, the Administrative Arrangement Orders say housing supply policy is a Treasury responsibility. I understand that the parliamentary secretary to the Treasury has that responsibility.

Senator McLUCAS: I will go to staffing—I seem to be jumping around a bit, but that is an easy bit to do. Thank you for your answer to question on notice No. 476, which gives an indication of your staffing levels in the housing and homelessness policy area. Basically there has been a decrease of the housing and homelessness staff of almost 20 per cent over the period we were talking about, from 1 July 2013 through to 17 November 2014.

Mr Palmer: Sorry, what number was that again?

Senator McLUCAS: No 476.

Mr Palmer: I have got it. This is a difficult one to answer because I have given you an answer on our full-time equivalent staffing, but one of the things we have done in making NRAS payments is hired contractors rather than departmental staff to do the processing for that. While the numbers have dropped, as indicated in that supplementary estimates hearing answer, at the moment, for example, we have 27 staff working on NRAS-related issues who are contractors and would not have been counted in that full-time equivalent staffing.

Mr Coburn: We have had 27 staff at various times working on NRAS claim management. We try to keep that number at around 18, but it is fairly dynamic. We have got around 12 at the moment. We are about to bring some more in.

Senator McLUCAS: That will taper off after this bit of work is done?

Mr Palmer: Yes.

Ms Hand: I would also say that in the context of, for many years now, trying to run an efficient department—as efficiently as possible—we have been trying, through natural attrition, to reduce staff in relevant areas across the department. It is part of a broader strategy. It is not a housing-specific strategy.

Mr Pratt: It is not as simple as just simply these numbers because also during this time we have re-organised how the department is operated. For example, with the creation of the program, office staff have come from

various parts of the department into that area with the responsibility for managing their grants. It is very difficult to give a true apples with apples comparison.

Senator McLUCAS: But the big decrease in staff happened between 30 June 2014 and that last date, 17 November?

Mr Pratt: Certainly there was a significant drop. But how much of it was to do with the creation of the program office in that period, how much was to do with the creation of the Department of Social Services itself, which is of course a very different department to the former FaHCSIA, it is hard to say. There will have been some reductions in staff, as there have been over a number of years, as a result of a continuing trimming of budgets with the efficiency dividends.

Senator McLUCAS: What is the staff level now?

Mr Palmer: As at 3 February the full-time equivalent is 63.2.

Senator McLUCAS: It has gone up again.

Mr Palmer: That is not including the contractors.

Senator McLUCAS: Thank you. That is all I had on the staffing question. Can we go to Commonwealth rent assistance. You provided an answer to a question on notice about Commonwealth rent assistance, which was current when I asked what the cost of Commonwealth rent assistance would have been.

Mr Palmer: Question 54?

Senator McLUCAS: That is correct. How did you come to that figure? Can you walk me through how that happened?

Mr Palmer: Mr Riley will be able to do that.

Mr Riley: Essentially what we did was take the public housing population at a point in time, assume rent maximising rent setting, as we know that occurs, Then the calculation is relatively straightforward for this many income units times that many people. That is how we get to it.

Senator McLUCAS: Basically you are saying that everyone who is in public housing is probably on the highest level of Commonwealth rent assistance. It is a simple multiplication sum?

Mr Riley: That is right.

Senator McLUCAS: That is what I thought.

Mr Palmer: The subtlety is there are slightly different rates of rent assistance for different income support payments. We have taken the average rate, given the proportions of income support that different people in public housing are on. It is a slightly more nuanced calculation.

Senator McLUCAS: Would you be able to provide that detail to me?

Mr Palmer: I am pretty sure we will be able to provide that detail.

Mr Riley: Yes.

Senator McLUCAS: Thank you. You have done a good piece of work there. With regard to Commonwealth rent assistance for private rental, in the current setting how do you calculate the amount that you will allocate in the out years?

Mr Riley: I will answer in general terms. Because Commonwealth rent assistance is not a primary payment, it is a component, in a sense we add together the rent assistance amount associated with aged pension, disability support pension, carer payment and so on through the payments. In terms of a forecast, we look at what growth has been in the previous year. We found over recent years that the growth in CRA was exceeding those estimates, but it is a little difficult to tell exactly the sources in enough specificity to answer you beyond that.

Mr Palmer: For the specific calculations for rent assistance for a payment, because they are done by the people who look after the payments, you would need to talk to that part of the outcome for that calculation for aged pension or that calculation for carer payment or carer allowance or family tax benefit.

Mr Pratt: What we might do is take on notice to check whether or not there have been any changes in our methodology in recent years. I am not aware of any. I think there is a process for indexing the amounts for each of the payment types which will take into account estimates around rent assistance. We might take on notice to confirm that and what the methodology is.

Senator McLUCAS: That is what I am looking for. What are the inputs that lead us to a number that we can understand, please? When it comes to rental stress in general, the answer to the question on notice you provided

me is a little alarming in regard to the number of people who are in rental stress in our country. What sort of work is the department doing to respond to that increasing number of people who are living in rental stress?

Ms Hand: As we said in the recent inquiry, there are a range of factors that we monitor closely: rental stress, people's ability to pay their rent or their mortgage or to get a home loan in the first place. We monitor that and we provide the government with appropriate policy advice on all of these issues. We also, referring to the earlier conversation, where appropriate if it is more the responsibility of the Department of Treasury, provide our own views to Treasury on housing supply issues, for instance.

Senator McLUCAS: The work you are doing in monitoring rental stress, is that also being done in Treasury?

Ms Hand: I am not aware.

Mr Palmer: That is a question you would have to ask Treasury. I am not aware of them monitoring rental stress for the income support covenant.

Mr Pratt: I am going to make a bold assumption that they are aware of it and do consider those issues.

Senator McLUCAS: It does worry me that we have got potentially quite a bit of duplication happening across these two departments.

Mr Pratt: We do work closely with Treasury.

Senator McLUCAS: I would like to hear a little more about how that coordination works, though, Mr Pratt.

Mr Palmer: The head of the social policy area in Treasury that we deal with on this issue was a former officer in the housing program in the Department of Social Services, so it does make it easy to have some of these conversations.

CHAIR: Before we go further. I have spoken with opposition members—and I will put it to others as well—we would like to maybe knock this area over before we have a break. Certainly opposition senators have said that they would like that. What I am suggesting is that we go till about a quarter to and then break. That would finish Housing. Then we would come back to the next output class.

Senator McLUCAS: I was a bit greedy in the first bit. I am prepared to bring that a bit closer.

CHAIR: I certainly have five to seven minutes in this area. I do not know what other questions there are from—

Senator LUDLAM: No more than 10 minutes. I am nearly done.

CHAIR: We might try for 20 to then, to finish, and we will finish Housing.

Senator McLUCAS: I think we could do it by half past. You have five minutes so that would make it 25 to.

CHAIR: Senator Ludlam said he has got some and I have got some. I thought I would go to Senator Ludlam for about five to seven minutes and then I will have a few minutes and we will probably finish with that.

Senator LUDLAM: I am keen to know whether you guys have any visibility or interest or formal connection with the Commonwealth properties asset divestment program. Has that come up so far today?

Mr Riley: No, that has not come up so far today.

Senator LUDLAM: There are 40 properties due to be sold in the first tranche. I am just interested in what affordable housing outcomes are being guaranteed as part of that issue.

Mr Riley: The Department of Social Services is no longer represented on the governance arrangements for that committee. That is done between, as I recall, the Department of Finance and the Department of Treasury. There may be some others involved. It has been a while since I have looked at it.

Senator LUDLAM: When you say 'no longer represented', that makes it sound as though you were for a period.

Mr Riley: It is associated with the supply responsibilities.

Senator LUDLAM: I can remember having some interest in some of those before. There was ambiguity as to whether supply rested with DSS or Treasury. We have had this conversation before.

Mr Riley: We have had this conversation before.

Senator LUDLAM: How are we to ensure that affordable housing outcomes are guaranteed as part of that divestment initiative, which is not necessarily a bad idea? We have a housing crisis, we have extraordinary rental stress, 100,000 homeless people and quite a lot of Commonwealth properties being divested. What housing affordability outcomes will we see?

Ms Hand: As Mr Riley said, Commonwealth property matters rest with the Department of Finance. That is not at all to say that we do not and we will not continue to have discussions with the Department of Treasury or the Department of Finance about trying to pursue good housing affordability outcomes.

Senator LUDLAM: Discussions over a cup of coffee, or in what forum or what mechanism will those discussions be in?

Ms Hand: There is no formal forum.

Senator LUDLAM: Do either departments of Finance or Treasury have housing affordability or homelessness units or people with lead responsibility within them?

Mr Pratt: I think you would have to ask them that question.

Senator LUDLAM: You are undertaking, madam deputy secretary, to have informal conversations with those departments?

Mr Pratt: I think what Ms Hand said is that we have ongoing conversations with them. The issues that you are raising, which are very important issues, do not necessarily require us to be on a formal governance committee for them to be considered by those departments. We do have, in various fora, quite substantive interactions with Finance and Treasury around housing matters, from secretary down.

Senator LUDLAM: I guess you would have to if Treasury has got supply responsibility. I can understand that. Can you give us any comfort at all that there will be any affordability initiatives as part of this divestment process or are we likely to come away with nothing?

Ms Hand: We will have to take that on notice.

Senator LUDLAM: Really!

Ms Hand: Yes.

Senator LUDLAM: Have you put any affordability propositions to either Treasury or Finance as part of these conversations that have been had—any proposals?

Ms Hand: In respect of the divestment strategy that the Department of Finance is running, I am not aware of putting any specific proposals to them.

Senator LUDLAM: Could I respectfully ask that you do, because they are not likely to think of them themselves? You guys are where the expertise resides; that is probably as it should be.

Ms Hand: We will continue to have discussions with them about housing affordability.

Senator LUDLAM: No, you said you had not put any proposals to them. Could I invite you to?

Mr Pratt: Senator, thank you. Yes, we will raise those issues with our colleague departments. We will share with them our understanding of your interest in this area and seek from them any information they wish to provide us that we can return to you through this estimates committee questions-on-notice process.

Senator LUDLAM: I appreciate that.

Mr Pratt: I am not promising that we will do it within the deadline. It will be dependent upon what they tell us.

Senator LUDLAM: I guess it has been taken out of your hands. I am not claiming any special interest in this. I understand that you have an interest in it. Many people have an interest in it. There is a huge possibility or opportunity here.

I have a couple of other quick issues, which again you might have already put on the public record. The number of students housed under NRAS incentives as a proportion of the whole: is that an easy number to get your hands on?

CHAIR: Senator Ludlam, just for my benefit, can you repeat that question?

Senator LUDLAM: I am looking for the number of students accommodated under NRAS incentives as a proportion of the whole cohort.

Mr Palmer: The most recent figures I have are for September 2014. At that time there were 3,652 allocated incentives in respect of purpose student accommodation, of which 1,812 are occupied by international students, which happens to be 50 per cent.

Senator LUDLAM: Is the 3,652 figure since the NRAS scheme started? Is that the total?

Mr Palmer: That is dwellings that have been delivered into the scheme. So they have been complete and tenanted.

Senator LUDLAM: Thank you. And it is a proportion of how many in total, to that same date in September?

Mr Palmer: How many other dwellings have been delivered into the scheme that are not related to student accommodation?

Senator LUDLAM: Yes. Then I will have an idea of whether it is five per cent or 50 per cent.

Ms Hand: There are about 25,000 incentives that have been delivered and there are 13,000 to come. The 3,652 is 3,652 out of the 25,000.

CHAIR: The figure that was just given there was about delivered and tenanted, was it?

Mr Palmer: Delivered into the scheme, yes, and tenanted.

CHAIR: So those figures are like for like. The 25,000 are delivered and tenanted, are they?

Ms Hand: That is right.

Senator LUDLAM: I make that just a little under 14 per cent of the overall scheme—

Mr Coburn: That would be about—

Senator LUDLAM: Fourteen per cent is for the foreign students.

Mr Coburn: 3,600 dwellings that are allocated to universities would be slightly less than 10 per cent of the total allocation, including those that are not delivered to the scheme.

Senator LUDLAM: Of that roughly 50 per cent, or maybe even exactly 50 per cent, are foreign students?

Mr Palmer: There is a subtlety here in that we have only gone to the universities to get those numbers. It is entirely possible that international students are somewhere else in other dwellings that are not attached to universities. We do not collect information about students normally as part of the NRAS processing. It is just with the 13 complexes that are related to—

Mr Coburn: The important nuance here is that, as I said, these are the approved participants that are themselves universities. There are other approved participants that are in close proximity to universities and are very likely to have students in them.

Senator LUDLAM: But they are going to be commercial tenancies, so I should not really expect you to have visibility of who the tenants are.

Mr Palmer: That is correct.

Senator LUDLAM: With what you are aware of in the universities, what does that make up? Is it around 15 per cent or less—the students in total?

Mr Coburn: I will have to get my calculator out, Senator. I think it is about seven per cent.

Senator LUDLAM: It has been treated in some quarters in the media as a catastrophe that has overwhelmed—that it has been overrun, God forbid, with foreign students. Of the ones that you can identify, it is running at about seven per cent; that is, 93 per cent otherwise?

Ms Hand: That is right.

Senator LUDLAM: Isn't that interesting, the common impressions you can make if you own a whole pile of newspapers?

Mr Coburn: Senator, you are correct; it is about—

CHAIR: With that 93 per cent, some of those have not even been delivered, from what you have said.

Senator LUDLAM: I was trying to stick to ones that had been delivered.

Mr Coburn: I should have got my calculator out earlier. You are right; it is about 15 per cent of those delivered at the moment.

Senator LUDLAM: So 85 per cent non-scandal. Coming back really quickly to homelessness—

CHAIR: You will need to wrap it up

Senator LUDLAM: Yes, this is my last one. During 2013-14 about a quarter of a million people were supported by homelessness services. My understanding—correct me if this is wrong—is that about 400 people are turned away every day. That is the sort of measure of unmet need, if you like. These are people who are likely to have nowhere to go. Is it government policy, Senator Fierravanti-Wells, to reduce that number, and if so, by how much?

Senator Fierravanti-Wells: Could you repeat the question?

Senator LUDLAM: Minister, during 2013-14 slightly more than a quarter of a million people were supported by homelessness services. The turnaway rate from the agencies is around 400 people per day. Is it government policy to reduce the number of turnaways from crisis centres and homeless shelters; and if so, by how much are you hoping to reduce the turnaway rate?

Senator Fierravanti-Wells: I will take that on notice, Senator Ludlam. I do not—

Senator LUDLAM: I guess you might not have the precise number at your desk.

Senator Fierravanti-Wells: I do not. You quoted some figures; perhaps it is appropriate—

Senator LUDLAM: You can validate those.

Senator Fierravanti-Wells: to have a look at the figures that you have used and then come back to you.

Senator LUDLAM: I would be a bit perplexed if you needed to take on notice whether it is government policy to reduce the number of people being turned away from homeless shelters.

Senator Fierravanti-Wells: The premise of your question is that people are being turned away from homeless shelters. I said that I would take the matter on notice, and we will do so.

CHAIR: All right. We will—

Senator LUDLAM: Chair, this is actually quite important.

CHAIR: I understand, but I have given you a fair bit more time.

Senator LUDLAM: You have. You want to validate the numbers. But is it government policy—

CHAIR: You have to end it here.

Senator LUDLAM: that the numbers of people being refused help at homeless shelters would go down under this government? Is it your policy that that number should reduce?

Senator Fierravanti-Wells: Senator Ludlam, this is not my direct area of responsibility. I am happy to validate the questioning in terms of the statistics that you have used. I will take the matter on notice and ensure that you get an appropriate response to your question. I am not able to answer it at this point.

Senator LUDLAM: That is a worry. Thanks, Chair.

CHAIR: Thank you.

Senator Fierravanti-Wells: Senator Ludlam, can I just take issue with that? I am not directly responsible. You have made a set of assertions and I am happy to take that matter on notice and provide you with a comprehensive response. I would have thought you would have been happy with that.

Senator LUDLAM: A simple 'yes' would have been better. But we will leave it there. Thank you, Chair.

Senator Fierravanti-Wells: Thank you, Senator Ludlam.

CHAIR: Just briefly, following up on NRAS, I know we have gone over it. There are probably three areas. One can be answered very quickly. Last time we heard that there had been some corporations or individuals referred to police. I do not want to go into that, except to say, obviously, it has not come back. There has been no resolution that we are aware of that would then allow the government to look further into it. That is just with the police?

Ms Hand: There are three investigations currently still underway.

CHAIR: I do not need to ask any further questions on that. I asked a question which was taken on notice about risk assessments carried out about potential misuse that could occur. The answer was that risk assessments work was completed in 2008, 2010, 2011 and 2013 and that the potential misuse of incentives was first identified in the 2010 assessment. What was done after the potential misuse in the 2010 assessment was identified? What was done to try and prevent the misuse?

Mr Coburn: The specifics of those risk assessments are a matter of the deliberations of the previous government. What we can say is that the risk assessments did have treatment strategies included in them. Nonetheless there has been a range of issues; not just fraud but also stockpiling of incentives have been a concern. They have been dealt with most definitively in the regulation changes that came into effect on 23 December 2014.

CHAIR: There was a 2010 assessment that identified the potential misuse of incentives and that was dealt with through a regulation in 2014?

Mr Coburn: No, I am saying that those risk assessments included treatments that I do not want to go into because they are matters pertaining to a previous government. But what I am saying is that, regardless of those treatments, we have to accept that there were problems that have arisen since.

CHAIR: Sure. I am not going into advice to a former government. What I am looking to get an answer to is: government was given an assessment that said there was some potential misuse. Was action taken at the time to prevent that? Did that entail changes to the scheme; if so, what were they?

Mr Pratt: We might take this on notice. One thing that may be making it slightly challenging for us to be definitive in this area is that in 2010 the program was actually run out of another department. It was a machinery of government transfer into what was then FaHCSIA in late 2011. So we can have a look at our records and attempt to answer it.

CHAIR: That would be useful. Obviously, it would be a concern if it was identified in 2010 and all we can point to is something four years later in terms of taking action. Finally, we know that there was a review done of it. We have heard bits and pieces about overseas students and the like. I am not going to go over that again. I am interested in terms of where there is noncompliance with the scheme. What have we found in terms of noncompliance with the scheme? What are the reasons for noncompliance? Is it paperwork? Is it other things that are the main reasons for noncompliance?

Ms Hand: It is a range of things. Some of it is noncompliant paperwork. It is technical and it is not substantive. There have been issues with charging more than 80 per cent of the market rent valuation.

CHAIR: Is that a common thing?

Ms Hand: I would not say 'common' but it has been an issue.

CHAIR: Of the noncompliance, is that No. 1, 2 or 3 in the noncompliance—charging more than 80 per cent of the market rent?

Mr Coburn: That would be a relatively low frequency matter. To give you a picture—

CHAIR: Just before you answer that, Mr Coburn, the whole scheme is about having 80 per cent of market rent. So if the noncompliance is going above that, that is a pretty serious problem. You are saying it has only happened on a handful of occasions?

Mr Coburn: I could not put a particular number on it. Part of the issue is that we are still processing claims for the 2013-14 year. There are a number of cases where we believe that there has been a noncompliance in respect of the amount of rent charged. We are still working with the participants to find out whether that is just a matter of record keeping or whether it actually has been the case. There have only been a small number of instances so far. In fact I think there have been three or four individual dwellings. But we still have thousands of claims where we are working with the participants on trying to correct them.

CHAIR: What do you mean by 'thousands of claims'?

Mr Coburn: At the moment, for the 2013-14 year, we have, one way or another, either found them to be correct or we have required corrections to be made to them, involving some 14,900 claims out of the 21,530 that are eligible for that year. At the moment we have got just under 1,500 claims that are noncompliant for one reason or another. But that 14,000 I mentioned includes also a large number of claims which were noncompliant. We have gone back to the participant to find out what the problem is or to suggest to them how they can fix it and they have been able to become compliant.

To go to your original question, probably the most frequent issues that are arising are essentially paperwork ones—for example, market rent valuations that do not have all the information that is required; there may be something like original valuations referred to a lot number and now they have got a street address and that has to be fixed. They are things of that nature.

CHAIR: Just to confirm, the 14,900 that were in some way noncompliant—

Mr Coburn: No, that is 14,900 that we have dealt with. At the moment 13,429 are compliant, albeit some of those claims have been through a few iterations to get them compliant. At the moment we have just under 1,500 on hand that are non-compliant, but I would expect they would eventually become compliant in the majority of cases as well.

CHAIR: Around 10 per cent of what you examine at the moment is non-compliant?

Mr Coburn: At any one time about seven per cent are non-compliant. But, as I said, our compliant pool includes claims that we have actually gone around in circles with participants to correct.

CHAIR: Could you, on notice, give me some more detail on that, particularly the reasons for non-compliance that have been found?

Mr Coburn: Yes.

Ms Hand: I should say that of the vast majority of non-compliant it is technical or absolutely not deliberate by the approved provider. It is more what we did with some of the reg changes last year. We are looking at whether further regulation changes might be wise to get rid of some of the really detailed inflexibility. For instance, dates and those sorts of things make it very hard for the approved provider to actually be compliant because they are just so inflexible. As part of the government's deregulation and reducing red tape agenda we are looking at whether further change might be a good idea in that area.

Mr Coburn: I should be specific on something that Ms Hand said. The regulations that came in last year—they made the regulations more flexible, not less.

CHAIR: We have now finished with housing. We will take a brief break and commence with ageing and aged care.

Proceedings suspended from 16:47 to 17:02

CHAIR: We now move to outcome 3, Aging and aged care.

Senator POLLEY: Assistant Minister, would you or Mr Pratt be able to explain why our questions on notice were so late coming across our desks this week?

Senator Fifield: I am not sure why that was the case, Senator Polley. I will see if officers can shed any light.

Mr Pratt: I will make a general comment. At every estimates we attempt to get as many of the questions answered on time and in on time as possible. One thing which gets in the way of that is the quantity. We had a very large number again, perhaps over 500. When we actually analysed the questions, lots of them were multiples. We estimate that probably around 1,500 individual questions had to be answered. Every year we have the complication around Christmas time. To add to that, we did have a change of minister just before Christmas. So, of course, that means that responses to questions which have not been tabled by that time have to be then taken through a new minister in office. Those are the general things which contribute to this.

Senator Fifield: Senator Polley, was it social services answers in general or specifically in relation to aged care?

Senator POLLEY: I am specifically talking about aged care. I do take note of the fact that there was, unfortunately, a change of minister. Because we have so little time, there will be another long list coming from aged care. I move into program 3.1. Have the problems around means testing for entering into residential care, and for the home care packages, been resolved? We have discussed this previously.

Ms Smith: The issues around means testing are a matter of the responsibility of the Department of Human Services. I do not know if there were questions to the department this morning. Certainly what I am told is that the issues that were being experienced prior to October have largely been resolved. The number of providers experiencing ongoing issues has diminished considerably. I do not know, Donna, if you have anything more to add to that.

Ms Moody: There has been significant improvement, both on the payment system issues and also means testing. There are still some residual issues that work their way through because of individual circumstances that occurred at the time that the issues were occurring, including that DHS was producing a large volume of manual letters. So some of those things still are washing through the system. But largely now if people submit all the information required for a means test, then that occurs within the time frames.

Senator POLLEY: The time frame now? There has been an experience of long waiting periods for that means testing to be assessed.

