



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

SENATE

COMMUNITY AFFAIRS LEGISLATION COMMITTEE

Estimates

THURSDAY, 11 FEBRUARY 2016

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SENATE

COMMUNITY AFFAIRS LEGISLATION COMMITTEE

Thursday, 11 February 2016

Members in attendance: Senators Carol Brown, Cameron, Gallagher, Lindgren, Ludlam, Moore, O'Neill, Peris, Polley, Reynolds, Seselja, Siewert, Smith, Xenophon.

SOCIAL SERVICES PORTFOLIO

In Attendance

Senator Fifield, Minister Assisting the Prime Minister for Digital Government, Minister for Communications and Minister for the Arts

Senator Fierravanti-Wells, Assistant Minister for Multicultural Affairs

Senator Payne, Minister for Defence

Department of Social Services

Executive

Mr Finn Pratt, Secretary

Ms Barbara Bennett, Deputy Secretary

Ms Felicity Hand, Deputy Secretary

Mr Michael Lye, Deputy Secretary and Chief Operating Officer

Ms Serena Wilson, Deputy Secretary

Cross Outcomes

Mr Scott Dilley, CFO and Group Manager, Finance and Services

Mr Sean Innis, Group Manager, Policy Office

Ms Margaret McKinnon, Group Manager, Corporate Support

Dr Tim Reddel, Group Manager, Program Office

Ms Janean Richards, Group Manager, Legal Services

Ms Sharon Bailey, Branch Manager, People

Ms Tracey Bell, Branch Manager, Communication and Media

Ms Ailsa Borwick, Branch Manager, Project, Risk and Deregulation

Mrs Christine Bruce, Branch Manager, Program Relationships and Design

Mrs Joanna Carey, Branch Manager, Portfolio Governance, Welfare and Employment Law

Ms Tracey Carroll, Branch Manager, Budget Development

Mrs Tracy Creech, Branch Manager, Selections and Establishment

Mr David Dennis, Branch Manager, Policy Evidence

Ms Allyson Essex, Branch Manager, Investment Approach Taskforce

Mr Michael Gately, Branch Manager, Client Services

Mr Alan Grinsell-Jones, Branch Manager, Commercial, Disability, Housing and Information Law

Mr Mathew Johnston, Branch Manager, Program Systems and Support

Mr Greg Keen, Branch Manager, Whole of Government Grants Coordination

Ms Jan Lawless, Branch Manager, Assurance

Ms Diana Lindenmayer, Branch Manager, Ministerial, Parliamentary and Executive Support

Ms Helen Martin, Acting Branch Manager, Financial Management and Procurement

Ms Kathryn Mandla, Branch Manager, Policy Systems
Ms Lyn Murphy, Branch Manager, Property, Security and Business Continuity
Mrs Stacey Pondes, Branch Manager, Program Strategy
Mr Matthew Roper, Branch Manager, Investigations
Mr Iain Scott, Group Manager, Housing, Homelessness and Assurance
Mr Stephen Sheehan, Branch Manager, Financial Accounting
Ms Chantelle Stratford, Branch Manager, Service Delivery Strategy
Ms Janet Stodulka, Branch Manager, Service Delivery Practice
Mr Grant Witcombe, Director, Programme Strategy

Outcome 1

Ms Cath Halbert, Group Manager, Payments Policy
Mr Sean Innis, Group Manager, Policy Office
Mr Evan Lewis, Group Manager, Multicultural, Settlement Services and Communities
Mr Paul McBride, Group Manager, Social Security Policy
Ms Janean Richards, Group Manager, Legal Services
Mr Iain Scott, Group Manager, Housing, Homelessness and Assurance
Ms Laura Angus, Branch Manager, Multicultural and Communities
Mrs Joanna Carey, Branch Manager, Portfolio Governance, Welfare and Employment Law
Mr Russell de Burgh, Branch Manager, Age, Disability and Carer Payments Policy
Mr Ty Emerson, Branch Manager, Family Payments and Child Support Policy
Ms Allyson Essex, Branch Manager, Investment Approach Taskforce
Mr Murray Kimber, Branch Manager, Social Security Performance and Analysis
Ms Emma Kate McGuirk, Branch Manager, Labour Market Payment Policy
Ms Mary McLarty, Branch Manager, Eligibility and Participation Policy
Mr Stewart Thomas, Branch Manager, Housing and Homelessness
Mr Andrew Whitecross, Branch Manager, Rates and Means Testing Policy

Outcome 2

Dr Roslyn Baxter, Group Manager, Families
Mr Evan Lewis, Group Manager, Multicultural, Settlement Services and Communities
Mr Iain Scott, Group Manager, Housing, Homelessness and Assurance
Ms Janean Richards, Group Manager, Legal Services
Ms Laura Angus, Branch Manager, Multicultural and Communities
Mr Philip Brown, Branch Manager, Family Safety Taskforce
Ms Kristine Cala, Branch Manager, Settlement Policy
Ms Flora Carapellucci, Branch Manager, Children's Policy
Mrs Joanna Carey, Branch Manager, Portfolio Governance, Welfare and Employment Law

Mr Damian Coburn, Branch Manager, National Rental Affordability Scheme and Gambling

Mr Leo Kennedy, Branch Manager, Settlement Support Branch

Mrs Lara Purdy, Branch Manager, Family Policy and Programs

Ms Eliza Strapp, Branch Manager, Financial and Specialist Support

Mr Stewart Thomas, Branch Manager, Housing and Homelessness

Mr Tristan Reed, Executive Manager, Family Safety Taskforce

Mr Grant Witcombe, Director, Programme Strategy

Outcome 4

Ms Janean Richards, Group Manager, Legal Services

Mr Iain Scott, Group Manager, Housing, Homelessness and Assurance

Mr Damian Coburn, Branch Manager, National Rental Affordability Scheme and Gambling

Mr Alan Grinsell-Jones, Branch Manager, Commercial, Disability, Housing and Information Law

Mr Stewart Thomas, Branch Manager, Housing and Homelessness

Outcome 5

Mr James Christian, Group Manager, Disability, Employment and Carers

Ms Helen McDevitt, Group Manager, National Disability Insurance Scheme

Mr Iain Scott, Group Manager, Housing, Homelessness and Assurance

Ms Janean Richards, Group Manager, Legal Services

Dr Russell Ayres, Branch Manager, Mental Health

Mr Peter Broadhead, Branch Manager, Disability, Employment Services Policy

Mr Alan Grinsell-Jones, Branch Manager, Commercial, Disability, Housing and Information Law

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 Assurance

Mr Warren Pearson, Branch Manager, Disability and Employment Sector Reform

Mr John Riley, Branch Manager, Disability Employment Taskforce

Ms Alison Smith, Branch Manager, Policy and Legislation

Mr Bruce Smith, Branch Manager, Policy and Legislation

Ms Sharon Stuart, Branch Manager, Disability, Carer Policy and Access Policy

Ms Deborah Winkler, Branch Manager, Governance and Stakeholder Relationships

National Disability Insurance Agency

Mr David Bowen, Chief Executive Officer

Mr Stephen Payne, Chief Financial Officer

Mr Ian Maynard, Deputy Chief Executive Officer, Operations

Ms Carolyn Smith, Deputy Chief Executive Officer, Organisational Capability

Ms Louise Glanville, Deputy Chief Executive Office, Stakeholder Relations

Ms Janean Richards, Group Manager, Legal Services

Mrs Joanna Carey, Branch Manager, Portfolio Governance, Welfare and Employment Law

Mr Alan Grinsell-Jones, Branch Manager, Commercial, Disability, Housing and Information Law

Ms Nikki Prouse, Executive Officer, Organisational Capability

Australian Institute of Family Studies

Ms Anne Hollonds, Director

Ms Janean Richards, Group Manager, Legal Services

Dr Michael Alexander, Acting Deputy Director, Corporate and Strategy

Mrs Joanna Carey, Branch Manager, Portfolio Governance, Welfare and Employment Law

Mr Alan Grinsell-Jones, Branch Manager, Commercial, Disability, Housing and Information Law

Associate Professor Daryl Higgins, Deputy Director, Research

Department of Human Services

Ms Kathryn Campbell, Secretary

Outcome 1

Mr Graham Maloney, Acting Deputy Secretary, Service Delivery Operations Group

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

Ms Kate Hay, Acting General Manager, Service Performance and Coordination Division

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

Ms Jenny Teece, General Manager, Smart Centres Division

Mr Bill Volkers, General Manager, Child Support Smart Centres Division

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

Ms Melissa Ryan, General Manager, Participation Division

Mr Craig Storen, General Manager, Aged Care Division

Mr Nathan Williamson, General Manager, Service Strategy Division

Mr Mark Withnell, General Manager, Business Integrity Division

Assistant Commissioner Ray Johnson, Taskforce Integrity

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 and Information Group
Mr Colin Bridge, General Manager, Health Support and Business Services Division
Ms Alice Jones, General Manager, Health Programs Division
Ms Michelle Wilson, General Manager, Strategic Information Division
Mr Jonathan Hutson, Deputy Secretary, Enabling Services Group
Ms Rosemary Deininger, General Manager, Whole of Government Coordination Division
Mr Allan Gaukroger, General Manager, Audit Division
Ms Kristen Hannah, General Manager, Communication Division
Ms Annette Musolino, Chief Counsel, Legal Services Division
Mr Barry Jackson, Deputy Secretary, Shared Services Group
Mr Shane Bennett, Acting General Manager, People Capability Division
Mr Adrian Hudson, Acting General Manager, People Services Division
Mr Mark Young, Acting General Manager, Corporate Operations Division
Mr Kim Terrell, General Manager, Portfolio Project Office
Mr Gary Sterrenberg, Chief Information Officer, CIO Group
Mr Mark Jenkin, Chief Financial Officer, CFO Division
Mr Tam Shepherd, Acting Executive Director, Welfare Payment Infrastructure Transformation Program

Australian Hearing

Mr Bill Davidson, Managing Director
Ms Gina Mavrias, Operations Director

Committee met at 09:00

CHAIR (Senator Seselja): I declare open this meeting of the Community Affairs Legislation Committee on 11 February 2016. The Senate has referred to the committee the particulars of proposed expenditure for 2015-16 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 has fixed 1 March 2016 and is due to report to the Senate on 4 April 2016 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, 19 February 2016.

The committee's proceedings today will begin with its examination of the social services portfolio and their portfolio agencies. This evening, the committee shall call the Department of Human Services and 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 a committee. The Senate, by resolution in 1999, endorsed the following test of relevance of questions at 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 the discretion to withhold details or explanations from the parliament or its committees unless the parliament has previously 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 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 some specific indication of the harm to public interest that could result from the disclosure of the information or 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)

Department of Social Services

[09:03]

CHAIR: I welcome Senator Mitch Fifield, the Minister for Communications and the Minister for the Arts, representing the Minister for Social Services; and officers of the Department of Social Services. Minister, would you like to make an opening statement?

Senator Fifield: No, thank you, Chair.

CHAIR: We will now go to questions. Who would like to kick us off? Senator Moore.

Senator MOORE: Senator Siewert and I will be playing tag. We are in the same areas. Good morning gentlemen. I would like to start with some questions around welfare spending and also around the issues of some of the grant. I do not intend to go into a great deal of detail on grants, you will be very relieved to know. There will be specific questions in the program areas. Everyone is smiling.

My first question is around commitments of funding. In the 2015-16 budget the government committed \$55.6 million in funding to frontline and community services and a further \$15.6 million was committed in the 2015-16 MYEFO. Can we get a profile of the commitment over the forward estimates?

Mr Pratt: Can I say that, yes, we are delighted to hear that we are not going to be required to spend too much time on grants.

Senator MOORE: I cannot guarantee that.

Mr Pratt: Aspirationally, that sounds good. We will see what we can provide.

Ms Bennett: It is referenced in the MYEFO statement on page 212. It basically says that the government will provide an additional \$15.9 million over two years from 2015-16 to ensure the continuity of frontline services to be funded, including children, parenting, emergency relief and transition to the National Disability Insurance Scheme.

Senator MOORE: The \$15.9 million is over two years?

Ms Bennett: This measure relates to the additional funding that was available for the gaps. It is the way it has been calculated over from one budget to another. That is the simplest explanation of what this is about.

Senator MOORE: That covers the \$55.6 million that was given in 2015-16, also for the gap process. It is \$55.6 million in the 2015-16 and then the MYEFO is \$15.9 million.

Ms Bennett: The \$55.6 million and the 2015-16 budget papers is made up of two components. There was the bridging funding that extended the contracts and there was \$29.6 million that financial year for the service gap. This is the other component that is related to the service gaps spread into the next financial year.

Senator MOORE: This is the same part of the process of the service gaps that we discussed last time. How much of the funding has now been allocated?

Dr Reddel: Approximately \$48 million has been allocated. I think we discussed that at the last estimates.

Senator MOORE: We did. We are going over it because we are very interested in it. And the allocation that is clearly seen in the budget papers? Can we see where that has been allocated?

Ms Bennett: It is about how the money is reflected in the expenditure pattern. Some of it is expended last year and allocated last year. Some of that may have been entered into agreements but not been spent this year. So it is really how it is reflected in the budget of expenditure, but it is still the total amount that we discussed at the last estimates and just reflects at what point of which financial year expenditure is expected to occur.

Senator MOORE: Can we see exactly where that money has been spent?

Dr Reddel: In terms of those, we have provided you with a list of the organisations that have been funded under the service gap funding.

Senator MOORE: And there is no change to the list that we got?

Dr Reddel: There has not been to date any additional service gap funding provided to fund additional organisations.

Senator MOORE: Can you go over with us the process that was used to determine how to find the gaps and how to allocate the funding?

Mrs Bruce: The analysis of the service gaps was undertaken taking a range of issues into consideration. Firstly, we mapped the existing service coverage and the service footprint. There was consideration of the policy objectives of each activity. For example, the children and parenting activity had a higher priority for services focused on children aged zero to 12 and less of a focus on services for youth. Another consideration was the application received in the 2014 selection process. We looked at the best response to address a gap once it was identified. The service challenge is highlighted by each service provider—for example, considerations such as distance and the footprint and how they could increase an

organisations capacity within the current funding to address the gap. We used knowledge provided by our state and territory offices and we also considered the impact and consequences of the redesign of some of the programs. We have discussed this in the past. Locations that might have received funding over many years that no longer have the same demographic appropriation under the new program arrangements—for example, inner-city locations versus suburban growth corridors where families have increased and therefore need has increased.

Senator MOORE: So they were the general parameters under which you worked.

Mrs Bruce: That is right.

Senator MOORE: But you did not go out to a retender process?

Mrs Bruce: No, not at all.

Senator MOORE: I checked your response from the last estimates as well, and that was slightly differently worded but with the same basic process. In terms of the process, part of the assessment was done on applications that had been received in the previous grant round but not all. Is that right?

Mrs Bruce: As you will recall, we discussed that the application process. The applications is assessed and sort of ranked. If we identified a gap we looked at a range of solutions to fill that gap. In some instances we went to the next ranked application if they were in a similar location or had capacity to expand their services to address that gap.

Senator MOORE: And that was with consultation? I understand that you did say that with particular organisations you would go back and have consultations with them about whether that would meet their needs or whether they would be capable.

Mrs Bruce: That is exactly right.

Dr Reddel: Our local network staff work closely with those organisations.

Mrs Bruce: You will also recall that there was a range of information that was taken into account, including the minister at the time, Minister Morrison, asking local MPs for information.

Senator MOORE: That was the open door process. Can you reissue me a list of the organisations that received funding out of the two subsequent rounds and also, if possible, which electorates they were in?

Mrs Bruce: I do not have it by electorate. I have a list of the organisations that have accepted additional funding. I have a breakdown by activity, which I am happy to read out, of the \$48 million.

Senator MOORE: That is very good.

Dr Reddel: We can also provide the organisations by activity. We could also cut it by announcements.

Senator MOORE: Mr Riddell, we are getting this right, aren't we? You know what questions I'm going to ask so you have actually prepared the document that meets those questions.

Senator SIEWERT: Is that by region or location that they are covered?

Ms Bennett: We will have to go and check that. What we do have, as we have explained before, is the statistical area.

Senator SIEWERT: Yes, that is fine. I am using it as a colloquial term.

Senator MOORE: Is it possible to get that data now?

Ms Bennett: We can have it to you shortly.

Senator MOORE: That would be useful because we may even want to have a quick look at that and there could be some questions we could ask immediately rather than put it on notice. I don't know, but the kind of questions that I was going to was exactly what you said you were going to provide, which we have not had previously.

Ms Bennett: We provided a list of all the organisations that received funding in SQ15000907. It will be the same list.

Mrs Bruce: It has not changed.

Ms Bennett: It hasn't changed but we can cut it in the way that you have wanted—by program, and by area. It is still the same list of organisations.

Senator MOORE: We are particularly interested because we had long discussions in a number of fora about exactly the coverage area of the services that were provided. Because there were issues raised by providers that the coverage areas had changed. They had not been given enough funding for the areas they had applied for. So even though they might be based in one place they actually requested and took up the offer, in many cases, to do services elsewhere. That is the kind of thing that will come out from this—the areas is that they will be servicing?

Ms Bennett: Perhaps. The point I would like to make is that you need to look at the additional organisations in the context of the ones that were first announced.

Senator MOORE: Absolutely.

Ms Bennett: So that it is a total picture. I think if you just look at those that were funded under the additional money that came through for the service gaps, it would not give you a total picture of how many organisations are in with a service. We have provided that, I think, about the total map. I am just trying to clarify: do you just want the ones that came out of the \$48 million or do you want us to assemble the information on every provider by every statistical area?

Senator MOORE: I would like, as soon as possible, the ones looking at the supplementary grants of the 2015-16 budget MYEFO which are the things that came after the initial round. That is what I would like to look at originally. Because I do not think we have had the full picture. I know the amount of work that is involved in that, so I am not asking for it today. We have done and we have looked at the initial allocation. I want to see now the full picture of the initial allocation plus the two supplementary grants.

Ms Bennett: We will take that on notice. In terms of the, I think, 156 organisations that were funded under the gap analysis, we will give you what we can. The team has just said we don't know if we can bring it together by statistical area quickly, just because it means taking them out of what a big picture is. We will see what we can do. Certainly the others will at least provide them on notice and do them as quickly as possible.

Senator MOORE: You said, Mr Reddel, that about \$48 million has currently been allocated. Forgive my maths; how much of that is left that has not been allocated

Ms Bennett: It is roughly \$2 or \$3 million that has not been allocated.

Senator MOORE: It is \$55.6 million plus \$15.9 million. They were the two supplementary allocations.

Ms Bennett: Sorry, as I said to you, there were components that went to bridging. So there is a different mix of—

Senator MOORE: \$29.6 million went to bridging.

Ms Bennett: Yes.

Mr Pratt: \$21.6 million for service gaps.

Senator MOORE: And the \$48 million is on top of that?

Mrs Bruce: No, they are two different calculations. The 2015-16 budget paper identified the \$55.6 million and it has been stated that that is made up of \$26 million in bridging funding and then \$29.6 million for service gaps.

Senator MOORE: And that means that that is fully allocated.

Mrs Bruce: The second allocation in the calculation, which is relevant and which we are talking about now, is the \$48 million. That is the commitment made to cover the service gaps. This is made up of \$29.6 million announced in the budget along with the \$15.773 million. If further service gaps are identified, we have to negotiate those costs with the Department of Finance. Any subsequent approval of any subsequent costing is a decision for the government. You can't say 55.6 minus 48 equals, because there are two different calculations at play.

Senator MOORE: So they have been calculated separately except for the bridging process, which was definitely allocated for particular purpose while negotiations continued. The rest of that was to look at bridging the gaps?

Mrs Bruce: As Ms Bennett said at the start of this discussion, there are the budget papers and the way the figures are reflected from one financial year to another. That is the \$55.6 million and the \$15.773 million. Then there is the way that money has been calculated and we have allocated \$48 million to date.

Senator MOORE: Would it be possible to have a copy of the document that you have just read out from with that data written down in a sequential way?

Mrs Bruce: Yes.

Senator MOORE: That would be very useful. Allowing for the different ways that it has been calculated and allowing for the different approval processes, any further expenditure at all in the covering the gaps process would need to be re-negotiated with government. Is that right?

Mrs Bruce: If I read it into *Hansard*, that is probably the most accurate way of capturing it. There are two calculations at play. The 2015-16 budget papers identify \$55.6 million, which is made up of \$26 million for bridging funding and \$29.6 million for service gaps. The second calculation, which is relevant, is the \$48 million that we are discussing now and that is commitments made to cover the service gaps. This is made up of the \$29.6 million announced

in the budget along with the \$15.33 million identified in additional estimates. There is an additional \$2.9 million which we have identified from program under spends.

Senator MOORE: That is the new bit.

Mrs Bruce: Yes.

Senator MOORE: We have not talked about that before. That is from where you have gone through the programs that have not spent the full allocations. That can be put back into the pool for reallocation.

Mrs Bruce: If further service gaps are identified, the department is required to negotiate these additional costs with the Department of Finance and any subsequent approval is a decision of government.

Senator MOORE: Sure. That is understandable. What is the ongoing process for identifying the gaps?

Mrs Bruce: As we have said at previous discussions, we are now relying heavily on our state and territory network to come to us. We have not had any recent discussions with state and territory offices about gaps. I think it is fair to say that it is settled, and services have got on with providing services under the new arrangements.

Senator MOORE: So the process would be that any organisation that feels that they need more funding or there is an area that has not been covered—and certainly we have had be discussions about that here in the past—if someone has a belief that something is not being covered under the programs that have been sent out to tender, so this is not something you out of the box. This is under the actual programs done as the grants were put out for tender. So it has to fit into one of those boxes in that way. They would be best placed to contact their state offices with which they should have a relationship already. Then through the state offices a request would come through to the department. Is that the process?

Dr Reddel: In addition to that, our state offices are being proactive and are actually engaging and looking at service needs. It is as much about the organisations highlighting issues. But the state offices are also out in the field investigating service priorities and emerging needs and feeding that into—

Senator MOORE: Which would be a natural process.

Dr Reddel: That is part of our ongoing local work.

Senator MOORE: In terms of the open door process that Minister Morrison had, I have not seen Minister Porter make the same statement. I don't know, Minister, whether this is a question to you or the department. Is Minister Porter maintaining the process that is requesting any parliamentarian that has a request around these issues to go directly to him?

Senator Fifield: I know that Minister Porter very much has an open door and is accessible to colleagues. But in terms of what the process is, it is probably best that I ask officers if there has been any changes.

Senator MOORE: I just wanted to check in terms of whether the discussions were that there is an ongoing open door process, as described by the Minister Morrison where he actively said, 'If anyone feels as though there is a gap that needs to be filled, come and see me.'

Mr Pratt: There has been no change to the approach outlined by Minister Morrison.

Senator MOORE: Right. So we have the process where the state offices are being proactive, which is fine. Organisations can go to the state offices and say, 'In the area of emergency relief we believe there is a gap here that is not being filled.' They make that case that way. But there is also an ongoing process that the minister is prepared to talk directly with politicians around these issues.

Ms Bennett: I think the relationship generally the department has with providers, both through our state network and representations to the department, if you look at the example of emergency relief it might not just be a gap. It could be something that has occurred in that community where there has been a change.

Senator MOORE: Townsville, for instance, with the issues we have had with some of the industry going down. That could indicate—

Ms Bennett: I can assure you they are pretty good at contacting us. We do watch what is happening. We make decisions. We look at the case being put to us and have a look if the evidence is there that might be a case for reconsidering what has been funded. The point I'm trying to make is that this is not just about the tender process and the gap. This is actually about recognising that things change within communities. That can relate to incidents that you are talking about—it could be a change of demographics. Something that has gone on. We do watch that and take that into account in any representations made to us.

Senator CAROL BROWN: Has the minister asked you to look at certain areas, given his open-door policy?

Ms Bennett: No.

Senator CAROL BROWN: What about the previous minister, Minister Morrison.

Ms Bennett: We have set out that process. That was at the time about the minister's announcement and the decision about the gaps and how that work. So it was within that context that we provided advice.

Senator CAROL BROWN: So you do not know whether he asked you to look at particular gaps following his announcement.

Mr Pratt: Is your question, did former Minister Morrison, following approaches from MPs, then ask the department to examine those? Yes, that was the process.

Senator CAROL BROWN: I know that that is what he said he would do. I am asking if he referred any.

Ms Bennett: Yes.

Senator MOORE: When is the first review? I know you said that state offices keep a close eye on what is going on. Of course, that is expected. But is there a formal valuation reporting process in the set up with the current organisations who receive funding?

Ms Bennett: The grant agreements have those elements set out in them in the cycle and timing and what the requirements are. I do not know whether I would use the word 'review', but there are certainly reporting requirements.

Senator MOORE: Is that quarterly?

Ms Bennett: It varies depending on whether it is a service being provided or whether it's a project that someone has been funded for, or the terms of it. So if it was a short, one off

project it would be something I suspect at the end of the project, on completion of it. If it is an ongoing service it would be more regular. It is not a simple answer of saying yes. The information about that, I understand, is actually set out in the program guidelines which are available on the department's website. For each program, each activity and depending on what the nature of it is and what we are doing, there are reporting and performance requirements set out in that.

Dr Reddel: In addition, our data exchange reporting system that is coming on board is part of that ongoing reporting on the service footprint. The client outcomes. That is maturing. By later this year we should start to have some of that data through. That is part of, in a sense, an evaluation or looking at how the services we are funding are contributing to outcomes.

Senator MOORE: That is the FOFMS data?

Ms Bennett: No, it is the data exchange. And we refer to it as DEX.

Dr Reddel: All of our services have signed up to that as part of their grant agreement, and that is set out in the agreement. Also, attached to each grant agreement is an activity work plan. That details the performance indicators that the organisation has agreed to and it has timelines and milestones in it. That is part of the ongoing reporting.

Senator MOORE: And that is being collected now?

Dr Reddel: That is working now.

Senator MOORE: It is actually working now. It is operational?

Dr Reddel: The activity work plan is part of the normal reporting.

Senator MOORE: Is the link to the computer system and the collection of data fully functional?

Ms Bennett: The grant reform journey, and I know there has been lots of focus on the tender process—is actually longer term. Part of the data exchange is obviously something that is being developed with a view of maturity and stability at different phases. The phases we are at about receiving information is pretty much up. The issue is that we are continuing to work very closely because some of these providers, as you would understand, are small organisations so they are adjusting their IT capacity to meet that. Some of them are still providing the information on a cyclical nature and others are providing it more in real time—they are jointly doing it. The answer to whether it is fully up is that we are continuing to develop it to be a much more mature model, but where we are at the point in time where we will have early performance information. By the end of the year. Yes, we think it is pretty solid and it is working.

Senator MOORE: By the end of the financial year or by the end of the calendar year?

Ms Bennett: The end of this calendar year.

Dr Reddel: Part of that also is that we will be sharing that reporting with the providers. It is not just something we take on board. We actually engage with their providers and some of the feedback we provide to them around how their services are operating—the clients that they are seeing, the demographics and issues for those clients. The client journey. We will start to see how clients use different services and start to see the service system more holistically.

Senator MOORE: My understanding is that it was an integral part of the grants program. So that in all the documentation we saw, the grant process and the stuff on the website, the use and the necessity of the DES program was actually reinforced on a number of occasions. That was part of the whole profile. It was going to be during the first year that people had to make that change. We are more than halfway through the first year of some of those things. That is part of the reporting they have to do about where they are up to with their IT and those things to fit into the need of the DES. That was my understanding, and we had to translate the way we operated as providers to ensure that we met the needs of the overall scheme. That was the long-term plan.

Ms Bennett: And of course what we have discussed before is that on the data exchanges we have received feedback and quite useful information for the providers, too, about what that population is so that they have a better grasp of their clients and other providers that might be similar to the services that they are providing or other services they can join up to. They have richer information on which to provide that service. It is an important part of the grant reform longer-term journey. We are working with them on the maturity of the system, how they use the information and how it enriches and shifts to progressively being able to have a stronger sense of outcomes that are being delivered rather than just counting in and out. It is something we are continuing to work closely with them on, but we believe the phases that we are at the moment are solid and where we expected to be.

Dr Reddel: Given the extent of the DEX work, we have actually set up a dedicated unit that provides user support for the providers and face-to-face training and a helpline.

Senator MOORE: Given the information that the providers are giving through that reporting processes and the information that you have from the state offices, is the department confident that that there are no further gaps in front-line service delivery across the nation at the moment?

Ms Bennett: I do not think we can provide that assurance. We have set out what the process has been. I think it is important to point out that in numerous areas organisations are not only just funded through us. There are state and local government organisations. If you look at it from the lens of the individual members in the community, we could not say whether they felt there were or not. We have gone through a process of our funding where the department in its priorities within its budget at this point in time.

Senator MOORE: Has the department got a process of asking the community whether they think there are gaps? If you are looking at provision of service, particularly where there have been such significant changes in the way services have been provided, is there a built-in process for community feedback?

Ms Bennett: In terms of individuals, as the DEX matures one of the components will be about asking the actual individual recipients of the service their view about the service that they have received. That will give us for the first time some user or receiver information on the service.

Senator MOORE: At what stage of the maturity of the system will that be available?

Ms Bennett: We will have to take that on notice.

Senator MOORE: You understand more than anyone the amount of community response there was to the initial changes and the amount of submissions we had from regional groups

and service delivery groups all around the place about their concerns about service. What is the department doing, as we discussed at the time, in terms of how we work with community, and what will be in place from the department to actually find out whether communities think there is a gap or not?

Ms Bennett: Firstly, a lot of the submissions and representations were made by organisations rather than actual individual receivers of services. As the secretary has just reminded me, we do have state offices that are out there both engaging with providers but also understanding what is happening in the community, such as the example that you gave earlier. We do have representations made through things like ministerials or directly to the department from individuals. But I must say very little of it is from people who use a service. It is more likely to be a provider making a representation on behalf of what they feel their client base is.

Senator MOORE: Wouldn't that be natural?

Ms Bennett: Yes. But when you say, 'How do we find out what people think about the service they receive?', I was explaining that the DEX will build in the capacity for some sort of client survey. But in terms of direct individuals, we received very little representation. I would have to go back.

Mr Pratt: Just to summarise in relation to the role of the department through our state network, a key part of our role is to liaise on an ongoing basis with the various stakeholders that we deal with. Those are quite wide ranging, whether they are state governments, whether they are providers, whether they are lobby groups or advocacy groups and it includes community organisations and community leaders. So there is a full range of stakeholders. They are basically constantly in touch with these people and getting feedback on things. So it is through processes like that that we identify any future gaps.

Senator MOORE: In terms of those processes now, are those processes telling you that there are no gaps?

Mr Pratt: As Ms Bennett pointed out, we can never say that we think there are. In relation to the process we have gone through following the government's budget initiative to fill the gaps, I think it is safe to say we think, largely, that that process is now coming to an end. But, as my colleagues have been pointing out, this is an ongoing process. We will always be open to things emerging, whether it is through a major climatic event, an industry closing down or some big shift in demographics or something like that. And when feedback comes to us that there is a need for some of the support and services we can provide, we will then look to do so within the available resources. I might just add, too, that it is always open to us in the event that gaps do emerge to go back to government and say that we need more resources.

Senator MOORE: Under subsequent areas, particularly under financial counselling, there have been a number of representations made about concerns regarding some things that have happened within the financial counselling area. I know that they have gone through contacts with the minister, contacts with the department putting up concerns and also to local parliamentarians, writing in that way. Is there a view that it would be more powerful if people who were clients of the service wrote in and said, 'We do not think it is working'? I'm just wanting to balance. Mr Pratt and Ms Bennett, you have actually gone through the process that you have got. I am just getting a feeling that you think that actually having individuals talking

about the process would be a more powerful way for people to get the message across. I do not want to be in any way misinterpreting it.

Mr Pratt: My view would be that they are all equally meritorious. Whoever makes a good case for the need for us to resource or fund a service we will look at, whether it is an individual, whether it is a parliamentarian, whether it is a community organisation, whether it is an advocacy group or whether it is state or local government. They are all sources of intelligence on this.

Senator SIEWERT: You've covered it pretty thoroughly, but I am interested in the process from now on. There were some decisions made that actually wound back the number of years that some of the program were granted for and other services that were not up at the time. What is the process from here on in on those programs?

Ms Bennett: I think the secretary has just set that out. I will recap that. A majority of the funding has been allocated, contracts have been entered into and the services are up and running. Our state colleagues are watching what is happening. We are looking at representations that are made to us.

Senator SIEWERT: I understood that to be more focused on some of the gap filling and that funding. I'm talking about other programs that in fact were not included in this round or where small amounts of forward allocations were for two years, for example.

Mr Pratt: If I understand your question, you are asking more generally about the process for examining where programs are used and contracted and so forth.

Senator SIEWERT: Exactly.

Mr Pratt: Well, we do not allocate everything from the program buckets we have across the forward estimates. In each year there potentially might be resources there which are open for reallocation through some process. Not all of the contracts end on one date. Some might end this financial year or the next financial year and so forth. So there is this rolling process of reallocating program funds, and that will continue into the future.

Senator SIEWERT: For those programs that have not yet been through the process, we are going to be using the same process, are we?

Ms Bennett: With the improvements and the feedback that we have received. The intention, as we have talked about before, is that when a program or the grants or the contracts and agreements of the organisation come to an end, there will either be a direct selection, an extension or a renewal of the contract. Or there will be an open or restricted selection. The process of the next arrangement will vary depending on what the activity is.

Mr Pratt: If your question is, 'Will we constantly be reviewing our processes and enhancing them based on experience and feedback?', yes, of course. But we are not anticipating a major change to the arrangements which have been honed, with great assistance from the committee, over the last couple of years.

Senator SIEWERT: I think I will leave it there. We have a pretty long day. I have some more questions on cross portfolio.

Senator MOORE: I have a question that follows on from the last one. You may well be able to refresh my memory. One of the key aspects that came out of our inquiry around the grant process was the rebuilding of trust aspect in terms of the breakdown that happened post

the grant process. I think the department acknowledged it. In the Nous report it actually talked about talking with organisations. I know you have spoken about the link with the state offices, and they have a proactive role in working with that local organisations and communities. Is there anything in particular the department has put into place to acknowledge that sense that came out, post the grant process, that it was a negative experience?

Ms Bennett: Yes. In addition to the regular engagement with our state offices and those networks, we actually have a few other arrangements put in place. Firstly, there is a broader and regular engagement between the various policy areas and their stakeholders. I know that in my stream, where I have families—which we can talk about when we get to program 2—the regular engagement with them might be in the children's area and the family area. In addition to that, the program office has established two sector engagement groups. The community sectors advisory group has about, I think, 26 members representing organisations.

Mr Pratt: I ran through those at the last estimates.

Senator MOORE: Yes, you did.

Ms Bennett: We also have a major church providers group.

Senator MOORE: We did not get information on that one. We did get the 26 but I do not remember getting information the church providers group.

Ms Bennett: That came as a result of the former minister engaging with four major church organisations that provide services.

Senator MOORE: Which are?

Ms Bennett: Anglicare, Catholic Social Services Australia, the Salvation Army and UnitingCare. In a sense, they actually touch more broadly the department's business where the community services advisory group—which, as the secretary said, he would provide the list on—is much more—

Senator MOORE: Which includes those four groups as well?

Ms Bennett: Yes.

Senator MOORE: Is there any reason that they get two bites? Those four groups are all in the original one. I am open about it. I'm not saying it should not happen.

Mr Pratt: There are slightly different areas of emphasis between them. One is a very high-level meeting which often involves senior team members and the minister.

Senator MOORE: Which one is that?

Mr Pratt: That is the major church group. The other one is a much broader group. It is more likely to look at more operational issues.

Senator MOORE: Right. Would those groups have roles in the process we have just talked about?

Ms Bennett: That was established after we had gone through that process.

Mr Pratt: But if they were to identify something, then of course.

Senator MOORE: It just seems to me that it would be natural if you have these groups that they would be feeding into that same process you took up. These don't have a regular meeting schedule? Is it as required?

Dr Reddel: There is a meeting of the community services advisory group scheduled for next week. We try and meet at least quarterly.

Senator MOORE: So that would be the second meeting?

Mrs Bruce: No, that is the third. We had one on 25 August and on 4 November.

Senator MOORE: Okay. I'm sorry to drag you back like that. My next question is a general questions about welfare spending. I want to look at the perception of the current state of welfare spending and the interaction that has happened in public statements. Is spending on working age payments projected to decline over the next 40 years in terms of the research that you have done in the inter-generational processes?

Mr Pratt: Again, that would be something useful to do under outcome 1 with the social security people.

Senator MOORE: So anything to do with general expenditure through social security is outcome 1.

Mr Pratt: Yes.

Senator MOORE: We will put basic questions about structures and things on notice. Since the 2013 election, has the department spent money on advertising or communication campaigns?

Ms McKinnon: In 2015-16, to 31 December 2015, the department spent about \$260,000 GST exclusive on advertising. That was all attributed to non-campaign advertising including recruitment.

Senator MOORE: So there has been no particular campaign advertising?

Ms McKinnon: No.

Senator MOORE: Recruitment I understand, because there have been changes in the department and structures and so on. What else?

Ms McKinnon: Around 11,000 of that was recruitment. Generally other non-campaign spending goes to request for tender or expressions of interests—discussion papers, for example.

Senator MOORE: So the total spending on communications and advertising since the election has been that \$260,000.

Mr Lye: The figure that Ms McKinnon gave was for the current financial year.

Senator MOORE: So what did we do in 2013-14?

Ms McKinnon: In terms of non-campaign advertising, that was around \$682,000. Of that, recruitment was \$156,000. There was approximately \$453,000 on a campaign and that was aged pension and pensioner concessions.

Senator MOORE: And that was the only campaign in 2014-15. What about 2013-14?

Ms Bell: We will have to take that on notice.

Senator MOORE: And that 100 and something that you mentioned in 2014-15? That was recruitment and there would be something on tenders in that same period?

Ms McKinnon: It was \$525,000, approximately.

Senator MOORE: In terms of the ongoing budget we have for 2015-16, are there any programs being planned and money allocated?

Ms McKinnon: For advertising?

Senator MOORE: Yes.

Ms Bell: We currently have underway two advertising campaigns. They are in development stages. One campaign is primarily a prevention campaign to address violence against women and the second campaign is the National Disability Insurance Scheme campaign.

Senator MOORE: Would each of those be funded out of the program areas in terms of part of their overall expenditure? For instance, is the primary prevention process part of a wider expenditure?

Ms Bell: The primary prevention campaign is a COAG campaign. So it is a combination of Commonwealth funds as well as state contributions.

Senator MOORE: Is this where the Commonwealth is putting in \$30 million and the states and territories are putting in amounts to meet that? Is that the package?

Ms Bell: The Commonwealth is contributing \$16.7 million and the states are combining to contribute \$15 million.

Senator MOORE: So it is a total of \$30 million. It is the one that was announced in one of the budget rounds. So that is the program of that one. NDIS?

Ms Bell: NDIS is from the program funds.

Senator MOORE: What kind of things is that around? Is that promoting the scheme?

Ms Bell: That is looking at the full scheme roll-out. It is very much in the early phases. We have not completed developmental research yet. There is no strategy as yet or any detail.

Senator MOORE: It is linked to the roll-out but the planning is being done for the 2015-16 year.

Ms Bell: Yes.

Senator MOORE: You have told me the Commonwealth government commitment to the prevention of violence is \$16.7 million. Is that all being done through DSS?

Ms Bell: The funds or the implementation?

Senator MOORE: The actual program in terms of what you are looking at in your package. Are you looking at the \$16.7 million?

Ms Bell: Yes. Those funds sit with DSS and the implementation is being driven by DSS.

Senator MOORE: So all that money is through you. How much money are we talking about in the NDIS?

Ms McKinnon: It is \$14.2 million over two financial years.

Senator MOORE: 2015-16 and 2016-17.

Ms McKinnon: That is right.

Senator MOORE: And the violence against women, is that over one year? How many years has the \$16.7 million been allocated for?

Ms Bell: The \$16.7 million is over three years. It is 2015-16 to 2017-18.

Senator MOORE: And until you have your whole strategy worked out you are not sure how that will be spent?

Ms Bell: I can give you a projected breakdown across the various elements of the campaign. These are projected. The media buy for 2015-16 is \$11 million, for 2016-17 it is \$12 million and for 2017-18 it is \$150,000. Developmental research is \$400,000 in 2015-16, \$200,000 and in 2016-17. Benchmarking, tracking and evaluation research in 2015-16, is \$170,000, in 2016-17 it is \$150,000 and in 2017-18 it is \$80,000. We obviously track to see how things are going. Creative pitches in 2015-16 was a one-up \$50,000. Creative development in 2015-16 is \$1 million and in 2016-17 it is \$500,000. Creative concept testing is \$600,000 in 2015-16 and \$300,000 in 2016-17. Public relations, which includes stakeholder community engagement, is \$400,000 in 2015-16, \$400,000 in 2016-17 and \$100,000 in 2017-18. Public relations for Indigenous audiences, which is a specialist consultant, is \$300,000 in 2015-16, \$300,000 in 2016-17 and \$100,000 in 2017-18. Public relations for CALD audiences is \$300,000 in 2015-16, 300,000 in 2016-17 and in 2017-18 it is \$100,000. Corporate engagement and partnerships is \$100,000 in 2015-16, \$500,000 in 2016-17 and \$400,000 in 2017-18. Then general consultants, which would include a behavioural change consultant, is \$100,000 in 2015-16, \$60,000 in 2016-17 and \$40,000 in 2017-18.

Senator MOORE: I think I have all of those but I will ask you if I can get them. I just have lots of noughts. I take on board totally that that is projected, but it is just to get some idea. And the NDIS with \$14.2 million?

Ms Bell: That campaign is not as advanced, so we do not have any breakdown.

Senator MOORE: When you get more information, I will ask about that. I know Senator Brown has some questions.

CHAIR: I might take some questions. Mine will be very brief and then I will come to Senator Siewert. My question is just an update on the new building. Can I get some details on that?

Mr Lye: The project remains on time and on budget. Mr Dilley has some detail on progress.

Mr Dilley: As Mr Lye has said, the new building is well on track. We visited the site with the site manager yesterday and we are working closely there. Most of the concrete pour for what is called the base foundation is in. Some lift wells are going in and the formwork for what is called the lower ground has commenced. The project is on track, notwithstanding some damp weather over summer. They have managed around that. The final pour on the base should go in on Friday, subject, again, to wet weather.

CHAIR: Has the estimated completion date changed?

Mr Lye: No.

CHAIR: It is still later on this year?

Mr Lye: It is August 2017.

CHAIR: So that is on track at the moment?

Mr Lye: Yes.

CHAIR: Has the link road at the back been completed? That was off-site work that was being done by the developer, wasn't it?

Mr Lye: That has been completed.

CHAIR: And that comes with additional car parks and the like?

Mr Lye: It does.

CHAIR: So those car parks are in place. What is the car parking situation at the moment with the site works? What is the net situation? You have those extra car parks. How many have been lost or are out of action while construction takes place?

Mr Lye: Obviously the building has taken over the spot where we had car parking and the link road has a number of car parks on site there. That is barricaded so it is currently exclusively for the use of DSS staff. That has essentially replaced the car parking that was out the front where the building site is.

CHAIR: So there is no net loss of car parks, then. We are roughly 141, are we?

Mr Lye: Yes.

CHAIR: I know that you have given this information before, but just remind me: once it is finished will there be more car parks than there were before or around the same?

Mr Dilley: There will be around the same number of car parks around the precinct.

CHAIR: In terms of the disruption to staff, has that been kept to a minimum? That is, I know, what you had hoped. We discussed earlier that because of its campus style you are sort of able to stay in the other buildings and access them. Has that worked out according to plan?

Mr Dilley: It has worked out well. There is alternative access to the main entry to TOP, Tuggeranong Office Park, as well as minor modifications to reroute traffic into the car parks in that existing precinct. So those disruptions have been minor. For safety reasons we have worked with developers to put in some additional barricades to direct pedestrian traffic across the road to the businesses in Tuggeranong.

Mr Lye: There are a large number of people on the site. We have around 40 full-time staff, who are local Canberra contractors, working on the building site. At the peak time of construction we will have around 300 people employed. That has been working harmoniously alongside our staff. There is more competition at the local shops for coffee, though, with contractors.

CHAIR: I am sure the local cafe owners are very happy about that. Obviously the fit-out does not start until it is completed, and that is what the Commonwealth is funding. But in terms of the design work for that and the layout for the fit-out, has that been completed or is it still underway?

Mr Dilley: It is well on track and we expect to reach a milestone of 90 per cent design in March. It is early March, as I recall. That is an iterative process of working through what is called the base building design, the integrated works, which is largely the mechanical air-conditioning and other things that feed into the fit-out and then the actual fit-out which, as you said, the Commonwealth is funding.

CHAIR: That means, I guess, you are partially expending some of those funds on that kind of preparatory work. Is that part of those fit out costs that have been committed to?

Mr Dilley: We will pay for the fit-out. The base building is met by the developer and that is where most of the cost has been to date.

CHAIR: But this design work, or this preparatory work, is that part of that?

Mr Dilley: We are on the cusp of that.

CHAIR: So you have not expended any?

Mr Dilley: No. The building is not ready for fit-out yet.

CHAIR: Yes, I know it's not ready for fit-out, but I'm talking about looking at designing the fit-out and those sorts of things. Has that taken place yet?

Mr Dilley: There has been some early project expenditure on that with the consultants to those design iterations as we move from early concepts to more detailed design. So there has been some early expenditure from the project there.

CHAIR: What kind of staff per square metre rate are they going to get? What are you hoping to achieve?

Mr Dilley: It will be within the Commonwealth requirements—

CHAIR: Which is now 15?

Mr Dilley: It is 14 square meters. To allow for space that is used for meeting rooms and other common areas, each workspace will be targeting around 12 square meters.

CHAIR: You are not going down what a lot of private sector businesses are doing where no-one gets a desk anymore? You're not going that far?

Mr Dilley: There will be a small number of desks that would be used for the assessment centre. We talked earlier about grants, and there are some other examples like that where we have visiting contractors for projects. You might see some hot desking, which is what I think you are referring to. But by and large it will be dedicated work points.

Mr Lye: We have been doing some research because we have a large contracting workforce in our IT area and that workforce lends itself to hot desking. We have been having a look, with the new building in mind, about testing how that would go. It would be a big change for the majority of our staff who do policy work, but in the IT space there is probably an interest, and for practical reasons, to look in to that. We are, I suppose, putting a foot in the water to see what might be applicable.

CHAIR: Finally, as you undertake the planning and make those decisions as to exactly what that might look like, is there a formal process of engagement with your staff to get their views on how to work better? If so, what does that look like?

Mr Dilley: We have established two principal consultative forums. One of them will work with perhaps a business focus looking at the needs of the business areas. There may be a particular need for security or storage or access to particular equipment, et cetera. There are representatives in that forum. There is a second forum that is more staff focused. There are, again, representatives on that forum. They are meeting regularly and that information is feeding back through to the peak governance forums.

CHAIR: Thank you very much for that.

Senator SIEWERT: Yesterday there was quite a lot of discussion in here during the Health estimates about the payment system task force that has been set up. What level of involvement does DSS have as compared to DHS? Are you involved?

Mr Pratt: Are you talking about the outsourcing of Medicare payments and aged-care payments?

Senator SIEWERT: Yes. What level of involvement does the Department of Social Services have in that task force?

Mr Pratt: I suspect, and Mr Lye can confirm this in a second, that we no longer have an interest in that. We certainly would not have one in relation to the Medicare side or things of the veterans' payments, but possibly we might have some residual support that we provide in the aged-care area.

Mr Lye: Our IT area works with the aged-care area, so the Department of Health now, around the provision of the aged-care gateway, which is the platform that supports the interaction of consumers and families.

Senator SIEWERT: Yes, we have discussed that in the past.

Mr Lye: That is our involvement. DHS has been involved in the payment element of the aged-care reforms, so I presume that they are involved in the process with the Department of Health. Our part of the pie is not affected.

Senator SIEWERT: So you don't have any ongoing involvement other than that?

Mr Lye: I do not believe so.

Senator SIEWERT: Have you provided any advice to date to that process?

Mr Lye: I will check, but I don't believe so.

Senator SIEWERT: If you could check, that would be appreciated. Thank you.

Senator CAROL BROWN: I want to talk about some of the social services legislation that is currently before the parliament. Has every piece of social services legislation before the parliament been approved by the current Prime Minister's office?

Mr Lye: There is a process for the approval of legislation, and we have line of sight of part of that, which is the ministerial bids process where we, through our minister, identify legislation to come before the parliament. That goes into a process to determine scheduling priority. But I do not know that we would have line of sight about approval processes.

Ms Richards: It would certainly be the case that the legislation has received a policy approval, but we could not, I do not think, in relation to each item of legislation before the parliament at the moment, answer whether it had been approved by the Prime Minister himself. It would go through the Department of Prime Minister and Cabinet's legislation approval process for the purpose of getting priority for introduction. But in terms of a piece by piece of legislation, we would perhaps have to look at that.

Senator CAROL BROWN: You would be aware, I imagine, of the dates when each of those pieces of legislation went to cabinet or were resubmitted to cabinet and the decision coming out of that?

Mr Pratt: Certainly in the sense of the original cabinet agreement to the various pieces of policy—things that go through a budget, the MYEFO or whatever. In relation to the actual legislation approval program, we probably do not have that sort of visibility other than we know that these are things which are ultimately approved by cabinet processes.

Senator CAROL BROWN: So you are telling me that you are not aware when cabinet approves a piece of legislation your department puts up?

Mr Pratt: What I said was that, in terms of the actual policy itself, the budget measures and things like that, yes we certainly would be. By extension, that also translates into the approval for the future legislation change program. In terms of the actual operation of the cabinet processes, which deliberates on when legislation might be introduced or all the actual examination of the elements of that, that is something that is handled more by the PM&C and the Attorney-General's Department.

Senator CAROL BROWN: I understand that. I am not asking a question on when it is to be introduced into parliament. I am asking, have the pieces of social services legislation currently before parliament been approved by the current Prime Minister's office? There were a number of pieces of legislation that were before parliament prior to Mr Turnbull taking over from Mr Abbott—to put it in a nice way. What I am trying to get an answer to is whether those pieces of legislation that were through the parliament at that time—

Mr Pratt: That would be a question for Prime Minister and Cabinet, not for us.

Senator CAROL BROWN: Minister, do you know the answer?

Senator Fifield: Government is a continuing entity and decisions of government are decisions of government until such time as there may be subsequent decisions of government.

Senator GALLAGHER: I can give you an example. The day after the change of Prime Minister there was legislation reintroduced into parliament. I cannot imagine that a Prime Minister on his first day would not show an interest in the legislation that was being introduced into the parliament. What we are trying to understand is, what process happened through the leadership change for approval of the legislation entering the parliament and was there, indeed, a process or was there not?

Senator Fifield: The processes for the approval of legislation are the same under this administration as they were under the previous administration.

Senator GALLAGHER: So the Prime Minister did not show any interest on day one of what legislation was going in, and whether he approved of it or agreed with it, as leader of the country? That is the question we are trying to get to

Senator Fifield: I am not saying that.