Ms Smith: There are benchmarks, depending on the type of means test you are talking about. If you are a full pensioner with very simple affairs, I think the benchmark is 48 hours. If you are someone with considerable means who has quite complex financial structures there is a longer time that DHS need to assess that information. Some of the cases where it was believed that DHS was taking a long time were in fact cases where they were waiting on information from the individual before they could proceed any further.

Senator POLLEY: There have been issues around incorrect assessment. Could you give me figures for the amount of inaccurate assessments that have been done since July 1 last year, and what percentage that would represent?

Ms Smith: I think that is a level of detail that you should direct to the Department of Human Services, because they are responsible for administering those arrangements.

Senator POLLEY: Can you answer any questions around Medicare claiming for home care providers? Have those issues been resolved?

Ms Smith: Those are also the responsibility of the Department of Human Services. We can give you some broad information. If you have specific questions, they would be best directed to the Department of Human Services.

Senator POLLEY: I do take that on board, but it does have an impact on your area of responsibility. So surely you are communicating.

Ms Smith: Issues were experienced when the new payments system was introduced in October 2013. That did affect the payments that were going to home care providers. Those issues have been resolved but some underpayments and overpayments were made during that period when the payments were not occurring correctly. DHS is in contact with home care providers to resolve that.

Senator POLLEY: Are you fairly happy with that outcome?

Ms Smith: We are certainly happy that DHS has put enormous effort into working with the sector and with us to resolve the issues. I think the problems are largely behind us.

Senator POLLEY: That is good. I am happy to move on to 3.2. I will put the rest of my questions for that on notice, unless someone else has some questions there.

CHAIR: Given the short time, I am not going to do it sequentially—3.1, 3.2, 3.3. I think there will be a little bit of back and forth. If you want to go through whichever questions you like you will have a good chunk of the 45-odd minutes.

Senator POLLEY: So I can just go through those programs and come back—

CHAIR: I will leave it to you to ask your questions—if that is okay with you, Mr Pratt.

Mr Pratt: Certainly, Chair.

CHAIR: I think that might be simpler.

Senator POLLEY: Okay. It sounds good to me. Moving to 3.2, how are things progressing in this area of the Home Support Program? Can you give us an update, either the assistant minister or Mr Pratt?

Senator Fifield: Ms Smith and colleagues may wish to.

Ms Moody: You are referring to the Commonwealth Home Support Program?

Senator POLLEY: Yes.

Ms Moody: The Commonwealth Home Support Program—which replaces the existing Home and Community Care Program, the day therapy centres, the National Respite for Carers Program and ACHA, the Assistance with Care and Housing for the Aged program—is in the process of being implemented. In December 2014 the minister made a series of announcements which provided certainty to the vast majority of providers within those existing programs that they would be offered new funding agreements in the new program. We are in the process of working through that at the moment.

Basically, for those providers who are delivering direct services under the program, including community transport, Meals on Wheels, domestic assistance—all of those sorts of services—we are going to offer them a four-month extension of the existing HACC or DTC, or whatever funding agreement that will take them from 1 July to 31 October of this year. Then from 1 November they will be offered a new Commonwealth Home Support Program agreement. That will allow providers a bit more time to adjust to the requirements of the new program while giving them certainty.

The Commonwealth Home Support Program funding agreement will go from 1 November 2015 to 30 June 2017. We are expecting that the four-month extension of the existing contracts, covering 1 July to 31 October, will be sent out to providers within the next week or two.

Senator POLLEY: Can I ask something more direct about consumers and the confusion there is in the community—which has been raised with members of parliament on a very regular basis? Can you give me a succinct answer as to what you have in terms of a strategy and a way of communicating to alleviate this confusion?

Ms Moody: The vast majority of consumers—I cannot say 100 per cent—will continue to receive the same services from the same providers, as we move into CHSP, that they do now. So the impact on consumers, particularly existing consumers in the program, should be extremely minimal.

Ms Smith: There may have been some uncertainty prior to Christmas when the providers themselves were feeling a little bit uncertain about their funding agreements. But now we have communicated to them that their funding agreement has been extended and they have over two years funding. I think that will settle a lot of that concern down. Over the next month we are doing another road show. Senators may remember that prior to 1 July

2014 we did a big road show around the country to explain to providers and consumer groups the changes that were taking place. We are doing a similar process that we will commence in the next week. Also, a range of consumer information products will be produced and up on the My Aged Care website. My Aged Care is obviously a key part of our strategy in terms of how we provide information and support for consumers.

Senator POLLEY: Thank you. Moving on to outcome 3.4, could I—for the committee's benefit—gain some insight into and understanding about the severe behaviour response teams and how they differ from other advisory services like the dementia behaviour management advisory services? Now that this has been announced—because of the supplement that has been cut by the government, this is a replacement—there is obviously concern within the sector. Can you explain to me what the difference is, for the benefit of the committee?

Ms Smith: The minister made the announcement early in February that the government would be establishing these national severe behaviour response teams. That will be using the funding that was allocated for the dementia and severe behaviour supplement. They will commence later this year. They are going to provide teams of clinical experts who can provide advice and intervention at the very extreme levels of behaviour. While the dementia behaviour management advisory services play a very valuable role in the system now, they are really directed at the more general, and lower level, behaviours that might be experienced in residential care.

What the supplement had been trying to address, and what these new severe behaviour response teams are going to address, is that small group of residents who have very extreme behaviours and who are not being supported by groups such as DBMAS. In the first year or so, severe behaviour response teams will operate alongside DBMASs. The intention into the future is that they will end up being the top tier of support and align quite closely with DBMASs.

We have had a lot of support for the concept from the sector. The idea came out of the dementia forum that the minister convened last year. We briefed the National Aged Care Alliance quite recently, and stakeholders are very keen to engage in the detail of how this group will work. So we are pulling together a workshop with relevant stakeholders—around 18 March is the date we are looking at—where people will get to sit down with us and work through more details of the model.

Senator POLLEY: That would be very good. Could I then ask, because we have been trying to find out more about the flying squad and where it has operated, or has it operated anywhere else in the world in the same sort of context as it is going to be doing here: is there a model or is this a new initiative that the department has come up with? Can you tell me?

Ms Smith: This is an idea that emerged out of the dementia forum. In fact there were a range of experts at that forum who put forward this sort of concept as something that would be a valuable addition to the dementia support system.

Senator POLLEY: Sorry, we cannot look and say, 'It has already been trialled and it operates somewhere else in the world that we can look at.' It is a whole new issue. It is a new initiative that has not been trialled anywhere else, then?

Ms Smith: I think some of the experts that were at the forum, such as Professor Henry Brodaty, are obviously internationally recognised in their field.

Senator POLLEY: Yes, I do appreciate that.

Ms Smith: I think he is drawing on his experience both in Australia and from his international research in saying that he thought this would be a really valuable part of the support system.

Senator Fifield: As Ms Smith has indicated, there will be quite close consultation with stakeholders in working out the detail of how this will operate, and we are particularly mindful of how this might operate in regional areas. That is an important consideration. The stakeholder forum is important in working that through. We want it to be something that very much is worked up with interested parties.

I should note, Senator Polley, obviously you have been taking a close interest in the cessation of the dimension supplement—

Senator POLLEY: I certainly have.

Senator Fifield: and the honouring of our commitment to put something in place within the existing funding envelope. I did want to acknowledge Mr Neumann, your portfolio counterpart, in his recent speech where he indicated in this area and in aged care he and, by implication, you were keen to seek to elevate this area of policy beyond partisanship. That is a productive thing. I just wanted to acknowledge that speech by Mr Neumann.

Senator POLLEY: Thank you very much, minister. Can I then get down to actually understanding how this flying squad are going to work, what they are going to do? Are they going to actually be giving advice based on

individuals that have the severe behaviour issues? Are they going to actually give advice and assist with training of staff in the facilities? Are they going to visit every facility in the country that has residents that have severe behaviour issues? How often is that going to happen?

Ms Smith: We already have organisations such as the dementia training centres and the DBMAS who provide that general support and training to residential care providers on how to cope with behaviour. So there is a lot of good stuff that happens already on how to deal with behaviours of concern that arise from dementia and other conditions.

Senator POLLEY: Yes, I appreciate that.

Ms Smith: What the severe behaviour teams are about is actually being able to respond, on request, to a provider who is having difficulty caring for someone who has got this very extreme behaviour. That would generate a visit from this team, which would be comprised of clinical expertise who can come into the home, work with that particular facility and resident to put in place strategies to manage the behaviours that were causing concern.

Senator POLLEY: Can I ask then: how many teams will there be and will there be a composition of three people or will there be four people in a team? Are you going to have a number of teams around the country? For instance, in a regional area like Wynyard or Launceston or some other regional area, if there is an episode where the assistance is needed by this flying squad, what is the turnaround in time frame for them to be able to come in? Say they are in Launceston on a Monday and then there is another episode in another facility back in Launceston on the Friday. Are they going to be able to fly back in? How is it actually going to work in a practical sense? Have you got the detail of that that you can share with us?

Ms Smith: They are some of the details that we are working through at the moment and that we will also be consulting with the sector about at this workshop in a couple of weeks. We will need to go through a competitive process to actually establish arrangements with the organisations who will deliver these teams. So we will set out the broad details of what we are going to be looking for in the model and then we will be opening it up to organisations who wish to be considered for delivering these teams.

We do not want to be too prescriptive because we want to allow for innovation in the service model. We may need, for example, in some areas, use of technology to support intervention. We found in DBMAS, for example, that some of our DBMAS providers have actually used video conferencing quite effectively to extend their reach. We will be looking at all sorts of service delivery models and we are really keen to get ideas from the sector.

Senator POLLEY: The actual supplement was stopped in June last year. We waited until February for the announcement of the replacement. When is it going to be implemented? Would you not already have a fairly detailed idea of how you are going to implement this and what is going to happen, rather than have to wait now until 18 March to have a workshop to work it up? Surely there is already a plan that you can provide to us.

Ms Smith: We are working up in detail our ideas. We are going to be consulting with the sector and we would be hoping to have them in place from mid-year.

Senator POLLEY: What happens when we know that there are more people that are suffering the severe behaviour issues than when the supplement was first planned and put into practice? It was found that there was more demand than what there was money.

Ms Smith: I think, Senator—

Senator POLLEY: If I can just finish, please. Can I ask then: with this new flying squad, how is that going to be monitored so that we do not find ourselves with another overrun? Surely there must be more detail about the budget and how that is going to operate to make sure it can meet the demands that are obviously out there in the sector, which we hear about all the time.

Ms Smith: What we found with the supplement was that there were many more residents claimed for than was the original estimate. There were over 29,000 residents who had the supplement claimed on their behalf, compared to the 2,000 that was estimated. Certainly it is the advice of the experts we have consulted that there are not that many residents who actually have the extreme behaviours of concern that the official supplement was designed to address. That is why, as well as the flying squads, we are also looking at all the other dementia programs and how we can make sure that they are all operating effectively and that we look at the operation of the severe behaviour response teams in the context of all the other programs that provide support, because some of residents may in fact be quite adequately looked after by DBMAS or by the facilities themselves with a bit of support, so that we can best target the severe behaviour response teams that the residents really need.

Senator POLLEY: How are you going to measure the success of this new flying squad? How are you going to assess the money, the budget that has been allocated to it, to ensure that that meets the demand? I do disagree with you. I think there are a lot more residents who are going to be needing this additional assistance than perhaps you are indicating.

Ms Smith: We will obviously have an evaluation framework as part of this program moving forward. We will have requirements of the teams that they will have to meet. That will be monitored as part of the funding agreement we have with them. We will be monitoring levels of activity and their performance against metrics that will be set up and that will all be set out both in the funding process and then the contracts that we sign with the organisations.

Senator POLLEY: In terms of the practicalities, again, will these flying squads be available 24 hours, seven days a week? How is it going to work? Is it a nine to five assistance that is there or will these people be available of a weekend, 24 hours a day?

Ms Moody: That is some of the detail we are still working out. But we would not anticipate it being a nine to five-type response. We would certainly see some wanting to have between 24-hour and 48-hour response times once they receive a referral. We are looking at how a referral might be made to them as well. What we do not want is the providers perhaps assessing, 'Oh, I need the severe behaviour response team,' when in fact DBMAS are capable of doing that. So we think that we need to look at how that works, to ensure that they are actually targeted at that really top end of the behaviours. Again, we will go out to the market and ask them, as part of the tender process, for their views about some of this, to put forward models that will give us, I suspect, some different models to assess in terms of the first year.

The other thing is that the first arrangement will be for a year. In the middle of 2016 the DBMAS funding agreements come to an end and we will want to assess how this then works as that top tier of DBMAS. That will give us the ability to learn from this first year and refine that in the ongoing.

Senator POLLEY: I understand. I appreciate the kind remarks that the minister made. I just want to say that we do want to work very carefully. I am sorry but you are leaving me with a different view. For those in the sector who are following the estimates today, this has not been a completely well thought-out option when we are going to go to the market and we are going to consult and we are going to do this.

In light of the issues surrounding the dementia supplement that was axed, then I want to ensure, as the sector do—we have been talking to them—that they know exactly what is going to be expected, there is going to be a proper evaluation and there is going to be more detail rather than here we are all these months later and we still really do not have the sort of detail that, with all due respect, minister, I was expecting from you and the government.

Senator Fifield: I do not think that is a fair characterisation of the situation.

Senator POLLEY: I was sure you would say that.

Senator Fifield: I think it is important to recognise that the previous supplement was only in place for one year, that it did not have a fantastic outcome in terms of its budget envelope or the targeting of people exhibiting—

Senator POLLEY: The evaluation of how it was working—the supervision.

Senator Fifield: The design of the previous government, 33,000 people triggering provider—

Senator POLLEY: This is not really any better, though, is it?

Senator Fifield: Let me finish. 33,000 people triggering provider eligibility. I think as one provider said, if there were 33,000 people in residential aged care exhibiting severe behaviours related to dementia, we would have the highest incidence of severe behaviours of people with dementia in the world. I think it is probably generally agreed that it was not a particularly well-focused or targeted design in the first place. That arrangement was in place for a year. I think it is appropriate that we take the time to get the design right. It is difficult to have it both ways. Senator Polley is saying, 'Why isn't this—

Senator POLLEY: You have had since June last year.

Senator Fifield: It is typical of Senator Polley to say on the one hand, 'Why isn't this in place tomorrow or why wasn't it in place six months ago?' On the other hand she is saying, 'You had better make sure you get the design right.'

Senator POLLEY: I am sure you want that, too.

Senator Fifield: The department is very determined, and I am very determined, to make sure that we put in place something that is of practical benefit to both providers and residents. This is an idea that came from the sector, that came from the forum and from people in the sector that I think we would all respect. The sector is very keen to, if you like, be co-designers with the department in this venture. I think it is very important that we take the time to work through, with those with expertise, with those who operate in the sector, how this will operate. If, when we announced this, we had given great detail about the on-the-ground operation, we would be open to legitimate complaints from the sector, saying, 'You really should have worked through these issues and these design features with us.' That is the approach that we are taking.

Senator POLLEY: I take on board that—

CHAIR: Senator Polley, there are two other senators who have questions in this area.

Senator POLLEY: I have not reached my limit, as yet.

CHAIR: Thereabouts. If we are going to keep to the agreed time for this area, which is no later than about quarter to, we will need to wrap it up soon. I am not cutting you off now; I am just letting you know that Senator Smith and Senator Siewert both have some questions.

Senator POLLEY: I appreciate that. Perhaps we could keep the answers short.

Senator Fifield: I have two final points on this.

CHAIR: There was a bit of back and forth.

Senator Fifield: There was. This is a program that—

Senator POLLEY: With all due respect—

Senator Fifield: I have two quick points on this.

Senator POLLEY: You took up several minutes in the last answer.

Senator Fifield: The matter that we have been talking about has a budget and this program will be managed within that budget. The other point is that I am very happy to organise a briefing outside this session for Senator Polley in relation to this matter.

Senator POLLEY: Excellent; I appreciate that offer. How is this flying squad going to service remote and rural communities? How is that, in a practical sense, going to happen? What is the plan?

Ms Smith: Those are some of the issues that we will be working through with the sector because the availability of support in rural and remote areas is a key issue. It was certainly seen as a key issue by all of those who attended the forum. What we have seen in other parts of the service system is the use of technology to supplement face-to-face service delivery. We will be looking for innovative service models from those who put in for the process in terms of how they can provide that sort of direct support.

Senator POLLEY: One of the things that was raised when I spoke to people in the sector was a genuine concern that the money previously was used to train staff to be able to care for these individuals in a more skilful way. How is this squad project going to help to ensure that that extra training is going to be provided for the staff who are dealing on a day-to-day basis with people with severe behaviour problems?

Ms Smith: I do not think we can look at the severe behavioural response teams in isolation from everything else that we do. We already provide support for dementia training. We supply DBMAS. Part of the review of dementia programs that we will be doing is to look at how this initiative fits in with the other worthwhile initiatives that have been funded over time and make sure that we have best alignment and best integration of all those initiatives.

Senator POLLEY: I do not want to cut you off but I want to make this point to you, Minister: those people dealing with a number of their residents that are experiencing these difficulties really felt that the training that was already provided was not enough. Could you take that on board, and perhaps when we have a briefing I will be more than happy to go through that in more detail. Can I move on from the flying squads, get into my batmobile and move on to another area?

CHAIR: We are basically—

Senator POLLEY: For three minutes.

CHAIR: We are more or less out of time. I know Senator Siewert might be quite quick. I do not know how long Senator Smith is going to be. I will give them the opportunity. If we have some time we will come back to you, Senator Polley. I will go to Senator Smith.

Senator SMITH: Could I go quickly to the National Lesbian, Gay, Bisexual, Transgender and Intersex Ageing and Aged Care Strategy. What consultation mechanisms might have been approved in regard to reporting and getting feedback on that strategy?

Ms Moody: The department is in the process of establishing a working group with stakeholders, which I will chair. The first meeting will be in mid-April. It will include a range of stakeholders. Only last week we sent out invitations to a range of organisations asking them if they would like to nominate somebody to participate. That will be one of our vehicles to both look at progress of the strategy and at how reporting might occur, as well as other issues that arise in the context of those stakeholders that they can feed in to the department.

Senator SMITH: How many times a year do you expect the working group to meet?

Ms Moody: At this point we are expecting that the working group will probably meet twice a year.

Senator SMITH: How many representative groups or individuals—not the exact figure but roughly—do you expect to be participating in that working group?

Ms Moody: We have asked eight organisations, although I should say one of those is another government organisation that has some interest in this space. That would be seven stakeholders from organisations either directly in the field or, for instance, at least one provider who is particularly active in the space and interested.

Senator SMITH: Turning to the 2014 aged care approvals rounds, how many of the allocations that were made were made on the condition of providing services to older LGBTI Australians or to older Australians from culturally and linguistically diverse backgrounds? Do you have those stats?

Ms Moody: I have the LGBTI ones in front of me. I will have to dig in my folder for the CALD ones. In residential aged care places there were 35 places sought that had a focus on LGBTI, of which eight were allocated. So it was a relatively small number that was sought. In the home care places there were 1,653 sought and 177 allocated. To save you the calculation, I can tell you that is nine applications for every place allocated. I had not realised until I did the calculation today that home care has very strong demand. In fact that is quite a significant allocation.

Senator SMITH: So it is a strong demand in the LGBTI cohort as well as nationally?

Ms Moody: In the broader community, yes.

Senator SMITH: What about culturally and—

Ms Moody: With the culturally and linguistically diverse groups, in terms of allocated places there were 483 residential places.

Senator SMITH: Sought?

Ms Moody: No, that was actually allocated. I do not know that I have the 'sought' numbers here. For home care the figure is 1,244. With respect to residential aged care for CALD, the figure was 1,3272 sought and 483 allocated; for home care it was 14,618 sought and 1,244 allocated. There were also a number of capital grants. You might remember that with the ACAR there was \$103 million worth of capital grants that people could apply for. There are five grants that are CALD specific, that range from Vietnamese related communities, Turkish related communities, Spanish and a number of broader ethnic things, which was a good outcome for the CALD community within the capital grants program.

Senator SMITH: Was there anything in LGBTI?

Ms Moody: No, there was not. From memory, I do not think there were any applications that I was aware of. If that turns out to be wrong, I will provide that information on notice.

Senator SMITH: That would be my sense of it as well. Finally, turning to the aged care service improvements and healthy ageing grants—

Senator Fifield: ACSIHAG.

Senator SMITH: Minister, I was about to say that I do not know how to say that acronym.

CHAIR: Can I let you in on a secret, Senator Smith? We are looking at changing the acronym.

Senator SMITH: Great; to 'Smith'! In regard to the ACSIHAG program, a document that was circulated earlier today said there were just over \$570 million worth of funding proposals; \$53 million was available but the selection process was still open. Is that correct?

Ms Moody: No, the selection process has been completed.

Ms Smith: There was an ACSIHAG funding round as part of the big grants round. We are at a point of offering funding agreements.

Senator SMITH: How many applications were received? In total how many applications were received for that funding program?

Ms Moody: The round was specifically focused; it did not cover the entire range of what ACSIHAG funds. It was focused particularly on projects. We were looking for the sector and other interested parties to come back to us with innovative approaches and to try different models that perhaps we had not tried before. But it was not focused on service delivery. There were 864 unique applications from 618 organisations.

Senator SMITH: Have any of the successful grants been announced yet?

Ms Moody: We recently sent out the funding agreements to the successful providers. Some of them will now have returned those, allowing those agreements to be executed. They have another few days to get those agreements back to us.

Senator SMITH: I understand.

Ms Moody: Once the agreement is executed it gets published on our website. I think some of that communication was discussed during the general grants discussion.

Senator SMITH: The number of projects that have been successful could be different from the number of providers because a provider might have had two successful projects.

Ms Moody: Yes.

Senator SMITH: How many projects have been successful and how many providers have been successful?

Ms Moody: I have the number of successful organisations. There were 54 successful organisations and 64 successful grants. There is some double-up. So some organisations were successful more than once.

Senator SMITH: On notice, and when you can, could you provide me with a list of the 54 successful organisations and a list of the 64 successful grants?

Ms Moody: Yes, Senator. It will all be published on our website but I can give you that.

Senator SMITH: Of course. Actually, don't worry about it. I will go to the website. Thank you very much.

Senator POLLEY: Can I have five minutes?

CHAIR: No, we do not have time for it now. We are going to call the Aged Care Quality Agency because I know you want to ask them a few questions. I would like them to come to the table briefly, Senator Polley, so that you can ask some questions of them. We are over time in this area.

Senator POLLEY: I think Senator Siewert has one question—

CHAIR: In this area?

Senator SIEWERT: The department rather than the agency, yes.

CHAIR: Okay, very briefly.

Senator SIEWERT: I do have other questions but they are a bit complicated, so I will put them on notice. In terms of the process of income and assets testing done by Human Services, how often do you interact with them and are you getting feedback on how quickly the tests are occurring?

Ms Smith: We are working really closely with the Department of Human Services. We have a number of formal and informal mechanisms to do that. I meet regularly—last year it was fortnightly; this year it will go to monthly—with my deputy secretary counterpart. Ms Moody and the branch manager meet on a weekly basis and are talking daily about how the processes are working. We certainly have been receiving the feedback from those in the sector that there were the concerns. We are feeding that through to DHS to enable them to be addressed. We and DHS have also been convening discussions with LASA and ACSA in particular so that LASA and ACSA could provide direct member feedback about what was going on.