Senator GALLAGHER: What process was there?

Senator Fifield: I think, Senator Gallagher, you perhaps do not appreciate the way that the federal government operates.

Senator GALLAGHER: I imagine that it is fairly similar to cabinet processes elsewhere. And I can tell you that as Chief Minister I would not have allowed legislation to enter the parliament that I specifically did not agree with. That is the question we are trying to get to here.

Senator Fifield: In relation to a particular piece of legislation?

Senator GALLAGHER: We can use the Social Services Legislation Amendment (Youth Employment and Other Measures) Bill 2015. That was reintroduced into the parliament on day one of the first full day of the Turnbull prime ministership.

Senator Fifield: We have approval processes for legislation. As you know, some legislation goes to cabinet and then goes to the relevant party room committee. It then goes to the party room for approval. It is then authorised for introduction, typically by the person who holds the position of parliamentary secretary to the Prime Minister. They essentially check that, yes, the relevant regulatory impact statements have been done, that it has gone to the party room and that all of the internal processes of government have been complied with. That is the typical sort of process that operates in government. But if you have a question specifically in relation to any interest or intervention that a Prime Minister may or may not have had, then that is more appropriately directed to Prime Minister and Cabinet estimates. All we can do here is really explain to you what the general processes of government are. If you have a particular question about the Prime Minister's interest, then that is appropriate for at Prime Minister and Cabinet estimates.

Senator GALLAGHER: We are asking specifically about legislation that this department is responsible for. I find it hard to believe that there was not a process or interest from the department about legislation which went to job seekers living without income for a month—so pretty serious legislation—entering the parliament on day one. Would there not have been, perhaps, a phone call: 'Is it still cool to go ahead with this? Is it still going ahead? Is the Prime Minister's office comfortable with the legislation program that is before the parliament today?' What you are saying to me is, 'Yes, there are all these other processes', which I understand. Many I have been part of. But this was a pretty unusual day in the fact that we had lost a Prime Minister the day before. A new one had arrived promising new things and a new approach. The question that we are asking is whether that new approach applied to legislation that sought to remove entitlements for young people from eligibility for income support. And you are telling me that the standard processes apply, that there was no—

Senator Fifield: No, I'm explaining to you what the processes of government are. The government is a continuing entity. Things continue. If you have a particular question in relation to the new Prime Minister, then that is appropriate for Prime Minister and Cabinet estimates.

Senator GALLAGHER: So from the department's point of view, on 16 September in relation to the Social Services Legislation Amendment (Youth Employment and Other Measures) Bill 2015, it was business as usual. You were not advised that there would be a reassessment of that bill or that there would be another process. It was just things continued on unchanged?

Mr Pratt: Generally that would be the case, yes.

Senator CAROL BROWN: I want to ask about the piece of legislation that was introduced into the House of Representatives on 21 October. It is the Social Services Legislation Amendment (Family Payments Structural Reform and Participation Measures) Bill 2015. When did that go to cabinet?

Mr Lye: We do not have that information for you.

Senator CAROL BROWN: Can you get that information for me? Is it that you do not have it here? You must be advised—

Ms Richards: What I have in front of me is actually the date that the bill was introduced. But I do not have in front of me the date that cabinet approved the policy for the

commencement of the drafting of the legislation. I could get that for you, but I do not have it in front of me.

Mr Pratt: That is a very difficult question to answer from several perspectives. One is, of course, that we don't tend to talk very much about cabinet processes and how they operate and the like. My general expectation is that that would have been approved through the budget processes. But it is also quite possible that other elements of that could have been subsequently considered later in the piece. With quite a large reform bill, elements of it could have gone back to cabinet at different times.

Senator CAROL BROWN: When were drafting instructions issued? You could give me some of those dates, surely?

Ms Richards: We could possibly give you some dates in terms of when drafting instructions were issued. But, as I say, that is an iterative process as well, so it might not necessarily be a straightforward answer. We work closely with the Office of Parliamentary Counsel to clarify instructions for drafting in a way that is in accordance with the policy authority that we have. So, again, it might refer to a process rather than to a particular date or which one set of instructions were issued.

Senator CAROL BROWN: But that happens, I would have assumed, after cabinet has given approval for the legislation to go ahead.

Mr Lye: For any piece of legislation there might be some drafting work done and then, as minor policy issues are refined, there might be further drafting. There may be interactions up in the parliament and so further drafting—

Senator CAROL BROWN: I understand that. I want to know if you can tell me when it went to cabinet, in terms of the policy intent.

Ms Richards: Can I suggest that we take that on notice and see what information we can provide you in such a way as to not inappropriately disclose deliberations of cabinet?

Senator CAROL BROWN: I do not see how it would but, yes, okay. I am not sure if you would be able to tell me if that introduction was approved by the current Prime Minister.

Mr Lye: I think we are back to the issue that has just been discussed. We do not necessarily have line of sight of the approval process of timing of legislation introduction.

Senator CAROL BROWN: If you could provide that information, Ms Richards, I would appreciate it. There are a number of pieces of legislation I will put on notice requiring that same information.

Senator GALLAGHER: Can I just follow up on that? My question is really more to the minister in relation to the legislation that has come forward in this portfolio area post 15 December. There have been a few, including the one I mentioned before, the Social Services Legislation Amendment (Family Payments Structural Reform and Participation Measures) Bill 2015. There has also been the Social Services Legislation Amendment (Budget Repair) Bill 2015, the Pensioner Education Supplement and the Education Entry Payment, the Social Services Legislation Amendment (Fair and Sustainable Pensions) Bill 2015 and the Social Services Legislation Amendment (Family Payments Structural Reform and Participation Measures) Bill (No. 2) 2015. That is one related to family payment cuts. Do all of those pieces of legislation have the authority of Prime Minister Turnbull?

Senator Fifield: All legislation goes through our party room. It is ultimately our party room that approves—

Senator GALLAGHER: So the PM has no authority about what legislation goes into the parliament?

Senator Fifield: If you would let me finish. Our party room approves legislation. Legislation does not go forward unless our party room approves it. After legislation is approved by the party room, and prior to introduction, there will be someone, which is usually the parliamentary secretary of the Prime Minister, who has responsibility for signing off that all the relevant internal government processes have been complied with. Then the scheduling of legislation—when it actually comes in to the house, for instance—is primarily a matter for the Leader of the House in consultation with colleagues, balancing a range of competing priorities. That is the way that the system works. But I could not tell you off the top of my head which of the half dozen or so particular pieces of legislation that you mentioned had the sign off after the party room process by the parliamentary secretary to the current Prime Minister, as opposed to the parliamentary secretary of the previous Prime Minister, or whether the Leader of the House first scheduled things under which person. We would have to go through it item by item.

Senator GALLAGHER: We can do that.

Senator Fifield: But also in terms of when the parliamentary secretary to the Prime Minister certified that particular pieces of legislation were compliant with internal processes of government is one you would need to direct to PM&C estimates.

Senator GALLAGHER: The process you have just outlined is slightly different to the process that is outlined in the *Cabinet Handbook* about the way in which matters are dealt with.

Senator Fifield: Sorry can I just—

Senator GALLAGHER: Well, you had finished. That is why I restarted. Okay, you have restarted. Fair enough.

Senator Fifield: Let me stop you so you don't waste your line of questioning.

Senator GALLAGHER: I love the mansplaining. I'm enjoying it.

Senator Fifield: You are loving what?

Senator GALLAGHER: The mansplaining that is going on.

Senator Fifield: What do you mean?

Senator GALLAGHER: By not answering the question. By repeating processes which are not related to the question that I have asked.

Senator Fifield: What is 'mansplaining', Senator?

Senator GALLAGHER: It is the slightly patronising and condescending way that you are responding to my questions.

Senator Fifield: I would suggest, Senator, that if you are putting the word 'man' in front of some description of what I am doing, you are doing that which I am sure you are very much against—that is, making a sexist implication about how I am conducting my role as a man. Is that what you are saying, Senator?

Senator GALLAGHER: What I am saying is that the way you have been responding to me has been patronising and condescending and I have responded to that. The easier way to deal with this—

Senator Fifield: By saying I am mansplaining.

Senator GALLAGHER: is not to have that way in responding to the questions I have asked.

Senator Fifield: Imagine if I said you were 'womansplaining'. Imagine the reaction if I said you were 'womansplaining'. You are saying that I am mansplaining.

Senator GALLAGHER: Well, it is a term that is used when—

Senator Fifield: Is it? By whom? By rude senators.

CHAIR: Doesn't make it any less offensive.

Senator Fifield: By senators who are seeking to make gender an issue.

Senator GALLAGHER: I am not. I am just saying that your answers to me have been condescending and patronising and I have responded to that. The way not to have that is not to have that approach in the way you have answered your questions.

Senator Fifield: I am not being patronising, Senator. I thought we were having a good hearted exchange until you said that I was 'mansplaining'. Do you want to reconsider what you said, Senator?

Senator GALLAGHER: No, I don't.

Senator Fifield: I just find it extraordinary, Senator, that you or any senator at this table would seek to invoke gender in impugning how a senator is responding.

Senator GALLAGHER: I am surprised that you do not understand the term 'mansplaining'.

Senator Fifield: Let the record show that Senator Gallagher thinks it is appropriate to refer to a senator as 'mansplaining'.

Senator GALLAGHER: It is already there on the record. It is on the *Hansard*.

Senator Fifield: I am quite frankly appalled.

Senator GALLAGHER: Okay. Let us go to the answer now.

Senator Fifield: Let me continue what I was saying. I am not endeavouring here to give a *Cabinet Handbook* description of the legislative process. What I am endeavouring to do is give you just a general outline of how it works. I was trying to be helpful. If you want to go into great detail about the *Cabinet Handbook* and about at what point and to whom someone on behalf of the Prime Minister gives the authority for something to proceed in the form of certification that the internal processes of government have been agreed with then you should direct those questions at PM&C estimates. I was endeavouring to be helpful. I will now, as a result, not seek to provide assistance which is slightly beyond the scope of this portfolio area. I will now in all respects in relation to matters of PM&C and cabinet processes direct you to PM&C estimates.

Senator GALLAGHER: In relation to your—

Senator Fifield: And, Senator, can I suggest this: take a good look at yourself—sitting here and saying to a male senator, 'You are mansplaining'.

Senator GALLAGHER: I do not need a lesson from you.

Senator Fifield: If I said to a female senator, 'You are womansplaining', there would be uproar. Stop being a hypocrite and conduct yourself appropriately for this place.

Senator GALLAGHER: I am sorry you are so offended by the use of the word. It is a word that is used. I am surprised that you are so shocked by the use of the word.

Senator Fifield: No, I am just calling hypocrisy—hypocrisy, thy name is Labor; thy name is Senator Gallagher.

Senator GALLAGHER: I think you need to settle down, actually. I do not think it was that big a deal. Your answers to me were patronising and condescending.

Senator Fifield: No, they were not, Senator.

Senator GALLAGHER: They were.

CHAIR: As entertaining as this might be, order!

Senator Fifield: Senator, welcome to federal parliament.

Senator GALLAGHER: Right—where the big people play.

Senator Fifield: Well, apparently not, because—

Senator GALLAGHER: I am not the one having a breakdown over this.

CHAIR: Order! I will ask you to come to order. There has been a lot of back and forth. You have both had your say. We will break.

Proceedings suspended from 10:32 to 10:47

CHAIR: We will recommence and continue with whole of portfolio.

Senator GALLAGHER: Just to finish where we left off before the break, Minister, can you answer yes or no as to whether, in the unusual event of a change of Prime Minister, there was any new process or additional process put in relating to the legislation that covered this portfolio in terms of reapproving it for introduction.

Senator Fifield: I would suggest that you refer your questions to Prime Minister and Cabinet estimates.

Senator GALLAGHER: So you cannot tell me or you will not tell me?

Senator Fifield: The appropriate estimates committee to address those questions to is Prime Minister and Cabinet.

Senator GALLAGHER: But this is legislation that is in this—

Senator Fifield: You are asking about processes that relate to the Prime Minister; therefore, you should direct your questions to Prime Minister and Cabinet.

Senator GALLAGHER: Earlier, before we had our dust-up, you were explaining a standard process that is applied to legislation. I think your answer indicated to me that that standard process had applied to these bills and that there had not been any unusual or additional process put in place post the leadership change.

Senator Fifield: I was endeavouring to be helpful by explaining the general approval process in government for legislation. I was not speaking specifically to any particular piece

of legislation. If your questions go to what if any arrangement there may have been subsequent to the change that relates to the Prime Minister—I am not saying there was such a process—

Senator GALLAGHER: Are you aware of any—

Senator Fifield: If you want to enquire then you should put your questions to Prime Minister and Cabinet estimates and I understand that the opportunity is still there to put questions on notice.

Senator GALLAGHER: As the minister who is representing the minister for this portfolio, are you aware of any new process? I will put my questions to PM&C in addition to that, but I am asking this department and this portfolio minister whether you are aware of any new process that was put in place or if this legislation continued as it had been under the previous arrangements.

Senator Fifield: I cannot add anything to the—

Senator GALLAGHER: But I am asking if you were aware as the minister.

Senator Fifield: I cannot add anything to the advice that I have given you.

Senator GALLAGHER: I do not know what is so hard about indicating one way or another.

Senator CAROL BROWN: Ms Richards took on notice to provide some information about dates. Can I include in that the date that the department was advised of the cabinet decisions on those pieces of legislation?

Mr Lye: Just to be clear, we will take that on notice, but I am not promising that we can give you the level of detail that you are seeking.

Senator CAROL BROWN: The date? I am not asking you what the decision was; just the date.

Mr Pratt: We will give you the best advice we can.

Senator CAROL BROWN: The department has advised, obviously, of decisions that are relevant to your department, so I am asking for the date that you would have received that advice after the cabinet meeting.

Mr Pratt: We will attempt to give you the best advice that we can on that, but, as was explained in the previous session, sometimes these things are iterative and they change. That is what Mr Lye is talking about. But we will do our best.

Senator CAROL BROWN: Do you go to cabinet meetings, Mr Pratt?

Mr Pratt: Not often. I go to cabinet subcommittee meetings quite regularly.

Senator CAROL BROWN: So sometimes you go to cabinet meetings?

Mr Pratt: Very infrequently.

Senator CAROL BROWN: And your deputy secretaries?

Mr Pratt: Less frequently.

Senator CAROL BROWN: Thank you. I need to go back to the grants.

Mr Lye: Senator, I am sorry to interrupt you, but before the grants people come back, I had two clarifications on questions that Senator Siewert asked about our involvement with the

Department of Health's consideration of the payments. I have just confirmed that we have no involvement in that process formally. Senator Moore asked about campaign advertising. I think the one year we had not given you was 2013-14. In that year the total amount spent was \$18,075,788. Of that, the campaign amount was \$17,187,322. That consisted of expenditure on the aged care reform campaign, which was \$3.9 million; the Dad and Partner Pay campaign, which was \$629,000; the Disability Care and National Disability Insurance Scheme campaign, which was \$8.662 million; and the Schoolkids Bonus campaign, which was \$3.993 million. Then there was a non-campaign advertising amount, which included recruitment and the other things that Ms Bell talked about, which was \$888,466.

Senator MOORE: Thank you very much.

Senator CAROL BROWN: In terms of the grants, can you confirm for the committee which programs have funding agreements ceasing this year?

Mr Pratt: I suspect we will have to take that on notice, but my colleagues may surprise me.

Ms Bennett: Can I just clarify the question, Senator. You are asking for where the current grant arrangements are up rather than a terminating measure, so to speak?

Senator CAROL BROWN: Ones that have ceased receiving funding—

Ms Bennett: And will be up for—

Senator MOORE: Anything that is ceasing in this financial year. There are a few. We just want to clarify which ones.

Ms Bennett: We will have to take on notice grants where the current grant arrangements are ending and what those dates were. We have a lot of programs, so we will have to provide that.

Senator CAROL BROWN: Within that information that you provide, can you also just indicate whether those ones were—which ones were extended as well. Has the minister's office provided any direction to the department on any further tender processes or grant extensions in relation to these programs that are ending?

Ms Bennett: I will have to take that on notice. We do keep the minister's office informed on a regular basis when grant tender selection processes are open so that the minister's office is aware. But I will have to take that on notice.

Senator CAROL BROWN: So has any planning in the department been starting for further tender rounds or contract extensions?

Ms Bennett: Yes, there will be. As I said, and I think the Secretary said earlier, these are ongoing. The process of going out for grant selections is ongoing, with different dates. We have some that are out at the moment. We will have to provide on notice what is happening this year.

Senator CAROL BROWN: Do you have an end time for those tender processes?

Ms Bennett: We have planning processes about when they would open and how long the selection would go on for. They obviously align to the end of whatever that grant time is and make sure that there is sufficient time for the new arrangements to be entered into.

Senator CAROL BROWN: In your planning, has it been decided whether the programs will be offered a five-year contract?

Ms Bennett: It depends. There is not a set answer for that because it depends, as I have explained before, on the nature of the program or the activity. They could be things like just projects that could be one or two years or they could be services. There is not just one answer to those issues. We will take on notice what at this point—it is always a point in time—the forecast is for the year and when they are expiring. If we know how long those arrangements will be for, we will provide that as well.

Senator CAROL BROWN: So the work you are doing now in terms of the grants that will be ceasing, that is not contingent on any budget decisions?

Ms Bennett: Grant activities that are currently based or are continuing as set out, depending on which ones they are, are actually set out in the budget papers. The budget papers will show whether it is two-year funding or four-year funding. For example, as at 27 January, there were 168 funding rounds in process. I do not have the list of those, but that gives you a sense. They will be different types of activities. They will be for either services or projects. They could be direct, they could be restricted or they could be an open selection. It is quite a rich sort of information that is different depending on the program.

Senator CAROL BROWN: And are those programs all to end on 30 June?

Ms Bennett: No.

Senator CAROL BROWN: What periods of time are they?

Ms Bennett: Some of them are not ending at all; they are just cyclical. For example, Volunteer Grants, because they are one-off amounts of funding, do not have an end time in the way that you are using that. Organisations apply for it and they are successful, and then another year there is another call for applications and they are selected. If it is something about a service, they will then have agreement times. But we will be able to provide that in more detail.

Senator CAROL BROWN: Putting those ones aside, are the ones that received extensions going to cease on 30 June?

Ms Bennett: You would have to give me the list of the ones you are talking about.

Senator CAROL BROWN: That is why I asked you for the list.—

Ms Bennett: We will provide the list. We will take that on notice and get that as soon as we can.

Senator CAROL BROWN: I am sorry—I am just a little bit concerned. If they are 30 June, which I imagine the ones I am talking about are, we only have a short period of time to when these grants will be ceasing. I am just concerned about how far through your planning processes you actually are.

Ms Bennett: If you are referring to the grants that happened in 2014, which we have discussed—we have provided this before in estimates and we can provide it again—there are some that expire on 30 June 2017, there are some that expire on 30 June 2018 and there are some in 2019.

Dr Reddel: There are some five-year agreements.

Senator CAROL BROWN: And what about 30 June 2016?

Ms Bennett: We will take that on notice, but they were not ones that were in the 2014 grant round—they will be other grants programs that the department might run in other areas that were not part of that round.

Senator CAROL BROWN: But, as part of your planning, you must know whether any of them are ceasing on 30 June 2016.

Ms Bennett: Yes, we will know, and it is likely that they are probably included in the 168 funding rounds that were currently underway as at 27 January.

Senator CAROL BROWN: I ask these questions because in light of the, in my view, shambolic process that was undertaken in the 2014 process, I am just interested to see how far you have got along in terms of planning—particularly for the ones that will be ending on 30 June 2016.

Ms Bennett: We will provide on notice those that are expiring, where we are at in the process and whether they are open now or when we anticipate they will be open.

Senator CAROL BROWN: Can the department provide an update on the program redesign work that the committee was previously advised about in relation to the outcome of the Williams and Pape cases? I am trying to find my question on notice.

Mr Pratt: Which cases?

Senator CAROL BROWN: We have had a response to a question on notice, which I cannot currently put my hand on. I wanted an update on the program redesign work that the committee was previously advised about in relation to the outcome of the Williams and Pape cases.

Ms Bennett: It is still in progress.

Senator CAROL BROWN: Can you just explain to me and to the committee what that actually means? Yesterday I was told something was going to come shortly and that was a year ago. Can you just explain it?

Ms Bennett: The redesign issue, which we have explained previously, goes to some activities in which, for the want of a better word, the constitutional authority is clear. That may mean some readjustment either in the terms of the nature of the services that are provided or in the cohort that the services are provided to. It requires considerable examination of a range of constitutional authorities, because there are other legislative arrangements that the Commonwealth has and that give it authority that do not necessarily just lie in the department. It could be an international treaty on the protection of children. We need to examine those and look at the programs that we do within the right type of authority. That involves people in the department, in our legal area, and AGS and other departments. So we are still working through that.

Senator CAROL BROWN: When did you commence work on the redesign?

Ms Bennett: Last year.

Senator CAROL BROWN: Was it December?

Ms Bennett: It was the second part of last year. I would have to take that on notice.

CHAIR: I am sorry to interrupt. We have an ABC photographer here who would like our permission to take photographs of witnesses and senators. I just wanted to see whether there were any objections to that. There being no objections, that is fine according to the usual rules.

Senator CAROL BROWN: Did you give me a date?

Ms Bennett: No, we said we would take it on notice.

Senator CAROL BROWN: Do you have any sort of idea when you might be—I know you have outlined some of the things that you will need to do, but do you have any idea when—

Mr Pratt: Ultimately that will be a decision for government.

Senator CAROL BROWN: My question was not when it might be made public; my question was when you might finish the work.

Mr Pratt: No, it is not possible to do, just simply because it will depend on what government wants to do with the advice we give them around constitutionality of different programs and the redesign proposals.

Senator CAROL BROWN: Has a decision been made to engage other stakeholders or just the ones that you have indicated?

Mr Pratt: By other stakeholders, do you mean state governments or—

Senator CAROL BROWN: Yes.

Mr Pratt: Without pre-empting the process, it is conceivable that those sorts of things could be part of the design process depending on the solutions. If we were to come to the view that a program was particularly vulnerable to a constitutional risk and we looked at a redesign which might include potentially having the states deliver something then we would probably consult with them, but that is getting a bit in front of where we are at at this stage.

Senator CAROL BROWN: I might put some more questions regarding this issue on notice for you.

Senator MOORE: I just want to follow up on the questions that Senator Brown was asking about grants and programs that were due to end their funding at the end of this financial year. I just want to clarify it again in my process. Certainly, one of the ones I was concerned about was volunteer management and counselling for problem gamblers, which I was going to ask about in the program area. I have a couple here: volunteer management, community development and participation, diversity and social cohesion, and financial counselling for problem gambling. They are all grants within this portfolio that are due to end at the end of this financial year. I would think some of these would be subject to budget decisions.

Ms Bennett: We have people listening to the list you have just given. They are in program 2.1. They are on this afternoon.

Senator MOORE: That is what I thought. That is what I was going to ask you.

Ms Bennett: We will make sure that they are able to at least let you know where they are at if we are able to do that.

Senator MOORE: Allowing for the pressure on the department every time this happens—a government decision comes in May and grants are due to finish in June—we had the process in the last round of trying to come up with best practice as to how we handle grant processes. Just to be clear, if they are subject to budget decisions then you cannot give too much warning in terms of the process—that would be my understanding.

Mr Pratt: Certainly, that would be the case if it was subject to a budget decision in May or at the end of that financial year. On occasion what happens, though, is that governments make early announcements pre-budget to allow processes to go ahead.

Senator MOORE: We will be following that up in the program area and all of those areas. It was just in terms of the best practice. And you know that we talked extensively about what is the best amount of time in terms of warning to organisations that a change could come. Would that be now being discussed by the state offices with organisations, just to prepare them? They would know that their money ran out at the end of June, but is there a process within the state offices to follow up with organisations beforehand just as a reminder that their grant ends at the end of June? I wondered if that was standard practice.

Mr Pratt: On the general level, yes, there would be back and forth between the department and providers on where things are up to. It is often initiated by the providers and on occasion, or probably regularly, by ourselves.

Senator SIEWERT: In terms of those organisations that are currently being funded that may be caught up in this particular issue, does that mean that, unless this is resolved by then, they will not be getting refunded?

Ms Bennett: Those that are in—are you referring to the Pape and Williams issue?

Senator SIEWERT: Yes.

Ms Bennett: Those programs are funded until 30 June 2017.

Senator SIEWERT: Okay. Those have another six months. So the process—

Ms Bennett: A year—almost two years.

Senator SIEWERT: Yes, a year—I am sorry. But, in terms of whether the decision is made shortly in terms of preparing—

Ms Bennett: If there are changes, we would obviously to the best of our ability engage, explain and talk those through.

Senator SIEWERT: So, just to be clear, there are no programs that are affected by this decision-making and assessment process that finishes in June this year?

Ms Bennett: I would have to take that on notice.

Mr Pratt: I do not believe there are.

Ms Bennett: I do not think so.

Mr Pratt: But we will correct that on notice if that is not the case.

Senator SIEWERT: Thank you. Obviously, it is much more difficult for those who are finishing—

Mr Pratt: Certainly, we do understand that the underlying concern is to make sure that providers have as much notice and as much time as possible—we appreciate that.

Senator SIEWERT: And I am also thinking as much time as possible for the people who are receiving the services so they actually know what is going to happen to the services they receive.

Mr Pratt: Yes, I agree, Senator.

[11:11]

CHAIR: We will now move on to outcome 2.

Senator SIEWERT: Can we get some of those overarching issues out of the way before we go on to the more detailed programs. Could you give us an update, please, on where the actuarial process is at?

Ms S Wilson: Certainly. I think my colleagues Ms Essex and Mr Innis will be coming to the table to take us through where progress is at.

Ms Essex: The first deliverable of PwC was a final draft valuation, which has been provided to the department. That was provided a few days ago. The department is currently analysing that work and providing some final comments on it.

Senator SIEWERT: What happens after that?

Ms Essex: We will provide some advice to the minister.

Senator SIEWERT: In terms of the final draft valuation, that is the initial process they have undertaken? Is that correct?

Ms Essex: Yes, that is the baseline valuation. The model provides a lifetime cost of social security for the Australian estimated resident population, looking at both longitudinal data and projections into the future. That provides a baseline against which future revaluations are measured.

Senator SIEWERT: You are looking at it, you said, and then it is going to the minister?

Ms Essex: We are providing final comments to PwC and then it would be provided after that with some advice from the department.

Senator SIEWERT: What is the anticipated date for having it finalised?

Mr Innis: The IDC that is overseeing the investment approach meets next week. At that point we will be assessing the comments and how big they are and then providing them back to PwC. At this stage, we are not in a real position to say how long it would take PwC to respond to those comments, but we are not expecting—it is not months; it is days or weeks.

Senator SIEWERT: So we are talking about having that initial process finalised within a couple of months by the sound of it?

Ms S Wilson: Certainly the baseline valuation—definitely.

Senator SIEWERT: And then what happens from there?

Ms S Wilson: The intention is to look at the findings of that baseline and where it has identified potential opportunities for intervention with particular risk groups with particular characteristics and work through within government and provide advice to government about what the way forward could be for the government to consider based on what that valuation tells us.

Senator SIEWERT: Is that with an aim to then start those interventions in the next financial year?

Mr Innis: That decision is to be taken, Senator.

Senator SIEWERT: Initially, when this was first announced in the June estimates last year, we talked about the consultation process. Can you just take us through what level of consultation has already occurred, if it has? If it has not, why not? I have some more questions following on from that.

Ms Essex: There has been a range of consultations. Internal to government, as we have said, there has been the interdepartmental committee.

Senator SIEWERT: With due respect, I am more interested in the stakeholders.

Ms Essex: I understand that, Senator. There have been consultations with some interested stakeholders and discussions generally around the methodology at this point, because obviously we do not have results to talk about to people—about how the methodology works, how the valuation works and what an actuarial method is. We plan a workshop with some external service providers in early April in relation to that. We have had some bilateral discussions with the states and territories and there is a meeting of relevant state departmental officials on 29 February.

Ms S Wilson: In addition, there have been, as Ms Essex identified, some key commentators or informants and key NGO representatives that have had those bilateral discussions with the department to understand the methodology and its purpose. Some of them went to New Zealand, for example, to talk to the New Zealand government about how it worked there. We have done—I think Mr Innis did a presentation to the CEOs of one of those large NGO providers. So we have had a range of—

Senator SIEWERT: Information sharing—

Ms S Wilson: preparatory information sessions. We do not have the results to talk about at this stage.

Senator SIEWERT: I want to come to that in the second. You said early April for the workshop?

Ms Essex: Yes.

Senator SIEWERT: Can you provide a list of the stakeholders that you have been talking to? You said it was interested stakeholders.

Ms Essex: We can provide that—

Senator SIEWERT: Was it that, if I put my hand up, I got a—

Ms Essex: We can provide that on notice, Senator.

Senator SIEWERT: Thank you—and how you made the decision on who was consulted. Who is being invited to the early April workshop?

Ms Essex: No invitations have been sent yet, Senator—that is in the process of being finalised.

Senator SIEWERT: In that case, who do you intend to invite? Can you share that? Is it an open invitation or is it more an invite only?

Mr Innis: We cannot share it now, Senator, but we would be happy to take that on notice to see where we are at. We do not have a list right now.

Senator SIEWERT: That goes to my question of whether you are doing an open invite. I was talking to somebody the other day who had no idea this was going on and would be very interested in it.

Mr Innis: There are probably three groups that we would look at. There is academic interest, obviously, then there is actuarial interest and then there is service provider interest. We will be seeking to get a balance from all three groups. The workshop that is being developed is finite. It is not—we did one early on for the public servants who were working on the methodology. From recollection there were about 30 people that we could accommodate.

Senator SIEWERT: I am not trying to be pedantic here. You said 'service providers'.

Ms S Wilson: And peaks.

Senator SIEWERT: I am actually concerned about the groups that are actually working on policy. Obviously, service providers are very important, but—

Mr Innis: I apologise—I meant incorporating—

Senator SIEWERT: You do mean that. I just wanted to be clear on that. At that workshop, are you going to be sharing the first evaluation process? Is it going to be a public document?

Mr Innis: The public release timing will be a matter for the minister. The minister has not made a decision on that.

Senator SIEWERT: So why is the workshop being held if that report may not be released at the time?

Ms S Wilson: In order to be able to work with people once the report is available, it is actually really important that they understand in quite a detailed way what this methodology can and cannot do.

Senator SIEWERT: Okay—so that is what the workshop—

Ms S Wilson: That is really what the purpose of the workshop is—it is, in conjunction with PwC, for us to guide people through how this works, what will it tell you, what it cannot tell you and how some of this information might be used in quite a detailed way so that people have confidence in the methodology.

Senator SIEWERT: I understand. But do I understand that there is a commitment that the evaluation will be released?

Ms Essex: I understand that all along it has been indicated that the results of the valuation would be released.

Senator SIEWERT: Will it be released before or after the budget?

Mr Innis: That is a matter for government.

Senator SIEWERT: Minister, is it the intention of government to release that before the budget, particularly if there are going to be budget announcements about this?

Senator Fifield: Senator, I do not know. I would have to refer that to Minister Porter.

Senator SIEWERT: Could you take it on notice to ask him, please?

Senator Fifield: Sure.

Senator SIEWERT: That would be appreciated. Thank you. I will put the other questions I have on notice in order to save time. They are technical. Thank you.

Senator MOORE: I wanted to ask about the contract that PwC has got. Can we get a copy of the contract?

Ms Essex: I would need to take that on notice. I am just trying to recall whether there are particular commercial-in-confidence—certainly we can give you milestones and the amount of the contract.

Senator MOORE: It is the milestones we are after and the intent—when PwC took on the gig, what were they agreeing to do. That is what I am after. That is covered in the milestones?

Ms Essex: In brief, what they were agreeing to do was to conduct four valuations—a baseline valuation and three subsequent valuations; to provide three additional development modules, which would expand the model further; and to engage in knowledge transfer so that the actuarial valuation work could be done by the department at the conclusion of the PwC contract.

Senator MOORE: And they are the milestones?

Ms Essex: In broad, they are the milestones.

Senator MOORE: Can I get a copy?

Ms Essex: Certainly, Senator.

Senator MOORE: I do appreciate that. I have the idea, but can I get that formally. What was the cost of the contract?

Ms Essex: It was \$9.4 million over four years.

Senator MOORE: Thank you.

Senator SIEWERT: I omitted one question about consultation. Once the report is released, will there be another process of engagement with stakeholders?

Mr Innis: We expect to be engaging with stakeholders across the whole four years. Of course, once new things come out, we will want to be talking to groups about what it means and where things head from there.

Senator MOORE: And that is not a PwC responsibility; that is a department responsibility?

Mr Innis: It is a departmental responsibility.

Senator MOORE: You have just started that. Can we also find out along the track what the cost of the consultations are as well?

Mr Innis: Yes. A lot of that is into the future—

Senator MOORE: Yes, I am just putting you on notice that—

Mr Innis: And it will depend—

Senator MOORE: that will be the questioning about the whole thing.

Mr Innis: I understand.

Senator MOORE: We have some questions about the GST. We actually tried to ask them in the wrong section, so now we are going to give them a go in the right section.

CHAIR: You are in the right section. Go for it.

Senator MOORE: As I asked earlier, I am wanting to know if the department has done any work on compensation packages around the GST.

Ms S Wilson: Yes, Senator. As you would be aware, the Prime Minister and the Treasurer have made public statements that, if there was to be a change to the GST, the most vulnerable households would be assisted with the cost impact. Clearly, Treasury leads work on tax reform, but whenever it has been considered by government and under successive governments the implications for social security recipients and the interactions between the tax and transfer system need to be considered. DSS or our forebears have been involved in such considerations. We have met with Treasury officials to discuss broad approaches to GST assistance. The first meeting occurred last year, in August. We have undertaken preparatory work on GST assistance and provided advice to Treasury on general approaches to compensation for social security recipients if there were to be a rise in the GST.

Senator MOORE: And that is particularly around the impact on vulnerable people—that would be your purview?

Ms S Wilson: It is the social security implications. For example, FaHCSIA led the work on developing a Household Assistance Package for the carbon price. So it is part of our bread and butter.

Senator MOORE: It is similar work. You said that your first meeting was in August last year. Was that the first time you were engaged in this process?

Mr McBride: Yes, Senator. It followed the COAG announcement. There was going to be a general discussion about it, so Treasury and ourselves decided that we would start thinking about how we would start planning for a possible—

Senator MOORE: So it was a joint request from Treasury and your own minister?

Ms S Wilson: No, it was officials getting together. This stuff was in the public arena. COAG had initiated some work. Therefore, as officials doing our jobs and thinking, 'This could be on the agenda; how do we get ourselves in order'—

Senator MOORE: Is this showing initiative?

Mr Pratt: Yes.

Senator MOORE: I was not trying to be smart—you were not directed to do the work; the officials who watch the program actually thought this would be something that would be worthy to do?

Ms S Wilson: Yes.

Mr McBride: That is certainly true of us, but I am not sure about Treasury. You would have to ask them.

Senator MOORE: You can only answer for DSS.

Mr McBride: They do show a lot of initiative, so—

Senator MOORE: Has there been a dedicated team put together to work on this package—or work on this work rather than a package?

Ms S Wilson: No.

Senator MOORE: So it is internal. Which section would be doing this? Would it be Mr McBride's section?

Ms S Wilson: It is across a couple of areas. Both are in my stream. Mr McBride's group would have a general policy—

Senator MOORE: Mr McBride, remind me: what is the name of your group?

Mr McBride: Social Security Policy.

Senator MOORE: That is it?

Mr McBride: Yes.

Senator MOORE: That is a great title. So it is your group. Are there any others, Ms Wilson?

Ms S Wilson: If there were to be data or modelling requested from us then other groups would be involved, including Mr Innis's group, which is the Policy Office.

Senator MOORE: So you do not have a dedicated team, but you actually have people working within their own processes. Have any briefs gone to the minister on the possible nature of a compensation package?

Mr McBride: No, Senator.

Senator MOORE: What payments have been considered as part of a GST compensation package or household assistance package or whatever?

Ms S Wilson: Ultimately, that would be a decision for government, but generally we look across the social security payment system when looking at such issues, then government would make decisions about whether it wants to go broader than that and what the mechanisms for it would be. Our core examination in the first instance would be social security recipients.

Senator MOORE: In terms of the work that you have done up to now, has there been work done about which cohorts would be involved and also in terms of cut-offs? At what level would support be done?

Mr McBride: We have not got to that level of detail. The discussion with Treasury has been—some people are only welfare recipients. Other people will have incomes, so they will have interactions with the tax system. So it is making sure that, in designing any possible compensation package, the two systems work together in a way that did not overcompensate or undercompensate particular groups.

Senator MOORE: So it would be looking at the general income and welfare alliance in terms of—

Mr McBride: People's interactions with those two systems.

Ms S Wilson: So it is the extent to which people are in both systems or just in one. But our work has been on very preparatory, general approaches rather than anything specific at this stage.

Senator MOORE: And it is really just between your officers and Treasury?

Mr McBride: To date, Senator, yes.

Senator MOORE: In terms of the interaction, it is preliminary, as you said. But, in terms of workload, is this a significant element of workload?

Mr McBride: Not to date, Senator.

Senator MOORE: And at this stage it is just continuing as required?

Ms S Wilson: As we are requested to do work then we will do it.

Senator MOORE: Have you had a formal request yet?

Ms S Wilson: No.

Senator MOORE: So there has been no request either from Treasury or from DSS for particular work—this is preparatory work?

Mr McBride: There have been no requests for us to do work. As to whether the Treasury—

Senator MOORE: No requests and no reports?

Mr McBride: For our portfolio, that is true. For Treasury—

Senator MOORE: You cannot speak for Treasury. Thank you.

Senator SIEWERT: Can I go to the MYEFO measure on a general interest charge and social security debts. Was this an initiative from the department to the government or is it something the government asked you to do?

Mr Pratt: It is a bit of both, Senator, as is often the case with these things. We work on measures like this quite often and governments have an interest in them regularly. So I would say it is best characterised as a bit of both.

Senator SIEWERT: Did you do any consideration of what impact this will have on ex-recipients of social security and family assistance payments?

Mr Kimber: Yes, we did—not in terms of too much quantitative analysis. However, as you said, this only applies to ex-recipients with social security or family assistance debts—those people who have actually moved off the payment system because of their means and therefore would be in a better situation to repay any debt. If you look at the other side of the equation, we have current income support recipients who are required to make repayments of their debt through withholding. So it actually balances up and is fair in that regard.

Ms S Wilson: But there are also circumstances in which, if there is a severe financial hardship, for example, a debtor can apply to Centrelink for a review of the capacity to pay. The debt could be waived or temporarily written off until their financial circumstances improve or there could be a reduced rate of recovery. So there is some sensitivity to the circumstances of the ex-recipients as well.

Senator SIEWERT: What happens to those people who are in casual employment? As you know, there are people cycling on and off. What happens to those who have come off for a short period of time?

Mr McBride: These are people who have a debt. When they are income support recipients, they will have obligations to repay that debt. That obligation continues when they become ex-recipients. What this measure does is that, if people do not enter into and fulfil their payment arrangements, an interest rate is charged on the outstanding debt. As long as

they maintain a payment arrangement with Centrelink, the general interest charge will not be imposed upon them. This is only for people who are not in a payment arrangement.

Senator SIEWERT: If they are entering—if they go back onto income support, will a charge still apply?

Mr McBride: No.

Ms S Wilson: The charge only applies to those who do not have a repayment arrangement.

Senator SIEWERT: But, once they get it, if they are going back onto income support then that period will be excluded, then, from the interest charge?

Mr Kimber: That is right, Senator.

Senator SIEWERT: Thank you.

Senator MOORE: There were questions I was wanting to ask about welfare spending—about the media comment that I passed up. It is to do with the community discussion that seems to be around the level of welfare spending. I have put up the media release because that was a comment that was purported to have been made—and I make that statement—by Minister Porter about DSP stretching the system to an unsustainable point. There are a number of statements being made and review statements put out through the department, including the *Intergenerational report*, that talk about the welfare situation and make a claim that the system is not under stress. That is the background. I have a number of specific questions just about the position as it now stands—

Mr Pratt: I am sorry to interrupt, Senator. What report are you—

Senator MOORE: This is on page 73 of the *Intergenerational report*, which I believe—

Mr Pratt: It is Treasury.

Senator MOORE: It is Treasury, but DSS is involved—some of the data in it is DSS data.

Mr Pratt: Generally, yes.

Senator MOORE: Treasury puts it out, but my understanding from previous discussions is that certainly DSS is well aware of it if not actively involved. The questions I have are not about those general statements—they are quite particular. Is spending on working age payments projected to decline over the next 40 years?

Mr McBride: I do not have the *Intergenerational report* in front of me. Generally, we only estimate over the forward estimates period. It is Treasury that does the projections.

Senator MOORE: Okay. Work through what you can and cannot answer and then I will come back. Is the proportion of the population in receipt of working age payments currently in decline?

Ms S Wilson: I understand that it is, yes, in general terms. The working age population receiving working age payments has been falling. There was a peak when the first McClure report came out and then it fell somewhat. It kicked up again during the GFC. There are clearly a number of factors that impact on working age payments. They include, of course, the overall population growth, fertility rates, migration, population ageing and so forth. Clearly, the economy and unemployment but also expenditure, prices, wages and economic growth

more broadly and the distribution of assets have an impact on income support receipt. Policy changes play a role as well. So there has been a range of, if you like, competing trends that have had an impact on working age payment receipt.

Senator MOORE: I am referring to a Department of Social Services report. I do not have a copy of, so I cannot pass it up. It was released in 2014. It indicated that, in 1996, nearly 25 per cent of the working age population was receiving a basic social security payment.

Ms S Wilson: One in four, yes—I remember that.

Senator MOORE: I am pleased. By 2014 the figure was 16.8 per cent—a decline of around one-third. Do you remember that?

Ms S Wilson: Certainly, I do, Senator. I was around when the first McClure report was done. I led the team that supported it. This was when one in four people of working age were receiving income support. As I indicated, it has declined since then.

Senator MOORE: Has the department done any assessment around the issue of that welfare system? Where the proportion of people that are reliant on the system is falling, has the department done any assessment about whether that is unsustainable?

Ms S Wilson: I think sustainability needs to be understood in its broadest sense. When we talk about the social welfare system, we tend to talk about categories that include both social security payments and the key care services.

Senator MOORE: Yes.

Ms S Wilson: So, quite clearly, things like population ageing have a real impact on that expenditure. As you would be aware from the IGR and from probably other material, social welfare expenditure overall will be growing and key components of that growth will be in the care services. The advent of the NDIS will also be a big driver of growth in expenditure. I think that the PBO put something out that said it was going to grow from \$154 billion in 2015-16 to \$198 billion in 2019-20. As a proportion of the overall budget, that expenditure represents more than one-third. So you need to also look at sustainability in the context of the fiscal position of the country when it is more than one-third of the Commonwealth budget and the forecast economic growth. So there is a range of factors that you need to bring to bear in thinking about sustainability.

Senator MOORE: Has the department used the term 'unsustainable'?

Ms S Wilson: I would have to take that on notice.

Senator MOORE: Mr Innis?

Mr Innis: We would certainly say there are sustainability issues with the system.

Senator MOORE: But has the word 'unsustainable' been put in departmental—

Mr Innis: I would have to take that on notice.

Ms S Wilson: Yes, we would have to take it on notice.

Mr Pratt: Can I just clarify. Are you talking in terms of published documents or—

Senator MOORE: Yes—advice to ministers is something else, but just in terms of public documents that put the record of what is happening with our system. The department does put out regular documents talking about the system.

Mr Pratt: We will take that on notice. Can I put a slight caveat on that. We have annual reports and all of these sorts of things and—

Senator MOORE: Everything printed by DSS with 'unsustainable'—I know you cannot do that. But in terms of core documents that go into the public arena—

Ms S Wilson: Core public documents—we certainly look at that, Senator.

Mr McBride: Your interest is in the system as a whole, not component parts? We may well have said that component parts of the system are unsustainable, but then that is different from—

Senator MOORE: That would be useful. I am very interested in the term 'unsustainable' in terms of public debate.

Ms S Wilson: We will see what we can find for you, Senator.

Senator SIEWERT: Can I ask also: in what context? The context that is clearly being used here—I take on board, Ms Wilson, what you have just said about the overall spending—is that clearly a lot of the media in particular is aimed at welfare cheats, kicking people off DSP, the burden of DSP and the burden of disability. It is clearly aimed there rather than in that whole context that you have just put it in. So I would also like to see the context in which the word 'unsustainable' is used—or 'sustainability issues'.

Ms S Wilson: If we can find where we have used the word 'unsustainable'—we would have to look in published documents—we would give you the paragraph or whatever in which it appeared and—

Senator SIEWERT: Yes, and what it has been—

Ms S Wilson: And what the nature of—

Senator SIEWERT: The frame.

Ms S Wilson: We will give you the reference to the document.

Senator MOORE: It is very much in terms of the system of social welfare. I know that was part of the aspect that worked on the McClure process and we are looking at the payments that people get as opposed to NDIS, which is a much wider aspect.

Ms S Wilson: The social welfare category that is talked about by the Parliamentary Budget Office and others in terms of a category of government spending is that broad category.

Senator SIEWERT: Including aged care and things like that?

Ms S Wilson: Yes, that is what the \$154 billion includes.

Senator MOORE: In terms of the DSP—and I take Senator Siewert's point very strongly that that is the kind of public perception—is the number of people currently on DSP currently in decline?

Ms Halbert: The number of people on DSP was rising quite significantly from about 2005 to 2012. In 2012 there were 827,460 people on DSP. There were some dips and rises. There was another rise to 830,454 in 2014. In 2015 there were 814,391 people in receipt of DSP. This is largely due to a range of policy initiatives that have come in since 2012 that have affected the flow-in and the number of people who remain on the payment.

Senator MOORE: Do you have percentage changes, Ms Halbert—my understanding is that, since 2013, there has been a percentage drop—as well as overall numbers? They are both important.

Ms Halbert: There is. I do not think I have the whole percentage from—but, for example, the percentage drop in 2013 was 0.7 per cent. Then it rose again by 1.1 per cent and then dropped by 1.9 per cent after 2015.

Senator SIEWERT: Can you give us, in relation to those figures, the number of people that were then on Newstart when Newstart—in other words, I am trying to find out where those people—

Ms Halbert: I would have to take that on notice, but we would have the figures for Newstart for those years as well.

Senator SIEWERT: Perhaps under one of the programs—perhaps the working age payment program. Can we have those figures by then?

Ms S Wilson: We will see what we can find for you, Senator. I think you need to—clearly there are a number of drivers of Newstart. So, to the extent that there are changes in assessment or administration or even eligibility for DSP, as was the case a couple of governments ago, then that can potentially have an impact on other payments like Newstart. But there are other drivers of Newstart, like other policy changes and clearly the economy.

Senator SIEWERT: I am aware of that.

Ms Halbert: I have one figure—it is only a one-year figure. From September 2014 to September 2015 the number of people going from DSP to Newstart or youth allowance was 1,700. I do not have them here, but we would be able to get other years.

Senator SIEWERT: That would be appreciated.

Mr McBride: It might also be worth noting that the expenditure on the payment might grow even if the numbers of recipients do not. That is due to the indexation of pension payments, which often gives a level of payment above cost of living increases.

Senator MOORE: We hope so.

Mr McBride: But there are lots of drivers in payment growth that impact on sustainability. It is not just numbers of people.

Senator MOORE: Absolutely. But we are wanting to look at all of those things. It is the numbers and then the percentages, which people do quote. Then, of course, we take into account the payment aspect, which comes into it.

Ms S Wilson: Clearly the other thing—and this is, I guess, harking back to our earlier discussion about the investment approach—is the duration that people have on payments. We know that once people get into the Disability Support Pension they tend to stay on it for very long periods. When they leave, they tend to leave, unfortunately, because they have either died or graduated to the age pension.

Senator MOORE: It tends to indicate their disability.

Ms S Wilson: So, clearly, inflow and numbers at any point in time are important but also understanding the durations of people on payments. That is one of the reasons that we are

doing the investment approach and looking at the lifetime costs and lifetime trajectories of different groups.

Senator MOORE: And assessment of appropriate interventions, if that is required?

Ms S Wilson: That is right.

Senator MOORE: One of the more offensive terms that tends to be in the media—and that is one of the things we have passed up—is the concept of 'burden'. A number of times in the media there are media statements—and I have a number of them here—that talk about the 'burden' of the DSP and the 'burden' of ageing. When this happens, is there any process, either through minister's office or through the department, to actually respond to such statements? Are you aware of any departmental product that actually uses the term 'burden'?

Ms S Wilson: I am not aware of a departmental product that uses the term 'burden', Senator. But, again, we would have to have a look. Normally, our role is to provide advice on facts, figures and policy parameters, not language.

Mr Pratt: This is an article from a political correspondent. Generally, correspondents tend to write in more colourful, exciting language than we do. So, as Ms Wilson points out, we probably do not use terms like 'burden'.

Senator MOORE: When something of that nature is printed—and, unfortunately, it is printed a lot in that kind of emotive language—do the media organisations contact the department?

Mr Pratt: Sometimes they contact us for commentary on things they are going to put in their articles. Sometimes they seek information on current policies, facts and figures and those sorts of things.

Senator MOORE: When that term 'burden' is used, is the department or the minister's office—and I know, Minister, you are no longer in a ministry where this actually happens; they do not talk about the burden of the arts very often. But is there a response from ministers' offices to clarify emotive language of this type?

Senator Fifield: Is there a response from the minister's office?

Senator MOORE: Yes, ministers' offices—media consultancies. What I am trying to find out is this: when we have this emotive language placed out there into the community about the burden of ageing or the burden of the welfare system—which actually causes great distress, as you would all understand, in the community—is there a response from the minister's office or is there a process of response from the minister's office or from the department to counteract it or to actually make a proactive comment that this is not appropriate?

Senator Fifield: I guess on occasion a minister's office might raise that sort of issue with a publication.

Senator MOORE: In terms of the inappropriateness of the commentary?

Senator Fifield: In terms of the language. We are entirely on the same page when it comes to that word 'burden' and the implications that people can draw from it.

Senator MOORE: And from the department? Do you have a responsive position or only when asked?

Ms S Wilson: Our role is generally about facts and the accuracy of information, Senator. On occasion, we have provided information to newspaper outlets or others when they have got facts wrong and we have been concerned that people may have been misled. Other than that, we are asked on occasions, as Mr Pratt identified, to provide information again to journalists, either about policy or about data. We tend not to get involved in discussions about language or wordsmithing.

Senator MOORE: When you actually do contact the media when you have a concern, do they actually put retractions in?

Mr Pratt: On occasion, they do. They will correct things, yes.

Senator MOORE: That was a better answer than I had hoped for—they do. In terms of the work you are doing around the ongoing facts and figures and the combination between Mr Innis's group and Mr McBride's group, the focus is on the data and facts rather than assessment or is there an assessment component as well?

Ms S Wilson: We would make an assessment, comparatively, of Australia's expenditure—for example, vis-a-vis comparative economies in different areas. We would look to OECD documents and the like. We would provide advice about our trajectories and the elements of our system compared with projections or forecasts. We would provide advice and make an assessment about how likely this projection is to stand given what we now know two years in or should we work with the Department of Finance to update payment estimates, for example, because we are seeing different things emerge from what had been projected. We make assessments in that way.