Senator SIEWERT: Do I read between the lines of your comment that there have been some delays in these—

Ms Smith: There were delays and those delays were acknowledged in the public domain last year. But those delays I think are behind us now, except in those situations where the individual has not provided the necessary information. DHS can only control time frames where it has all the information it needs to make the assessment. Sometimes people have been asked for information and they have not provided it.

Senator SIEWERT: Could you perhaps take on notice what is the average time now for getting that done, bearing in mind what you have said about people not providing the relevant information?

Ms Smith: We will have to get that information from DHS, but we can do that.

Senator SIEWERT: Thank you.

Aged Care Quality Agency

[17:46]

CHAIR: We will now call very briefly the Aged Care Quality Agency.

Senator POLLEY: Can I just ask the minister a question while the officials are coming to the table?

CHAIR: No, I am sorry.

Senator POLLEY: Just one question?

CHAIR: I am sorry, we just do not have time. We will go to the Aged Care Quality Agency.

Senator MOORE: We have been cooperative all day. We have got half an hour behind. One question from Senator Polley will not make a difference.

CHAIR: There have been a lot of 'one last questions'.

Senator MOORE: I know there have, from a lot of people.

CHAIR: If you are going to insist.

Senator POLLEY: This is just one simple thing. At our first estimates when you came into government, Minister, you said that you were going to do an audit of workforce and training. I have not seen a report. Could you update us as to whether that audit has been undertaken, and if I can have a copy of the report?

Senator Fifield: I think the report is still in preparation heading towards final stages. I will ask Ms Smith to update.

Ms Smith: That is right.

Senator Fifield: I have not received it.

Ms Smith: We have been working with a subgroup of the Aged Care Sector Committee to guide that piece of work. Patrick Reid, who is the CEO of LASA, is chairing that group. The report is at advanced stage but has not yet been finalised and submitted to the minister.

Senator POLLEY: Do you think that will happen in the next three months or will it be a bit longer?

Ms Smith: I would expect so, yes.

Senator POLLEY: Great. Thank you very much. Could you run through the clinical expertise on the advisory committee? Would you be able to do that?

Senator Fifield: It could be more appropriate for the department to handle that question because the appointments to that advisory committee are made by me and, I guess, are supported by the department rather than made by the quality agency.

Senator POLLEY: Whoever.

Ms Smith: The minister announced the membership of the advisory council earlier this week. There are a couple of members of the advisory council who have clinical expertise: Matthew Cullen, who is a psychiatrist, and Associate Professor Rosanna Capolingua, who is a GP.

Senator POLLEY: How big is this advisory committee? How many people have been appointed?

Ms Smith: There are seven members and then Rae Lamb, who is the Aged Care Commissioner, and I will be ex officio members.

Senator POLLEY: The background of those other members of that committee?

Ms Smith: Andrea Coote is the chair. She has served as Parliamentary Secretary for Families and Community Services in Victoria. Carol Bennett is the CEO of Alzheimer's Australia. Matthew Cullen is a practising psychiatrist and he is the Managing Director of Tonic Health Media. Stephen Judd is the CEO of HammondCare. Paul Sadler is the CEO of Presbyterian Aged Care and Ian Yates is the CEO of COTA Australia.

Senator POLLEY: Excellent. Can I move on to Kepnock Grove and ask about the monitoring of standards. There has been a lot of media interest in this. Can you outline for us the monitoring of the standards? If there were any alarm bells, when did they go off?

Mr Bushrod: We became aware of the media report about Kepnock Grove Retirement Centre in *The Australian* on Monday, 16 February. We also received a request from the Department of Social Services quite early that day requiring us to conduct a review audit at the home. We immediately appointed an assessment team to do that. They travelled on that day to Bundaberg, arriving mid-afternoon. They went immediately to the home to commence the audit.

They were able to do a number of things on that afternoon, including reviewing call bell response times, observing how staff and management interact with the residents there, and also looking at how the evening meal service was managed. That audit has continued throughout last week and is continuing now.

We have been in close contact with the Department of Social Services throughout this time and we received some further information from the department over last weekend and on Monday. That information has been provided to the team for them to consider as a part of the conduct of this audit.

The team have been interviewing a higher than usual number of residents at the home. They are using resident feedback to guide the assessment process as appropriate. They have conducted 23 interviews with residents and/or relatives or their representatives so far during this audit. The audit is continuing. When they finish the audit they will prepare a detailed report. The quality agency will consider that report and determine whether or not the home meets the standards or fails to meet any of the standards and also make a decision about the home's ongoing accreditation.

Senator POLLEY: What has been put in place while this audit is going on to ensure that those residents are getting the high quality care that we all expect for older Australians?

Mr Bushrod: The management of the home has responded, but we are there daily observing the sufficiency of the quality of care and services being provided across a range of aspects. The assessors who are there are very much conscious of the importance of ensuring that residents are safe. They have not reported anything to us that would indicate that residents are at any undue risk at the home currently.

Senator POLLEY: Is there any training underway to ensure that the providers and their staff are delivering the highest quality of care?

Mr Bushrod: I can advise you not of the detail of what training has given by the home, because that is part of the assessment process underway, but I can advise you that training and the skills of staff is an aspect of the assessment process.

Senator POLLEY: The training is mandatory then?

Mr Bushrod: I beg your pardon?

Senator POLLEY: Training is mandatory?

Mr Bushrod: The standards require residential aged-care facilities to ensure that all staff have the requisite skills to provide the care and services that residents need. That can be addressed obviously through recruiting appropriate people, ensuring that people have the appropriate qualifications, experience and training. It can also be achieved by in-house training or by buying training in. Typically, there is a mix of those things that providers deploy to ensure that their people have the right skills.

Senator POLLEY: There is no doubt that we all want the highest possible care for residents in an aged-care facility. I have to ask the question, because people have been asking me: why did it take a media report for this to be investigated? Is there more that needs to be done to flag earlier these types of incidents? Overall I think Australia has a first-rate system, but we really do not want things to be a response to media articles.

Senator Fifield: Obviously Mr Bushrod will answer that, but I think Mr Christian will probably, from the department's point of view, have something to add in relation to the complaints and the department's own inquiries.

Senator POLLEY: Thank you.

Mr Christian: The regulatory framework that we have in place for aged care is quite a comprehensive and robust system. There are various components to it. Firstly, there is the approved provider process, which is managed by DSS. Someone wishing to apply to provide aged-care services has to be assessed as being a suitable individual to be an approved provider.

There is the accreditation system, which in residential aged care has 44 outcome areas, including some of those areas, Senator, that you raised around staffing, staffing qualifications, governance, the health care of clients and so forth. So there is a comprehensive set of accreditation requirements that the Australian Aged Care Quality Agency is responsible for administering. My colleague Mr Bushrod has talked about the particular circumstances at Kepnock earlier.

There is the Aged Care Complaints Scheme which is administered by the Department of Social Services, which receives and handles concerns about care and services received. We encourage residents and others to make complaints, including that we do receive anonymous complaints, confidential complaints, where individuals may wish to make those complaints.

We also have a range of strong enforcement powers that sit behind that to ensure that the regulatory obligations that are placed on approved providers are met. So there are a range of ways in which we monitor the compliance of residential aged care. Any one of those arrangements can trigger further interest and a focus on whether a particular service is meeting the standards.

Senator POLLEY: I did ask earlier, but do you want to add anything else in relation to whether there were any other red flags that the department was aware of prior to the article in the media?

Mr Christian: I can say that the Baptist Union of Queensland took responsibility for the Kepnock facility in April 2013. There was one complaint to the scheme in 2013 which went to health care. That matter was investigated and resolved. There was a further complaint in 2014 which went to staffing. That matter was also reviewed and closed.

It was not until 21 January that the complaint scheme received two further complaints—one anonymous, one confidential. The very next day, 22 January, we had two review officers attend the facility. They were onsite all day. They were to meet the confidential complainant on the 23rd. That meeting was cancelled, so the review officers returned to the office and then went through the process of assessing the information that they gathered from that visit.

We then obtained further information on 16 February through information that was taken to *The Australian*. On the basis of that information and information we gathered on the 21st we issued a type 4 referral, which is the highest type of referral, to the agency. As Mr Bushrod said earlier, by about 2.40 that afternoon the Australian Aged Care Quality Agency had review officers on site.

Senator POLLEY: But it escalated, didn't it, from just having one red flag go up and one complaint? So perhaps we need to see whether there is anything else we can do to prevent that from happening. But I am cognisant of the time. I have one further question and, Mr Bushrod, it is directed to you: how involved is your agency in providing the oversight into the new South Australian hub trial?

Mr Bushrod: We call the agency a partner, if I can put it that way, in the hub trial. We have a particular role to play. Our role, of course, includes the process of accreditation of members of the hub, as applies to all residential aged-care services—undertaking regular unannounced visits to members of the hub and maintaining those processes that apply generally. We are also involved in working on the development of governance models that could be used to support improved performance in residential aged care generally. This is something that the members of the hub have agreed to collaborate on and something that could make an important contribution. We are also piloting streamlined ways of carrying out certain types of assessments—in particular, taking a corporate approach, where appropriate, to assessing those aspects of the accreditation standards that deal with management and governance of an organisation overall. So we have a role to play and we are looking forward to what that collaboration, that collaborative effort, might yield by way of benefits in the future.

Senator POLLEY: In relation to what happened at Kepnock and your investigation and audit there, is it possible to have that made available to the committee? Can you take that on notice?

Mr Bushrod: It would stand to reason that, whatever we learn from the hub that has applicability generally, we would then seek to promulgate that. There is a process planned to evaluate aspects of the hub's operation and, once that is done, we will be in a position to know how we can best utilise the outcomes.

Senator POLLEY: Thank you. Going back to Kepnock Grove, would you be able to provide to the committee a copy of the audit so that we can follow through to see the outcome of that audit and what mechanisms are being put in place to ensure that the best care is provided to those residents?

Mr Bushrod: When the audit is completed and the assessors complete their report, we will make a decision about the home's performance and its accreditation. That decision and the audit report will be made publicly available. So it will be available to the committee.

Senator POLLEY: Thank you very much.

CHAIR: We will leave that there. We will now move on to outcome 5, Disability and carers, including NDIA. We will have all the relevant officials at the table for outcome 5. We will call the NDIA now.

National Disability Insurance Agency

[18:03]

CHAIR: Welcome. We will now go straight to questions.

Senator SIEWERT: This question is for the NDIA. It relates to people with cognitive impairments and, in particular, those who are caught up in the justice system. Have you developed an approach to that issue yet and, if so, what is it?

Mr Bowen: The issue of interface with state and territory services is dealt with at each of the trial sites. It is trying to resolve both the policy issues as to what support is provided by what system at what point of time, and making sure that is seamless from the point of view of the person. So in a practical sense—for example, in Newcastle, where there are custodial facilities—we work with those facilities to be clear, when a person is being discharged back into the region that is covered, that preliminary work can happen around their eligibility and what supports will be provided.

Ms Skordis: Further to that, within the Newcastle area we are currently working on a working protocol with the appropriate government officials, which very much articulates an approach to collaborative planning. We seek to ensure that our planning staff receive the appropriate support and assistance to engage with, but also work alongside, people from justice facilities and other areas that may be interacting with the person. So we are working collaboratively through that exit process.

Senator SIEWERT: How are you identifying people as they are coming out of the justice system? Have you worked out an approach yet?

Ms Skordis: It tends to be on an individual basis. As someone is reaching a point of getting close to cessation of their term, they are then advised. So initially there are protocols. In New South Wales there is a protocol with the state department of disability and that then is referred on to us and we are engaged through that process.

Senator SIEWERT: Does the department start contacting you?

Ms Skordis: The Department of Ageing, Disability and Home Care is often the point at which we are advised that someone with a disability has been identified within the criminal justice system and needs some additional support and that they fit within the trial site. That is when our agreement of collaborative working commences.

Senator SIEWERT: You have said the word 'often'. I am not picking you up on a particular word, but for me it means that that is not always the case. If it is not always the case, how do we make sure that everybody is getting identified?

Ms Skordis: As Mr Bowen said, there is some national work progressing around how—

Senator SIEWERT: So that is going to deal with that.

Ms Skordis: the mainstream interfaces can be more systemically approached, as we get to full scheme. That is one of the issues being looked at.

Senator SIEWERT: But you do not have a way in the trial sites yet to ensure that—an interim process?

Mr Bowen: The practical arrangements are working. There is a very limited number of people in these circumstances, so it is reliant upon a case-by-case approach to it. As we are advised, we do need to do all of the things that are required under the legislation and assess a person's eligibility in terms of whether they have a permanent disability, and assess the eligibility in terms of whether they meet the residency requirement because, while the custodial facility may be in the trial site, that might not be the person's natural residence. So all of that is dealt with. Apart from one or two very early cases where we were given notification and then the discharge occurred before we were able to have the meeting, I am satisfied that those arrangements are working, primarily by the fact that we are not hearing any subsequent concerns about any of those issues.

Senator SIEWERT: I would not necessarily think silence means there is not an issue.

Mr Bowen: If people are eligible for the scheme and that is known, then that would be brought to our attention, and we do deal with it.

Senator SIEWERT: The next group of people I am going to ask about are those with cognitive impairment who may be in indefinite detention and who have not been charged. Has that group of people been considered and, if so, how?

Mr Bowen: If a person is under a custodial order—which can include a person, for example, with an order as a result of being found not fit to plead to a criminal offence—then they are dealt with by the state. They are not supported by the NDIS; they are supported by the state or territory.

Senator SIEWERT: I will pursue that later. How then do you engage with them, once they are coming out?

Mr Bowen: Through the same mechanism—through being advised by the relevant authority of the discharge arrangements. We then arrange to meet with the person, assess their eligibility and start the work on the planning, if that is appropriate. We cannot undertake and complete a plan—in fact, we cannot complete the eligibility determination—until the person is actually in the trial site, until they are physically located in it—but we can do and we do all of the preparatory work so that, when they are there, the supports can quickly be put in place.

Senator SIEWERT: Have you had any examples where people have come out in those circumstances? 'Example' is not a good word; I am sorry. Do you have any cases where that has occurred?

Mr Bowen: We will have to check that and take that one on notice.

Senator SIEWERT: If you could take that on notice, that would be much appreciated; thank you.

Mr Bowen: Yes.

CHAIR: While you are looking through your questions, I will just advise for the benefit of the minister and officials that, given that we are a little bit over time, the committee has agreed that we want to knock this over before dinner, but we are going to extend this session. We were due to take dinner at seven, but we are going to take dinner at around 20 past seven—still for one hour. Has that given you time, Senator Siewert?

Senator SIEWERT: Yes, thank you. We have had some discussions about the reasonable cost model as guiding the services. How much feedback have you had about the reasonableness of the reasonable cost model?

Mr Bowen: Perhaps I could clarify: are you referring to our catalogue of support and the associated prices?

Senator SIEWERT: Yes.

Mr Bowen: Over a period, we have had some complaints about some of the costs that the agency has set. Fundamentally, it really boils down to the rate for personal care. We have been through a fairly extensive review of that, in conjunction with National Disability Services. The outcome of that was that we agreed a methodology for setting an efficient price and then we had a disagreement about some of the assumptions that went into that. From the point of view of where the agency believes the efficient price is and where the current service provider is said to believe it should be, there was a difference. But we have indicated to National Disability Services that we are open to continue to pursue those variations. They have undertaken to us to do some benchmarking survey of their members to let us know whether the rates which we are assuming for the cost of staff are reasonable and whether the issues of concern around labour utilisation, span of control and the corporate overheads are reasonable. Ms Kerr-Smith is responsible for this area and she may have something to add to that.

Ms Kerr-Smith: That is right; the framework and methodology are generally accepted. The agency is backing up its commitment to continue to review the assumptions that David Bowen outlined, in particular to the extent that the provider community brings forth more evidence or during the trials there is evidence that those assumptions need to be revisited. So that dialogue is ongoing.

Senator SIEWERT: Thank you for that. When you have reached agreement on maybe revisions, what happens then with the existing funding, the existing packages?

Mr Bowen: Whenever there is an adjustment to prices, it takes effect for all services delivered after that price adjustment. This issue has come up recently because we made an adjustment to prices to flow on there and there was an increase in the community services award in the beginning of December. So we adjust the packages to allow for that increase from that date, and that would be the same if we made any adjustment to prices.

Senator SIEWERT: I understand about the award. But if you then reach another agreement, they will also—

Mr Bowen: The same would occur. We would not leave a circumstance where the person had insufficient funds to purchase supports at the price which we think is the reasonable price.

Senator McLUCAS: Can the committee have an update about the number of people who have an approved NDIS plan, please? When I say that, I just say it generally to someone who would be the right person to answer the question.

Mr Bowen: Yes, we can get that person for you.

Dr Hartland: At the end of December, there were 11,029 participants with an approved plan.

Senator McLUCAS: Is the scheme on track with the full scheme funding envelope? Is it rolling out within the full scheme funding envelope that was envisaged?

Dr Hartland: The actuary's assessment is that the scheme is within the full scheme funding envelope, yes.

Senator McLUCAS: When did that happen? When did that actuary's assessment occur?

Dr Hartland: That is in the sustainability report and that was, I believe, on the NDIS website as at the end of December.

Senator McLUCAS: At the end of December?

Dr Hartland: Yes.

Senator McLUCAS: So the actuary says that we are on track; that is very good. Would you describe the rollout of this scheme, Minister, as running as was anticipated in the bilateral agreements?

Senator Fifield: Yes. On the whole, I would say yes.

Senator McLUCAS: So that is good. In that case, can we talk about the reports in today's media that suggest that you are attempting to remove members of the NDIS board prior to the expiry of their terms?

Senator Fifield: Sure. The *Financial Review*, to which you refer, had an article today. I must say that I was not particularly disgruntled yesterday when I was contacted by Laura Tingle, not because it was Laura Tingle—I always enjoy talking to Laura Tingle—but because of the propositions that had been put to her. There were two wrong propositions which were conveyed in her report, which obviously had been put to her by an anonymous individual. The first of those was that the government was in some way, shape or form seeking to or intending to or wanting to wind back, wind down or reduce the NDIS in some way. I used a technical term in an interview with Jon Faine this morning for that, which was that it is absolute rubbish. The government is absolutely committed to the full rollout of the NDIS.

The second proposition that was in the article was that the Commonwealth was wanting to turf board members—that is my word, not the one that was in the article, but I think that was the intent of the article—because the Commonwealth was not content with the advice from the board. Again, that is not true. At the last Disability Reform Council meeting, we had the formal agenda and, as is often the case with disability reform councils and ministerial councils, ministers gather for an informal, ministers only discussion afterwards. As you would appreciate, I am not usually in the habit—and I think most ministers are not usually in the habit—of recounting those informal, ministers only discussions, but I issued a statement today and I will elaborate on that here on this occasion because of the gross misrepresentation that was in the paper.

At that ministers only discussion, ministers spoke about the fact that all board positions expire in the middle of next year. We also spoke about the fact that best practice corporate governance would see a staggering of board positions. What ministers discussed were obviously some of the basic facts, which we took as self-evident, one of which was that neither I as minister nor the Disability Reform Council has the capacity to remove a board member prior to the conclusion of their term, and no-one was seeking to do anything of the sort. If there were to be a staggering as a consequence of a board member leaving, it would only come about by virtue of a board member, for their own reasons, deciding that they wanted to conclude their term early. That really was the sum total of the discussion that we had as ministers. So I was very disappointed not only at the misrepresentation of that discussion amongst colleagues but also at the suggestion by an anonymous individual who was quoted in the article that the Commonwealth was anything other than absolutely committed to the full rollout of the NDIS.

As you know, Senator McLucas, this is an area that has enjoyed—I will not say bipartisan support, as I look at Senator Siewert—cross-party support. I think this is an area—and I know that you will agree—where it should not be politics as usual; this should be elevated beyond the partisan frame, and that is why I was so very disappointed in the misrepresentation that was put to Laura Tingle.

Senator McLUCAS: Thank you. So you will rule out absolutely any removal of any board member prior to the expiry of their term.

Senator Fifield: I do not have the capacity to remove a board member. Decisions that individual board members may take about their roles are entirely matters for individual board members.

Senator McLUCAS: Let us go to that then. Section 135 of the NDIS act says that, for the position of chair of the board, the minister must only consult the host jurisdictions to terminate the appointment of the chair. Do you agree with that?

Senator Fifield: I have not looked at that section of the act, I must be honest, so I will be relying on your reading of it. But that is not something that I have been examining or contemplating.

Senator McLUCAS: Do any of the officers want to comment?

Dr Hartland: I think broadly that is the correct characterisation. When the Commonwealth was negotiating the act, it felt it necessary to concede that the states should have the ability to approve the board members but it reserved to itself the right not to be bound by a majority of the states in relation to the chair. So it structured the act so that the Commonwealth had to consult on the appointment of the chair and section 135 of the act, which is about 'unappointment' of the chair, just mirrored the appointment arrangements; so it reflects the fact that the Commonwealth wanted power to appoint the chair.

Senator McLUCAS: Minister, I am pleased with your comments today and agree with the cross-party support that the NDIS has, but I am concerned about these reports. There would be so many people who might feel that what you are saying very clearly today is not what they are feeling or hearing and they feel compelled to speak to the media.

Senator Fifield: Let me respond to that. I have absolutely no idea what was in the mind of whoever spoke to the paper. Maybe motives can be drawn from the fact that they did not put their name to their quotes.

Senator McLUCAS: My deeper concern is that there may be some substance to this. The paper says, 'No-one blames Mitch for this push.' Everyone likes you, so that is good.

Senator Fifield: I try to be charming where I can.

Senator McLUCAS: The next sentence is, 'He is doing his best but he is seen as having to carry a spear for Joe Hockey.'

Senator Fifield: Let me—

Senator McLUCAS: This is where I am starting to get a little more nervous about—

Senator Fifield: There is no spear to carry.

Senator McLUCAS: So the minister does have the power—Dr Hartland, I think you are indicating—to sack the chair. Will you rule out unequivocally here today doing so before the end of the chair's term?

Senator Fifield: I have no intention of doing anything in relation to the chair.

Senator McLUCAS: I am giving you a great opportunity to say it very clearly.

CHAIR: Senator McLucas, firstly, you are asking the minister really an impossible thing in terms of corporate governance that under no circumstances would he ever remove someone. He has made it clear that he has no intention of doing so. It seems that we are playing some silly games here. The minister cannot rule out forever and a day not doing something in the future, if he has to respond to circumstances.

Senator McLUCAS: Minister, do you have full confidence in the chair of the NDIA board?

Senator Fifield: I do.

Senator McLUCAS: Thank you. I think that has ventilated that issue to my satisfaction. Can I now move to the sector development fund, please. Is it correct that the sector development fund has been taken out of the NDIA and placed into the DSS?

Senator Fifield: Yes.

Senator McLUCAS: When did that happen?

Senator Fifield: Recently, but I will let officers be more specific.

Ms Hand: That has not actually been effected yet, but just before Christmas the government took that decision.

Senator McLUCAS: So that was a government decision to transfer the fund.

Ms Hand: Yes.

Senator McLUCAS: Mr Bowen, was the board or were you consulted as part of that decision of government?

Mr Bowen: There was some discussion about that with management and with the chair of the board. I do not believe that there was a formal consultation, but the position of the board and the management has been to settle for the Disability Reform Council a strategy for sector development. We agreed with the Disability Reform Council that that strategy should see the activity in that fund be associated with the work around the full scheme transition and that is accepted. I would say, while this was not a matter of formal discussion, the agency's view would be that the department is better resourced and has far more experience in managing a grants program than the agency does, with all of the other things we have right before us at this point in time.

Senator McLUCAS: But it was not a request from the agency to transfer the funds?

Mr Bowen: It was not a request but it was not something we had any strong opposition to.

Senator McLUCAS: Minister, what was the reason for the change?

Senator Fifield: I thought it was prudent to have that fund within the Department of Social Services. It would be fair to say that it was not a usual arrangement to have a fund of that nature with the agency or with the board itself. I felt it was more appropriate to locate that in the department.

I also think it is very important—and I am not suggesting that the agency had a different view but I take the opportunity to make this point—that the expenditure of the sector development funds recognises that there is a transition period, that that money should be spent over a period of time but, in particular, that the expenditure of that fund should take into account the results of the bilateral agreements which are currently being negotiated between the Commonwealth and the states for full rollout. I know that, in some quarters, people have been saying, 'Why hasn't more of the sector development money gone out of the door already?' I think it is important to

recognise that there should be the opportunity to see what the final make-up is of the bilateral agreements for full rollout and to take that into account in relation to the further deployment of the sector development funds.

Senator McLUCAS: My recollection—and I might be wrong—is that it was \$122 million?

Senator Fifield: \$145 million.

Senator McLUCAS: It is \$145 million at the outset. How much was expended then before the transfer was agreed?

Ms Hand: We are in discussions with the agency as we speak. An approximate figure, not exact, is that about \$45 million has been committed and expended.

Senator McLUCAS: Has been committed—

Ms Hand: Yes. As I said we are validating those numbers.

Mr Bowen: Some of that was committed before the agency actually existed—

Senator McLUCAS: Yes, that is right.

Mr Bowen: as part of the prior agreements that were entered into with states and territories.

Senator McLUCAS: And with service providers; NDIS got money and all sorts of people got money. So \$45 million has been contracted, which will mean that about \$100 million will come across to DSS.

Ms Hand: With respect to the remaining funds, as I said, we are working through that with the agency as we speak. Some of that is what I would call a soft commitment and not necessarily a hard commitment, and we are just working through what really is remaining over the forward estimates.

Senator McLUCAS: Can I receive, on notice, details of the grants that have been—to use Ms Hand's term—hard agreed, where contracts have been either drawn up or signed, so that we can see what has been provided, and the amount and the purpose of the funding as well. Guidelines were established for the expenditure of that fund; that is my recollection as well. What is the department proposing for guidelines for the use of that money?

Ms Hand: As Mr Bowen said, the agency had already done a lot of work on what the funds should be spent on and how to achieve the objectives, which is sector development. We are currently doing a quick review of that—bearing in mind, as I think you know, DSS has recently, in the last 12 to 18 months, established a centralised program management office with huge expertise in design and management of grant rounds. Dr Hartland's area will oversight, from a policy perspective and a strategic perspective, what the objects of the fund are—and, I stress, in very close consultation with the agency. But we will leverage the expertise from the centralised program office to administer that and design it.

Senator McLUCAS: Just as an administrative—

Ms Hand: Yes.

Senator McLUCAS: And in terms of the policy—

Ms Hand: They will not be doing the policy; that will sit with Dr Hartland, as I said, in close cooperation with Mr Bowen's agency.

Senator McLUCAS: Can we get a copy of those guidelines when they are—

Ms Hand: They are currently being revised as we speak but, once they are signed off by the minister and the Disability Reform Council, I am sure that we will be able to—

Senator McLUCAS: So that we can compare, can we get a copy of the old guidelines too?

Mr Bowen: Yes.

Senator McLUCAS: Thank you. The process to determine where that funding should be allocated: how does that happen?

Ms Hand: As I said, we are going through a process of forensically working out, if the objective of the fund is to ensure sector development over the period of transition to full scheme and beyond, how you do that in a practical, tangible way. So some really quite detailed analysis is going on as we speak to inform that. I would say also that we are talking closely with external stakeholders to inform that. To go back to Minister Fifield's point earlier, obviously not all of these funds have to be spent at once; we want to make sure that they are spent in a phased manner that actually does achieve the objectives.

Senator McLUCAS: Who is the final decision maker in the development of the guidelines? I think you have probably answered that by saying the minister and the Disability Reform Council.

Ms Hand: The Disability Reform Council—

Senator McLUCAS: Who will be the decision maker on the approval of funds to—

Ms Hand: We will put a recommendation to the minister on that. The normal practice is that it would be the department, but that is not always the case; as you know, sometimes the responsible minister is the delegate. But that has not yet been signed off. Also, we have to go through the process of working with the Department of Finance in terms of the grant guidelines, the Williams decision, legislation and a range of other things. So we are working through all of that, too.

Senator McLUCAS: Can the department guarantee that this funding will be used solely for the purpose for which it was designed?

Ms Hand: That is absolutely the intent.

Senator McLUCAS: I think the original design of putting the money into the NDIA was so that it was protected.

Senator Fifield: It will be. There is the attention of this committee, there is the attention of the joint parliamentary committee and there is also the oversight of the Disability Reform Council.

Senator McLUCAS: Outside the sector development fund, is the department doing any other work to move to full scheme?

Ms Hand: We are doing a lot of work—

Senator Fifield: Let them count the ways!

Ms Hand: I will let Dr Hartland answer that because he is consumed with financial negotiations as we speak.

Senator McLUCAS: I am not going to bilaterals; that is my next area of questions. I am talking about in the department itself, outside negotiating the bilaterals.

Ms Hand: Everything we do is obviously with the objective in mind of full scheme. Whether it is working on policy advice for what was called tier 2 and is now called information linkages and capacity building, whether it is policy around housing matters or whether it is policy around workforce and the tangible action plan that will come out of that, everything has that intent in mind.

Ms Glanville: The agency is also doing a lot of work in the lead-up to full scheme transition, particularly around the service delivery operating model going forward, the local area coordination information and linkages and, importantly also, our ICT going forward. So there are many aspects of that work that the agency is—

Senator McLUCAS: I suppose that I was trying to differentiate between the practical work that you are doing, the real delivery, and the thinking and the policy work that the department might have been doing, but outside the bilateral agreement making.

Ms Hand: There is some very important policy in a number of areas that is underway and has been for a long time. We take it so seriously that we are actually in the midst of bringing another band 2 officer in in the short term. Obviously Dr Hartland is exceptionally busy with bilateral negotiations, working with PM&C. To make sure that that policy work is of a high quality, practical and helps with the transition to full scheme, we are bringing in someone else in the short term to drive that work.

Senator McLUCAS: Good. This might be a way that we can answer those questions then, and this might be something that you want to take on notice: who has responsibility for the design of transitional arrangements for the NDIS? Is it the department or the NDIA? I think the answer is both.

Ms Hand: Both, yes.

Mr Bowen: That is right.

Senator McLUCAS: But in different ways.

Ms Hand: That is right.

Senator McLUCAS: Is that something that you would like to take on notice and provide a bit of a schema around the way that is working? I am happy if you want to speak to that now.

Dr Hartland: It is probably easy enough to deal with at the table—I hope, anyway. The department's primary responsibility is preparing drafts of the intergovernmental agreements and advising government on the cost and managing those costs, and finalising the overarching policy work that Ms Hand was talking about—the remaining policies primarily and things like finalising the high-level design of what used to be called tier 2 and is now information linkages and capacity building. There is a major bit of work that you are probably aware of going on about quality and safeguards for the national scheme and there is also work that is near completion on workforce and market and sector policy. Apart from running the secretariat to the Disability Reform Council and the

bilateral meetings, they are our major responsibilities. The practical build of hiring people and finding out where to put up a shingle is a matter for the agency.

Senator McLUCAS: I think we are quite aware of the pieces of work that you are undertaking, Mr Bowen, with your team. Let us go then to the bilateral arrangements. What is the current status of negotiations between the Commonwealth and each state in relation to the rollout of the full scheme?

Dr Hartland: We are in the process at the moment of working with our counterparts in New South Wales, Victoria, Queensland, South Australia, Tasmania and the Northern Territory about what the transition from the trials in those states—or, alternatively, the rollout in Queensland, which does not have a trial—will look like. The stage that we are at is that the states have put forward propositions about how it might occur in their state that reflects the local jurisdictional priorities. The Commonwealth is assessing those propositions to see whether they add up in terms of how we have funded the scheme and basically whether they can be afforded by the Commonwealth envelope.

Senator McLUCAS: What is the time frame for that, Dr Hartland?

Dr Hartland: We anticipate that we would start to be in a position to advise ministers or chief ministers to sign agreements from April onward, so during the period April to June is when we anticipate that the agreements will start to be ready for governments to finalise.

Senator McLUCAS: When you ran quickly through the states and territories, did you miss any?

Dr Hartland: There was one, yes.

Senator McLUCAS: WA?

Dr Hartland: No, we are not in negotiation with WA at this point on transition.

Senator McLUCAS: What is happening there?

Dr Hartland: As you know, in WA, the governments have agreed to run two trials in the state and then to assess which model works best in WA. Those trials are proceeding and they will be evaluated. At that point governments will be in a position to make a judgement about how they want the scheme to go forward in WA.

Mr Pratt: For completeness, Senator, the ACT, of course, is separate and already had transition plans in place.

Senator McLUCAS: And that has been agreed and signed?

Mr Pratt: Their rollout is—

Dr Hartland: I think there has been a trial in the ACT—

Senator Fifield: The trial in the ACT is, in effect, a transition to full rollout; it is a jurisdiction-wide operation.

Senator McLUCAS: Other than the states and territories, are there any other organisations that are being consulted and are involved in those negotiations?

Mr Pratt: The agency.

Dr Hartland: The agency is coming to those negotiations in a couple of the states. Not all states wish the agency to be involved at this point, so they have generally tended to want the early conversations to be between government officials. But I believe, certainly in Tasmania and the Northern Territory, they are at a stage where they think that it would be of value to have the agency at the table, so that has occurred. We would anticipate that will start to happen in the other states quite soon.

Ms Hand: I would add to that. I think we spoke at the last Senate estimates hearing about the fact that we are envisaging bilateral agreements with each jurisdiction. Under what we are calling a detailed operational plan on how it would be implemented, we and the states are of the strong view that the agency needs to be intimately involved and potentially even sign off on those operational plans. We need to have the reassurance that (1) the agency has the capability to do it and (2) they are confident that, in terms of market readiness and a whole range of other things, it is doable.

Senator McLUCAS: That is perfectly sensible. Is there an end date that you are aiming for for getting these bilateral agreements signed?

Ms Hand: There is no hard date driving it. We are aiming, as Dr Hartland said, to have it all done by the end of June. That thereby allows the agency a good 12 months to gear up for July 2016, which is, as you know, the beginning of transition to full scheme.

Senator McLUCAS: Has the Department of Social Services proposed to any of the states any changes to the bilateral agreements in relation to a delay in the transition to full scheme or a delay in the complete rollout of the NDIS across the country?

Dr Hartland: No, we have not made a proposal of that nature.

Senator McLUCAS: Of no delay at all in either the start of the transition to full scheme or the complete rollout?

Dr Hartland: The Department of Social Services has not made a proposal to the states and territories that would involve either a delay to the start or the end of transition.

Senator McLUCAS: Have any of the states proposed to DSS any changes in terms of a delay to the start of transition or a delay in the complete rollout?

Dr Hartland: No. The proposals that are being considered at the moment are all within the time frames envisaged by the heads of agreement.

Senator McLUCAS: How is the Commonwealth ensuring that states and territories are meeting their requirements under the NDIS agreements to ensure that they do not withdraw services until the NDIS is fully rolled out? How are we doing that?

Dr Hartland: We talk with them regularly. We have discussed this before. After that discussion we actually talked to each of the states about this. I hope it was comprehensive; it was certainly with the major states. It might be that we missed one of the smaller states, but broadly we talked to the important states about this. They have all indicated that—

Senator McLUCAS: Did you say 'important states'?

Dr Hartland: It might be that I—

Senator McLUCAS: This is the Senate, Dr Hartland!

Dr Hartland: Yes. I will take on notice what I meant by 'minor state', if I am pressed on that one perhaps.

Senator Fifield: He was talking in terms of relative population, I am sure.

Dr Hartland: Relative population is what I had in mind. Thank you for that, Senator. We have raised this issue with them. They have all said that they are not doing this. We will continue to discuss it with them and we will seek to make sure that the IGAs in the current round have clauses in there that require this explicitly. I think, if you read the previous IGAs, that it was certainly implied that that would not happen, but it is not as clear to me that it is as black as white as it ought to be. We think that it is something that should be black and white in the current IGAs. Having said that, they are unable to identify an area where this has happened, but then you would expect that too.

Senator McLUCAS: You would. How is the Commonwealth ensuring that people who have previously received support through a state or territory government-run service but are not eligible for an NDIS service—and we are not talking about a large number of people—continue getting a service through the state or territory program, both in a practical sense and in an agreement-making sense?

Dr Hartland: This is a matter where we use the bilateral conversations to keep in touch with what is happening here. We have not heard of examples where people who have been found ineligible have not been provided for under the continuity of support arrangements. The bilateral agreements are clearer on that issue. The continuity of support arrangements in the current bilateral are quite clear that it is a state responsibility to ensure that that happens. We will be keen to have the intergovernmental agreements that govern the transition from the trials to full scheme to be equally clear.

Senator McLUCAS: Thank you. Mr Bowen, is that an issue—

CHAIR: I might make this the last couple of questions, just because you have had quite a long go and a couple of other people are waiting. I might get you to wrap up this line of questioning. We will probably have a chance to come back.

Senator McLUCAS: Thank you. Mr Bowen, is that an issue that is taking your mind—

Mr Bowen: We record where we find someone not eligible who is in the existing service; we record them as being entitled to continuity of support. The arrangements for continuity of support differ from state to state. In some states and territories, it is a matter of the residual service scheme supporting such persons. I am thinking—

Ms Skordis: In Victoria we are still negotiating some of the administrative arrangements.

Mr Bowen: I think in one place we do it on behalf of the state; it is paid for by them. So it is quite flexible. As long as the person is getting the supports then it is all okay.

Senator McLUCAS: When you say that you count the people, how many people are we talking about?

Mr Bowen: The big continuity support numbers are, in fact, the over-65s, who are not eligible for this scheme, but the services continue to be provided and it is just a different funding source; otherwise we report on that. I will check. If it not in our quarterly report, I will take it on notice and make sure that we give you those details.

Senator McLUCAS: Thank you, Mr Bowen.

CHAIR: Senator Reynolds.

Senator REYNOLDS: Good evening, Mr Bowen and Ms Glanville. First of all, thank you for the wonderful and very informative briefing that you and your staff have provided. It has certainly assisted with my understanding and knowledge of the agency and the NDIS. So thank you. I have a few specific questions to ask you, if I could. Going to the briefing from your manager of the Geelong trial site, one of the issues that you were dealing with as an agency at the trial site was in relation to coordinating the needs of the individual that went beyond direct disability support—health issues, rehabilitation issues and other things that are not within the remit of the NDIS but which clearly impact on the individual and your ability to support them. This issue has also come up in an inquiry that another committee is doing. I just wonder if you can tell me—perhaps it is a matter for the secretary as well—whether there have been any discussions with other agencies, federal and state, on how that coordination can happen? It struck me that what you are doing—the feedback I have had is that it is a great model focusing on the individual—is only part of the picture. As they said in Geelong, they needed to negotiate with state agencies at a local level to get an outcome. So, rather than just having this as a spot thing around country, is there any thought or any discussion yet on how we might do that more systemically?

Ms Skordis: There are a couple of areas where that is being looked at. I think my colleagues in DSS might respond more broadly around the piece of work that is being led through the policy processes around currently reviewing. There has been a process of identifying issues that are impacting on the delivery or operationalising of what has been agreed between governments around the respective roles and responsibilities of the different service systems. A number of those issues relate to how you actually get effective coordination. From an agency perspective, that is one of the areas in the negotiations that are occurring around transition to full scheme. As Ms Hand alluded to, the operational plans that the agency is a party to in developing with states and territories are going to include sections about articulating the effective ways that we can agree to work on cross-system collaboration and—

Senator REYNOLDS: Focused on the individual?

Ms Skordis: Focused on the individual, and how we can identify mechanisms to have a one person, one plan approach across service systems.

Senator REYNOLDS: How far advanced are those discussions? Have they just started or—

Mr Bowen: They are underway, and we generally find that there is good cooperation at the local level. The desire from both sides is not to either create gaps or have cost shifting between the two service systems; we both have that interest primarily in mind. The excellent example we have is in the Barwon area with the Victorian government's Children's Services Coordination Board. Through it we have an agreement that, from the beginning of the school year this year, for every child who is in the NDIS—as their plan is approved or reviewed and remade—they will have a plan that captures both their NDIS support and their department of education support. There is a commitment from the Victorian government to extend that to children who have chronic health conditions to capture their health needs and for children who are in out-of-home care to capture the supports that are provided by the child protection agencies. I think that is an exemplar of the way to deal with interface issues rather than having a wrangle over where the line is. We work cooperatively—

Senator REYNOLDS: So you are looking for a bottom-up approach rather than trying to go through years of COAG processes.

Mr Bowen: Yes.

Mr Pratt: Both Ms Skordis and Mr Bowen have identified some of the very important operational matters which are being worked on with the states. At the other end of the spectrum, an issue which the joint standing committee has focused on is how, between the states and the agency, it might be possible to rapidly deal with problems where there is a point of friction between the mainstream service and the agency service. We are

looking at building into the bilaterals with the states and are negotiating with them on rapid escalation processes between the agency and the states through the bilateral agreements. So that is top down.

Senator REYNOLDS: Hopefully it will meet somewhere in the middle for people. Thank you. I think many of us here on the panel have seen many really innovative housing and supported accommodation models around the country where people have just got in and are doing really good things, whether it is by the use of technology, marrying housing with healthcare requirements. But it does not seem to me yet that there is any way of sharing a really good project for this area or that area. There does not really seem to be much sharing and transfer of knowledge. Is this something that you have been able to turn your mind to maybe in the housing review? We were looking at it in the context of younger people in aged care who are stuck there because there is nowhere else for them to go, but there are some good options out there. Is this something that you have been able to turn your mind to specifically?

Ms Glanville: We have provided information about innovative housing models that the agency is aware of around the country to the joint parliamentary committee. I wonder whether that information might be made available to this committee as well. It is really just a gathering of data. People would often send you material on something that was happening locally. We have just kept that to be able to demonstrate innovation in those housing models.

Senator REYNOLDS: We have also had people, for example, who are running aged care, who do have younger people in there, who were looking at other options that might be able to better meet the needs of young Australians with different disabilities and also talking to some local councils who are looking at doing some more social housing and saying, 'What do we need to do? How can we build it?' There are some really good ideas out there, but there does not seem to be, in the industry either, a really good sharing of knowledge yet.

Mr Bowen: We would see ourselves having a responsibility to be something of a repository of knowledge around those types of options and to feed it in. Obviously we are in early days yet in terms of collecting it. Most of the collection of the information that we have has been through contact with different types of service providers who want to share that with us. They have been very generous in doing so, and we have seen some really excellent examples from right across Australia. We encourage people to come and tell us where they have done that, either on a large scale or right down to an individual circumstance. We have also seen some of that innovation put in place in our trial sites—families getting together and sharing resources to build a residential facility for their children with shared care and the like.

Senator REYNOLDS: I am happy to leave it there for now, but it would be good if—maybe through the NDIS committee—we could focus on that.

Mr Pratt: This area is one of particular focus for the Disability Reform Council. At its April meeting, it will be looking at this in a great deal of depth.

Senator REYNOLDS: That is good news; thank you. Another issue has been raised with me by a number of different organisations. They are often organisations that have received block funding in the past—Alzheimer's Australia and people who assist people with acquired brain injuries, quadriplegics, etcetera. Mr Bowen, in terms of your staff planners, coordinators or case managers who work with tier 3 clients, it has been raised with us in regard to the support that your staff will be providing that their training is as a generalist. So they are not necessarily experts in all of the different disability categories that NDIS deals with. How are you going to deal with that? Are you still going to provide funding to those organisations that specialise in specialist care, or will your people be trained up or specialised in different types of disabilities and requirements?

Mr Bowen: I certainly agree with the proposition that we cannot be experts in everything. We are going through a process at the moment of identifying different functions of the agency, both for areas of expertise and areas of capacity, through quite a significant scaling up over the transition period—that are better sourced outside the agency. Within the trials, we already purchase in planning from external sources. For example, in Newcastle, we contract back to the state department to do the planning for the residents of Stockton; it is highly specialised planning for people who have been in an institutional setting. In Barwon we do something similar for a group with multiple and complex needs. We have within the planning process the facility to purchase plan coordination support where a person has a number of elements or complex elements to their package. We do that—that is already being purchased externally—as an additional support for the person.

Senator REYNOLDS: Just to take the case of Alzheimer's, Alzheimer's Australia have good expertise, not only with older people with Alzheimer's, but also with those who have younger onset Alzheimer's, who obviously have very different needs. Will that be the sort of organisation that you might contract out to, or an organisation that specialises in acquired brain injuries, or neurological diseases?

Mr Bowen: Perhaps I could distinguish between the two different sorts of support. One may be more akin to the local coordination of assisting a person with that type of diagnosis to link up with and get the appropriate information and connect with the agency. Certainly the model we are developing for local coordination would allow for different types of specialist as well as generalist coordination. We certainly see that as being the case. The other area is where a person has a series of supports in their plan and needs some assistance for engaging with service providers and managing that plan. In that case, that is an expert support that we will purchase. We will just source that on the basis of the expertise of the body or the person.

Senator REYNOLDS: The expertise that is required.

Mr Bowen: Yes.

Senator REYNOLDS: My last question is in relation to the South Australian trial site. It has been raised with me that there have been some issues with the numbers of people registering and the time it is taking to process them.

Dr Hartland: Yes, there are some issues around the numbers in the South Australian trial site. The numbers in the bilateral appear to be very much lower than what appears to be the case in South Australia. The department is working with the South Australian government officials to see whether we can resolve what the best way forward is. At the moment it should be the case that children are not missing out on services. So if the child is in a South Australian government service, they will be able to continue to access that service and people who are without service can apply at any time. But we are having to look at what to do with the numbers.

Senator REYNOLDS: If I understood you right from the beginning, the issue is that you anticipated a certain amount and you have a lot more people applying than anticipated; is that right?

Dr Hartland: Yes.

Senator REYNOLDS: What are the numbers?

Dr Hartland: The trial bilaterals anticipated about 5,000 participants.

Senator REYNOLDS: Was that number provided by the South Australian government?

Dr Hartland: Yes, it was.

Senator REYNOLDS: How many have you got?

Dr Hartland: At the moment, DSS is of the view that the eligible population looks closer to about 8,500.

CHAIR: What was the issue there? That is a large discrepancy. Was there a particular cohort or something that was simply left out?

Dr Hartland: I think the proposition behind the 5,000 figure was that that is basically the South Australian government's view of how many people they were servicing at the time in their specialist services. So effectively their view was that there would not be people outside of their specialist services who would need to come into the trial.

Senator REYNOLDS: Just a follow-on question from that. That then raises what I understand to be a wider issue, and that is working out how many people are actually eligible. I understand that you have not started the process with a central list, where you are able to readily identify who the people are whom you need to contact and make aware so that you can work out who they are and how many there are. Is that what this is highlighting?