Senator MOORE: As we said in earlier discussions, in recent statements or products the terms 'burden' or 'unsustainability' were not used? You are going to check that out for us?

Ms S Wilson: I am going to take that on notice and check it for you, Senator. I could not guarantee one way or another. It may well be that there is a particular area of expenditure which is far outstripping what had been anticipated that leads to a view from the department that something is unsustainable. But, in terms of published documents, I would have to look at—

Senator MOORE: In the last two years, has there been any expenditure area that would come under that category, Ms Wilson—something that was so outstanding—

Ms S Wilson: Not in my responsibilities, but from time to time within the department there has been, definitely, yes—particularly under previous MOG configurations.

Senator MOORE: But not recently?

Mr Pratt: When we were looking after child care function, there were things in the family day care space—

Senator MOORE: But that is not in the last two years, though, is it, Mr Pratt? Have you had child care in the last two years? It went and came back—

Mr Pratt: They sent it back in September.

Senator MOORE: And you had that view when it came back to you? Okay. Thank you.

Senator SIEWERT: I am going to put the rest of my overarching questions on notice. Can I go to issues around the number of people moved under the program of reassessing

people under the age of 35 and moving them off DSP. Can I have the number of people who have been moved in that program?

Ms Halbert: As at 31 December 2015, over 22,800 reviews had been finalised. Approximately 1,700 have been commenced but not finalised—

Senator SIEWERT: Sorry—that is 22,800 done?

Ms Halbert: They have been done.

Senator SIEWERT: And 1,700 have commenced?

Ms Halbert: They have been started but not yet completed. The cancellation rate from these reviews is around 10 per cent, so that is 2,450 people.

Senator SIEWERT: And when you say 'cancellation rate'—

Ms Halbert: They are expected to be cancelled.

Senator SIEWERT: Cancellation means completely off income support or moved to another payment?

Ms Halbert: Off that payment. That is the expected number once the review and appeal activity has concluded.

Senator SIEWERT: How many appeals have been received to date?

Ms Halbert: There have been—1,885 authorised review officer appeals have been lodged. That is an internal—

Senator SIEWERT: So that is the authorised appeal, did you say?

Ms Halbert: Authorised review officer appeal—that is a DHS internal process.

Senator SIEWERT: Quickly, off the top of my head, that is nearly two-thirds or something?

Ms Halbert: Two-thirds of the number cancelled—

Senator SIEWERT: Two-thirds of the number that have been cancelled have been appealed?

Ms Halbert: That is probably about right. Of those, 1,583 of the original decisions have been affirmed or the appeal was withdrawn and just nine per cent of the RO appeals have resulted in the decision being set aside—the original decision. Then there are 668 appeals which have progressed to the Administrative Appeals Tribunal for a first review. Of the 489 appeals that had been finalised, 387 or 79 per cent have been affirmed or withdrawn. In 102 or 21 per cent of those appeals, the original decision was set aside.

Senator SIEWERT: So in 21 per cent the original decision has been set aside?

Ms Halbert: Not by the AAT; additional medical evidence is produced by—

Senator SIEWERT: So there is 87 per cent affirmed and 21 per cent original decisions set aside?

Ms Halbert: It is 79 per cent affirmed and 21 per cent set aside.

Senator SIEWERT: Sorry—668 have gone to the tribunal, 489 have—

Ms Halbert: Have been finalised.

Senator SIEWERT: Of which 387—

Ms Halbert: That is right—387 have been affirmed or withdrawn, so the original decision was affirmed or it was withdrawn; and 102 have been set aside. One hundred appeals have been lodged for a second review with the AAT. Of those, 20 have been finalised and all have had the department's decision affirmed or the appeal has been withdrawn.

ACTING CHAIR (Senator Siewert): Of the 2,450 that have been cancelled, where have they gone in the system?

Ms Halbert: I do not have that here. I would have to take that on notice.

ACTING CHAIR: This is at the heart of the matter. What has happened to these people? Have they got jobs?

Ms Halbert: Some will have gone to employment and some will have transferred to other payments. We can get you those figures.

ACTING CHAIR: How soon can we get those figures? Can we get them before the end of today? This is a fundamental point. What has happened to these human beings?

Ms Halbert: We will endeavour to get those figures. I will let you know shortly whether we will be able to get it today.

ACTING CHAIR: What was the reason for cancellation?

Ms Halbert: I do not have that breakdown. That may be a question for DHS, I think. But, again, we can look into how quickly we can get that.

ACTING CHAIR: If you could get it—

Ms Halbert: It is the same—you will be cancelled off your DSP and you may be granted another income support payment. But the reason for cancellation will be that they do not meet the requirements under the new impairment tables once they are reviewed. In most cases, that will be the reason for cancellation.

ACTING CHAIR: Those who are under the age of 35?

Ms Halbert: That is right.

ACTING CHAIR: With that table, is it possible to get that information on how long the people affected have been on DSP?

Ms Halbert: I think that is possible, but it may take longer than today.

ACTING CHAIR: Thank you. In terms of the numbers of people, you have told me how many have been commenced or are still in the process. How many more have not been assessed yet that are still likely to be?

Ms Halbert: I do not think I have that figure. Originally it was expected that 28,000 people would be reviewed. I think the numbers I gave you before—the 22,800 and 1,700—are all those from that initiative that are expected to be reviewed. The numbers turned out to be a lot lower because a number of people had exited the payment before they were reviewed. So the actual cohort was smaller than expected when that initiative was launched.

ACTING CHAIR: Okay. Can you confirm how many more are yet to be reviewed?

Ms Halbert: I believe that is right—that is—

ACTING CHAIR: So that is it then?

Ms Halbert: That is right.

ACTING CHAIR: Then the government has indicated that they are now going to be looking at people over 35.

Ms Halbert: The minister has made comments.

ACTING CHAIR: Okay. The minister has made comments. That has not been decided yet, has it?

Ms Halbert: There is no current initiative on that.

ACTING CHAIR: I am just trying to be really clear. You are not at this current stage undertaking any work looking at anybody over the age of 35?

Ms Halbert: Any of those sorts of initiatives would be done in the context of the budget.

ACTING CHAIR: We were talking about new eligibility criteria. Are you able to tell me how many people—I am just going back to the issue we were talking about earlier—

Ms S Wilson: Senator, can I just clarify: the new eligibility criteria—

Ms Halbert: The changed impairment—

ACTING CHAIR: The revised impairment tables.

Ms S Wilson: They are not actually new eligibility criteria—they are updated impairment tables. The points have not changed, but how it is assessed has changed.

ACTING CHAIR: Not since the last time.

Ms S Wilson: Since 2012. The impairment tables have been updated. The points that you require to receive DSP have not changed since 2006, I think.

ACTING CHAIR: No, we have been through this a number of times and we are talking semantics here. We changed—there was a refinement to the impairment tables or a change to the process in 2012. There was also a change in the way that people who applied for DSP were assessed. You have to then go through the 18 months of proving that you cannot find work.

Ms S Wilson: We have changed the assessment process, we have changed the administration of the payment—

ACTING CHAIR: And what counts as your manifest disability.

Ms S Wilson: We have updated—we have changed the way the manifest criteria work and we have updated and revised the impairment tables.

ACTING CHAIR: Now that we have settled that, are you able to tell me now the number of people who are going through that process of the 18 months of trying to find work before they are considered for DSP?

Ms Halbert: This is the program of support I think you are talking about. In 2014-15 there were 3,254 DSP claims rejected on the grounds that the person had not completed a program of support, so they would have undertaken that program. We will have to get that for you. But that is an indication to you of the number of people who claimed DSP but were not able to get it immediately because they had not completed a program of support.

ACTING CHAIR: These are the people who applied and then had to go back and do it. Do we know whether then they have subsequently reapplied? This is 2014-15.

Ms Halbert: Some of those people will have reapplied. I do not have that figure here, but I have one number. In 2014-15, 2,185 people who applied for DSP were assessed as having completed, so possibly those two figures together—they claimed DSP and they had already completed a program of support in 2014-15. Of those, 2,086 were granted DSP.

ACTING CHAIR: So nearly all of them?

Ms Halbert: Yes.

ACTING CHAIR: Do we know what happened to the 100 who were rejected?

Ms Halbert: They would have reclaimed another payment if they were not working. I am sorry; the number I gave you before is the people who were rejected—over 3,000 rejections. For 2014-15, 516 of those people ended up receiving DSP and 1,779 were receiving Newstart allowance as at June 2015. Those numbers will not add up to the exact number I gave you, because it is a different period, but—

Senator SIEWERT: Some may have disappeared from this system—is that what the point is there?

Ms Halbert: No, I do not think so. The figure I gave you a bit earlier is just a slightly different period. That is the 3,241. Some of them will have gone on to other payments beside Newstart Allowance.

Senator SIEWERT: In terms of the assessment process for people applying for DSP, is there a time limit that DSS sets on the period of time for that assessment to occur?

Ms Halbert: There are timeliness standards for the assessment claims. Clearly, particularly with Disability Support Pension, the claim process can be quite protracted and complicated because of the evidence that the person needs to provide and getting specialist evidence. But we do have timeliness standards that we agree with the Department of Human Services.

Senator SIEWERT: Can you tell me what they are? I have had a lot of complaints about this.

Ms Halbert: I am not sure that we have that on hand with us. We will get it for you as soon as possible. It is part of our bilateral management agreement with DHS. I just do not have that agreement and the KPIs and standards with me.

Senator SIEWERT: I really particularly would like to know and talk about that before we get to DHS tonight, because it is very pertinent to a lot of the complaints that we have been receiving.

Ms Halbert: As I say, it is readily available.

Ms S Wilson: We can get that for you, Senator.

Senator SIEWERT: That would be appreciated. Have you done any analysis then of the people who have been rejected from DSP and have then presumably gone onto Newstart or youth allowance? Have you done any work on how long those people with a disability who are rejected are on Newstart and whether they are then managing to gain employment? What is happening to that group of people? They clearly have a disability—they just do not meet the requirements.

Ms S Wilson: I will see if Ms Halbert has something on it.

Ms Halbert: I do not think we have that here. We would be able to look at that, though. As I said to you before, we have where they are going after they exit from DSP and the average duration on DSP. I will just have a look at Newstart to find out whether that shows the figure you are looking for.

Ms S Wilson: We may need to break down some overall information that we have about the Newstart partial capacity to work and the youth allowance partial capacity to work groups and their duration. I just do not know that we have it in the form that you are seeking. But we will endeavour to get that for you. We need may need to take that on notice, I am sorry.

Senator SIEWERT: Okay—can you have a look at that. I am obviously keen to—again, I have had a lot of complaints from people who have a disability and who are on Newstart and cannot access DSP, their ability to engage with paid employment and the length of time that they are on Newstart.

Ms S Wilson: I have got—it does not directly relate to the specifics of your question, but we do know that, for the under 35s who have the compulsory participation requirements, of those who have chosen to participate in disability employment services as their activity, as at December last year around 3,182 job placements had been made for that group. Then 2,055 13-week employment outcomes and 1,210 26-week outcomes were achieved. So we do have some evidence of people being placed in employment as a result of having a participation plan and a compulsory activity—these are people who were on DSP.

Senator SIEWERT: Out of what cohort was that 3,182?

Ms S Wilson: I would have to look at—I do not have it with me. I will see if I could get that for you on notice.

Senator SIEWERT: I am obviously looking at—it is great that these 3,000 people have—

Ms S Wilson: It is what is the base and over what period.

Senator SIEWERT: Exactly—thank you. I am interested in that, obviously, but I am particularly interested in this instance in that broader cohort of people who have not been able to access DSP but they have a disability or a partial disability.

Ms Halbert: For partial capacity to work, out of the 113,436 Newstart and youth allowance (other) recipients—

Senator SIEWERT: Was that 113,436?

Ms Halbert: It was 813,436. Of those, 165,647 were assessed as having a partial capacity to work. They will not all be people with a disability, though. They may be people with temporary partial capacity to work et cetera or parents who have reduced capacity to look for work. Within that, I think we can get a breakdown. We will see what we can get you as quickly as we can on those who actually are people who have claimed DSP previously.

Senator SIEWERT: Thank you. I do have a number of other detailed questions that I will put on notice. Chair, can I throw to my colleagues while I just double-check if there are any of the ones that I am intending to put on notice that I want to ask now.

Senator Fifield: Chair, can I just add to an earlier answer. Senator Moore was asking about the newspaper article that had the word 'burden' in the title. I have checked with Minister Porter's office. Minister Porter's office did make contact with the newspaper to point out the inappropriateness of the word 'burden' and how that word in the headline did not

reflect anything that Minister Porter had said. That is just further to the point that ministers do from time to time take these matters up with newspapers and Minister Porter ensured that his office did.

Senator MOORE: Thank you—I appreciate that, Minister.

CHAIR: Thank you for that clarification.

Senator MOORE: I have questions on carers. I passed up an article which purports a lot of things that Minister Porter said, but I particularly want to take up the paragraph about carers. On 15 October the minister was quoted in the *Age*—which you have—as indicating that he is looking for savings in his portfolio, including by making changes to the carer payment and/or carer allowance. Has a reference group been set up to investigate eligibility for carer payment and carer allowance?

Ms Halbert: As we discussed at the last estimates, I think, there is an improved assessment process being undertaken that is about looking at the tools that we use to assess the care needed and the care being provided et cetera. That is a process that is going on from now with a view to implementing in 2018. We set up a reference group of key stakeholders to consult on the first stage of the review. That is now complete. We will be moving into the second stage of the review. As I said, the outcome of this—the tools have not been updated for a long time and this is to refresh and make them more contemporary with the input of carer groups and others along the way. The intention is that a new tool—one or maybe two—will be available and be implemented from 2018. Currently we have two tools—one for adult and one for child. Part of the discussion is whether that is appropriate and still required. But that is ongoing.

Senator MOORE: These are adult and child carers or—

Ms Halbert: The people being cared for.

Ms S Wilson: The people caring for children and adults.

Senator MOORE: So the carer status is the status of whether they are caring for an adult or a child—is that right?

Ms S Wilson: That is correct. We have a tool used for carer payment for children and for adults and the same tool is used for carer allowance. There are different scores or different ways in which they work for eligibility for each of those. So we are looking at whether we need to update, modernise and refresh the tools; how well they are working; and what other information is available that could be used to reduce the red tape burden on individuals—information that is captured in other places.

Senator MOORE: And the form, Ms Wilson? The much-maligned carers—

Ms Halbert: The form is in scope.

Senator MOORE: That is part of the discussion?

Ms S Wilson: That is part of the whole process—certainly, Senator.

Senator MOORE: The reference group—was that the term you used, Ms Halbert? There are so many descriptions. Is the reference group going to continue as a reference group for the second part?

Ms Halbert: We have said we may come back to them at certain points in the process. Their input was important in that first scoping exercise to work out what should be in scope and what should not be in scope and some of the issues that they have been encountering across the group. Our next phase is to start looking at the very technical side of the tool et cetera. But we have said to that group that, as required, we could reconvene to get further input from them.

Senator MOORE: Have you given me the people who were on that reference group?

Ms Halbert: I believe I did, but we can give it to you again.

Senator MOORE: That would be good. How big is it?

Ms Halbert: It is Allied Health Professionals Australia, the Australian College of Nursing, the Australian Physiotherapy Association, Carers Australia, Children with Disability Australia, COTA Australia, First Peoples Disability Network Australia, Mental Health Australia, the National Ethnic Disability Alliance, Occupational Therapy Australia and The Royal Australian College of General Practitioners. We had a couple of groups who declined to be involved. Above and beyond the reference group, we also had a broader group of stakeholders—I can give you that, but I will not go through the whole list—who we consulted. It was one each, I think, in Sydney and Melbourne.

Senator MOORE: Carers Australia was on that group, weren't they?

Ms Halbert: Of course.

Senator MOORE: The focus of this is to change the tools. I am sure this came up from the reference group. In line with some of the comments that were made in that article and elsewhere—although it may well have been taken out of context—there has been some concern in carers groups about whether it is an attempt to cut the numbers on payments and whether to pull it back. Has that concern been raised with the department or with the minister? I know, Minister, that you cannot say. Has the concern that this is an attempt to cut the numbers on carer payment and carer allowance been raised in the discussions?

Mr Pratt: Not to my knowledge.

Ms Halbert: I believe it did come up in very early stages. I do not think it was Carers Australia. But it certainly was not a persistent concern in the discussions we were having with the reference group.

Ms S Wilson: It is worth reflecting that when the tools were first developed—I was actually involved when they were first developed—similarly, we had a reference group that looked at how they would work and what sorts of thing should be taken into account et cetera. At the outset of that process, people were concerned about what the intentions were. But the intention is to have a tool that works well for the people who have to fill it out and the people for whom it is assessing their needs; that it works well for the system; and that it reflects current, up-to-date information about different diagnoses, medical conditions, care needs, technology et cetera that are part of the consideration and that you need to capture.

Senator MOORE: Through this discussion, has there been any element of discussions about further support or wrap-around support for carers or is it purely just on the assessment?

Ms Halbert: Certainly it came up in the context of what we were trying to achieve. I have to say that it was out of scope for this particular exercise.

Ms S Wilson: This is focused just on the tools themselves and how we assess eligibility.

Senator MOORE: Minister, has the government made any proposals to change eligibility for carer payment or carer allowance?

Senator Fifield: I am not aware, Senator.

Senator MOORE: In particular, one of the ones that is doing the circuit is that there would be consideration of abolishing the carer allowance. Has the government given consideration to that?

Senator Fifield: I am not aware. We have the carer allowance, which is in place.

Senator MOORE: Has any proposal gone to cabinet about these issues?

Senator Fifield: Senator, as you know, we do not comment on cabinet processes and what may have or may not have.

Senator MOORE: Can the government make any assurance to carers that they will not be kicked off the carer payment or carer allowance?

Senator Fifield: I am not aware of any proposition to that effect.

Senator MOORE: I know that you said, Ms Halbert, that this is a two-part process and that you are going into the really technical aspects. Will there be any decision about making any of the information that is gathered in this process public?

Ms Halbert: This phase that we are in is developing and testing the new assessment process. As I mentioned to you, we are willing to go back to the reference group to test what the new tool is looking at. It would be a decision for government whether it goes more public than that. But certainly we intend it to be a consultative process.

Senator MOORE: Minister, can we put on record that we would like to have as much of the information about the process as possible made public.

Senator Fifield: Sure.

Senator SIEWERT: Can I go back to the DSP issue. In terms of the breakdown of the numbers for those under 35, are you able to break that down into Aboriginality—how many identified as Aboriginal?

Ms Halbert: I cannot do that here, but we most likely can. I would have to take that on notice for now. We will see if we can get that quickly. If we cannot, we will let you know.

Senator SIEWERT: That would be appreciated. Of those that are appeal numbers, can you also break that down and let us know—

Ms Halbert: For Indigenous Australians?

Senator SIEWERT: Yes. That would be appreciated. This may be a question for DHS—I do not know. I will try it here and then you can tell me. We have had examples of people who, when they change their address, have been required to submit application forms for essential medical equipment allowance. Is that—

Ms S Wilson: That is a question for DHS, Senator.

Senator SIEWERT: I was just wondering whether that was a policy thing. So that will go to DHS. Can I ask about the legislation about psychiatric confinement and where the

legislation that ceases access to DSP for people who are detained via mental impairment legislation is now—what is happening with that legislation?

Ms Halbert: That legislation was introduced on 28 March 2015. It was introduced to the Senate on 15 June and debate commenced on 10 August, but it has not yet been voted on in the Senate.

Senator SIEWERT: I know that.

Ms Halbert: That is the current status.

Senator SIEWERT: Minister, is there a will from the government—are they intending to proceed with that? Is the government still intending to push through with ceasing DSP for people who are detained via mental impairment legislation?

Senator Fifield: I am not aware of any change.

Senator SIEWERT: Has the government looked at what support is going to be available if the legislation proceeds—I say 'if'—and whether they would be providing support for those transitioning out of detention?

Ms Halbert: I think that, when we discussed the legislation before, the intention was that, although you would not be receiving a payment while in psychiatric confinement, as you were transitioning back to the community, at a trigger point we would start to pay the income support again. That was going to be contained in an instrument. We have had discussions with the states about the best way to do that—whether it is a number of days or a gradual increase of income support. But the intention always was that we would support the transition back to the community.

Senator SIEWERT: What has been the resolution? Has there been a resolution of that and, if so, what is it?

Ms Halbert: No, it has not yet been resolved. We are in discussions about that.

Senator SIEWERT: Do you think it will be resolved by the time we may or may not get to vote on it?

Ms Halbert: If the legislation is passed, the instrument will have to be made and it will have to be resolved then, yes.

Senator SIEWERT: So there is no timeline yet on that?

Ms Halbert: It is still before the parliament at the moment.

Senator SIEWERT: You have not yet found the timeliness guidelines?

Ms S Wilson: We are still finding them. I am sorry, Senator—we did not come prepared on that one.

Senator CAROL BROWN: I want to ask some questions about the pension portability changes. What is the purpose of the measure?

Mr McBride: The purpose of the measure is to ensure that our payments to pensioners better reflect the contribution they have made to Australia during their working life and to ensure sustainability and better alignment with international practice.

Senator CAROL BROWN: From my understanding, if you have worked here—is it worked or lived here for 35 years or more?

Mr McBride: Lived.

Ms S Wilson: Lived here during your working age years.

Mr McBride: Between 16 and 65.

Senator CAROL BROWN: So it is not necessary that you have worked for 35 years; just lived here?

Mr McBride: Yes, Senator.

Senator CAROL BROWN: They are not included in this, are they—those who have lived here for 35 years or more?

Mr McBride: They would get unlimited portability at the full rate. We have done a mud map of how the process works if that might help.

Senator CAROL BROWN: That would be good.

Senator MOORE: This mud map is going to make it very clear to us.

Mr McBride: That is what it aspires to do, Senator.

Senator SIEWERT: Don't make promises you can't keep.

Mr McBride: We tried our best.

Mr Pratt: It is way better than many that we do.

Senator SIEWERT: I am just not going to bite on that one.

Senator CAROL BROWN: How did we arrive at 35 years?

Mr McBride: We have looked at international practice. It was previously 25 and it was recently put up to 35. It is difficult to make comparisons between the Australian system and international systems, because most of those are contributory—you pay during your life and then you are entitled to that pension. Notwithstanding that, some countries only allow your pension portability if there is a social security agreement. So international practice is mixed at best and the Australian system is a little bit out of whack, because we do not have that contributory system. But, in looking overseas, we thought that the 35 years which is in place now better reflected international practice. The difference that this measure makes is that pensioners have unlimited portability—it is a question of when it is proportionalised. If you go overseas and you have the pension for indefinite periods, after six weeks we say that the amount of pension that you are entitled to should reflect the period between 16 and 65 that you spent in Australia. So, if you only spent 10 years in Australia and then went to live the remainder of your retirement overseas, you would only get 10/35ths of the Australian pension. You can have the pension for as long as you want overseas, but after six weeks we say, 'How much pension should you be entitled to?', and the pension will reflect the time that you contributed to Australian society. Unless you get to 35 years, we—

Ms S Wilson: It is proposed that it will be proportionalised.

Senator CAROL BROWN: By 'contribution', you mean 'lived and worked', not necessarily just 'worked'?

Mr McBride: Yes, Senator.

Senator SIEWERT: Is the question then: 'How did you pick six weeks?'

Senator CAROL BROWN: That is my next question. What is the rationale for the six-week limit?

Mr McBride: It is more in line with the way we approach—

Ms S Wilson: General portability.

Mr McBride: portability more generally. It operates slightly differently here in that for other portability requirements your payment is stopped. Here, we pause and work out the extent of your entitlement. For example, DSP: after a period of time overseas you are not entitled to the payment. We do not do that with the age pension—

Senator MOORE: Unless there are certain—

Ms S Wilson: Unless you meet certain criteria—

Senator MOORE: Yes, there are restrictions.

Mr McBride: True. But with the age pension we do not stop the payment. But at that point, which is roughly aligned with the other portability requirements, we say, 'It's time to proportionalise it, based on your Australian working life residence.

Ms S Wilson: Currently, it is 26 weeks and the proposal is to go to six. The proportionalisation already operates at 26 weeks overseas.

Mr McBride: At the moment, you can go overseas on a full pension for 26 weeks before we look at what pension you should be getting over the longer term. That will be reduced to six weeks.

CHAIR: Senator Brown, we are just past the time for a break. If you have a lot more I think it would be better if we came back after the lunch break.

Senator CAROL BROWN: I think we will come back then, because I am not sure what the answers will be.

CHAIR: No problem. We will suspend now and we will come back in one hour's time.

Proceedings suspended from 12:32 to 13:32

CHAIR: We will recommence. Senator Moore and Senator Brown were going to continue with some questioning.

Senator CAROL BROWN: We are back to the pension portability changes. How many people will be impacted by this measure each year?

Mr McBride: About 190,000 customers over the forward estimates period.

Senator SIEWERT: Sorry, what was that?

Mr McBride: It is 190,000 over the forward estimates period.

Senator GALLAGHER: That is how many people will be affected by the changes?

Mr McBride: Yes.

Senator GALLAGHER: Is that will be disadvantaged by those changes?

Mr McBride: Yes. Or will have a reduced payment by virtue of the changes.

Senator GALLAGHER: So 190,000 people will have a reduced payment. Do you have the average reduction across those 190,000, or is it standard?

Mr McBride: We do not have that here. It is something we can give on notice.

Senator GALLAGHER: You have not done that?

Mr McBride: It will be different. It will not be a standard rate. It will be dependent on the time during their working life that they have spent in Australia.

Senator GALLAGHER: Sure.

Mr McBride: And that will affect their payment. So that is an aggregate figure. We do not have an average figure here.

Mr Pratt: We could take that on notice.

Ms S Wilson: We could take that on notice.

Senator GALLAGHER: So you do not have it in your papers?

Ms S Wilson: No.

Senator SIEWERT: So is that the number that you estimate had been here under 35 years?

Mr McBride: These are the people that will go overseas for a period of greater than six weeks. Beyond that six-week mark, they will have their pension reduced by virtue of the fact that they have been in Australia during their working life less than 35 years.

Senator CAROL BROWN: So that is each and every year 190,000?

Ms S Wilson: No. It is over the forward estimates.

Mr McBride: Over the forward estimates.

Senator CAROL BROWN: In total?

Mr McBride: In total.

Senator GALLAGHER: And do you have any breakdown of who these people are and where they are travelling to? I am getting quite a lot of feedback from various migrant communities about what they are hearing about this. I am just wondering whether the department understands the who, where and how of that 190,000. What migrant communities, essentially, have been largely affected by this?

Senator CAROL BROWN: Countries of origin I think we need.

Senator GALLAGHER: Yes.

Mr McBride: We do not have that here. These people will not necessarily go back to their country of origin. It could be an extended holiday beyond six weeks. It might be an Australian resident or someone who was born in Australia that has spent a considerable part of their working life overseas who comes back to Australia. So it will impact on different people differently. It will not necessarily be the case that they go back to their country of birth.

Senator CAROL BROWN: Can you provide a list of the country of origin of those that are impacted?

Ms S Wilson: Senator, we will look at what we have. I cannot give you—

Senator CAROL BROWN: You must have some detail.

Ms S Wilson: We would have had some estimates of patterns of departures that we were able to base the estimates of the impact on. I am just not sure how granular that information is in respect of things like country of origin. So we will look at what we have and come back to you on notice.

Senator GALLAGHER: And the average reduction across the affected 190,000 people.

Senator CAROL BROWN: Can we have the information that you based the 190,000 calculation on? So you will provide that?

Ms S Wilson: Sorry, can you repeat that, Senator?

Senator CAROL BROWN: The information that you used to come to the figure of 190,000 people being impacted across the forward estimates. Can we have that information?

Mr McBride: A year-by-year breakdown?

Senator CAROL BROWN: Yes.

Mr McBride: Or a list?

Senator CAROL BROWN: What communication have you had with the members of those communities about the changes?

Ms S Wilson: I guess DHS is the organisation that principally communicates with pensioners who are impacted by changes. It would be in their general newsletter material.

Ms McLarty: Yes. It would normally be in DHS's newsletters to age pensioners and those sorts of things. They would have information on their website. I am not sure whether they would have started that yet until the legislation has passed, so that would be a question for them.

Senator GALLAGHER: Do you provide information to DHS? Is that how it works?

Ms McLarty: Yes.

Senator GALLAGHER: You have done that work?

Ms S Wilson: Yes. Certainly, Senator. We work with them on the costings and the estimates, including if there are any implications for their service systems and their call centres et cetera. If the measure is passed, that is when we talk very specifically about what the ongoing communication would be. Often with such a change like this it happens when people ring to ask what the rules around portability are, because they have to notify of departures et cetera. So it is one of the things that the discussion would be around—what the impact would be on their payments.

Senator GALLAGHER: So DHS does the delivery, essentially. Your responsibility is to provide advice. In terms of a communication strategy, is that left with DHS? Do you provide the content?

Ms S Wilson: Often we will check the content. Often there is to and fro about the content to make sure it is accurate. We will do a facts sheet. We update the guide to the Social Security Act, which is what their staff use to help them in their decision-making. A range of products flow when there is a legislative change.

Senator GALLAGHER: In the advice you might provide to DHS around these changes, have you suggested a targeted communication strategy to particular groups? Of the 190,000, have you suggested that there needs to be some targeted communication to particular communities?

Ms McLarty: No. We have not.

Mr McBride: This is something that they would do of their own volition. Communication with their cohorts is one of their key roles.

Senator GALLAGHER: All right. I am trying to understand whether as the policy arm you would have a responsibility there. But we can ask DHS.

Mr McBride: The responsibility is there. But we work with them while these initiatives are being developed and in the period afterwards so they have the correct understanding of how the measure would operate. But how they then communicate that to their DHS—

Senator GALLAGHER: But you would have an interest in making sure that those changes were communicated effectively to affected communities?

Mr McBride: And, as Ms Wilson said, we often fact check any product that they develop to communicate.

Senator CAROL BROWN: Is part of that the work you do when you are liaising with DHS on these changes? Is an element of the information provided in different languages when you are talking about rights?

Ms S Wilson: DHS has a range of modes of communication which include translated product.

Senator CAROL BROWN: But that is not something that you would suggest?

Ms S Wilson: No. Well, they do as a matter of course.

Mr Pratt: It is a standard part of their practice.

Senator CAROL BROWN: So have you spent any resources on communication about this measure?

Ms S Wilson: Well, not yet. It is in prospect, so I guess it was announced as an intention of government. There could well have been some correspondence about it that we have replied to. But in terms of communication with affected groups, that normally happens after legislation has been passed.

Senator CAROL BROWN: So do you have any funds put aside?

Mr McBride: That would be DHS.

Ms S Wilson: That would be DHS.

Senator CAROL BROWN: So all the communication will come from DHS?

Mr Pratt: That is right.

Senator CAROL BROWN: Thank you.

Senator MOORE: I have a couple of questions on the family tax benefit. With regard to the previous issue about communications, and particularly for this group, now that DSS has settlement services as part of your portfolio, is there any more interaction in terms of their knowledge of migrant groups and migrant associations in Australia? Is that kept separately?

Ms S Wilson: Well, we work with them on occasion when things cross boundaries. Their focus is principally humanitarian entrants and new arrivals. So this is really a measure that is going to impact largely on people.

Senator MOORE: My understanding is, though, they had quite a good network of the existing communities in Australia simply because of that interaction between new communities and more established ones and that they work very closely. I just thought that

perhaps it was a knowledge base in terms of communications and networks that would be useful in the department.

Ms S Wilson: Certainly, Senator, that is possible. I think DHS also has and would cross over a fair bit with that network.

Senator MOORE: The ethnic liaison units, yes. I have a couple of questions on the family tax benefit that really cover what we talked about at the last estimates. Last year, we tried very hard to get the department to provide to the committee detailed cameos it had done on the impact of the proposed changes to the family tax benefit. Since then, two FOIs have also been unsuccessful. Is there any particular reason that the department is not able to release the work already done so that we can see the impact on families? We had a long discussion and I am not going to go over it. What is the rationale for our inability to get the cameos and the work—I do not want to use the 'modelling' word—that the department has done? What is the reason?

Ms S Wilson: We are very happy on notice to look at answering questions in relation to a particular scenario. But there are so many variables in looking at impacts on groups—depending on income, whether they are on income support, whether they are in work, numbers of children, age of children, income splits within household, whether private renters, whether public renters, whether home owners—that we cannot provide a general answer. We have to look at the specifics of the question, whether we have that information available and the effort required to answer that question, as we do with any other question that we take on notice. So there is no general answer in relation to, I believe, the sort of questions that have come forward, which go to the impact on families. We need specifics.

Senator MOORE: It is one of those areas where I think we could be talking in different languages, because the very reason we want the information is to see the impacts across all possible groups of families. The reason we cannot get the information seems to be that because there are so many variants of the impact, it is too—I will not say difficult—onerous to actually gather all the information together. So we are in this vexed position. From the start, we were asking about the impact to families of these changes. We talked at length, which I am not going to do again, about why and how. But it is still the department's position that because we cannot narrow our question down, it is impossible for the department to answer.

Ms S Wilson: We have given you answers, I believe, in the past about average impacts and numbers affected.

Senator MOORE: Yes.

Ms S Wilson: And we are able to do that. That is easily available. But the broader questions are more challenging for us because of those variables that I talked about.

Senator MOORE: We have standard questions we will put on notice about maximum rates of impact and numbers and all those things, which are there. But it is really the complexity of the range of impacts that we are seeking because the changes are so wide-ranging. On Wednesday, 21 October, Mr Porter said in parliament—I do have a copy of the *Hansard*:

...all FTB A families will receive \$10 more a fortnight. That is, 1.5 million Australian families will receive \$10 more a fortnight.

Is that accurate? Will all families be better off by \$10 a fortnight?

Ms Halbert: In terms of the FTB A, all families would receive that if they are maximum rate families. All families will receive an increase in their fortnightly amount.

Senator MOORE: But if they are not maximum rate, Ms Halbert?

Mr Whitecross: The 1.2 million families who receive more than the base rate will get the \$10.

Senator MOORE: One point two million?

Mr Whitecross: One point two million.

Senator MOORE: The minister's statement in *Hansard* is 1.5 million. Is there some particular group that is not caught? I am not going to be pedantic.

Mr Whitecross: Well, I think 1.5 million is probably the total number of families receiving FTB A. But ones who only receive the base rate would not get the—

Senator MOORE: Would not get \$10 a fortnight?

Mr Whitecross: Would not get the \$10. There may be people at the margins of that who are currently getting the base rate who may get the \$10 because the extra \$10 might move them from the base rate to a tapered rate.

Senator MOORE: Sure. How many families will actually receive the increase? That is the 1.2 million?

Ms S Wilson: Yes.

Senator MOORE: And how many families will lose supplements but not receive an increase?

Mr Whitecross: All families who are receiving FTB receive a supplement unless they are not receiving the supplement because they have failed to comply with one of the conditions on receipt of the supplement, such as immunisation or the Healthy Start for School.

Senator MOORE: You have to tick those boxes to get the payment?

Mr Whitecross: So there will be some families who do not currently get the supplement, but, generally speaking, all families get the supplement.

Senator MOORE: Of the 1.6 million families that will lose their FTB supplements, how many of those families have children in child care?

Ms Halbert: I would have to take that on notice.

Senator MOORE: I would expect so, Ms Halbert.

Ms Halbert: I am not sure.

Senator MOORE: But that would be a stat that we would be able to get, would it not, from the childcare records?

Mr Whitecross: We can certainly get that. I just do not have it.

Senator MOORE: I understand that. But just from the data records we have talked about before, I would have thought you could cross those.

Mr Whitecross: Yes. It is the same assessment process.

Senator MOORE: Of the three million children who will lose their supplements, how many are in child care? If I am clear, how many are of an age where they are likely to access child care? The fact is that they may be of an age to access child care.

Ms Halbert: We will take that on notice.

Senator MOORE: What proportion of the total number of children is that? I am happy for questions 4 and 5 to go on notice.

Mr Whitecross: When you say could possibly access child care, that is a bit difficult—

Senator MOORE: I know. I understand.

Mr Whitecross: because there is not really any age limit on access to child care.

Senator MOORE: I would say birth to four.

Mr Whitecross: So how many zero to four-year-olds, effectively, is what you are asking?

Senator MOORE: If I have a variation to that question, I will put it on notice to make it clear, if that is okay, just so we know what we are asking. They are the only ones I have on family.

CHAIR: Would you like to deal with those out of home as well?

Senator SIEWERT: No. I will ask about them next week at the inquiry.

Senator CAROL BROWN: We have some questions on the treatment of income from defined benefits superannuation schemes. Does the department have data on the impact of the changes to the treatment of income from defined benefits?

Mr Whitecross: As at 1 January 2016, 46,366 DSS recipients received a reduction in pension allowance by an average of \$86.46 a fortnight, and 1,572 recipients had their payment cancelled.

Senator CAROL BROWN: So they all were cancelled. Are you able to provide information to us about the number of pensioners across income brackets at all? I am interested in knowing the average income for people who have been impacted and by how much.

Mr Whitecross: Well, I think we know who has been impacted, so I suppose it is possible to do some sort of breakdown by assessable income.

Senator CAROL BROWN: With regard to the information you have just provided, is that the only way you keep this information? You do not monitor it along income brackets?

Mr Whitecross: This is done as a change to their income assessment. The income assessment is recorded into the Centrelink system. We can get management information from the Centrelink system, so we certainly would know what assessable income they had before or after the change. So we could certainly do that.

Senator CAROL BROWN: I am interested in their average annual income and the amount of the impact—the reduction.

Mr Pratt: Do you want the average income they generate from the defined benefits scheme?

Senator CAROL BROWN: That is right.

Mr Pratt: And, apart from that, the loss on average?

Senator CAROL BROWN: Essentially the pension they receive from their defined benefit scheme.

Mr Whitecross: The average reduction I mentioned before is \$86.46 a fortnight.

Senator CAROL BROWN: That is on average. Say somebody is on a pension of \$11,400. What is the impact of these changes on them? How much would they lose, if they would lose?

Mr Whitecross: Okay. For a specific level of defined benefit pension, in a range, we could work out an average. I guess the caution is that there is not any direct relationship between the size of someone's defined benefit pension and the impact of this change on them because that would depend on the particularities of the defined benefit scheme they are in and how much pre-1983 service they might have had in relation to it. We could calculate an average, but it is whether the average would be very meaningful. You could not then turn around and say someone else with a defined benefit of \$11,000 would get the same reduction as the average. You would have to look at their specific circumstances.

Senator CAROL BROWN: I think I would like to go down this exercise, because what you have said is over 46,000 people have been impacted on an average of \$86.40 per week.

Mr Whitecross: Per fortnight.

Senator CAROL BROWN: Per fortnight, sorry. And 1,572 people have had whatever pension they received from the government cancelled altogether. That is a small amount of 1,572 into over 46,000. I am trying to work out where all this impact really is occurring. You must be able to give me something that is going to make it much clearer than the information you have provided here.

Mr Whitecross: We can tell you information about the range of sizes of defined benefit income streams. We can tell you things about the range of sizes of the total assessable income, because these people have usually got other sources of income as well as the defined benefit income stream.

Mr Pratt: Would it be helpful, Senator, if we were to look at the affected group and to, say by \$10 per fortnight increments, tell you how many lost \$10 per fortnight, how many lost \$10 to \$20 per fortnight and \$20 to \$30, or something like that?

Senator SIEWERT: Yes. That would be useful.

Senator CAROL BROWN: Is it possible to get that state by state?

Mr Pratt: We will have a look at it.

Mr Whitecross: We will look at that. It will go to the size of the job. Yes, we can look at that.

Ms S Wilson: We will have a look at what we can do, Senator.

Senator CAROL BROWN: Thank you.

Senator SIEWERT: The average is \$86. Did I get that right?

Mr Whitecross: It is \$86 a fortnight.

Senator SIEWERT: A fortnight, yes.

Senator GALLAGHER: I have a couple of questions on the carers payment. I will be very short. I know that the issues have been covered today. Were there questions asked around the projected growth of the carers payment and carers allowance?

Mr Pratt: We did not talk specifically about that. It was implicit in the article.

Senator GALLAGHER: Yes. I noticed the article said that it had been growing at 14 per cent per year over the past decade. I was not sure whether that combined carers with the DSP.

Mr Pratt: I think that is specific to the carers payments. We can probably tell you what that growth rate is. It is probably the fastest growing of the major payments.

Senator GALLAGHER: Because the figure I remembered—I have just gone back to have a look—was in the Commission of Audit. It said that the carer payment and carer allowance was nearly \$7 billion in 2013-14 and beyond. The forward estimates are now projected to grow at a rate of about seven per cent per year out to 2023-24. Was that seven per cent figure moderating the 14 per cent figure?

Mr Pratt: It could be a range of things. The 14 per cent figure could be looking backwards as to what has happened over that period. The seven per cent figure could be a projection forward. It is also possible that they are counting different things. One could be all carers payments and one could be the carer allowance, or something like that.

Senator GALLAGHER: Yes. It is hard to tell. Do you understand what is involved in that 14 per cent figure in the paper?

Mr Pratt: I cannot confirm what is in that media report. It suggests that Minister Porter said it was growing at 14 per cent per year. We would need to go and check what he said.

Senator GALLAGHER: I am just wondering whether that is accurate. It seems to be double what—

Mr Pratt: I am sure that if Minister Porter said it, it is correct.

Senator GALLAGHER: I am sure it will be. I am just wondering how that reconciles with—

Mr Pratt: With the seven per cent.

Senator GALLAGHER: With the seven per cent. It is an extraordinarily high figure. That means the carers payment is growing faster than, say, acute care in hospitals by nearly double.

Ms S Wilson: I have carer payment growth for the period from the change from 2013-14 to 2014-15. So this is an actual. For the carer payment, there was 9.1 per cent growth. I do not have the carer allowance with me; I apologise. But it certainly has been the fastest growing area of growth in payments—both the carer payment and carer allowance. I do not have with me a further breakdown on that, I am sorry.

Senator GALLAGHER: That is growth in the carer payment?

Ms S Wilson: That is the carer payment. For the period 2013-14 to 2014-15, it was 9.1 per cent. And it is estimated for 2015-16 to be a 10.7 per cent growth in outlays.

Senator GALLAGHER: So could you on notice just have a look at that 14 per cent figure over the past decade and how it relates to the Commission of Audit figure that was used, which I presume has picked up data from your department along the way? We are not

quite sure what the projected growth is. You have not done any work on projected growth over the next decade?

Mr Pratt: As was answered earlier, we probably have done projections over the next four years, the forward estimates period.

Senator GALLAGHER: Four years. I understand. Could you do it for carers payments as a whole? I understand you are doing some work around that, as implied in the article quoting the minister. My question relates to whether there have been parameters around the work you are doing—high-level principle work around any changes that would be made.

Ms S Wilson: We were asked some questions earlier in response to Senator Moore about the work being done on the assessment tools. It really is a case of updating, modernising and refreshing them; looking at how well they work; whether there is new information in terms of practice diagnosis, assessment and technology that would help us redevelop them; how they work from a managing the system perspective; and how do they work from a client and customer perspective. So that work is ongoing.

Senator GALLAGHER: My question is more specifically about whether or not restrictions or parameters have been put on that—for example, a no-disadvantage test. Sure, have a look at how you can adjust these payments, modernise and streamline, but within the realms of carers not being worse off at the end of the day.

Ms S Wilson: We have not got a result from that work yet. I guess with any revision one needs to take account, as we did in our work on a range of other assessment processes, of how it affects people who are currently in the system if there is a change at a review point versus going forward and how would it affect new entrants. They are really decisions that government would make at the end of that process. We have not got to that yet.

Senator GALLAGHER: From experience, when looking at adjusting concessions or payments, it is not uncommon to have restrictions about what that work looks at and how that work is approached. For example, yes, we need to modernise, we need to reform, and we need to streamline—I understand the work that is being done around that—but against a context of not disadvantaging the 220,000-odd people in receipt of these payments. You can change and reform and review without people being worse off at the end of the day.

Mr Pratt: The options open to governments, when looking at changes of that sort, include what we do for people who are in the current system. Do we grandfather them? One option is we just leave them on the current system until they move on to another payment, get a job or whatever. So they do not get affected by the change; it only applies to new entrants, as Ms Wilson was talking about. Another option is that we potentially can freeze them at that level, so they do not go backwards, but they do not advance. Another option is they stay on it for a period and then it adjusts. Or they could be indexed at a different rate. So all of those things do get thought about.

Ms S Wilson: By way of example, when the carer allowance was introduced and there was a transition from what was then the child disability allowance to the carer allowance for children, there was a transition strategy for people in receipt of CDA at the time. They were not reviewed for a period; I think it was five years. After that, they were reviewed against the new tool. So that is one transition strategy that is open if there is going to be a significant

change. We are not at the end of the process yet, but we would certainly be advising government on approaches to transition at that point.

Senator GALLAGHER: So what I am hearing is that, from the work being done, there has not been any direction or restrictions placed on that work? All options would be looked at as part of the review that is underway, and then ultimately government would make decisions about how those—

Mr Pratt: That is the typical process, yes.

Senator MOORE: I have a question about financial counselling.

Mr Pratt: That will come under families.

Senator MOORE: I note that there are bits about grant payments for financial counselling.

Ms S Wilson: Outcome 2.

Mr Pratt: Outcome 2.

Senator MOORE: That is what I have written. I just wanted to double-check that I did not miss the officers.

Ms S Wilson: Senator Siewert, I have an answer to a question that you asked earlier about the timeliness standard for DSP. Is it appropriate to provide it now?

Senator SIEWERT: That would be great, yes.

Ms S Wilson: The benchmark standard is that 70 per cent of claims should be processed and determined in 49 days.

Senator SIEWERT: So that is seven weeks?

Ms S Wilson: Seventy per cent in 49 days.

Senator SIEWERT: What happens to the other 30 per cent? Is there process around—

Ms S Wilson: They are really questions for DHS. I am sorry. I am not trying to be difficult, but I think they would be better placed to talk about their performance and their process for handling.

Senator SIEWERT: Thank you. I understand that. Tell me again to go off and ask DHS, but the rest of the timeliness process is then their process? You do not have any other standards?

Ms S Wilson: We have a standard against which they report, and we monitor that. We have periodic discussions, where we look at how it is going. We set the standards in agreement with DHS, so the two of us negotiate it on what the standards should be for the current bilateral management agreement, or business management agreement; I cannot remember. It is the bilateral management agreement; I got it right the first time. So there are different standards for different payments that relate to, I guess, their complexity and the extent to which they rely on third party information and the like.

Senator SIEWERT: There are a couple of questions that fall out of that. One is whether it is possible to get the standards for the different payments.

Ms S Wilson: Yes. I can give you all of them.

Senator SIEWERT: That would be fantastic. Do you want to hand up the piece of paper?

Senator MOORE: We will keep going.

Ms S Wilson: I can give it to you. I just need help with interpretation.

Mr Pratt: I need a microscope.

Ms S Wilson: It is very small.

Senator MOORE: Ms Wilson, it is just one of those things about reading it into *Hansard* and us taking hand notes where we will not be able to see the result until—

Ms S Wilson: Can I undertake to get it to you in the course of the hearing today?

Senator SIEWERT: That would be brilliant.

Senator MOORE: Yes, fine.

Ms S Wilson: I will make sure the font is big enough so that you can read it and you will not have the same trouble that I am having.

Senator SIEWERT: That would be great. Thank you.

Senator MOORE: The general point is that when it is read into *Hansard*, we cannot make sure that we have the answer right for two to three days.

Ms S Wilson: We will get it typed up for you so that it is readable.

Senator SIEWERT: That would be very much appreciated. I want to go back to the DSP, but I think the question is probably relevant to all of them. You said you get reports back from the DHS. How have they been performing against that standard?

Ms S Wilson: I think the question, as I mentioned, of their performance is really a question for DHS.

Senator SIEWERT: But you said they report back to you.

Ms S Wilson: We have a discussion about how performance is going, periodically. We reflect, when we are looking at the standards going forward, how it has been achieved and where there might be a need for change or whether there are any areas of concern. I do not have anything with me that could give you where they are currently against them. We have a formal thing of looking at it quarterly.

Senator SIEWERT: Could you take on notice—instead of making you go back to all of them—the last quarter report against the standards from DHS?

Ms S Wilson: Certainly.

Mr Pratt: In fact, we might go one better. We might advise DHS that you are interested in that and they can bring it along.

Senator SIEWERT: Yes. I think that they would, if they have been listening to what has been going on.

Ms S Wilson: We will call them and let them know.

Senator SIEWERT: Thank you. In terms of the other 30 per cent—70 per cent are dealt with—you do not have any standards around that. Is there an agreement about what happens with that more complex set?

Ms S Wilson: Not really. We try to keep it pretty simple in terms of a benchmark to be met. That is the benchmark that we have arrived at and agreed for the DSP.

Senator SIEWERT: What happens to the 30 per cent?

Mr Pratt: There is an underlying understanding about as fast as humanly possible.

Ms S Wilson: Yes.

Senator SIEWERT: I will continue that with DHS. I am pointing there because very often the officers sit there.

Senator MOORE: That is a new one, in terms of responses about timeliness. As fast as humanly possible is the new one.

Senator SIEWERT: Yes.

Mr Pratt: Well, clearly, we will have these things done as quickly as possible and have agreed a target for the bulk of people. But for anyone, often for really good reasons, who exceeds that period, we still want them to be resolved as fast as humanly possible.

Ms S Wilson: Sometimes there is a requirement for information from other sources which the customer will be getting for DHS. I am sure they can talk more about this. So it is not a one-way interaction.

Senator SIEWERT: I understand. But it is the 30 per cent that obviously we are hearing a lot of comments about. Have they been meeting the standard?

Ms S Wilson: I am sorry, but I just do not have the information with me.

Mr Pratt: I want to draw a distinction. If we are talking about a provider of ours, I think it is quite appropriate that we would report on it. What we are talking about is a colleague department. They should be the ones who talk about what they do in their area of responsibility. They are not subordinate to us in this respect or anything like that. They are a standalone department of state, so it is appropriate that they talk about it.

Senator SIEWERT: But you are the ones setting the standard.

Mr Pratt: No.

Ms S Wilson: No. We do it together. It is a bilateral agreement.

Senator SIEWERT: So you have reached an agreement with them about 70 per cent. Is it more appropriate that I ask DHS whether since the change to require the government medical examination—a doctor process—there has been a decline in the ability—

Ms S Wilson: Yes.

Senator SIEWERT: Ask them?

Ms S Wilson: Yes.

Senator SIEWERT: Thank you.

Ms Halbert: Senator Siewert, I have an answer to one of the questions you asked prior to lunch. The other three we can get, but we cannot get them today. Two of them are related to the indigeneity indicator. We cannot get that today, but we can get it. I note that it is voluntary, so it is not necessarily—

Senator SIEWERT: Yes.