Dr Hartland: I think it is highlighting that the 5,000 figure was an error. As the agency works with trial sites and in transition there will be processes to contact people in existing services, find out who they are and then ease their way into the scheme so as to make it as seamless as possible for the customer. The proposition on the numbers, the scheme estimates of the eligible population, are based on work principally undertaken by the Productivity Commission but later validated by the department, our central agencies and the Australian Government Actuary. They include both people who are currently getting a service offer and also people who should be getting a service offer but are not. The fact that the number of children in South Australia looks like it is higher than what was anticipated in the bilaterals does not necessarily mean that at full scheme there will be a problem; it simply means that the bilaterals used the wrong number.

Senator REYNOLDS: Thank you. How are you going about finding out, and what are the lessons you are learning in the trial sites, about how to identify and communicate with people who may be eligible?

Mr Bowen: The lesson that we have learned is that finding people in the existing state and territory service systems is far more difficult than it should be and will not scale to full scheme. We have had to do that by serving notices on the providers under the legislation to get the providers to give us their lists of clients. We have then had to clean up those lists to get a list of unique clients. The department has certainly agreed to this: we cannot scale

that type of arrangement. One of the preconditions of moving to full scheme is that we are given a list of unique existing clients so that we can start making the contact and get the details early.

Senator SIEWERT: I want to go back to the issue I was asking about before, which was the costs issue: what were the assumptions that you disagree on with NDS?

Mr Bowen: There were three key assumptions, in escalating order of importance. First was the level of labour utilisation; that is, how much time front-line staff actually spend in doing the services for which they are paid. I accept very much that that will differ enormously from a worker providing support in a residential or facility-based setting compared to doing that in someone's home, where there is travel and the like. On average, there is a discrepancy there. The second one was the span of control and, to break that down, how many supervisors and managers you have to front-line staff. Our view is that the current sector has far too many supervisors and managers compared to their front-line staff. I to have say, when I go around and talk to participants and mention that, everyone in the room nods, so I am feeling as though that is getting a bit of validation. The third one is the corporate overheads. The corporate overheads are quite high right across the sector. This is an area—in fact in all of the areas, but particularly in this area—we have invited the National Disability Services to come back to us around a benchmarking study. The early work that was undertaken by both our consultants suggested that the overheads in the sector were in the order of 30 to 40 per cent and there were outliers that were well above that. That is, in any human services area, an extremely large corporate overhead on the cost of labour and all of your other on-costs. So, we think that in those three areas there is certainly scope for the current providers to become more efficient.

Senator SIEWERT: What is the time line for the further work that is being done regarding the benchmark?

Mr Bowen: We took a view as to what, based on our assumptions, the efficient price would be. We then adjusted it for a transitional price, recognising that there were variations between jurisdictions and that the full impact of the community services award had at that stage another two years to go. So the transitional price arrangement ratchets down over two years from when we agreed it through to the end of June 2016. But, as Ms Kerr-Smith said earlier, there is an ongoing commitment to keep reviewing this. At the end of the day we want to make sure that the service providers can employ staff and deliver services at the prices that we have but that they do so in as efficient a way as possible.

Senator SIEWERT: I want to go to the issue Senator McLucas raised. This is one of the issues that I was going to raise: states pulling back from services. Anecdotally, I have heard that from a number of people, particularly in Victoria. So I am keen to explore for a short time and for a little bit longer how you are working with Victoria to address that issue. It is not just about people who had been found not to be eligible; it is people who would be in, say, tier 2 being told: 'Wait for the NDIS; the NDIS is coming,' and that services are being withdrawn. As I said, it is anecdotal, but I have had it from a number of people.

Mr Bowen: It might be more a matter for the department to answer in the sense that part of the difficulty in identifying whether or not there has been any withdrawal of services is understanding exactly what is being provided at the moment, which is why there is an agreed process of doing a stocktake of everything that would be currently captured by tier 2 to establish a bit of a baseline for it.

Senator SIEWERT: It is not just about state services; I am getting told that it is also local government services and that NDIS is being used as an excuse not to extend services or offer services.

Mr Bowen: Perhaps I can mention, before I allow Dr Hartland to go back to the tier 2 question, there has been some withdrawal of service providers where they have felt that they were not well placed to be able to deliver services under the new model in the market. That certainly includes, in Geelong, services that are directly provided by the local council. But at this stage we do not see that as creating a service gap; there are other providers there who are able to pick that up.

Senator SIEWERT: But that is being seen by people as a withdrawal—

Mr Bowen: It is a withdrawal of one; it is not a reduction in the overall availability of services, because other providers are picking it up.

Senator Fifield: But I also think, in parallel to the NDIS, some jurisdictions have taken a decision, as you know, that they will no longer be direct service providers—which is not something required by the NDIS but it is a decision that some states have taken in parallel. In some jurisdictions people perceive that to be a withdrawal of services caused by the NDIS. So I think that is part of the confusion as well.

Senator SIEWERT: Yes, I understand that. But you are also saying that money has been withdrawn from there and put into their matching contribution to the NDIS.

Senator Fifield: Yes.

Dr Hartland: We have raised this issue, because you and others have raised it with us in the bilateral discussions. The Victorian officials have said that that is not happening, so we will continue to press on it. Victoria, like the Commonwealth, is working through some issues about how its programs actually fit in the NDIS but, to our knowledge, outside of the trial sites, people are not withdrawing funding in order to support their contribution to the NDIS. If we have more examples, we can of course pursue the matter with our officials, but we have been raising it with them.

Senator SIEWERT: Perhaps we can get more than anecdotal evidence where people are prepared to go on the record for you—when I say 'anecdotal', sometimes it is telling you or telling me. I will see if they have any record and send it through, if they are prepared to go on the record.

Senator Fifield: The more concrete the example is, the better.

Senator SIEWERT: Very quickly, the T2-information linkages in capacity building—it is much easier to say 'T2'—the discussion paper, went out on 19 December, as I understand it, and it was approved.

Ms Hand: I think the date it went—do not quote me—was 12 December; but yes, before Christmas.

Senator SIEWERT: Why did it take so long to get out? I understand that it then took until February to get out.

Dr Hartland: We had to turn a policy paper into a consultation paper and redevelop a consultation strategy and January was in between December and February.

Senator SIEWERT: So it was the approval of policies and not the paper itself?

Dr Hartland: Yes.

Senator SIEWERT: I have also had some feedback that a month is a very short turnaround for consultation. Was there a reason why it was so short?

Dr Hartland: We are aiming to get it back to the council in April.

Ms Hand: What we are trying to achieve at the moment is two objectives. One is to consult and get feedback on the framework, and the states are taking a major role leading with consultations in their respective jurisdictions. But we are also asking the states to map—and the Commonwealth, of course—existing services against the five sorts of streams that are articulated in that paper so that we can make sure that then, when we get it approved and up to implementing it, it is actually doable and there are no gaps.

Senator SIEWERT: Thank you. One last area—and I will be very quick—is Barkly. How is that going?

Mr Bowen: Perhaps I will get Ms Kerr-Smith to help me to answer this question. We knew it would be challenging and it lived up to our expectations in that respect. We were anticipating around 150 people, and 100 of those were identified as being in the existing NT service system. We actually have only been able to locate 30 of those in the communities.

Senator SIEWERT: That was going to be my next question.

Mr Bowen: We are working well with the local communities, but it really is an issue of the time that is required to establish relationships and to build a level of trust and confidence, and we perhaps did not factor that well enough into the allowed time within which to bring everyone into the scheme. But we now have some Indigenous coordinators working out in the community, but I think the dimension of the challenge can be well recognised when you put it in the terms of those 150 people being spread across a region that is close the size of Victoria; it is very difficult.

Senator SIEWERT: That relates to my next question, that is, knowing how the community move so much in the NT. Is that part of the issue in trying to find people—again, it is only anecdotal; we are out there a lot and we hear a lot of anecdotal evidence—in that people who thought they might be in the area are not in the area and so they are saying, 'Well, we're not being covered,' even though they consider that they are part of that area? Does that make sense? In other words, they move in and out of certain communities and they would consider themselves in the scope.

Ms Cairns: The first part of your question is true; it is a very mobile population.

Senator SIEWERT: That was the word I was looking for.

Ms Cairns: And certainly the information I have had back from planners is that, when they go into community, even when they have had an appointment arranged, often that individual and their family are not there, for a number of different reasons; some of them are cultural and some of them are seasonal. It is a very traditional part of Australia, so seasonality is something they have in terms of traditional hunting patterns. I have

not heard from the staff up there that the latter part of your question has been an issue. If that is the experience, I would be keen to find out exactly what that is about because it is around proof of identity and residency requirements. We are working with the new organisation across all the divisions of the organisation to capture the learnings of the Northern Territory trial site. What we have heard and learned pretty quickly is that some of the access request processes that we have in place do not work well.

Senator SIEWERT: Sorry; some of the?

Ms Cairns: The access request processes do not work well for our population; the way the plan looks does not work well. So we have been working with the Aboriginal Interpreter Service in Tennant Creek, with our staff there and back in the national office, with the operations team, the legal team and the communications team to design some more appropriate processes and products.

Senator SIEWERT: Thank you. So how many of the 30 people that you have now identified have now received—

Ms Cairns: There are 46—

Senator SIEWERT: Okay, 46.

Ms Cairns: And about 44 plans have been done.

Senator SIEWERT: Good.

CHAIR: Senator McLucas has one minute and then we will break.

Senator McLUCAS: Thank you. When did the department or the NDIA release the NDIA's housing paper?

Ms Hand: The NDIA, I think, may have said at the last Senate estimates hearing that they had put their paper to the states at an officials' level and it is fair to say that the states had quite some feedback and were not happy with the paper. It was a subject of discussion at the recent Disability Reform Council in February, and it has been agreed that some policy work be done collectively with the states, taking into account what the NDIA's paper said, and that be taken to the Disability Reform Council in April, at which stage we would envisage perhaps a slightly revised paper going out. But I should stress that it was the states that were not happy with the paper going out for public discussion.

Senator McLUCAS: I will put a couple of questions on notice about that time line.

Ms Hand: Yes.

Senator McLUCAS: But can you confirm that the \$700 million available for housing capital improvement is still there and will be used for that?

Dr Hartland: The \$700 million figure is what we would characterise as a contribution to the cost of capital for individuals. It effectively pays for the above normal rent that an individual with high-support needs faces, so it is not specifically for capital improvement; although, of course, a part of that would need to be—depending on how you fund it—devoted to maintaining capital facilities. There has never been any proposition that would remove the \$700 million from the funding envelope for the National Disability Insurance Scheme; it has never been discussed at all.

Senator McLUCAS: Thank you very much.

CHAIR: That is the end of outcome 5, disability and carers. We are going to break for dinner and will come back at 8.25 with outcome 2, families and communities.

Proceedings suspended from 19:24 to 20:26

CHAIR: We will recommence.

Mr Pratt: Chair, with your indulgence, we would like to table some material following our discussion around the grant processes. We undertook to provide some information on the value of funding offered for each of the programs, the length of the funding period and what the initial expected length of the period was. With your permission, we will get that circulated.

CHAIR: Certainly, if there is no objection? Yes, that can be tabled. Thank you.

Senator MOORE: My first questions are on the Stronger Relationships trial and the National Framework for Protecting Australia's Children. I think they are both in outcome 2.1. I will put the rest of my questions in that area on notice. When were registered providers informed that the Stronger Relationships trial would be ceasing early, and how were they told?

Ms Bennett: We do have that information. There was a media release on 1 February, and we also contacted them following up from that media release. We explained in the contact that we had that registrations would close

from midnight on 8 February, but that, for any couples that had registered and basically had a voucher, those vouchers would be honoured until 30 June and the trial was due to end.

Mr Brown: Just to add that, providers were also notified by email on 2 February.

Senator MOORE: So there was a media release on 1 February, and the providers were contacted personally on that day?

Ms Bennett: By email on the 2nd.

Senator MOORE: Is it standard that people who have a contract with the department would find out via media release that their jobs were potentially over or could be happening until 30 June?

Ms Bennett: It was not a contract in the more traditional sense that you would be talking about. The providers registered to be providers and met a particular criteria, and however many couples chose that provider resulted in a \$200 voucher that could be used, so there was never a set expectation of a fixed amount. As to whether it is usual for that time, as soon as the minister had made that decision, they were advised.

Senator MOORE: No. As soon as the minister made the decision, the media was advised. Were the people who were the contractors in the community told immediately the minister made the decision? It would seem not, from what you told me.

Ms Bennett: There was follow-up contact after the announcement.

Senator MOORE: Did they sign a contract that they become providers?

Ms Creech: The contracts with the Stronger Relationships providers are still in place. The contracts have not ended. Any couples who had registered for the trial before the closing period can still engage through the services. They can still use the providers that are up and running.

Senator MOORE: Is there anything in the contract about termination of contract or end of services? Is there a clause in that contract?

Ms Creech: I would need to check that.

Senator MOORE: Could you take that on notice.

Mr Brown: It was always announced as a 12 month trial, of course.

Senator MOORE: I do not know, but I would have thought people would have developed some kind of business plan when they took on the job. I am disappointed that they would find out through the media rather than being advised that this was going to be announced in the media today, or something of that nature.

Ms Bennett: As I explained, it is a slightly different process, because these would have been providers who already met the criteria about providing that sort of counselling or relationship advice. They were already existing businesses that registered. And not everybody who registered would have received couples selecting them, or large increases. We can tell that because so few couples registered in the nine months that the trial was running. But I suspect that there were very few that had built and changed a business model, or anticipated much more, since the trial was terminated 4½ months before, and the take-up was significantly low.

Senator MOORE: But this was a separate arrangement to any other arrangement they had with the department.

Ms Creech: The majority of the providers are family and relationships services. That is what they do.

Senator MOORE: Absolutely. But did they have another interaction with the department particularly for the Stronger Relationships trial?

Ms Creech: It was a separate grant application process.

Senator MOORE: So they had a separate arrangement for this one. How many couples, by state and territory and by age, are registered to access the \$200 subsidy under the Stronger Relationships trial?

Mr Brown: I am not sure that we have it by those demographics—we would could check—but, at the cessation of the trial, there were 12,917 couples registered to participate.

Senator MOORE: 12,917 in total, and you will check to see whether you can provide me the other details.

Ms Bennett: Of those 12,917 couples that registered, as at 9 February only 4,233 claims had been received. Registration did not necessarily move to people acting or pursuing or taking up on the counsel.

Senator MOORE: They expressed interest. And 4,233 have actually utilised the subsidy?

Ms Bennett: As at 9 February.

Senator MOORE: Could you also see whether I can get that by state and territory and age. How many couples registered for the trial between 1 February, when it was announced that the scheme would be ceasing, and 9 February, when new registrations closed?

Ms Bennett: We will have to take that on notice.

Senator MOORE: What are the total costs of administering the trial—staffing, IT, advertising?

Mr Brown: The department was not supplemented. It was all within the existing branch that Ms Creech runs. Approximately three staff worked on the trial from its inception, the development of the trial, throughout the implementation of the trial. From late 2013 right through til February, about three people worked full-time on it. It also did have some implications for the corporate areas of the department like communications, IT and that kind of stuff, but that was relatively small.

Senator MOORE: Can you take that on notice, Mr Brown. I do not want it to be a great workload, but to give some kind of package—

Mr Brown: Like a total dollar figure?

Senator MOORE: Yes, a package; and the level of the staff, as well. That would be good.

Mr Brown: Yes.

Senator MOORE: In response to question ES14-00373 that we put in October, the department stated that \$44,976, GST-exclusive, had been spent on advertising the scheme. Was anything further spent on promoting the trial? Were they the full expenses on advertising and information?

Ms Bennett: We will have to take that on notice.

Senator MOORE: In answer to another question on notice, which was 381, from the 2014-15 supplementary estimates, it was stated that the Institute for Social Science Research at the University of Queensland was contracted to conduct an evaluation of the Stronger Relationships trial. That evaluation report is due in the first half of 2015-16. Is that still the case?

Ms Bennett: No. The evaluation arrangements have been cancelled.

Senator MOORE: So there will be no evaluation of the 4,233 couples who have said that they will utilise the subsidy, and a possible extra 7,500-odd who are registered? There will be no evaluation of that?

Ms Bennett: No.

Senator MOORE: When was the social research institute at the University of Queensland advised that their contract did not exist?

Ms Bennett: Shortly after it was announced that the trial would be ceasing.

Senator MOORE: The AusTender search that said that the cost of that evaluation was \$578,571.40. Do they get any money out of that for the preparation they put through?

Ms Bennett: We are still talking to them about the work that was done to that point in time. We have not finalised those discussions with them yet. That obviously caught the preliminary work that they did—the research and analysis that they may have and the development of the methodology. We have not finally settled exactly what that will be, but they will be paid for the work that they have done.

Senator MOORE: Can you take on notice any update on that, rather than asking the same question next time? You may just have that ready by then. I will put the other ones in 2.1 on notice. I think Senator Waters is going to a place that I may have been going, but she might cover that.

Senator SIEWERT: I want to go to the healthy welfare card. There was some talk in the media on the weekend, I think it was, about a trial. Where are things up to, first up, with the healthy welfare card?

Mr Pratt: The government is still considering its options. It has not taken any decision yet as to how it will go forward. As we talked about at the last hearing, there were consultations between Minister Andrews and Parliamentary Secretary Tudge and officials with the banks, big retailers and a number of organisations in the financial services sector. The government is still considering its options and, as you would know, has not yet responded to the Forrest review. At some stage we are expecting that the future arrangements around a card of that sort, or for income management more generally, will be announced.

Senator SIEWERT: On income management, did you say?

Mr Pratt: Yes.

Senator SIEWERT: In light of the McClure report—I am not going to ask the details about the McClure report, because I know that is going in outcome 1—however, the McClure report has made reference to income

management and about it being used judiciously. Since the government received that report and the income management evaluation process for the Northern Territory, how have those findings impacted on the approach being taken in consideration of the healthy welfare card?

Mr Pratt: It will be an input to the government's thinking about future directions in this area. From recollection, Mr McClure had similar comments in the interim report. That has been available for some time. So all of these things are connected.

Senator SIEWERT: Can you tell me what the time line is for further announcements/considerations?

Mr Pratt: Not at this stage.

Senator SIEWERT: You said that you had been talking to banks and big retailers. Have you been talking further since I last asked you about your interaction with banks?

Mr Pratt: Yes.

Senator SIEWERT: Have you discussed the possibility of them taking on and operating the cards?

Mr Pratt: We have explored all aspects of the future—I can never get the name right—healthy welfare card.

Senator SIEWERT: I hope you are never able get it right and that it does not exist. That is my personal opinion. But, anyway, let's keep going. In the discussions you have had with the banks, is there any further discussion around the cost to the banks or how much it will cost either the government or the banks to run?

Mr Pratt: Without going into details of the discussions, we have covered those and virtually every other aspect that you can imagine about how one could operationalise a card of that sort.

Senator SIEWERT: Are the banks expressing any willingness to run a healthy welfare card-type system at no cost to the government?

Mr Pratt: You would have to ask the banks that.

Senator SIEWERT: Is the government factoring the cost of running the processes into the cards—running a system, running a healthy welfare card?

Mr Pratt: Certainly, yes. I cannot think of anything where we are going to implement a new initiative where we will not fully cost the implementation costs.

Senator SIEWERT: Doesn't the Forrest report canvass the issues of the banks managing the cost?

Mr Pratt: I would have to take that on notice. I do not recall exactly what the Forrest report said in terms of the banks.

Senator SIEWERT: Is Prime Minister and Cabinet still leading this process?

Mr Pratt: Certainly Prime Minister and Cabinet is leading the work on developing the advice to government around the Forrest review. We are leading the work on future directions for income management and a healthy welfare card.

Senator SIEWERT: On income management—and I realise that comes into the next thing as well—is further consideration being given to other areas of income management, outside of a healthy welfare card?

Mr Pratt: The government has not taken any decisions in that area at this stage.

Senator SIEWERT: I did not ask if they had taken any decisions. I said: is there any other work outside of income—

Mr Pratt: Certainly, but your question is asking me to pre-empt possible government decisions and I cannot do that.

Senator SIEWERT: Okay. Thank you.

Senator WATERS: I have some questions about the Second Action Plan under the National Plan to Reduce Violence Against Women and their Children. I want to start firstly on the Respectful Relationships programs, as they are called. There has been quite a bit of interest expressed to me, through various women's groups, about implementing those programs throughout schools, as a driver of cultural change. Do you have any plans to implement those or similar programs more broadly than currently?

Ms McKenzie: That is identified as one of the 26 actions in the Second Action Plan, and governments are working together towards that aim at the moment.

Senator WATERS: Is there any more detail you can provide about how far along the plans are to expand that, for example, or any more detail around that?

Ms McKenzie: At the moment, education ministers are talking about what is in the national curriculum, and there have been discussions between state and territory and Commonwealth ministers about the national curriculum, and those discussions are ongoing, so there is really nothing more I can say at this stage.

Senator WATERS: There is no sort of extracurricular way of taking this on? This has to happen in the course of those national curriculum discussions?

Ms McKenzie: There are a couple of different ways of it happening. Currently a lot of schools have Respectful Relationships programs, and they are expanding them. So that is one way in terms of people picking it up in a voluntary kind of way. But in terms of it becoming an accepted part of the national curriculum, that is really something for COAG ministers to consider.

Senator MOORE: How is it funded now, in terms of Respectful Relationships—

Senator WATERS: That was my next question.

Senator MOORE: because you said governments were looking at it. Do we have a table about where there is any investment from state governments into this as well? We have got federal government money, state government money and money from organisations such as White Ribbon. Do we have a table anywhere that shows how this works?

Ms McKenzie: I am not aware of a table. The Commonwealth funded some Respectful Relationship programs in schools, and I know there is Respectful Relationships in schools in both South Australia and Northern Territory. Victoria has asked Our Watch to do some Respectful Relationship schools things in Victoria. My understanding is that it is also up to individual schools, who are going ahead and getting their own Respectful Relationships work done.

Senator MOORE: They are running bake sales to fund their Respectful Relationships. But there is nowhere in the current documentation that can tell us what is going on and who is funding it?

Ms McKenzie: We certainly have not monitored that, no.

Senator MOORE: Okay. Sorry, Larissa; I just had that one on my list.

Senator WATERS: That is fine. Thank you. I too had a question on that and I am still a little unclear. Is there currently any federal funding allocated specifically to the development and rollout of those Respectful Relationships programs?

Ms McKenzie: Not through DSS, no.

Senator WATERS: Even though it sits under the national plan, which has got its hundred and whatever million over four years? Is it able to access some of that money or would it need to have a specific amount tied to it—that it does not have, clearly.

Ms McKenzie: What happened initially in the Respectful Relationships program is that the Commonwealth put a considerable amount of money into having some Respectful Relationships demonstration projects, and they were chosen across Australia. Those were then evaluated, the idea being that they would end up with guidelines then for how Respectful Relationships programs could be run. That is what the Commonwealth financing has been. The Commonwealth's work in relation to primary prevention is now, to a large extent, being taken forward by Our Watch and the Commonwealth funding of Our Watch.

Senator WATERS: I want to come to that in just a sec, but just sticking with the Respectful Relationships: it is one of 26 actions under the plan but it is not specifically funded because that process of piloting and evaluation is now finished. Is that correct?

Ms McKenzie: No. Both of those facts are correct, yes, but the Respectful Relationships programs are generally funded by state governments, not by the Commonwealth government. The Commonwealth government went in to do the pilot with the project to end up with the guidelines that could then be used by schools in determining what was the kind of Respectful Relationships program they wanted. One of the problems that is around at the moment is that a number of different organisations are offering different Respectful Relationships programs into schools, and schools do not necessarily know how to make the decisions about which is the Respectful Relationships program that they think would be most appropriate in their environment.

Senator WATERS: And is the Commonwealth providing any assistance to them to make that decision?

Ms McKenzie: That is what the guidelines will do.

Senator WATERS: Those guidelines are yet to be finished?

Ms McKenzie: They are underway at the moment.

Senator MOORE: Where?

Ms McKenzie: The University of Queensland did an evaluation, and they have provided—

Senator MOORE: That is what I was trying to get—UQ's work.

Ms McKenzie: They have provided us with a draft report. They mainly looked at the first two rounds of the Respectful Relationships project. Since then we have had a third round, which we are also looking at and then finalising the report. So we would expect the report to be out sometime this year.

Senator MOORE: Public?

Ms McKenzie: Of course.

Senator MOORE: I wish every answer was 'of course'.

Ms McKenzie: I think in this particular instance it is not going to be much use if the report is not public and we are wanting schools to be able to use it—

Senator WATERS: To use it as a guideline—precisely.

Ms McKenzie: to choose the right program.

Senator WATERS: Could you take on notice for me, Ms McKenzie, because we are a little bit short on time: of the 26 actions, are there any others that are not specifically funded by the federal government? I do not need to know that now because it will probably take too long, but you have said that that is now one of them. I am interested in if there is any others as well. I will leave that with you on notice, unless there is something burning to add now.

Ms McKenzie: I think I have to explain that, because the states and territories fund Respectful Relationships programs—

Senator WATERS: I am not claiming they are unfunded; I am just interested in the Commonwealth money.

Ms McKenzie: We funded the pilot projects and the guidelines.

Senator WATERS: Understood.

Ms McKenzie: That is the job that we have done. So it is not that there is no Commonwealth funding; it is that the role of the commonwealth has been clearly delineated.

Senator WATERS: Was that role delineated clearly in the action in the plan?

Ms McKenzie: I think so. It is certainly clear with the states and territories. They understand our role, and we understand our role in relation to that.

Senator WATERS: Okay; I guess that is my point. Can you enumerate for me if there are any of those other actions whereby the funding commitment is either nil or limited, given that that is perceived to be another organisation's responsibility?

Ms McKenzie: We will take that on notice.

Senator WATERS: Back to the curriculum: I hear that the national curriculum process is are underway—I get that. Are there any other ways of encouraging schools to voluntarily adopt that Respectful Relationship program outside of the national curriculum? You said some are doing it voluntarily anyway. Is that something that the Commonwealth is encouraging?

Ms McKenzie: It is something that we are encouraging, of course, but White Ribbon is encouraging it and they have a Respectful Relationships program that they run in schools. Our Watch is doing a program in Victoria that the Victorian government has paid for. There are a number of organisations around that deliver that and that are fairly active in talking with people about taking one of their programs on. So it is not a matter of, I think, schools not being aware that this is something that can be done.

Senator WATERS: I want to move on now to other primary prevention work, which we started to touch on earlier. You said that the bulk of that is being largely being done by Our Watch across the good work that they are doing, and credit to them for so doing. Is there any other primary prevention work that is happening under the auspices of the plan, outside of what Our Watch is doing?

Ms McKenzie: Certainly what White Ribbon is doing is also primary prevention work. That is an important thing, and then what—

Senator WATERS: Sure, but I meant by the Commonwealth. I thought that was an implicit parameter.

Ms McKenzie: I think I should take that on notice because, at the moment, things are not coming to the top of my mind, but I doubt that means the Commonwealth is not doing things. I think the Commonwealth is actively involved in other primary prevention work.

Senator WATERS: Thank you; I will await that. Can you tell me whether you are aware of the fact that women's shelters and domestic violence and family violence services have been losing experienced staff as a result of funding uncertainty at the federal level and the funding cuts to community legal centres?

Ms McKenzie: As we have discussed at other times, any purported funding cuts to community legal centres really needs to be raised with the Attorney-General's Department as the funding body. I must say that, at this stage, I have not been made aware that there is any specific funding that has been taken off any specific organisation.

Senator WATERS: I will rephrase that and give you a chance to clarify that remark. Given the abolition of NRAS—the affordable housing scheme—and the changes to NPAH in that it is only being extended by 12 months even though it was five year program originally, the information that we are receiving through other channels—namely, a Senate inquiry—and service providers is that, because they do not have funding certainty, they are losing staff because there is no job security. Is that something you were aware of?

Ms McKenzie: I was talking about the community legal centres.

Senator WATERS: Okay. Leaving that aside, because you have said that is not your bag, on the homelessness and housing issues and therefore the DV services in the housing sense. Are you aware of the loss of experienced staff in those services?

Ms McKenzie: I cannot say that I am aware of the loss of experienced staff. I can say that, as I understand it, the government is considering the ongoing funding of NPAH and NAHA.

Senator WATERS: I am sure they are considering the funding, but I am—

Ms McKenzie: Our housing colleagues may well—

Mr Pratt: Yes, we discussed this in outcome 4.

Senator WATERS: Sure. But I am interested in the state of knowledge of the people responsible for implementing the plan.

Ms McKenzie: Yes.

Senator WATERS: Just to confirm that you said you are not aware of the staff drain that is happening at the moment in DV shelters and other DV services?

Ms McKenzie: I am certainly aware that there have been staff movements across a range of women's services for quite some time. There have been changes at the state government level and changes that have been introduced in terms of their changed arrangements for how the services work. There is a whole heap of things that are happening.

Senator WATERS: Sure. That has obviously intensified quite significantly in the last little while. Is that something that you would have expected to have been brought to your attention or is that not normally something you would be informed of?

Ms McKenzie: It would be more—

Ms Bennett: We do not necessarily know exactly community organisations' individual staffing arrangements—the issue was raised with deputy secretary Felicity Hand over some of these issues. There is a broader picture about the part of the action plan and the role of the Commonwealth which looks more about outcomes; our cooperation with the states; the connection—as Ms McKenzie said—with Attorney-General's. I do not think it would be reasonable to expect that we would know what was happening in a particular women's organisations on the staffing plans and movement at that intimate level. What Ms McKenzie's area and Ms Laffan do—

Senator WATERS: I agree that you should not have to know every particular staff departure in every single organisation but there does seem to be a very clear trend. Given the plan is about outcomes, as you say, the ability to deliver those outcomes is being much reduced by the brain drain on those services. I am actually quite alarmed that no-one has brought that to your attention.

Ms Bennett: That is a leap of information—

Mr Pratt: Also, the Commonwealth does not actually fund the services. We provide money—

Senator WATERS: You do through NPAH. The state dishes it out, but you are the kitty.

Mr Pratt: Sorry, if I can finish, Senator. We provide money to the states, which then contract with the services.

Senator WATERS: Yes, I am aware of that.

Mr Pratt: We do not have a direct connection with the providers as the states do—

Senator WATERS: No, the funding uncertainty from the original money—

Senator Fierravanti-Wells: Can you just let the Secretary finish, Senator Waters. The secretary is trying to answer your question. Please do not interrupt him. Let him finish and then you can ask another question—it is pretty simple.

Mr Pratt: My points are that we do not have that direct connection in this area with the providers as we do in other areas, because our funding goes to the states who then contract with the services and fund the services. Also, as you are obviously aware, the government has yet to take a decision as to what it is going to do in relation to the NPAH, so that is up in the air. We went through the issues in quite some detail. We are very much aware of the issues which providers are going through. We have been through this a few times over the last few years, but we do not have direct connections with those providers; therefore we do not know what is happening with their staffing.

Senator WATERS: Thank you. I was aware of how the funding stream works, but I appreciate you taking the time to remind me of that. The very fact that the funding is uncertain is precisely why they are losing staff; hence my questions. You said you were very aware of the issues and yet Ms McKenzie said she was not aware of the issues. So I am a bit confused.

Mr Pratt: You are mixing two things. Ms McKenzie was making it quite clear that she is not receiving direct feedback around staffing issues for providers. What I am saying is that we are aware that providers are looking forward to getting advice as to where things are heading. We are aware, at a general level, about the issues that providers are concerned about.

Senator WATERS: Sure, but as it relates to the ability of the Commonwealth to deliver on the outcomes it is committed to in the national plan, would you normally expect to be aware of the mass exodus of staff that is facing DV services?

Ms Bennett: We did the national action plans in partnership with the states and territories. We saw their parts and our bits and we shared information. As Ms McKenzie said, individual organisations do make a huge contribution, but what they are doing with their staff is a level of on the ground detail. We are focussed on talking and engaging about what the outcomes are, not whether there are two people fewer in this service or they have shifted their focus.

Senator WATERS: More than two people, I am afraid.

Ms Bennett: If you can provide the details, we can have a look at the information that you have got.

Senator WATERS: I do have a number of quotes here, but I am conscious of the time.

Ms Bennett: If you want to put them on notice.

Senator WATERS: It is all on the public record. If you are interested in following it up, that would be great. The vast evidence we have heard from a whole range of services in the Senate inquiry that has been on foot and remains on foot into domestic violence contains a wealth of very concerning statements. I encourage you if you have time—

Ms Bennett: We are watching that closely as well.

Senator WATERS: Coming to the plan's focus on Aboriginal and Torres Strait Islander women, I am conscious that the voices and perspectives of Aboriginal and Torres Strait Islander women need to be supported, listened to and reflected in that document. In terms of the advocacy and policy development and the involvement of Aboriginal and Torres Strait Islander women, can you provide—perhaps on notice or here if you are able to in short—how they are being involved in that process and what funding commitments go along with that? My question is in the context specifically of the funding uncertainty for the family violence prevention legal service, which is currently seeking funds under the Indigenous Advancement Strategy, which we will take up in cross-portfolio questioning tomorrow. That is the context of my question.

Ms McKenzie: There are a range of things that DSS is engaged in which are designed to assist Indigenous women who are experiencing violence. One of those is the expansion of the primary care line on 1800RESPECT. The primary organisation responsible at the Commonwealth level for actions to prevent violence against Indigenous women is the Department of the Prime Minister and Cabinet, and the Indigenous area there.

Senator WATERS: Sorry, I phrased my question very poorly, I acknowledge. I am interested in whether your position is that Aboriginal and Torres Strait Islander women should be involved in advocacy and policy development as regards violence against women.

Ms McKenzie: We have certainly taken the attitude in the development of the national plan and in the ongoing running and operation of the national plan that involving women is a huge benefit to developing projects and deliverables that really work. We would fully support the engagement of Indigenous women in projects and work.

Senator WATERS: How are you fully supporting that? Is there any money that goes along with that?

Ms McKenzie: Let me explain it a little bit. One of the things that DSS has been particularly responsible for is the involvement of CALD, so women from culturally and linguistically diverse backgrounds. We have been out talking to CALD women, having what we call 'kitchen tables' across Australia, finding out what their views are. That has been our area of responsibility in terms of the three priority groups that were identified in the national plan. We are also talking to women with disability. The Department of the Prime Minister and Cabinet is the one that is taking forward the work with Indigenous women.

Senator WATERS: Is there any funding commitment that goes along with that, or will I have to take that up with PM&C?

Ms McKenzie: Take it up with PM&C.

Senator REYNOLDS: My questions relate to the Better Schools: Before and After program. But I understand that we are doing child care tomorrow morning, so I will leave it for the moment.

Senator SIEWERT: Are we covering income management generally in this section?

Mr Pratt: Yes.

Senator SIEWERT: Regarding the Western Australian income management trial, in the child protection measure, are you able to give me any details on the rate at which people are coming off it? I am looking to see if we are seeing people going onto income management and then providing support, developing skills and having them come off it.

Ms Bennett: So you are asking if a person is on it voluntarily or was placed on it because of the triggers?

Senator SIEWERT: With the child protection measure there are triggers—I will not traverse the areas I have traversed before—

Ms Bennett: And you are wanting information about what proportion of people might move over it?

Senator SIEWERT: Yes.

Ms Bennett: We will have to take that on notice. We do not have that with us.

Senator SIEWERT: That would be appreciated. Also, do you have information on people ending up back on it—they come off and then end up back on it? That would be appreciated. In regard to the measures in the place based areas—

Ms Bennett: Is that Bankstown, Greater Shepparton, Logan and Playford?

Senator SIEWERT: Yes. I realise that one is on 20 and the others are under 20. Is it possible to look at whether people there are going on and off the child protection measure. That would be appreciated. I would like to know about Cape York, as well, because that is a different—

Ms Bennett: In the child protection measures?

Senator SIEWERT: Yes.

Ms Bennett: So if people are on it, and as they come off or come on?

Senator SIEWERT: Yes.

Ms Bennett: We will have to seek some of this information from the Department of Human Services and work with them. It is the movement off and on of individuals. We will have to talk to them about it.

Senator SIEWERT: So the issue there then is that they are not regularly notifying you of this so that you can have an understanding of the effectiveness of the policy?

Ms Bennett: These are point-in-time statistics that we have provided previously. You are asking a different thing about tracking. We are able to access point-in-time and numbers. If we are to look back on individuals who have been on it, we will have to talk to them about how that tracking might work.

Senator SIEWERT: Thank you for that; that would be appreciated. That is not information that you have routinely been getting in order to look at the effectiveness of the measure?

Ms Bennett: I am not saying that we are not; I am just saying that we will have to go back and take it on notice.

Mr Brown: It is a more complex extraction for DHS to look at.

Ms Bennett: In regular reporting—

Mr Brown: In regular reporting the numbers are much simpler to extract.

Senator SIEWERT: I understand that. As you know, it is no secret that I am critical of this policy, but if it is not working in some areas I would like to know where it is working.

Mr Brown: Sure.

Senator SIEWERT: Once people are in that vulnerable measure, how do they get off?

Ms Bennett: We will have to take that on notice.

Senator SIEWERT: That is actually a different process to the child protection measure.

Ms Bennett: It is a different process.

Senator SIEWERT: If you could take that on notice—how they get off? Have people come on and off that one as well—the child protection measure? I am sorry to be difficult, but can I also ask for that one, because it is different to the vulnerable measure?

Ms Bennett: In the Northern Territory?

Senator SIEWERT: Yes.

Ms Bennett: Yes.

Senator SIEWERT: Basically, for all of the places where the child protection measure and the vulnerable measure are in place. In terms of the referrals, it is not the alcohol tribunal anymore, is it—the process? I cannot remember what the name changed to for the alcohol measure.

Mr Johnston: The name is the Alcohol Mandatory Treatment Tribunal in the Northern Territory.

Senator SIEWERT: Yes; I could not remember the name.

Mr Johnston: It is a supporting people at risk measure of income management.

Senator SIEWERT: So that is 187. Have all those 187 been referred through that process?

Mr Johnston: That is right.

Senator SIEWERT: Could you also tell me how many people are going on and off that measure?

Mr Johnston: We will have to take that on notice.

Senator SIEWERT: I really appreciate these figures. It is hard to tell, comparing them, if people are going on and off, whether it has been effective.

Mr Johnston: As we have said in relation to the other measures, we will have to take that one on notice as well. The evaluations of income management, as you would be aware, Senator, do track some of these sorts of things in terms of people's qualitative and quantitative experiences.

Senator SIEWERT: Yes.

Mr Johnston: It is a longer time frame. We are happy to take that on notice.

Senator SIEWERT: I understand that, largely; negative experiences but—

Ms Bennett: As Mr Johnston said, when the evaluations occur they look at a group or a subset and they track them over a period of time. Are you looking at whether someone has come on and off in the last 12 months or two years? How far do you want us to see that we can go back?

Senator SIEWERT: I am interested in (a) people coming off generally—what is the number of people?—and (2) if people are coming off and going back on.

Ms Bennett: In what time frame, Senator?

Senator SIEWERT: Over the period of two years. I am trying to be fair and not ask you to go back too far, but you need a time frame to look at it. Thank you.

I think this is probably addressed to you, Mr Pratt, in terms of the response to the latest income management evaluation. Do I take it from our previous discussion that that is all part of the consideration of how you are going to address the Healthy Welfare Card in income management? There is no separate response to that report?

Mr Pratt: In terms of whether or not the government decides to have a response to that report, I suspect it will not. But it is certainly an input to the process of government considering its future income management policies.

Senator SIEWERT: I suspect that I might have to ask this next question tomorrow. But, in case they tell me I should have asked it here, I am going to ask it here, and then you can tell me, and then I can say to them that you

said to ask them then. Is the overall response on the approach to the healthy welfare card going to be part of the government response to the Forrest report?

Mr Pratt: I expect so.

Senator SIEWERT: That is fair enough.

Senator MOORE: I have questions on paid parental leave and then I have got questions in multicultural and migrant services, for which is really useful to have Senator Fierravanti-Wells at the table. I will go to paid parental leave. On 31 January an article appear in *The Australian*—and I apologise, I have not got copies of that article, but I am sure you know it—indicating that the Prime Minister would dump his signature Paid Parental Leave scheme in a speech at the Press Club that following Monday, and that caused a range of discussion. Prior to that article, had the department been informed of the Prime Minister's intention to drop the scheme?

Ms Bennett: No, we had not.

Senator MOORE: Had the department provided any advice to the minister prior to that announcement regarding the Prime Minister's intention to dump the signature Paid Parental Leave scheme?

Ms Bennett: Could you repeat that question?

Senator FIERRAVANTI-WELLS: Senator Moore, could you tell us the date again of that article? I should be asking for a copy of it, but I am going to be very lenient.

Senator MOORE: I know you should be, and I noticed your restraint. The date was 31 January.

Senator FIERRAVANTI-WELLS: Which paper was it in?

Senator MOORE: I will give you a copy. Can we come back to it while I am reading through my papers. The question was: had the department provided any advice to the minister—and that is to your minister—prior to that announcement regarding the Prime Minister's intention to dump the scheme?

Mr Pratt: Is your question: did we provide advice to the government about not doing its new Paid Parental Leave policy?

Senator MOORE: Did you provide any advice to your minister about, I would say, the value of the scheme?

Mr Pratt: Without disclosing the nature of our advice, we certainly have provided a great deal of advice to the minister, and Minister Andrews before him, on the government's Paid Parental Leave scheme, the existing scheme and the proposed new scheme.

Senator MOORE: Prior to 31 January, when was the last time that officials from the Department of Social Services had conducted any consultation with stakeholders regarding the Prime Minister's Paid Parental Leave scheme?

Ms Bennett: Stakeholder consultations on the government's proposed Paid Parental Leave scheme were split in a different way. But Prime Minister and Cabinet led the discussions with the states and territories, and we worked with Prime Minister and Cabinet and co-chaired an IDC across government departments, and we had some discussions with rural organisations.

Senator MOORE: So, on the basis of that information, any discussion with states and territories was led by PM&C?

Ms Bennett: Yes.

Senator MOORE: Were you part of those discussions?

Ms Bennett: We were present at those discussions.

Mr Brown: At some of those discussions we were present.

Senator MOORE: Can you tell me the last one that you were at prior to 31 January?

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

Mr Pratt: Presumably we did not do anything this year.

Mr Brown: No, certainly not.

Senator MOORE: Can you take that on notice. Can you also tell me the last time you coordinated the meetings of the IDC. You had leadership of the IDC consultations?

Ms Bennett: It was co-chaired with PM&C. We can give you the date of the last meeting.

Senator MOORE: Is the department involved in work on paid parental leave as part of a new holistic families package?

Mr Pratt: Yes.

Senator MOORE: Is the work looking at paid parental leave being a part of that package or will it involve only child care?

Mr Pratt: That will be a decision for government.

Senator MOORE: When was the evaluation of the existing PPL scheme provided to the minister? I think we have asked these questions in a couple of occasions.

Mr Brown: Minister Morrison was provided with the phase 3 and phase 4 reports in late January 2015.

Senator MOORE: Was that the first time it had been provided to a minister? There was a transition in ministers, so the first time that 3 and 4 were handed to any minister was to Minister Morrison in January?

Mr Brown: No, Minister Andrews had also received the phase 3 and 4 reports. I would have to check the date exactly.

Senator MOORE: Can we get that on notice? Is a copy of that review available to be made public? Either minister could have said so.

Mr Brown: That is a decision for the minister, obviously.

Senator MOORE: Senator Fierravanti-Wells, would you be able to follow it up with the minister?

Senator FIERRAVANTI-WELLS: I will take it on notice.

Ms Bennett: On the question of when it was provided, it was provided to Minister Morrison on 28 January.

Senator MOORE: But it had previously been provided to Minister Andrews. Can you tell me the date that it was provided to Minister Andrews?

Ms Bennett: I do not have that.

Senator MOORE: Will you take that on notice?

Mr Brown: We will take that on notice.

Senator MOORE: I have questions on three different areas of multiculturalism. One is the Australian Multicultural Council; another is the Support for Trafficked People Program, which I will do first. They are very straightforward questions. When I asked about the Support for Trafficked People Program at the last estimates, I was told that the work was ongoing. I want to get the progress on that ongoing activity.

Ms Laffan: The work continues to be ongoing. That program is still operating.

Senator MOORE: How long does it have to continue in its operation?

Ms Laffan: It is a continuing program—it is an ongoing program.

Senator MOORE: The support services that are linked to that program are ongoing as well, but my understanding is that the contract between the Australian Red Cross and DSS to deliver the support service is due at this stage to end in June 2015.

Ms Laffan: That is correct.

Senator MOORE: That is not very ongoing—that is three months or so. At this stage, is there a plan to put the support service out to tender?

Ms McKenzie: We are looking at how we might go about securing ongoing program administration, yes.

Senator MOORE: In the ongoing activity, is DSS planning to make changes to the support services or just the tendering process?

Ms Bennett: We are not in a position to discuss this at this stage.

Senator MOORE: That is part of it being ongoing?

Ms Bennett: Yes.

Senator MOORE: Is there any plan to change the current system of having a single provider, as you have now, to any alternative?

Ms Bennett: We are still considering those issues at the moment.

Senator MOORE: Is the department planning any reduction to the program?

Ms McKenzie: We are not planning any reduction to the program.

Ms Laffan: The funding is ongoing.

Senator MOORE: On the Australian Multicultural Council, at the last Senate estimates the government indicated that it was in the process of developing an updated multicultural policy. Has the development of the multicultural policy progressed?

Mr Pearson: The government has a multicultural policy, as is expressed in its programs and its statements. The Prime Minister expressed this on Australia Day, noting Australia's multicultural character. The Senate on numerous occasions has expressed the government's commitment to multicultural Australia. There is a raft of programs that stand as evidence of the policy.

Senator MOORE: At the last estimates we were told that the government was in the process of developing an updated one. We know you have one, but we actually had the information that you were updating it. So what is happening with the update?

Ms Bennett: That is still being considered by the government at this stage.

Senator MOORE: Whether it is going to be updated or not, or how to update it?

Ms Bennett: Both.

Senator MOORE: So it may not be updated?

Ms Bennett: It is still a matter for consideration.

Senator MOORE: Why were we told that they were in the process of developing an updated multicultural policy? That is from *Hansard*. That was the answer—that they were in the process of developing an updated process. So at the moment it is under consideration? Is that what we put down?

Ms Bennett: Yes.

Senator MOORE: Are there any consultations happening around that?

Ms Bennett: No, because it is still under consideration.

Senator MOORE: So there is no idea about the timing because it is still under consideration?

Ms Bennett: No.

Senator MOORE: Were the vacancies on the Australian Multicultural Council publicly advertised?

Ms Bennett: No.