Ms Halbert: The other one was how many people on Newstart allowance with partial capacity to work are ex DSP recipients. We can get that, but we cannot get it today. In relation to the under-35 reviews, I have the cancellation reasons here. The total number is going to be higher than the number I gave you because this is actual cancellations at 16

January this year. So withdrawn or voluntary surrender of payment is 103 people; did not meet the medical requirements, so not sufficiently impaired, 2,775; earnings, including partner earnings, 15; working over 30 hours, 19; failed to participate in the review process, for example, by not replying to correspondence, 411. Note that, of those 411, many will end up back on payment once they have made that contact or engaged in the process. Other, which includes people who have gone to prison or are residing overseas or other reasons, is 173.

Senator SIEWERT: Thank you. That is all on the DSP working age.

Senator MOORE: I have two straightforward questions about working age payments. The government has indicated that it remains committed to the one-month waiting period for job seekers under 25. Is that the understanding of the department?

Ms Halbert: The bill remains before the parliament.

Senator MOORE: Can you please update the committee on the number of people that will be affected each year by this piece of legislation?

Ms Halbert: I think we have given some of these figures before. In terms of the four-week waiting period?

Senator MOORE: Yes.

Ms Halbert: We estimate that 65,000 people will serve one waiting period; 10,000 people will serve two waiting periods in a year. They can only serve two. That means 85,000 waiting periods as opposed to people. But the number of people who would be exempt from the waiting period in the year would be 83,000.

Senator MOORE: Under the current exemptions in the legislation?

Ms Halbert: Sorry?

Senator MOORE: Under the current exemptions?

Ms Halbert: Correct.

Senator MOORE: And the other one we are updating the numbers impacted on is the eligibility age of Newstart.

Ms Halbert: That is job seekers aged 22 to 24 at any time. That is 70,000 in a year. There is 23,000 expected to be on payment in that age group at the time of implementation, and they would be grandfathered, so they would not be affected.

Senator MOORE: Thank you.

Senator SIEWERT: I cannot be next door to ask questions because they are sitting at the same time we are talking here. I know a lot of the work relates to the employment committee. Have you done any analysis of the outcomes from the work for the existing Work for the Dole process?

Ms S Wilson: No. It would not be our job to evaluate that. That really is one for the Department of Employment.

Senator SIEWERT: Even though you have policy responsibility for those on Newstart and subject to that policy?

Ms S Wilson: We have policy responsibility for the payment. The mutual obligation lead policy responsibility lies with the Department of Employment. We obviously have ongoing

conversations about these issues and work together on them, but the evaluation responsibility lies with the Department of Employment.

Senator SIEWERT: Have they provided any update to you on the outcomes?

Ms S Wilson: Not that I am aware of recently.

Senator SIEWERT: So the Department of Social Services knows nothing about the outcomes of the government's current policy approach to their welfare reform agenda and the Work for the Dole measures?

Mr Pratt: No. I do not think that is correct. When evaluations are published, we would have an interest in them. If there are relevant pieces of information provided in processes which cross the employment department's responsibilities and ours, we might get visibility of those things. But it is not our area of responsibility, so any questions on that should go to the relevant department.

Senator SIEWERT: So have you had any visibility with any of the results since the program was changed for Work for the Dole?

Mr Pratt: Well, without wanting to be difficult, which change? I used to run the program in the employment department many years ago.

Senator SIEWERT: There are current changes requiring the different categories of welfare recipients to undertake Work for the Dole.

Ms Halbert: We have not had formal advice of any of the outcomes of those changes yet. I understand that Employment are still looking at that themselves, so it would be best directed to them.

CHAIR: Is there anything else in this outcome?

Senator MOORE: We hope not. I do not think there is anything else in this outcome. I can say we are finished on it.

CHAIR: We are almost on time.

Senator MOORE: We are.

CHAIR: We are only five minutes behind. Thank you for that. We will wrap up that outcome.

[14:19]

CHAIR: We will now move to outcome 5, disability and carers. I might briefly kick off, if I can. I have some questions on the NDIS. I hope to get a bit of an update. It may not have all happened since our last estimates, but some of it has with bilateral agreements for the transition to the full scheme, I think, with New South Wales, Victoria, Tasmania and South Australia. Are you able to give the committee an indication of how many people are expected to benefit as a result of these agreements with New South Wales, Victoria, South Australia and Tasmania to roll out the NDIS?

Ms Hand: Can you hear me?

CHAIR: I cannot.

Ms Hand: I will try to talk louder. With those four states and the ACT, you have about 64 per cent of the eligible population for NDIS in Australia covered. I am not sure if you have

the actual numbers, but obviously that is good. We are currently negotiating with Queensland and the Northern Territory to obviously get them signed up ASAP too.

CHAIR: Indeed. You said it was about 60 per cent.

Ms Hand: Sixty-four per cent.

CHAIR: Does Ms McDevitt have some numbers for me?

Ms McDevitt: It is around 64 per cent for those four jurisdictions plus the ACT with the signing of those bilateral agreements. That is of the total eligible NDIS population. So in New South Wales we are expecting about 140,000 people to enter the NDIS.

CHAIR: That is 140,000?

Ms McDevitt: There are 140,000. In Victoria, we expect around 105,000. In South Australia, it is around 32,500. In Tasmania, it is about 10,500. They are the estimates and they are reflected in the—

CHAIR: And, from memory, in the ACT—

Ms McDevitt: Ten thousand five hundred.

CHAIR: And from memory in the ACT it was around 5,000?

Ms McDevitt: Yes. In the ACT, it is a little over 5,000.

CHAIR: I understand that the agreement with South Australia provides additional funding in response to the underestimate of child participants during the trial. Can you elaborate for us on that?

Ms McDevitt: The South Australian bilateral agreement commenced in February. That was to make provision for the number of children to come in, because the trial was for children aged under 14. So from February the children who have not yet been able to come into the trial will be able to come in. As part of being able to cater for the extra number of children, but within the total estimate—so that 32½ thousand remains the same—there was additional funding provided by both the Commonwealth and the South Australian governments.

CHAIR: What was the level of that additional funding?

Ms McDevitt: Just under \$50 million.

CHAIR: Is that \$50 million each?

Ms McDevitt: Yes, each.

CHAIR: How do the agreements mitigate the Commonwealth's financial risk?

Ms McDevitt: All four bilateral agreements mitigate the risk in a number of ways. Firstly, they are much more detailed and specific than the trial agreements in that they identify quarter by quarter how many people will enter the scheme. They will identify whether they are existing clients—for example, state disability services—or whether they are anticipated to be new people coming into the scheme; an example is newly acquired disability. So that is all spelt out, including the funding commitments alone to the actual numbers of participants. What we have agreed with each jurisdiction is this number of people and this amount of funding and then during the transition period. So if there were unexpectedly many more than that, we would need to slightly adjust things and they would come in once we are in the full scheme. So specific numbers of participants and financial contributions are agreed. There is

also, in most cases, a better estimate of cost. We have what we call disaggregated package cost numbers. We have identified that people who, for example, are in supported accommodation would cost this much. Some of the new people would cost less. So we have done a lot more analysis around the costs.

We also have for transition what we call a funding mechanism—and that is documented in the bilateral agreements—whereby, for example, state jurisdictions and the Commonwealth are making their payments based on the actual number of people who come into the scheme and then what those agreed package costs are. So for governments it is much more defined what their obligations are and how those payments will be made. For example, under the funding mechanism, state governments will pay in arrears based on the actual number of people rather than the estimated number of people that will come into the scheme and the agreed package costs. The Commonwealth will actually do the same but pay in advance. So those things are there to mitigate the financial risks by having a lot more detail locked into the agreements. Then, of course, there is a number of review and monitoring mechanisms built into those agreements as well.

CHAIR: There is one part of your answer that I might get you to elaborate on. I think you were saying that part of the mitigation of risk was if more came in than expected. It was not clear to me. You did not quite finish that part of the answer. How will it work if more come in than expected?

Ms McDevitt: The bilateral agreements are all based on the Productivity Commission's estimates for participants. The Productivity Commission said that at full scheme there would be around 460,000 people in the NDIS. So we are working on those scheme estimates. You may recall that in 2017 the Productivity Commission will be undertaking a review of all their cost estimates for the scheme. So we are still working on the original estimates. For example, in New South Wales, I said their estimate was for 140,000 people. In South Australia, it is for 32½ thousand people. That is what we have reflected in the bilateral agreements.

CHAIR: And how many jobs are expected to be created as a result of all of these agreements that have been concluded so far?

Ms Hand: Some very initial work has been done. A number of analyses have been done of the workforce that is needed for the NDIS nationally, not just for the agency, in terms of supports working with providers. Basically, the workforce will need to double from what it was at the beginning of the trials, which was around 70,000, to about 140,000. We have recently commissioned some work from National Disability Services. That work showed that, at the moment, the workforce is growing at the rate you would need it to in order to double in that period of time. Having said that, there are many challenges. We have a lot of work going on between DSS, the agency and stakeholders to analyse workforce requirements and work on strategies, such as attracting more people into the sector to work, accrediting them and training them, and a whole raft of other measures.

CHAIR: Thank you. I appreciate that.

Mr Pratt: Excuse me, Chair, while there is a transition happening, there are two things which, with your indulgence, I might mention. With your permission, we have the readable timeliness standards document. If you are happy, Chair, we will have that tabled.

CHAIR: Sure. Certainly.

Mr Pratt: Another point is that the Institute of Family Studies team is in the next session. They are booked on flights at 5.30 pm. We are wondering whether it might be possible to schedule them early in the next session so that they can make those flights.

Senator MOORE: Yes. We are happy to do that, of course.

Mr Pratt: Thank you very much.

CHAIR: I have another question. It is a local one. I do not know if you will be able to answer it. It is a bit of a crossover between jurisdictions, as much in this space is. The local Radio for the Print Handicapped, or RPH, in the ACT is going to lose some funding as of 1 July once funding responsibility goes to the NDIS. That is certainly how it is being reported. Is anyone aware of that case? You get these cases from time to time. Obviously, these are the unintended consequences potentially. Are you aware of that case and what might happen to Radio 1RPH?

Ms Hand: I am not, but I will check.

Ms McDevitt: I am only aware of it in the general in that it has been reported in the media. I think my colleague from the NDIA has more detail.

Ms Glanville: Yes. There is some information that has come from the NDIA. The government has agreed at the Disability Reform Council on the ILC framework, which is the framework for information linkages and capacity building. In most jurisdictions, that will roll out over a longer period of time. So we have been heavily involved already with jurisdictions in thinking about what sort of programs fit within the ILC. The agency is charged with operationalising that framework and seeing how it works in practice. As a part of that, we have been engaged in a significant consultation around the country with different groups getting their feedback on how we actually make this real and live in an NDIS environment. Because the ACT effectively starts in full from 1 July, we had to do a bit of work with them earlier in the piece. We have had numerous conversations both with, of course, the ACT government and the national radio print handicapped group and the local group in the ACT. As part of the assessments, there will be some programs that do not easily transition to the NDIS environment. A good example of that is that some business models some agencies have are based on block funding from government. Of course, we are moving to an individualised model of funding. The way some organisations will get funding is through amounts in participants' packages that can be used for particular purposes.

A lot of the work that Radio for the Print Handicapped does is very valuable, but it is not necessarily specifically related to disability. So it is not giving information about disability and the NDIS as such. We are still working with them to think about how the ways in which they operate perhaps could fit more easily within the ILC operating environment. Those discussions are ongoing as recently as the last few weeks.

CHAIR: So, in this case, what happened in those negotiations with the ACT government? Does the ACT government say, 'Well, we won't fund this anymore because it's all going to be funded under the NDIS?'

Ms Glanville: In the negotiations, we agree with state and territory governments about what fits within the ILC framework that has been agreed at that higher level by COAG. So we look at everything that is funded and we consider whether that fits within the ILC framework. That is how the negotiation works.

CHAIR: Maybe take this question on notice. I can only assume it was agreed that it did not fit within the framework, which is why it is going to lose funding from 1 July. Presumably, it is then a question for the local government as to whether they continue to fund it separately from any NDIS agreement. Is that a reasonable—

Ms Glanville: Yes. That is right. With some programs, there might be a way of helping them look at their model of how they deliver services to see if it can be something which is funded. But essentially the proposition is right as you put it.

CHAIR: Because it is very valued here in Canberra, and I am sure it is in other places where it is delivered. It does seem a pretty important service to people with disabilities. You would think we would be able to find some way of fitting it in the framework; I put that to you. If there is any additional information you are able to come back with on notice, I would appreciate it.

Ms Glanville: Yes. I am happy to do that.

Senator MOORE: I want to follow up on that. In terms of the discussions, we have been involved in Queensland as well on exactly the same issue. You talked about negotiating with the national groups that look after this media. It seems that the issues would be similar everywhere, because a lot of these organisations were formed out of families, out of need and specifically for people with not only print issues but also ageing issues, which do not fall within the NDIA.

Ms Glanville: No. That is right.

Senator MOORE: So it is just one of those things. There is a few of them around.

Ms Glanville: Yes.

Senator MOORE: As Senator Seselja said, we need to get some information on them. Certainly one of the points that we talked about here are the things that are going to fall between the cracks. In the negotiations, that is things that may not be funded and how they will be.

Ms Glanville: It is probably important to say that we can provide in this information what funding they receive from other government departments, for example, at both state and federal level.

Senator MOORE: Communications.

Ms Glanville: And how it might fit within the mainstream environment and be something that would contribute to the achievement of the national disability strategy, which is about inclusion and those sorts of areas.

Senator MOORE: Sure.

Ms Glanville: So I am happy to provide that further information.

CHAIR: Thank you for that.

Senator GALLAGHER: I will start with questions on the jurisdictions that are yet to finalise agreements. Could you update the committee on progress for Queensland, the Northern Territory and WA?

Ms Hand: For the Northern Territory, recently we acknowledged the negotiations we were having before Christmas to move towards an agreement for a transition to the full

scheme. So those conversations are happening as we speak. In Queensland, we are quite advanced in negotiations. There are a few issues to work through. But we are very much hoping that we can reach agreement with both of them in the next few months. That is dependent on a few things. Western Australia has not yet signed up to the agreement to the full scheme. As you would be aware, there is a Western Australian model My Way trial going there and an NDIA one. There is an evaluation of the two trials that is due in August, I think. Governments will then consider after that where they go. I should stress that we are actively in discussions with Western Australia on what a transition to full scheme will look like even in advance of that evaluation.

Senator GALLAGHER: I want to go back to a couple of those things. I was not here in the October estimates. Is it correct that in October the estimates hearing was told that an interim report was due in December. So the final was always planned for August, was it?

Ms Hand: August. It was always that timeline, yes.

Senator GALLAGHER: Have you got that interim report? Was that provided?

Ms Hand: Yes, it was.

Ms McDevitt: It is in draft. It is still being finalised. We have received the draft.

Senator GALLAGHER: So it is a draft interim report?

Ms McDevitt: Yes.

Senator GALLAGHER: When the interim report is finalised, is there an intention to make that public?

Ms McDevitt: That will be a matter for the ministers—both the Commonwealth and WA ministers.

Senator GALLAGHER: Going back to Queensland and the Northern Territory, I think in your answer to my previous question, Ms Hand, you said a few months.

Ms Hand: It is like anything. When we were negotiating all those years ago with the ACT, obviously there was a lot of detail to work through in terms of all the schedules. But we are negotiating very much on the model of the New South Wales agreement that was signed. So that sort of served as a template for all the other agreements that followed—South Australia, Tasmania and Victoria. So that is very much the model that we are talking about with those two jurisdictions.

Senator GALLAGHER: I know it is difficult to answer more specifically, but my concern is that the transition to the full scheme is due to start in July, which is only a few months away. If the answer to having agreements finalised is a few months away, that does not really give a lot of time from the signing of those agreements to moving straight to full transition.

Ms Hand: And that is always an issue, obviously, in terms of the ability to start with the 1 July ramp-up, because the agency needs lead time. So that is why we, the Commonwealth, are negotiating in earnest with those jurisdictions. All parties are very committed to signing just as soon as we possibly can.

Ms McDevitt: You may be aware that we started an early transition site into Queensland around Townsville and Palm Island, which is underway. They are very much using that as a learning experience, so we have something there to build off once we do have an agreement

in place. With the Barkly trial in the Northern Territory, certainly the Northern Territory has been keen to get it right. That is why the negotiations have been prolonged in terms of the challenges of delivering the NDIS in remote communities.

Senator GALLAGHER: What is the lead-in time that the NDIA needs post agreement being signed? Is there a period of time in an ideal world and the less than ideal world that we all live in?

Mr Bowen: We have been consistent in telling governments a minimum of six months is necessary. There is some latitude with that depending upon the scale of the first quarter intake. So, for example, with South Australia and Tasmania, we have infrastructure in place right across those states. The agreement in South Australia was somewhat of an extension of what we were already doing there, so it was much more deliverable. For a brand new area to get up and running—to get offices, to get staffing on board and to get arrangements with contractors—six months is actually quite tight if there is any significant number.

Senator GALLAGHER: Ideally, it is six months. We are eating into that time now. I know there must be some flexibility around it, but is there a point at which the 1 July timetable will have to be reassessed for these jurisdictions?

Mr Bowen: If you look at the situation in Queensland, as Ms McDevitt said, we have an early commencement in the Townsville area, including Charters Towers and Palm Island. We could certainly do an expansion in that area earlier than otherwise. But for other areas of Queensland, we have passed the date we could set up for 1 July. That is just the reality of it.

Senator GALLAGHER: You have now?

Mr Bowen: Yes.

Senator GALLAGHER: You have passed that. So it is those areas where there are early transitions—Townsville, Charters Towers and Palm Island. For other people in Queensland, regardless of signing, when the bilateral agreement is finalised, there is going to have to be a later date?

Mr Bowen: There is just a physical limit on how close you can bring the bilateral agreement to get it commenced.

Ms McDevitt: These are matters that are subject to negotiation. All parties, including in our area, are looking to what is most viable when we know that we are in a state where we are pretty close to asking ministers and the Prime Minister and first ministers to sign bilateral agreements. It is important that we do it in a viable way. Yes, there would be options like building on where there is existing infrastructure. Every jurisdiction has put forward different proposals, whether it is age based, geographic based, in some cases where they might have a priority cohort. So all of those things are in the mix, which is why, as Ms Hand said, it does take us some time, once we have agreed the approach, to finalise all the numbers that have to be verified as well as test for viability with the agencies. So for those jurisdictions where we do not yet have agreements, that is very much the subject of our intense negotiations.

Mr Bowen: I will add to that. It reminds me of a very important point and an example of what is achievable. We have been keen to stress the importance of having local area coordination on the ground six months in advance of undertaking any of the planning. When, for example, the agreement with Queensland was reached for the early commencement in Townsville, we were able to negotiate with the Queensland government to use some of their

existing resources and some of their local area coordinators to start that work at an earlier point in time. So certainly there are options around that to deliver some of the critical early elements of the scheme still from the July dates if agreements are reached.

Senator GALLAGHER: So, in Queensland, for people outside those early transition sites, other arrangements will be put in place on a negotiated basis over the next few months. But it is unlikely that populations outside of those early transition sites will move to full transition on 1 July?

Mr Bowen: Yes. But that is probably the case with the majority of the state.

Senator GALLAGHER: And is that the same for the Northern Territory?

Ms Hand: In terms of those sorts of flexible arrangements, yes. But note, of course, that there is quite a dispersed population and a population in very remote areas in the Northern Territory. So one of the things we are in active discussions about with the NT is the type of model that you use up there and the engagement approach with potential participants in the scheme. So it is slightly different.

Senator GALLAGHER: Does that make the work more complicated in the Northern Territory?

Ms Hand: Not necessarily. We still have to work through the usual things that you work through in a bilateral agreement around participant phasing and funding and all the other things you would have seen in the other agreements. Remember that the NT population is much, much smaller than in Queensland, so it will not—

Senator GALLAGHER: But it comes with its own particular—

Ms Hand: Yes.

Ms McDevitt: Both those jurisdictions, under the heads of agreements, have a three-year transition period, so it is about how you move within it. So we are all committed to those parameters. It is about how you phase within that and in a way that meets the community needs of that jurisdiction.

Ms Hand: It is a commitment very much from both jurisdictions and the Commonwealth to still meeting the three-year timeline even if it does not start on 1 July. We will have to monitor that once transition starts in those jurisdictions.

Senator SIEWERT: One will start quicker. Is that the idea?

Ms Hand: A different phase-in schedule.

Senator SIEWERT: All differently?

Ms Hand: That is right.

Senator GALLAGHER: I do not know if it has been discussed before, but this is the first I have heard of the 1 July date being moved away from.

Ms Hand: What I would say is that we have been committed for 18 months of negotiations to doing this as quickly as possible. The New South Wales bilateral agreement model is there. Frankly, we could sign tomorrow if those two jurisdictions were happy, but they have different objectives for their populations in certain areas. But we are negotiating through. So Queensland is very, very close. Like all negotiations, until both parties can reach agreement, you are not there.

Ms McDevitt: We have not moved away from a 1 July start date as such. I think, as Mr Bowen pointed out, if the most viable thing is actually to expand out from some of those where there are existing sites, that would still enable us to commence on 1 July. Purely by way of example to illustrate the point, if Queensland said on 1 July that they want to bring in all of Brisbane, I think the NDIA is saying that that would not be viable. But if Queensland wanted, you know, to move out from Townsville and Charters Towers, that would be very doable because we have already got an early transition site happening. It is the same in the Northern Territory. We have been working with them on how, in the NDA, to deliver in a community, expanding out to other communities. We have been very flexible in the negotiations, as have jurisdictions, so I do not think we would want to say that we are moving away from a 1 July start date.

Ms Hand: Indeed. We have started early.

Senator GALLAGHER: I understand the commitment. But what Mr Bowen said was that, for people in Queensland outside of those early transition sites, the time has lapsed for them to be moved to full scheme transition from 1 July. That is new information to me that I am just trying to explore further. I understand the sensitivities of it being not just at the Commonwealth's feet and that there are intergovernmental agreements and processes. I guess the question that would flow on is the outstanding issues. You said the ones around Queensland are minor. That leads me to believe that there are bigger issues in the Northern Territory.

Ms Hand: No.

Senator GALLAGHER: Are they issues that can be solved easily, or are we talking money?

Ms Hand: Really I cannot comment on confidential negotiations. As I said, Queensland is very close. The NT will not be nearly as complex because it is a much smaller population. Note that Queensland has already started transition. As Mr Bowen said, if we were to sign in the next few weeks, you definitely could do something that is quite flexible in some areas of Queensland. But you could not have a massive ramp-up from 1 July.

Senator GALLAGHER: Minister, perhaps this question is best for you. Considering the issues that have just been talked about, what priority is the minister giving this to resolve at that intergovernmental level to move to full scheme transition as soon as possible?

Senator Fifield: The NDIS is, I know, one of the highest priorities in Minister Porter's portfolio. He has already, in the relatively short time he has been in the portfolio, secured a number of bilaterals in addition to the Victorian and New South Wales ones and the ACT, which were concluded when I was the minister. As Ms Hand said, with these negotiations, there are two parties. The Commonwealth cannot compel the other party. You have to reach a point where both parties are happy. But every effort and every resource is being deployed in the portfolio to bring these to a conclusion as soon as possible.

Senator GALLAGHER: So the minister would have met with Queensland and Northern Territory ministers in pursuit of the finalisation of this, or is it still at departmental level?

Mr Pratt: It is both. The minister meets with his counterparts in the Disability Reform Council. I am aware that he has discussions with a number of them.

Ms Hand: In fact, he met with the Queensland minister just a week or so ago.

Senator GALLAGHER: Last week.

Mr Pratt: My assessment, going right back to where we started on this, is I am cautiously optimistic that we will land something with Queensland in the next month or so.

Senator GALLAGHER: Whilst I understand the issues around moving to full scheme transition, you probably covered that, Mr Bowen, in your discussion about how you would potentially adjust and build on existing services. I am just trying to understand whether a delay to full transition disadvantages people in those jurisdictions who are waiting to move into the NDIS.

Mr Bowen: Ms Glanville might add something to this. The agency does quite a lot of work with all of the governments around pre-NDIS communications. In Queensland, we have had officers based in Brisbane and Townsville for some time. We have done—we could get the exact number—what would run into hundreds of local and community engagements talking to people about what the NDIS is, how they will engage with us, what the plan might look like, and what sort of preparation they should be thinking about before coming to those planning meetings. All of that is critical because one of our experiences in the trials was that the lack of readiness delayed and extended the period actually required for planning. So we have that commitment to continue that. Obviously, as bilaterals are signed and new areas are identified for the early component of transition, we ramp up that activity, but we keep a significant baseline there right around the country.

Senator GALLAGHER: I shall maintain our ongoing interest in the transition arrangements. In terms of some of the transitioning to the scheme overall, I understand there is an option around guided plans being used as a way to manage.

Mr Bowen: I will ask Mr Maynard to add to the information on that.

Senator GALLAGHER: Can I get an understanding of what guided plans are, what role they have and whether they are a temporary idea or whether they are here to stay?

Mr Maynard: Thank you for the question on guided planning. Guided planning is a process that the agency is using to develop the first plan for each participant. For the agency to meet the challenging phase-in in terms of numbers of participants and still ensure that the participant is at the centre of our planning process, this guided planning approach has been developed. It ensures that we capture all of the necessary information that we need in terms of a participant's particular disability; their informal and existing family, community and other carer supports; and the existing program support that they have. It has the ability to identify any new funding, particularly capital funding items reflecting a capital need, in a way that is efficient and enables our planners and our access team to address the large numbers coming into the scheme in a very short period of time.

Senator GALLAGHER: So they are temporary arrangements for the beginning of the scheme, or is this something that is a mandatory process to go through for participants coming into the scheme?

Mr Maynard: For all participants coming into the scheme, their first plan will be developed using the guided planning process.