Senator MOORE: Is that standard?

Ms Bennett: It has been a practice in the past.

Senator MOORE: Were the last rounds publicised?

Ms Bennett: Yes, the former government did.

Senator MOORE: The former government did it, but, in the past, there have been times when it was not publicised?

Ms Bennett: We do not think so. We have looked at this issue. There were five-year councils and, as you know, this area moved over from Immigration. That means we are looking back on 10 years of records, and we have not been able to identify what would have been about the 2000 appointment. We have not been able to access those archived records of the selection. Neither Mr Pearson nor Ms McKenzie, nor other people, were actually around that far back.

Senator MOORE: Is the project to look at those records continuing?

Ms Bennett: We are commencing. We will take it on notice.

Senator MOORE: Can we get an update on that whole thing on notice in terms of what is happening, with the consideration of looking at the past and whether there has been a pattern. As this last round was not publicised, and was not advertised in a public way, did publicly available merit based criteria apply to the selection of the appointments?

Ms Bennett: Different governments, and governments within different processes, make different decisions on how they make these sorts of appointments. Some bodies, at a point in time, may decide that they might go out for a broader expression of interest. In my experience, it is not unusual for a government to make its own selection of members of councils or bodies. That is what happened on this occasion: the government made the decision on whom it wanted to appoint to the next term of the Multicultural Council.

Senator MOORE: Is there a government merit based policy regarding the selection of appointments to government bodies?

Ms Bennett: I would have to take that on notice.

Senator MOORE: Please, yes. Were the individuals appointed to the AMC recommended as preferred candidates by the department or by members of the government? Was there a recommendatory process through the department before the appointment?

Ms Bennett: The decision was made by the government.

Senator MOORE: Were there any recommendations by the department? I am not asking if you recommended an individual. Were there recommendations—

Ms Bennett: No. The department provided background information, past experience and general information about individuals for consideration by the government. So we assembled the paperwork.

Senator MOORE: Does this gathering of information have any indication of donations or links with any particular political party?

Ms Bennett: No.

Senator MOORE: So those questions are not asked about any candidates—

Ms Bennett: No. It is biographical information.

Senator MOORE: Was any consideration given to the conflict of interest arising from the fact that the AMC member Mr Vasan Srinivasan founded the Victorian Multicultural Liberal Business Club? Was that part of the biographical detail?

Ms Bennett: No.

Senator MOORE: And no concern about conflict of interest?

Ms Bennett: No, that was not information.

Senator MOORE: Seeing whether that was actually part of the information that was shared?

Mr Pearson: We might need to check whether that was in the biography that it provided.

Senator MOORE: Take that on notice; that would be useful. Is the government aware of the views of the AMC chair, Dr Ozdowski, on section 18C of the Racial Discrimination Act 1974? If so, did this influence the decision to appoint Dr Ozdowski to the AMC?

Mr Pratt: I do not think that is an answer we can give. I think that is something that—

Senator MOORE: It is not in the biography in terms of public statements on pieces of legislation?

Mr Pratt: It may well be. I am not sure that we would have put information of that sort into an advice to a minister.

Ms Bennett: Nor sought it, no.

Senator MOORE: You are not sure if you do, or is that basic practice?

Mr Pratt: I would be very surprised if we went to that level of detail.

Senator MOORE: Who made the decision to appoint the successful candidate to the AMC? Whose decision was that—by the government, but was it the Prime Minister or the minister of the department?

Ms Bennett: The former Minister for Social Services appointed the candidates.

Senator MOORE: Had the delegation—so it was a ministerial appointment by the minister of this department. Are there key performance indicators for, or key outputs expected from, the AMC?

Ms Bennett: There are the terms of reference for the council, and obviously the council at its first meeting will have a look at how it will progress the terms of reference. Senator Fierravanti-Wells is also on the council and will be working with them on the work program that they will develop over the term of their appointment.

Senator MOORE: So, Senator, you are on the council in your position?

Ms Bennett: She represents the government.

Senator Fierravanti-Wells: I represent the government.

Senator MOORE: I was not aware whether the minister—

Senator Fierravanti-Wells: I suppose, given the position that I hold with particularly responsibility for multicultural affairs and settlement services, and given my longstanding involvement in this area of 35 years, I am certainly very, very pleased to have an involvement, if I can put it in those terms.

Senator MOORE: So this does not apply to you, Senator Fierravanti-Wells, and neither do standard questions about—actually I will put the rest of these on notice—sitting fees, Comcars, meetings and those things. I will put those standard ones on notice, and I just have one other lot of questions about this area.

Ms Bennett: We can actually answer that question without needing to put it on notice. Members' travel and accommodation is set as equivalent to the arrangements for SES officers in the Public Service.

Senator MOORE: That includes the use of Comcars? This would be for a general—that kind of level.

Mr Pratt: No, SES officers do not get access to Comcars.

Ms Bennett: They do not access Comcars. In terms of the remuneration—

Senator MOORE: How did that happen?

Senator Fierravanti-Wells: Senator Moore, can I just say, for those of us that were in the Public Service, that many, many, many years ago there was such access in the long, long distant past, but that does not happen now.

Senator MOORE: I remember that. I remember as a middle-level public servant having—

Ms Bennett: To be absolutely explicit, they are not entitled to a Comcar and they will receive remuneration sitting fees under category 1 for the Rem Tribunal.

Senator MOORE: The standard operations of the AMC and when they meet and so on I will put on notice, because I just want to finish off this next round of questions before the chair catches my eye. On 29 October, in a ministerial release which was on the minister's website, Minister Andrews said:

The Government committed about \$545 million in the 2014-15 Federal Budget for initiatives for multicultural communities over four years.

It was on the website, on the ministerial notices. I understand that this refers to settlement services and possibly also some component of the Strengthening Communities program. Is that right?

Ms McKenzie: Yes, that is correct.

Senator MOORE: My understanding is that these programs are longstanding, the programs around settlement services and strengthening communities. They are the basic services we have provided to recently arrived migrants and refugees for a long time.

Ms Bennett: Humanitarian settlement services, yes.

Senator MOORE: That is the process. Were there any cuts to the settlement services in the budget?

Ms McKenzie: No.

Senator MOORE: So there has been no significant change in the funding, arrangement or direction of the services.

Ms Bennett: At the last budget we explained to you that there was a movement in the PBS under HSS and CSS, which reflected not a reduction—in fact, it looked like more because there had been a rollover. There is a notation in the PBS that explains that is because it reflects the flow of people who come in and the timing they come in. There are, I think, 13,750. If they do not all arrive within the financial year—some might arrive in the other year—the budget remains the same, but it has been rolled over traditionally—

Senator MOORE: It follows the people.

Ms Bennett: It follows.

Senator MOORE: That is standard, in this particular period.

Ms Bennett: Yes.

Senator MOORE: It is clear that DSS does not do 'countering violent extremism work'. That is not part of the expectation of the DSS.

Ms Bennett: No, but we do work closely with the Attorney-General's—

Senator MOORE: Who has that responsibility.

Ms Bennett: department on that, because of the broader role that we have. This is in successful settlement and social cohesion and in the array of other programs across the department, from the social-welfare system as well. We do have a role in supporting newly arrived migrants, whether they come in through various programs, and also the sustained long-term support of those people.

Mr Pratt: To be completely clear though, we do have a policy role in relation to countering violent extremism in that we provided advice to the government around the changes to the legislation to limit welfare to people of concern—foreign fighters changes—

Senator MOORE: That is recent legislation.

Mr Pratt: That is right.

Senator MOORE: So that role has changed.

Mr Pratt: That is right. We will be able to pick that up under the next outcome, if you wish.

Senator MOORE: While the general programs have not changed, you are saying there has been a redirection of the funding to directly address the current terror threat.

Ms Bennett: No, there has been no change that we are discussing here. This is about payment changes and arrangements that Mr Pratt is talking about. If you are asking about the settlement services social-cohesion work—

Senator MOORE: We did in the diagram—

Ms Bennett: Yes.

Senator Fierravanti-Wells: The announcement that was made in relation to the package, the \$630 million that was announced on 5 August by the Prime Minister and the Attorney, includes a component of \$13.4 million for countering violent extremism. That funding is broken down with various components. The 'countering violent extremism' is one component. Separate to that, we have the \$545 million, which is within the Department of Social Services. It contains various components: humanitarian, complex case, settlement services, grants, festivals and funding for the peak body.

Senator MOORE: That was always there. They are two separate funding streams.

Senator Fierravanti-Wells: They are two separate funding streams.

Ms Bennett: One of them is with the department of Attorney-General's and the other is the component that you have seen remains unchanged.

Senator MOORE: So the \$630 million is in the department of Attorney-General's.

Senator Fierravanti-Wells: I do not have the breakdown in front of me, but it does contain various elements. For example, it has components for spending on AFP, it has components for various countering-terrorism related matters, of which 13.4 is specifically for countering violent extremism. I have spent time with the Attorney consulting with various communities, most especially the Muslim communities, in relation to various aspects pertinent to that legislation, as well as about community activities relating to intervention. Whilst I do not wish to speak for the Attorney-General's Department, they are doing work in relation to how that program will now be rolled out.

Senator MOORE: The breakdown you referred to—the \$630 million of which the \$13.4 million is particularly focused on countering violent extremism—is that a budget that is held by the Attorney-General?

Ms Bennett: Yes, the package of \$630 million involves a number of agencies, but the Attorney-General's Department is taking the lead in that space.

Senator MOORE: Of that package, what money, if any, is from DSS?

Ms Bennett: There is no money from or for DSS.

Senator MOORE: If I wanted to get the break-up of that, it would be a question for the Attorney-General's Department. Is that correct?

Senator Fierravanti-Wells: Yes, but there is a media release from, I think, when the Prime Minister announced this. I think that media release included a breakdown of what that \$630 million contains. It is out in the public arena.

Senator MOORE: In the Senate on 9 February, the Attorney-General said:

We are working to counter the spread of radicalisation within our communities through a \$545-million investment in social inclusion initiatives, our targeted Countering Violent Extremism Intervention Programme, and many other like initiatives.

Can you confirm that that is the same \$545 million that was put in the budget on 29 October for initiatives in multicultural communities over four years? Or is that a separate \$545 million that relates to the package about which you have just given us details?

Ms Bennett: We are happy to look at that. We will take it on notice.

Senator MOORE: I am happy for you to do that. It is really important to get this clear.

Ms Bennett: Our recollection is that it was a narrative around the multiple activities across government. There were two things. There was the specific initiative—the \$630 million we have just gone through, supporting things like the security agencies and countering violence. Our recollection is it was a much broader narrative across all of government. So we would have to look particularly at it.

Senator MOORE: I would really appreciate that.

Senator Fierravanti-Wells: What we will do is take that on notice and give you the breakdown of the \$630 million and we will give you a breakdown of the \$545 million.

Senator MOORE: That would be great. It is valuable having you at the table, Senator, because you are across this area.

Senator FIERRAVANTI-WELLS: Thank you.

Senator MOORE: It is just odd that that same figure of \$545 million is mentioned. If we could get that, I would appreciate it.

Proceedings suspended from 21:43 to 21:58

CHAIR: Welcome back. We are going to move to outcome 1.

Senator MOORE: I have some questions on the McClure review and I have some questions on cancelling welfare payments for foreign fighters, which I think crosses over between you, policy and human services, as they often do. They are the ones that are important.

CHAIR: Given the number of programs, I think we should just fire away.

Senator MOORE: I will turn to the McClure review first. They are quite general questions about McClure, as you would expect. Welcome. Can you tell us what the McClure review says about payment rates?

Mr McBride: The report deliberately did not get into setting policy rates. The report was designed to set out an architecture for the new payment system. It acknowledged that setting rates is a matter for government, and it did not attempt to go down that path.

Senator MOORE: Does the McClure review say anything about the rate of payment supplements?

Mr McBride: Not about the rate of supplements. It does talk about the number of supplements and how they could be, perhaps, better configured.

Senator MOORE: Can the McClure review explain how the new payment regime will keep people out of poverty?

Mr McBride: Well, it does address adequacy. It does not go to payment rates, so it does not address that angle, but it is fundamentally about looking at people's capacity to work and designing a payment system that reflects that capacity—knowing that people with limitations on their capacity, either through disability or caring, will spend a lot of their working life unable to sustain themselves through work. So the structure and architecture of the proposals that the reference group put forward are about ensuring that those people who have limited capacity are supported to work to that capacity, and those with limited capacity are targeted with appropriate services and then linked to business so that they can achieve engagement in the workforce to the greatest extent possible. That is the way it attempts to alleviate poverty.

Senator MOORE: That is the premise?

Mr McBride: It is a very strong premise throughout the entire report, yes.

Senator MOORE: Can the department explain how much the implementation of the review would cost? Have any costings been put in to the programs and the changes and the architecture that are in the McClure review?

Ms S. Wilson: The government is considering the report. It has only just been released. They only received it late last year, and the minister has indicated that it will be considered over time. It is a long-term set of proposals. So it depends on subsequent decisions the government makes about how it might implement recommendations from the review as to how it would be costed and when those costs would arise. It depends very much on timing and sequencing. The report itself is about a long-term plan, or a long-term vision, for the system, and I think there is a recognition that you cannot do it all at once. You heard evidence from our partners in Human Services this morning that the implementation of it all at once would be a significant challenge. So it does very much depend upon the sequencing of the proposals in the report, and how government decides to implement and sequence the recommendations.

Senator MOORE: My question remains, Ms Wilson, with that explanation about process and so on, are there any costings in the review?

Ms S. Wilson: Not in the review, no.

Senator MOORE: Or were any costings done by the department to complement the review?

Ms S. Wilson: Not for review, no.

Senator MOORE: I have read most of the review. Is it not the case that a number of recommendations in the review—carer payment, age pension, supplements clearly defined for purposes, and renaming supplements—would require absolutely no policy or structural changes to be satisfied?

Mr McBride: Certainly the age pension was out of scope, and the reference group decided that the carer payment should remain as it is, but the supplements and all the other payments would require a fundamental restructuring.

Senator MOORE: And terminology changes?

Mr McBride: That as well, yes.

Senator MOORE: Are any desired taper rates set down in the review?

Mr McBride: Not specifically. It questions the inconsistency of the existing taper rates, and suggests moving towards more uniform taper rates, but it does not actually go as far as recommending what those taper rates should be.

Senator MOORE: Are there any prescribed payment rates?

Mr McBride: No.

Senator MOORE: In terms of the focus of the review and the cost of \$1.7 million, does the fact that there is no information on rates, supplements or costings meet the purposes of the review?

Mr McBride: The purpose of the review was to map out an architecture of a welfare system. The reference group discussed rates, but were concerned that if they started nominating rates that would be the sole focus of people when they first read the report, and it would detract from the conversation around the architecture. So it was a deliberate move not to go down to that level of specificity so that we could discuss whether the architecture is right before we start.

Senator MOORE: And that was discussed in the group, that particular focus?

Mr McBride: Yes.

Ms S Wilson: The report itself says on page 94 that the reference group came to the view that the setting of rates of payment should be left to government, but it did propose some principles—

Senator MOORE: It did, yes.

Ms S Wilson: and they should be:

In setting rates ... the Government should consider:

- the balance between adequacy, incentives to work and affordability
 - the coherence of the system. One payment should not be changed without considering the impact on other payments
- It needs to consider relativities and relationships—those are my words, but that was the nature of the discussion that led to that principle. The third principle is:

- individuals' capacity to work. Higher rates should be set for people with limited capacity to work who are less able or unable to supplement their payments through earned income.

Setting of payment rates and obligations needs to be complemented by appropriately resourced support services. Adequacy needs to be measured against the individual or household package of income support. This may include the primary income support payment, supplements including Commonwealth Rent Assistance, concessions, payments that assist with the cost of raising children and the different rates accorded to single person households relative to couple households.

That takes you into the territory of relationships and relativities. It then unpacks that a bit more.

Senator MOORE: Yes, in terms of the overall background. One of the things that has received some commentary today—it is very early; the media have just gone through it—is the three-tiered working age payment. That has attracted interest. Has the department had a chance to look at that in terms of its impact? One of the things being talked about is that nobody qualifying for the DSP under current arrangements would receive a lesser payment. There was speculation in various interviews today about the impact on people who are currently in the system. One of the direct concerns put out there, including in one of the discussions in the ABC, was that, if a person was qualifying for the DSP today, what would be the impact of the change? Would that mean they would get lower payment in a future plan?

Mr McBride: It is important to acknowledge that this is a report to government, not from government. In the report itself the reference group was very explicit in saying they would not suffer a reduction in their rate of payment by virtue of any changes to the system.

Senator MOORE: Could you repeat that for me, Mr McBride?

Ms S Wilson: If I could expand upon that. In discussing this issue, the reference group came to the view that transitions were very important and that, in transitioning to a new model, people who are currently in the system ought not go backwards in terms of their payment rates.

Senator MOORE: Minister, there has been talk about the McClure review because it has been around for a long time. Was there any consideration that there be an expectation that no-one currently in the system would be disadvantaged? Was there any guarantee of that or discussion of that, allowing for the point that Ms Wilson has just made about transitions?

Senator Fifield: Discussion with—

Senator MOORE: Generally.

Senator Fifield: As we know, this is a report to government, not by government. It is a report to stimulate debate and discussion about the architecture of the system. So the McClure work does not represent government policy, but it is something that will be a contributor to the government's thinking in the short, medium and long term.

Senator MOORE: One of the recommendations of the review is that a person with a work capacity of more than eight hours should be on a lower payment than they currently receive.

Ms S Wilson: No, I do not believe that that is the recommendation, Senator.

Mr McBride: People who are on the disability support pension will not suffer a reduction in rate—that is what we have just discussed. People coming into the system with greater than eight hours work capacity will not go on to the supported living pension, which is the replacement of DSP; they will instead go to the top tier of the working age payment.

Senator MOORE: Sorry, my question was badly phrased. A person with a work capacity of more than eight hours would be on a lower pension than a person currently would receive under the current system?

Mr McBride: For someone with a capacity of more than eight hours?

Senator MOORE: Yes, more than eight hours.

Senator SIEWERT: Say eight to 15.

Senator MOORE: Yes.

Mr McBride: Without setting rates they would not be on the equivalent of the disability support.

Senator MOORE: That is right. I apologise; I phrased that poorly. One of the other issues is the indexation arrangements, and indexation does focus the mind. Under McClure's proposed indexation arrangements, payments would be indexed at CPI every six months and then by community living standard every four years. Would it be possible that this would mean lower indexation rates than if they were indexed to wages?

Mr McBride: Once again, that is not entirely correct. They have said there should be a six-monthly automatic indexation mechanism. They did not necessarily suggest that that should be CPI. In fact, they suggested there should be a process to determine whether CPI is appropriate and then a review period every four years. Whether that would be better off or worse would depend on the review mechanism. What they have said is that the current wages benchmark is not necessarily reflective of community living standards, and community living standards should consider a lot of other measures in coming up to what is an appropriate community benchmark. And it is not until you go through that process that you can determine whether people would be better or worse off.

Senator MOORE: Until you agree on what would constitute that mechanism.

Mr McBride: Indeed, yes.

Senator SIEWERT: Indexation was one of the things I wanted to go to. They are saying that it should be across all of the payments.

Mr McBride: It should be consistent across all of the payments, yes.

Senator SIEWERT: It should be consistent, not the current higgledy-piggledy one.

Ms S Wilson: That has been a finding or a recommendation in other processes. The Henry review, under the previous government, also recommended that there be a consistent way of upgrading payments in the income support system.

Senator SIEWERT: I think I have quoted that to you previously.

Senator MOORE: Can you tell me what is happening now? We have finally got the review and it has gone to the minister and there are public statements about it. What is happening now, Minister?

Senator Fifield: It is a document that is available, obviously, for public discussion and public debate. It also serves as an input into government's deliberations. As Mr Morrison said in his statement with the release of the report, there may be consideration of some things in the context of the budget. There may be longer term considerations, but, if Ms Wilson has anything to add as to what happening, I am sure she will.

Senator MOORE: How many people are working on the review in the department now, Ms Wilson?

Ms S Wilson: The review has effectively finished, with the report being released. So the work becomes in the government response to the report, and the timing of that is not clear at this stage because they are just formally considering it now. But we have subsumed the review team back into the mainstream structures of the department, which is generally what we do when we have had a taskforce or a secretariat set up to support such a review. On the NDIS, for example, we had a taskforce for a while and it has become an ordinary group of the Department of Social Services now that it is being implemented in the agencies. That is the normal way that we handle the ongoing work.

The particular areas in the department that would support the government in further considering the review recommendations and developing any response would include the Social Security Policy stream, which is headed by Mr McBride; the Payments Policy group, headed by Cath Halbert; and areas of the Policy Office, headed by Sean Innis. They all report to me. In the respect that the recommendations are around the architecture of the system and the investment approach, they all come within my responsibilities. There are other pillars in the report that are not solely within the remit of the Department of Social Services but go to a range of services and programs both within our department and more broadly. Of course, the recommendations in respect of modernising the ICT system belong with Human Services to carry forward. But, in answer to your question about how many people are working on it, we will be drawing on the resources of my stream and other parts of the department in helping the government as it determines how it will respond.

Senator MOORE: So at this moment is there any direction from government for people in the department to continue working on the process? You have got a whole lot of proposals with a whole lot of things that need to be looked at to see how they would work, what the impact would be, and what they would cost.

Mr Pratt: I think that it is safe to say yes.

Senator MOORE: But there is no McLure team as such?

Ms S Wilson: No, because we all have to own the report and understand it and there are different parts of the department that have responsibility that respond to different elements of the recommendations in the report.

Senator MOORE: But they are not gathered together with a sign: We're working on McLure. You are looking at the people in IT, at IT things, at the people in payments and at payment things; and part of their job will be looking at proposals from McLure.

Ms S Wilson: There are areas that respond specifically to some recommendations—for example, issues about rates and means-testing belong in Mr McBride's group because we have a rate and means-testing policy branch. Issues about eligibility and participation policy belong in another branch. Issues about the specifics of how to operationalise a different supported living pension would draw in areas of Ms Halbert's group. There are areas with specific responsibility, and we drew on those areas to put the team together to support the review group of the reference group, and now they have gone back to the mainstream parts of the department.

Senator MOORE: Is there a similar process happening with the Forrest review?

Ms S Wilson: There are different of the department that are supporting consideration by the government of the Forrest review, yes, so that they straddle my part of the department and my colleague Ms Bennett's.

Senator MOORE: So is it a similar process to what you have just described or is there a specialised team looking at those?

Mr Pratt: Certainly, our contribution to a possible government response to the Forrest review would fall along the lines of what Ms Wilson has discussed. But that is being led by PM&C and involves other departments beyond ours, so I would not say that they are identical. There is a specific program of work looking at the Forrest review. We have now got the McLure review and, as yet, the government has not decided exactly what it wants to do on this.

Senator MOORE: So subject to government direction?

Mr Pratt: That is right.

Senator MOORE: What about the large family package that Prime Minister has announced? Is there any team responsible for that, or is it a shared responsibility between entitlements, payment, IT and linkages with other departments as required?

Mr Pratt: Without pre-empting the discussion tomorrow morning, there is a lot of work underway in responding to the PC report.

Senator MOORE: Do those three major areas—and they are the three that I am aware of—fit together in terms of the time line, release date, consultation and policy development at the departmental level? Do they work together?

Mr Pratt: Yes.

Ms S Wilson: It might be worth explaining our governance structure. We have a budget committee that coordinates the development of budget proposals for the department.

Senator MOORE: That has always happened though.

Ms S Wilson: That is right. All of the deputy secretaries sit on that budget committee. It is part of our governance, and we work together as we put together proposals for government to consider. We have a policy and deregulation committee that I chair, and representatives from each of the other streams in the department sit on. The deputy chair is Ms Bennett. Mr Michael Lye is also on it—he chairs the budget committee. We pull together related pieces of policy that require more policy discussion. We use our governance structures to pull this work together and clearly, on a day-to-day basis, we work on the interactions and the things where there are strong relationships as well.

Senator MOORE: There would also be some engagement in interdepartmental committees.

Ms S Wilson: Absolutely; yes.

Senator MOORE: So you have IDCs?

Senator MOORE: As we know, Forrest is being coordinated and led by PM&C. Should there be any action out of McClure, is it expected it would be your department?

Ms S Wilson: Yes, I would think so.

Senator MOORE: And the families package would be your department?

Ms S Wilson: Yes.

Senator MOORE: And you cannot tell me any numbers about how many people are working in these? I do not want you to have to go and create some kind of mathematical maze out of 0.5 people. Do you have an allocation against these particular projects?

Ms S Wilson: We have not allocated specifically against it senator because it is really our bread and butter work. We have a structure that supports deep policy work on these systemic issues. One of the beauties of pulling the Department of Social Services together was that all the payments were in the one space and we have them all in one stream, for which I am responsible.

Senator MOORE: So you are the common point?

Ms S Wilson: On the social security payments. For child care, that is my colleague Ms Jackie Wilson.

Senator MOORE: Who we will see tomorrow.

Ms S Wilson: I guess it is my job to pull it together.

Senator MOORE: Until you pointed it out to me, I did not realise that there were two Ms Wilsons. Thank you.

Mr Pratt: Just to muddy the waters slightly: if in the next month—I am being speculative here and I should not—the government were to decide that it wanted to implement everything in the McClure review over the course of the next year, I might chose to dedicate a team to doing that.

Senator MOORE: Yes, I would imagine so. Had any work been commenced in response to the findings of the McClure review prior to the minister's speech at the Press Club?

Mr Pratt: At a general level, yes. We have been very much across what is happening in the review for more than a year. So, in advising the government, we have looked at all of the issues Mr McClure has raised.

Senator MOORE: How long has the minister had the McClure report?

Mr Pratt: Since late last year.

Senator MOORE: Minister, will the McClure review be responded to by the government in a budget context or as a separate response?

Senator Fifield: I think Minister Morrison has indicated that it will be considered over time. Some elements could well be considered in the context of budget. I am not saying they will be, but they could be. Other things will be considered in the medium or long term. In terms of a formal consolidated government response, I do not think a decision has been taken.

Senator REYNOLDS: I would like to ask a question in relation to the DSP participation requirement changes that the government introduced this year. I think they come into effect on 1 July. Could you outline the changes to the DSP participation requirements that were introduced earlier this year?

Ms Halbert: From 1 July 2014, DSP recipients aged under 35 with a work capacity of eight hours or more a week who have participation requirements must undertake a compulsory work focused activity. Previously they might have had a participation plan, but they did not necessarily have to undertake any of those activities. Do you want me to explain a little about what those activities might be?

Senator REYNOLDS: Yes, please. Can I just clarify that. They had a plan, but it was optional?

Ms Halbert: To undertake the activities, yes. So now they have to undertake at least one of the activities in that plan and it must be an activity that will in some way help them to—

Senator REYNOLDS: I want get my head around this. You have a plan, but you do not have to do it? What was the purpose of having a plan if they did not have to do it?

Ms Halbert: The purpose of the participation plan was to get people thinking about what they might need to do to go into education or eventually obtain employment. But, clearly, without any compulsion, people could have a plan and possibly sit on it for some time without actually utilising it.

Senator REYNOLDS: Do you have an uptake rate of those who had plans and did, or just those who did not?

Ms Halbert: Who actually did? No, I do not have that, and I am not sure that we could get that. I do not think we can get that.

Senator REYNOLDS: Sorry, just go on. I think you were going to tell us what the compulsory activities are now.

Ms Halbert: That could be any activity that will help them prepare for, find and maintain work. That could include connection with an employment service such as Job Services Australia, Disability Employment Services or the Remote Jobs and Communities Program; work experience; education and training; or rehabilitation activities.

Senator REYNOLDS: What is the process to put the plan together?

Ms Halbert: The person comes in to DHS, often at their normal review point, but that has been sped up. They will talk with the DHS representative and they may well be referred at that point off to one of these providers to actually work through the specific activities that they might need to do. I can give you statistics on how many people have been through this process, if you would like.

Senator REYNOLDS: Please do.

Ms Halbert: As at 30 January there were 22,508 DSP recipients with a compulsory activity, of which 10,559 were connected to an employment service provider, predominantly with Disability Employment Services. There were 1,442 DSP recipients who had been suspended for noncompliance with some part of the development or undertaking of compulsory activity.

Senator REYNOLDS: So, once the plan has been prepared, do both parties sign off on it? Do they have to sign it?

Ms Halbert: The Department of Human Services and the person would sign off on it.

Senator REYNOLDS: So both sign off on it and say, 'This is what I'm going to do.'

Ms Halbert: That is right.

Senator REYNOLDS: How do you monitor that they are actually doing what they are supposed to?

Ms Halbert: That is really a question for the Department of Human Services and the providers.

Senator REYNOLDS: So that is sort of a handover?

Ms Halbert: The compliance side of it.

Senator REYNOLDS: With the ones who are suspended, what is the process for suspending their benefits?

Ms Halbert: If they do not undertake the activity that they were meant to undertake, their payments would be suspended. If they then do comply and make contact, in the first instance their payments can be backdated to the point that they were suspended. I think in the second instance it would only be restored from the date of compliance. If there were a third instance, their payments can be cancelled in some circumstances. They would have to reapply, and there would be no backdating.

Senator REYNOLDS: Have any gone through that, or is it too early for them to have gone through the whole process?

Ms Halbert: I did try to get some information on that. I was not able to get that before we came here. My understanding is—

Ms Stawyskyj: There have been 20 customers cancelled through the process.

Senator REYNOLDS: So there is a total of 22,500 who have been—

Ms Halbert: They have a compulsory activity.

Senator REYNOLDS: Have you written to everybody who has to go through the process?

Ms Halbert: DHS has.

Senator REYNOLDS: DHS has done all of that. So how many—

Ms Halbert: There were 20,000 people who had a participation plan at the time of implementation. So all of those, plus there is an expectation that there will be 5,000 additional plans each year with compulsory activities.

Ms S Wilson: Our estimates were that, in addition to the 20,000 who already have plans—for whom the activities were now going to be compulsory—each year there would be another 5,000 who came into the target group within the age ranges.

Senator REYNOLDS: So they will just keep coming in every year. Is there any trend so far? Of the just over 1,400 who have been suspended, less the 20 who have been cancelled, are there any trends emerging about why they are not compliant?

Ms S Wilson: That is really a question for DHS.

Ms Halbert: I did try to get that information. I do not think we have got that at this point.

Ms Stawyskyj: In terms of the first extension, about 1,300 had not attended their interview. They had not come in, and that was the reason for their suspension. About 64 failed to sign their plans; they were not participating. And, for failing to comply with the compulsory activity, there were 28. That is to the end of January this year.

Senator SIEWERT: I wanted to go to DSP as well. Of those who did not attend their interview, have all subsequently attended?

Ms Stawyskyj: In terms of second suspensions, there have only been four that have—so of those 1,300, the majority have been reconnected.

Senator SIEWERT: Okay. And what were the reasons for nonattendance, do you know?

Ms Stawyskyj: No, we do not have that breakdown.

Senator SIEWERT: And there are 20 that have been dropped off altogether?

Ms Stawyskyj: They have been cancelled.

Senator SIEWERT: Have been cancelled, sorry. Can I go to the new measure that came in with MYEFO which was ceasing access to DSP for people with a psychiatric disability detained via mental impairment legislation in psychiatric units? What is the policy rationale for that? It saves \$29 million—and I was going to say 'only' saves that, but then I will get accused of not caring about money. But it is a relatively small amount of money, given the size of the budget.

Ms Halbert: Currently under the Social Security Act, you cannot be paid income support payments if you are in jail because you have been charged and convicted; or if you are in jail because you have been charged and you are on remand; or if you have been charged and you are in psychiatric confinement but either have been unable to plead because you are unfit to plead or you have had a conviction but it has not been recorded by dint of mental impairment. So that is established policy in the Social Security Act now.

However, there is an exception for psychiatric confinement, that if you are undergoing a course of rehabilitation you are considered not to be in psychiatric confinement. I can go into that a little. In 2003 a Federal Court case significantly broadened the definition of 'course of rehabilitation' such that almost anybody who had been charged and who was in psychiatric confinement could be paid income support payments. That was not the original intention of the measure. In this case I guess the government has decided to reinstate the original intention of the measure for people who have been charged with serious crimes.

Senator SIEWERT: Yes, and what is the definition of 'serious'?

Ms Halbert: We are currently undertaking consultations with the states and territories, because we need to come up with a nationally-consistent definition of serious crime. I think the clear intention of the government is that it be on the very serious end of criminality, because they are not wanting to catch people who have

inadvertently committed a misdemeanour or such. But we are having to work through that with the states and territories currently and we are probably midway through our consultations on that.

Senator SIEWERT: Thank you. You are sort of going towards the next question I had, which was: have you thought about people with an intellectual disability or acquired brain injury, who sometimes end up being detained in jails or secure facilities? This will, in fact, pick up those people?

Ms Halbert: As the law stands on the reason for the mental impairment, it does not impact. So if you are in jail, either convicted or on remand, it is clear that you do not get paid; it does not matter about your mental impairment. But as the law stands for psychiatric confinement, the reason for the mental impairment does not impact on the policy. So yes, it would pick up people with acquired brain injury and intellectual disability.

Ms S Wilson: If they met the other criteria of having been found unfit to plead or being in confinement and having committed a serious crime.

Ms Halbert: Being charged with a—

Ms S Wilson: So, being charged with a serious crime.

Senator SIEWERT: So this hinges on the definition of 'serious'?

Ms S Wilson: Yes, that is pretty central.

Senator SIEWERT: Is that correct? From what you have said, that is how I understand it.

Ms S Wilson: That is correct.

Senator SIEWERT: So are you talking to the states about what that definition is?

Ms Halbert: We are talking to the states about that and we are talking to the states about the different types of psychiatric confinement that operate within the jurisdictions. We are also talking to them about what constitutes a course of rehabilitation in their programs and what might be the appropriate 'tipping point'. We understand from our conversations with them that as people are readying to move back into the community—for example, they might undertake a graduated program of moving back into the community by spending some time in the community and some time back in the institution et cetera—that we need to talk with them about at what point we would say that the person is no longer in psychiatric confinement and that they can just receive their income support like any other member of the community.

Senator SIEWERT: It is my understanding that at the moment, as people are going back into the community, they have access to the DSP. That is the correct understanding isn't it?

Ms Halbert: If they are undertaking a course of rehabilitation at the moment, then they would have access to the income support.

Senator SIEWERT: What you are doing is trying to make sure that the policy does enable that still to continue.

Ms S Wilson: Absolutely

Ms Halbert: Where that is appropriate, that is right.

Senator MOORE: So as long as rehab is being undertaken and acknowledged to be undertaken they will not be subject to this measure?

Ms S Wilson: I think you may have been out of the room when we started discussing—

Senator MOORE: No, I was not.

Ms S Wilson: I beg your pardon. There was a court case in 2002-03—

Senator MOORE: Yes, I know the court case.

Ms S Wilson: that really broadened this definition of rehabilitation. What we are trying to do is work with the states and territories to make sure that we only capture those people who are actually in confinement, for the reasons that we set out, and are not in that transition back to the community through a rehabilitation program or a community participation program or a graduated reintegration program.

Ms Halbert: We believe that was the original intention of that exclusion for rehabilitation—that is, where a person was moving back to the community, they should be able to access their income support.

Senator SIEWERT: In relation to the assessment of pensioners' incomes, has the assessment process changed such that shares that have the future potential to pay dividends, but do not at the moment, will be assessed as receiving income?

Mr Whitecross: I do not think there has been any change to the policy in relation to the means testing of shares. Shares are part of a broader category of financial investments. The way we assess income for financial investments is that we take the asset value, the market value, of the investments and then we deem an income using a deeming rate.

Senator SIEWERT: When you start talking about deeming rates, that is when I start getting very tetchy, because they are very difficult things.

Mr Whitecross: The deeming rate is a percentage. They are currently 2 and 3.5, and they are about to go down on 20 March. That level of deemed income will be included in the income assessment.

Senator SIEWERT: But there has not been a change since the beginning of the year?

Ms S Wilson: No.

Mr Whitecross: There has not been changed to that.

Ms S Wilson: The only change that is happening this year is the recent announcement in respect of the lowering of the deeming rate.

Senator SIEWERT: I was aware of that. But that is the only change that has occurred?

Ms S Wilson: That is correct.

Senator SIEWERT: Thank you for clearing that one up.

Senator MOORE: I just want to clarify the issue around foreign fighters, because I love the name of the bill. Can you please explain the process by which a person can have their payments cancelled under the Counter-Terrorism Legislation Amendment (Foreign Fighters) Bill 2014?

Ms Foster: These new provisions have been operating since 1 December 2014. They do mean that welfare payments to people engaged in terrorist activities can be cancelled. If an individual has had their Australian passport cancelled or refused or had their visa cancelled on security grounds, then the Minister for Foreign Affairs or the Minister for Immigration and Border Protection can give a notice—they do not have to—to the Attorney-General of that decision. Then the Attorney-General can issue a notice to the Minister for Social Services that a person's payment has to be cancelled. The minister passes a notice to our secretary and the secretary for human services, and then the payment must be cancelled. Before the Attorney-General issues a notice, though, the secretary of the Attorney-General's Department has to check with the secretary of the Department of Human Services about the impact of cancellation on dependents. That advice has to be provided—

Senator MOORE: That is a protection clause in the bill.

Ms Foster: Yes. It is specified in the legislation. The secretary for human services has to reply back to the secretary of Attorney-General's, who then has to provide advice to the Attorney-General about the likely effect of that cancellation, especially on dependents. Then it is the Attorney-General's decision about whether or not to issue that notice requiring cancellation of payment.

Senator MOORE: To the Minister for Social Services at that stage?

Ms Foster: Yes.

Senator MOORE: It is one of those things that a white board would be very useful with, to trace that through. The delegations within each department stay with the minister for that department. So the delegation from the security area they send on to immigration; they check it out with human services to see the impact; it goes back to the head of immigration; then immigration sends it to social services, who makes the decision about the cancellation. Is that right?

Ms Foster: Not quite.

Senator MOORE: Tell me where I am wrong.

Ms Foster: It is the Minister for Foreign Affairs who can cancel or refuse a passport, and then advise the Attorney-General; or a person's visa can be cancelled by the Minister for Immigration and Border Protection. Then that person can advise the Attorney-General, and it is the Attorney-General who has that decision-making power about whether or not to issue a notice requiring cancellation of a person's payment.

Senator MOORE: To whom does the Attorney-General issue that notice?

Ms Foster: The Attorney-General issues that notice to the Minister for Social Services. The Minister for Social Services then must provide the notice to both Mr Pratt, our secretary, and to the secretary for DHS. Then DHS, as the delegate, will cancel payments.

Senator MOORE: But it has to go to the Minister for Social Services along that track.

Ms Foster: That is right.

Senator MOORE: Under those provisions, how many security notices have been received by the Minister for Social Services?

Ms Foster: As I mentioned, the legislation is really quite new. As of today, no notices have been issued.

Senator MOORE: So no-one has had their payment cancelled?

Ms Foster: Not under these provisions.

Senator MOORE: And is it true that the department and the minister are aware when security notices are issued?

Ms Foster: The department is aware of when security notices are issued.

Senator MOORE: And the minister is as well?

Ms Foster: The minister is as well, because he is the person that the Attorney provides the notice to. Then the Minister for Social Services provides that information to the two secretaries of his portfolio.

Mr Pratt: An important point here is that once the notice comes to the social services portfolio—minister or secretaries—there is no discretion in the social services portfolio.

Senator MOORE: So how is it possible that the Minister for Social Services could claim that he is not involved in the cancellation of payments to foreign fighters?

Mr Pratt: He does not take any decisions.

Senator MOORE: But he is involved.

Mr Pratt: He is required to act on a notice.

Senator MOORE: He does not have the delegation, but he is involved. That line that you have said could not skip the ministerial engagement. I would expect—and please correct me if I am wrong—that that is a very tight sequence, those steps you have pointed out. It has to go through each of those steps to be formal.

Mr Pratt: I am not aware of any statements by the minister along these lines, but the minister has no discretion in this area. Once a notice is made to the social services minister, then it is acted on within this portfolio, which includes Human Services.

Senator MOORE: Yes. Is there any other provision under which a foreign fighter might have their payment cancelled, except under the normal portability rules?

Ms Foster: If there is a review and they are found not to meet any of the eligibility criteria set out in the Social Security Act, such as residency—

Senator MOORE: Okay. If they do not meet your eligibility criteria for Newstart, their payments could be cancelled for that reason, of course.

Ms Foster: Yes, that is right.

Senator MOORE: So it would be about standard eligibility—

Ms Foster: That is right.

Senator MOORE: and portability. We had this discussion with Human Services this morning. Was it only this morning? Okay. I just wanted to get that sequence of processes right. So someone who is called a foreign fighter—that is the term that is used now—could lose payment through that security process you spelt out under the counter-terrorism foreign fighters bill?

Ms Foster: Yes.

Senator MOORE: They could lose a payment as a person who has breached portability requirements for payment and they could lose it by just not being eligible for the payment?

Ms Foster: That is right.

Senator MOORE: Thank you.

Senator SMITH: What right of appeal does an alleged foreign fighter have?

Ms Foster: There are some appeal rights under the Administrative Decisions (Judicial Review) Act, I believe. But, under the Social Security Act, there are not really appeal rights because it is a requirement—it is a flow-on—

Mr Pratt: There is no decision taken under social security law.

Ms Foster: Yes.

Ms S Wilson: Because it is not a decision of an officer of the department, it therefore does not fall under the review provisions of social security, family assistance and paid parental leave laws. But there could be a reinstatement of the passport, and then payments could be resumed after an investigation and so forth. Then the notice would be withdrawn. Is that correct, Ms Foster?

Ms Foster: Yes, that is correct. And, when a notice is in place, it has to be reviewed after 12 months. It has to be reviewed every 12 months.

Senator SMITH: The decision stays in place and it is reviewed; it is not that the decision lapses and the process begins again?

Ms Foster: No, it is just that it is reviewed. I have found the section on review and appeal of security notices: Notices or any decision provided by the Minister for Immigration and Border Protection or the Minister for Foreign Affairs to the Attorney General under SS(Act) ... are not reviewable under SS(Admin)Act ...

But it goes on to say:

Decisions of the Minister for Foreign Affairs and the Minister for Immigration and Border Protection to cancel or refuse passports and visas ... and the Attorney-General to issue security notices are reviewable under the Administrative Decisions (Judicial Review) Act ...

Senator MOORE: (inaudible) the counter-terrorism foreign fighters bill?

Ms Foster: That is right.

Senator MOORE: But someone who is still called that who has lost their pension or payment after being determined not to be eligible, or based on portability, could appeal to the SSAT?

Ms Foster: That would be a decision under the Social Security Act and would be appealable—

Senator MOORE: It would just depend on which act—

Ms Foster: under the Social Security (Administration) Act.

Senator MOORE: is called into place to knock them off.

Senator SMITH: Ms Foster, you mentioned part of the process is that the department will make an assessment that there are no negative consequences for dependants. How do you do that?

Ms Foster: That is a process that is conducted by the Department of Human Services. They would provide advice, for instance, on whether or not the person has dependants. Sorry, I am probably speculating a bit here. But they might provide advice on whether or not the person is in receipt of maximum or part-rate payment.

Senator SMITH: Yes. It is question I should probably ask of Human Services.

Ms Foster: Yes.

Senator SMITH: Thank you.

Senator SIEWERT: Chair, I have one more.

CHAIR: Sure.

Senator SIEWERT: Well, I have one little section, but it is mainly about answers to other questions. I wanted to ask about the 'earn or learn' policy for people under 30. That legislation is still before the parliament?

Ms S Wilson: That is correct.

Senator SIEWERT: Are you as a department doing any work on potential implementation of that measure?

Ms Halbert: We have continued to work towards implementation while it remains in the parliament. We are prepared for implementation.

Senator SIEWERT: What are you doing?

Ms Halbert: There was quite a bit of micropolicy that had to be worked through, so we have been working through that. DHS had made preparations for implementation. I will not speak on their behalf. I will ask Mr Emerson if there is any obvious thing I could say about what we are working on. It is really the micropolicy that sits under the—

Senator SIEWERT: What is involved in the micropolicy?

Ms Halbert: Talking with other agencies about—you will recall the exemption categories—how that might operate.

Mr Emerson: Micropolicy involves having DHS prepare so all the necessary systems are in place to deliver the measure, including having a way of being able to count past employment. You will recall that, in the measure, it was one month for every year of employment, up to a maximum of five months. These things take quite a bit of

time to develop, including the systems. That is one example. Also, obviously, there are communication strategies so DHS are well prepared, should the legislation be agreed to.

Senator SIEWERT: Are you continuing to work on those micropolicy areas and measures?

Ms Halbert: We had been working on those. Clearly, the implementation date is not known at this point, so what we need to do to implement will be impacted by what that date is.

Senator SIEWERT: I understand that, but does that mean that as a department you are still continuing to do that?

Ms S Wilson: I think it is fair to say that the work has been well advanced, Senator, and we need to make sure that we are in a position, should the legislation pass, that it can be implemented. We are really in that sort of period where we understand that discussions are ongoing and the legislation is still on the table, so we are ensuring that we are prepared, should the legislation pass.

Senator SIEWERT: What percentage of the department's time, would you say, is committed to that?

Ms S Wilson: As I said, the work is well advanced. I would not have a sense of the proportion of time. I would probably have to talk to people and work that out for you—take that on notice, I am afraid. I do not know off the top of my head.

Senator MOORE: Are there any regulations linked to this legislation?

Ms S Wilson: There was to be a disallowable instrument, which was to set out the exemptions. That is the sort of micropolicy work that Mr Emerson was referring to.

Mr Emerson: Exactly. Obviously, in the background, we have to be prepared for these things, Senator. Disallowable instruments are things that we would need to be working on to ensure that, when and if the legislation is agreed to, we are ready to go.

Senator SIEWERT: So is that work done or are you still working on it?

Mr Emerson: Still working on it.

Senator SIEWERT: The other budget measures that are still in bills before the Senate: does the same apply to those measures, such as raising the age pension, the indexation?

Ms Halbert: For example, raising the age pension age is very far out in the future, so we have not been doing implementation work there. But some of the measures are 'turn on or off' type measures. Again, I do not want to speak for DHS, but they have been ready to go for some time, and no further work is required. It is just a matter of setting the implementation date. But where further work has been required, as Ms Wilson just said, is that, while the measures remain in the parliament, we have to keep refreshing and reviewing our implementation plans.

Senator SIEWERT: Thank you.

CHAIR: All right. It looks like that is it. Thank you very much for your time. We will adjourn and we will be back at 9 am tomorrow.

Committee adjourned at 22:54