Senator GALLAGHER: Do you have a copy of the guided plan? Is it a pro forma document that you tick that you need these supports or this equipment?

Mr Maynard: It is an approach that is built on a face-to-face meeting or a telephone conversation with the participant depending on their needs and how they would like to transmit information to the agency. It also utilises a questionnaire which is designed in a way that is consistent with the scheme's goals and our values to get information about the participant's needs. We are at this stage piloting the guided planning process in parallel to our traditional planning process. When that pilot is concluded, it will give us very valuable information around the outcomes and outputs of a plan developed in the guided planning approach versus our traditional planning approach, which will be used for the second and any subsequent plans. We have also engaged extensively with peak bodies through the CEO forum, which we convene on a regular basis within the agency, to get input on the guided planning approach and the questionnaires. We have also sought input from the independent advisory committee. All of that input has been worked into improving and reviewing that process.

Senator GALLAGHER: When did the concept of guided planning or guided plans emerge? It is not a term that I recall from the early days of the scheme being developed.

Mr Maynard: The approach to planning that the agency uses is always subject to improvement. For an organisation that has been in trial site mode up until now, we have gathered information from all of our trial sites to determine what works effectively from a participant perspective and what is efficient to administer from an agency perspective. All of that input is regularly taken account of and our processes are revised. So as the agency has grappled with the challenge of bringing on large numbers of participants in the phase-in profile that we are working to, we are always looking for the most efficient way to do that and balance that with having a process that is participant centred.

Senator GALLAGHER: So it has come in. When did the concept of guided plans become the plan with which you enter the scheme? I would think that is relatively easy to answer. My second point is: is it a workload management tool?

Mr Maynard: As a concept, it would have emerged in September-October last year in terms of the agency coming to grips with it as a possibility. It has the participant at the very centre of it. From the agency's perspective, it is the most efficient way to undertake our planning obligations. It has been informed through consultation with peak bodies that is ongoing and a pilot that has been trialled against a full planning process.

Mr Bowen: I will add a little to that. It is really the third leg of gathering three critical areas of information to assist in the planning. I have reported to this committee previously that the early assessment tool, while it delivered packages within cost, did not correlate back to the underlying funding. We moved away from that to go back to the original Productivity Commission approach around reference packages and find better, more discrete indicators that gave us a good assessment of functional impairment and that population normed information in it. The second component was the introduction of an outcome framework. Again, I have reported that to this committee. It is quite critical that we baseline. Where people are self-reporting their position as they enter the scheme, we collect from them the information on how the scheme has affected and changed their life. We can correlate that to the types of supports and services they get.

The third element of this is really saying we understand that a person's needs are not just driven by their impairment but have to do with their circumstances at home, the environment

in which they live and their ability to access the community. The guided planning is a structured conversation about those aspects. It is not the be-all and end-all of planning, but it is a great way to capture a much broader look at a person's life in a way that lets them get into the scheme. The other critical thing we have discussed at this committee previously is that the big change with the NDIS is that it is not a be-all and end-all plan. You do not have to come in and get your final plan and that is it for the rest of your life. We are very keen to communicate to people that we want to get them into the scheme and continue the conversation. I think we use regularly the term 'start of a lifetime journey'.

Senator MOORE: Where is the pilot?

Mr Maynard: The pilot is being trialled in the ACT.

Senator GALLAGHER: Could the committee be provided with a copy of the pro forma document that makes up the guided plans? Not filled in. I do not want to breach anyone's information. If there is a pro forma being used, I cannot imagine why that cannot be provided.

Mr Maynard: Yes.

Senator GALLAGHER: Thank you. Is it mandatory to come in with this plan? Is it a mandatory requirement of participants, or can people say, 'No, thank you. I'd like to have my own approach?'

Mr Bowen: We need to collect the data.

Senator GALLAGHER: So it is mandatory?

Mr Bowen: Because we need to have that understanding of a person's life. It collects data that we would otherwise collect in the current planning processes.

Senator GALLAGHER: So it is mandatory. I was someone who was involved in the very early discussions of the NDIS. I understand that it was always going to be informed by what you learned from the trial and the early start in the ACT. It does seem to be moving away from that concept of choice and control for the participant into a system. Individual plans have been around in the disability sector.

Mr Bowen: I would argue the contrary, in fact. The guided plan fits in with our approach, which is to enable people to self-plan. In fact, we have assumptions about the level of self-planning by saying through this process of data collection we can give you a good indication of a plan. It is in your control what sort of services and supports you purchase from whom at what point in time. When we were developing this model, it was critical to have a system that facilitated people doing that as far as possible. Indeed, a target and an aspiration for the agency is to see more and more people taking advantage of that over a period of time as they become more confident rather than, if they do not wish to, relying on a planning conversation. I think Mr Maynard made it clear that everyone, following the development of that first plan, will have the opportunity to enter into a dialogue with our local area coordinators or a planner, depending upon how it is streamed, for an ongoing discussion about their support needs.

Senator GALLAGHER: So people will be on the guided plans for a certain period of time before they move into the—I think these are your words, Mr Maynard—more traditional planning approach?

Mr Maynard: They will be on a guided plan for a set term. That term is set by the planner and based on an individual's circumstances. So it is quite possible—

Senator GALLAGHER: In consultation with the participant?

Mr Maynard: Entirely based on the participant. So it is quite possible that a participant might have a guided plan with a three-month duration because the circumstances are likely to change. It could be that another participant would have a guided plan with a 12-month duration.

Senator SIEWERT: It may have just been a slip of your tongue, but you said 'with the participant'. Then when you went on, it did not sound like it was actually in discussion with the participant. You said that the planner determines the plan.

Senator GALLAGHER: The planner determines the duration of the plan.

Mr Maynard: The planner will—

Senator SIEWERT: And the plan?

Mr Maynard: Sorry?

Senator SIEWERT: And the plan? Let us be really clear with this guided plan.

Mr Maynard: The planner is responsible for developing the plan. The information that informs the development of that plan comes from the participant. That information is gathered from a number of sources. If that information is able to be gathered through a telephone conversation with the participant and that works for the participant, we will gather information that way. If a face-to-face meeting is requested, we will be resourced to do that.

Senator SIEWERT: But the planner writes it. Does the participant sign off on it?

Mr Maynard: Yes. The participant signs off on that plan.

Senator SIEWERT: What happens if they do not want to sign off on it?

Mr Maynard: That will lead to a delay in the plan being finalised and implemented.

Mr Bowen: We should say that that is no different to the current circumstance. We have an internal review. We have an external review.

Senator SIEWERT: Yes. But the current process has more involvement with the participant. This sounds like the planner is making the final determination of what the plan looks like and would take it or leave it.

Mr Maynard: With the planning process that is used now, the process for future plan development and for the guided plan development is that it is the agency's planner who finalises the plan. The participant has a role in approving and endorsing their plan prior to it being implemented. If we end up with a scenario where a participant is unhappy with the plan and the process used, the agency has a complaints framework. The participant would lodge a complaint. It would be assessed using that complaints framework. Ultimately, if the participant is not satisfied as that complaints process moves through, an independent investigator, who ultimately would be independent of the agency, could review those circumstances.

Mr Bowen: I think it is really important to know that the construct of the plan looks very, very different from at the start. This committee will recall some of what I would say were justifiable criticisms of those early plans, which set out in detail what very much looked like a

diary of a person's life—you will do this at that point in time. The new plans are very, very flexible. The funding is determined by the agency—that is our statutory responsibility—but how that person utilises the funding for a range of different supports is very much in their control. So it is a very different concept around planning. It absolutely emphasises the choice and control of the participant in how they use their funding and where they go to get supports.

Ms Glanville: I suppose the only other thing I would add to this is that from a community engagement perspective—and that is the group I am responsible for—throughout the trial it has become very apparent that people with disabilities are very keen to get into the scheme quickly no matter where they are. That has been expressed in so many different ways and so many community meetings. This, I think, will also assist in bringing people into the scheme quickly; there is no doubt about that. From that point, there can be that position of discussion and journey as people move with us throughout the time of their plan. So there is, I think, a strong community incentive for this approach. It certainly has not been lost on the agency that people's most significant concern has often been things like 'The money will run out' and 'You'll never get to us.' The community sentiment around that has been quite significant from people with disability around the country.

Senator SIEWERT: So the planner determines the length of the guided plan?

Mr Maynard: The planner will determine the duration based on the needs of the participant.

Ms Glanville: The participant, at a point where they are not happy with their plan or, as happens regularly now, their circumstances change two or three months or a month after the plan has been developed, can trigger a review of that. So that does not change. That is an important point. As the CEO has pointed out, there are also external mechanisms that hold us to account in that space as well through external review.

Senator GALLAGHER: I have some questions on the cost of the scheme and, in particular, an editorial article published in the *Australian* on 21 January. I am sure people are aware of it. The article kicks off by saying:

The bipartisan goodwill behind the National Disability Insurance Scheme is souring after revelations of a billion dollar cost blowout during the trial period.

I do not know who is best to take this. My question is: is that claim true? Has there been a billion-dollar cost blowout identified during the trial period?

Senator Fifield: Let me speak to the first part of that. I think the bipartisan goodwill for the scheme is rock solid. In fact, I should say the cross-party support for the scheme is rock solid.

Senator GALLAGHER: Tripartisan.

Senator Fifield: So that is unaltered. I think it is exhibit A as to what can happen when partisanship is put aside in terms of social policy. In terms of how things are tracking with the budget, I will hand over.

Mr Pratt: To answer your questions from a departmental perspective, no and no.

Senator GALLAGHER: So the trial has not identified a cost blowout at all?

Mr Pratt: No.

Senator GALLAGHER: So it is tracking on projected costings?

Ms Hand: Very much tracking to budget.

Senator GALLAGHER: It just seems a very odd thing, then. If it is tracking as projected, there is not a cost blowout at all. There is a claim in a major newspaper that there are revelations of a billion-dollar cost blowout. Is there an indication of where this figure might have come from or what it relates to?

Ms Hand: There have been many, many inaccurate news reports about cost blowouts in the NDIS. They are all inaccurate. I do not know which one specifically you are referring to, but I can say on the record that the NDIS is tracking to budget.

Senator GALLAGHER: That is excellent news. As part of any movement in a reform program, particularly dealing with vulnerable populations, there is a lot of concern about what it means going from this to this. When you see inaccuracies like this, what steps would be taken to address that inaccuracy and correct the record?

Ms Hand: We do a lot because we get quite concerned for the same reasons as you; we do not want participants or the community worrying that this is not funded or that there will not be funds for their package, because it is completely inaccurate. So we always go back with a very accurate media response to the journalist or the editor or whoever, and usually via Minister Porter's office or Minister Porter himself. Minister Porter speaks to journalists, as do his advisers, to correct the record, because it worries us all enormously when we see this sort of reporting.

Mr Bowen: In this particular case, the chair of the board had a letter published in the *Australian* repeating what has been shown in all of our quarterly reports—that the scheme is tracking well against the bilaterals and remains under budget. Both the bilaterals and the projections to full scheme quarterly report for the December quarter have recently been published. That would allow us to repeat that claim. We would be projecting that through to the end of June, based on expected participant entrants and the continuing trends in the scheme, we will complete the trial within budget.

Senator GALLAGHER: In relation to this article that I am quoting from, which is the *Australian* editorial from 21 January this year, was it agreed that the board chair would respond publicly to that article?

Mr Bowen: Yes. We had that discussion with the department and the minister's office. The minister indicated that as it was directed to agency reports on the quarterly report, it would be appropriate for the chair to respond. The chair responded and a letter was published.

Senator GALLAGHER: But the minister in this instance declined to publicly correct the record?

Mr Bowen: I think the minister was very comfortable that the chair, who has the agency's data on which these claims rest, was in the best position to make that response.

Senator GALLAGHER: So, in a general sense, when there are stories like this—and there have been many, as you say—there are three respondents. It could be a department response, a ministerial response or an agency response. Is that determined on a case-by-case or article-by-article or misinformation-by-misinformation basis?

Ms Hand: Usually the minister would respond, if he responds. It is very rare for the department to do so.

Senator GALLAGHER: But in this instance it was the board.

Mr Bowen: We should note that the chair of the board has quite regularly made media commentary in relation to the scheme following discussion with the minister.

Senator Fifield: And with discussion and happiness from the previous minister as well.

Senator GALLAGHER: I am sure we are all very pleased to understand that it is tracking to budget, as expected, and within budget at this stage. I am conscious of the time. I have some questions on what is happening with the board. I know there is a bit of a kerfuffle with board appointments or reappointments. I think under you Minister Fifield, there was some turbulence around what was happening with the board and existing board members not being able to reapply.

Senator Fifield: There was a misunderstanding on that point. There were ads placed and all the existing board members were welcome to apply. Contrary to media reports, there was no intention to spill the board, as I think it was termed in one article.

Senator GALLAGHER: How did that get out of control, then? How did that get to be a misunderstanding? Was there not a criterion that excluded—

Senator Fifield: No.

Senator GALLAGHER: Is that not where it started?

Senator Fifield: That was one of the backgrounds, which would be useful. But that is not the exclusive background.

Senator GALLAGHER: So it is what it is. It was a misunderstanding?

Senator Fifield: Yes, there was. It was to do with a misunderstanding as to what the intent was.

Ms Hand: With the process we have talked about that was underway before at Senate estimates, which is very much underway, we are very, very much stressing that existing board members are encouraged to apply too. It is not just potential new ones.

Senator GALLAGHER: So there is a process underway now?

Ms Hand: That is right. Russell Reynolds has been engaged. I think you might have talked about it.

Senator GALLAGHER: In October?

Ms Hand: In October.

Senator GALLAGHER: That is still going, is it?

Ms Hand: Minister Porter was keen, when he came in, to look at everything properly and make sure that we were allowing sufficient time to attract the right candidates. It was announced after the Disability Reform Council that was held in November last year. In the communique that came out from that, Minister Porter and DRC members had agreed to extend all existing board members—the chair and some by six months to the end of this calendar year, and the rest of the board to 1 July next year. So we are deliberately making the process a slightly longer process.

Senator GALLAGHER: Staggered?

Ms Hand: And staggered.

Senator GALLAGHER: Staggering appointment. When will it be finalised?

Ms Hand: As you know, with these very senior level search processes, you do not want to rush them too quickly because you want to attract the right candidates. But it is very much on track to hopefully be finalised in this first part of the year.

Senator GALLAGHER: So close to finalisation. And of the current board members whose terms expire this year, they expire at the end of this calendar year, do they?

Senator Fifield: No.

Ms Hand: No. So, under their existing terms, they all expire on 30 June. It is a real risk, obviously, to the scheme to have your whole board go at once. So Minister Porter and, before him, Minister Fifield recommended a staggered approach with future recruitment. The six- and 12-month extensions will help with that too.

Senator GALLAGHER: So there will be some board turnover on 30 June this year?

Ms Hand: No, there will not, because everyone has been extended to the end. So half the board.

Senator GALLAGHER: Yes. So half is to the calendar year and half go to the 2016-17 financial year?

Ms Hand: That is right.

Senator GALLAGHER: So the first reappointments to the board will be necessary by the end of this calendar year?

Ms McDevitt: Yes. They will be necessary by the end of the year.

Senator GALLAGHER: The Victorian government has proposed a compromised board renewal process, I understand.

Ms McDevitt: No. There has been agreement between both guide level ministers and Disability Reform Council ministers on the process.

Senator GALLAGHER: So they did not offer a compromise, or it got taken over by another—

Ms McDevitt: There were discussions at the Disability Reform Council in November. There have been ongoing discussions about the reappointment process. But there has certainly been agreement, which commenced last year as part of the recruitment process, on an open process for board renewal and that it should be staggered and that new members should be able to apply. So all that has been agreed. There have obviously been discussions among ministers about the process. As Ms Hand said, in opening the communique, they will be looking at those reappointment processes as set out.

Senator GALLAGHER: Thank you. Thank you, Chair. I know I have taken up a lot of time.

CHAIR: Not at all.

Senator REYNOLDS: Good afternoon, Minister, Secretary and Mr Bowen. I greatly miss this committee, so it is lovely to be back here.

CHAIR: We miss you too, Senator Reynolds.

Senator REYNOLDS: Thank you. I have a few questions. I have a number that, for the sake of time, I will put on notice. The first one is in relation to the young people in nursing homes report, which we tabled on 24 June last year. That is about eight months. I do not think we have had a response back yet from government on that. Minister, are you able to advise the status of that response?

Senator Fifield: I cannot. I do not obviously have carriage of that portfolio area any more. But officers will be able to give an update as to where that is at. I can indicate that there has been some progress in relation to supported accommodation both through the NDIS itself and through the Department of Social Services. When I was minister, we identified an amount of money which we thought could be a mechanism to be an interim stage, if you like, to enable applications for particular supported housing projects. I might ask Ms Hand to elaborate where that is at and the formal response to the Senate from the department.

Ms Hand: I will actually defer to Mr Christian.

Mr Christian: You are right; the government did receive the report of the Senate inquiry on 24 June. The report does include 12 recommendations for consideration by government; the Joint Standing Committee on the National Disability Insurance Scheme, the NDIS; and the Council of Australian Governments, COAG. DSS has taken a lead for the Australian government's response to the Senate Community Affairs References Committee report. We have been, in the period from the tabling of the report to now, working with other agencies, including the Department of Health and the Australian Bureau of Statistics. The MoG changes in September 2015 did mean that there was a short delay in the response being finalised. However, this time has allowed the department to engage with the Young People in Nursing Homes National Alliance, who are providing expert advice on the findings of the Senate inquiry report.

Ms Hand: The other thing I would add, Senator, is that, as you no doubt know, under the NDIS we are currently working with the states on a national quality and safeguards system. We are very much taking into account relevant things that came out of that inquiry as we develop.

Senator REYNOLDS: Thank you. As we all know, and as a member of the NDIS committee, supported accommodation is the one of the more challenging but important issues. As you would be aware, in the NDIS committee we have had two roundtables now as a sort of adjunct almost to the committee to get not only Young People in Nursing Homes and a range of other organisations but also capital funds, developers and others and people who are doing some quite innovative work in this field. I know the NDIA and I think the department have also been engaged in this process. That is a process that will continue. The clear feedback is not just that a lot of people are inappropriately in nursing homes because there is nowhere else for them to go but that a wide range of people who will come under the NDIS remit are looking for quite different types of accommodation. This is where some of the new models have been quite successful. People are not just being provided what the NDIS or a government department thinks is appropriate housing. It is something that gives them choice, flexibility and all those sorts of things. Are those sorts of factors being taken into consideration? How is that sort of rolling out now in terms of policy implementation?

Ms Hand: We will let the NDIA answer.

Ms Glanville: Thanks for that question. The agency is quite involved in a range of initiatives in that space that are quite exciting. The first is, of course, that we are involved in consultations around the country on specialist disability housing following the framework that has been settled in relation to that. It relates to not only pricing but also models. What has been really interesting about those consultations to date, and they are ongoing, is that we have had terrific attendance not only from providers but also from people with disabilities, their families and carers, who are talking about the sorts of models that they would find interesting. So this will be very, I think, significant and creative work in terms of thinking about how we move forward.

The second is that the agency has recently closed a request for information from the Barwon trial site. It was not a request for tender. It was actually a pre-stage to that which asked people in the Barwon region to tell us about what they thought should happen in the housing space—what some of their aspirations and information might be. We had, once again, a very good response to that. We are currently going through all the submissions that have been made, once again, from providers, from people with a disability and from families and others. I think there might even be a local government one in there somewhere. We are really teasing out these sorts of issues.

The third one is very close to the CEO's heart so I could not not mention it. In New South Wales, we are currently looking to have a showcase around different housing models and best practice in innovation in housing in the not-too-distant future. We are hoping that this will act as a stimulus for people to think differently about the way in which housing will be provided.

Senator REYNOLDS: I must say that that is music to my ears.

Ms Glanville: That is very pleasing.

Senator REYNOLDS: For me, it is very encouraging. Obviously the devil is going to be in the detail of how it actually comes together and the timeframe. As you know, another issue that has come out for people either who have experience or who want to go into this area to build and/or operate new styles of supported accommodation is obviously finance. Banks and others would be very interested in investing in these sorts of developments and providing capital for them, but there is actually no-one to guarantee them to provide bank funding for some of that. Is that something that either the department or the NDIA has looked at? Is there possibly a role for the government to provide that?

Mr Bowen: The work that we are undertaking at the moment is to look at the pricing structure for specialist disability accommodation. It contemplates that as people who qualify for that type of assistance enter the scheme, funding is attached but not included in their package to create a fund that can be used to then stimulate the development of new housing options. Minister Fifield will recall that he made the point repeatedly that we do not talk about a specific sum of capital because it is part of the overall scheme costs. The reason we do that is if you just focus on the amount of capital, you will only get an investment approach that maximises the number of residences built but does not necessarily take into account how that style of housing that might be the most efficient use of the funding impacts on other costs to the scheme. Efficient housing might be five-bedroom houses in remote suburbs, which are great for that amount of money. But they will make the additional costs of providing support to people—transport costs and all the other costs—higher. So our pricing structure has to take

that into account. We see good housing support as being a component of good overall package cost.

Senator REYNOLDS: Personally, I am very heartened by that approach. For the long-term future and sustainability, I think that is absolutely right. But it seems like we are caught in that transition phase now going from a supply to a demand driven model, where there are very long lead times. For example, a small example but I think an important one is the contracts and agreements between state governments now and the federal government on funding for the NDIS. There is a financial transaction between the federal government and the states that assumes that all of the 2,200-odd younger people in nursing homes in New South Wales will be out of aged care at the time. People keep saying to me, 'Where are we going to go?' While the financial sums work out, we have not actually identified accommodation yet. We are talking about a population of 7,000 or 8,000. We do not have somewhere for that 7,000 or 8,000 to go. Obviously they are there because there is nowhere else for them to go. There is going to be a long lead time under this longer term model for developers and providers to identify what their niche is going to be, how many people might benefit or want that style of accommodation and then for them come to them. It is a big field of dreams at the moment. In the interim, to not wait for years for things to be developed, how do we get through that transition period?

Mr Bowen: The critical point is that the bilateral agreements for the full scheme were essential to guarantee that the funding will be available in the long term. Neither the agency nor potential developers could sign up until that was there. That was only last year. The agencies work on pricing. We had hoped to get it before this bill comes in March, but they brought the meeting forward to the beginning of March, so I think it is more likely to be the end of March to complete that. We do want to comply with—

Senator REYNOLDS: Mr Bowen, I do not have any problem at all with the agreements and with your need to do that. It is the practical—

Mr Bowen: We can map housing need against the bilateral agreements and make some estimate of what will be needed in what locations at what point of time and start to enter into the contracts ahead of people entering the scheme because we have got reasonably good predictive modelling about who is entering in each location. As Ms McDevitt said in answer to one of those earlier questions, the bilateral agreements give us that much better information.

Ms McDevitt: One of the things that the Commonwealth has done is we have allocated \$10 million from our sector development fund. In fact, applications close today for a specialist disability accommodation initiative. That was specifically to provide some upfront capital to help bring some projects to completion ideally within the next couple of years. So that is something we have done to partly address the issue that you raise about timeframes and long lead times. So that round started last year. It closed today. I will be working through and hoping to have some contracts in place by around April focussed on outside the trial sites to try to bring some of that new innovative supply on sooner.

Senator REYNOLDS: I understand that that crossover period is unavoidable. This smaller cohort of younger people in nursing homes. You have a program, ideally in the next two years. Does that mean that people who are currently inappropriately in nursing homes, as we have found, not getting the mental health support and not getting the rehabilitation

support, are being progressively isolated and all the things that we know? The funding arrangements may have already come in. The Commonwealth government is not funding the aged care facilities any more. You are saying the Barwon region is already ahead. When the people come back to us or come to the planners or whomever, is the answer that we are probably going to have to be stuck there in these conditions for another two or three years until we find or build new accommodation?

Ms Hand: It is the case, and I would add that the pricing framework that DRC—

Senator REYNOLDS: Sorry, but I am having trouble hearing you, Ms Hand.

Ms Hand: Sorry. In the pricing framework that DRC approved last year, one of the criterion for the work that Mr Bowen is doing is that young people in nursing homes get absolute priority for any accommodation that is being built or being brought on board because they are identified as a critical group to move as soon as possible.

Senator REYNOLDS: That is good news. A number of the people we are in contact with now are obviously people in the trial sites. We know that there is a huge gap in terms of their needs for medical and mental health—a whole range of support—and that they have nowhere for their friends to visit and do all those sorts of things. So as a transition for the next two, three and four years, are you saying, then, that NDIS, as it rolls out, will provide more of that support in the aged care facility while they are there?

Ms Hand: If they are eligible for the NDIS, it does not matter where they are; they will get a tailored package.

Ms McDevitt: They will become NDIS participants and, therefore, have the same access to devised packages as any other participants and their choice and control. And then it is about particularly some of that capital funding as well as funding for other support. It is clearly within that category of integrated accommodation and support. So they would be eligible to receive things on the same basis as other people.

Senator REYNOLDS: Until suitable accommodation can be built, found or located for them?

Ms McDevitt: That is right, yes. But it is channelled through their package costs and subject to what the participants are saying would help.

Senator REYNOLDS: So in terms of the rollouts timetable, again, for this particular cohort, for ones that are in the later stages where we have not had trial sites or are in states that are coming online later, what is the longer lead time before they get picked up under an NDIS package? Obviously the accommodation lag would follow further on behind that.

Ms Hand: It would depend on what the participant phasing in is under the bilateral agreement in every jurisdiction. If they are in an area that is being phased in in the first year of transition, the agency will take them on as a participant.

Senator REYNOLDS: This is my last question on this area. We are talking about a very long lead time that is unavoidable, and for the right reasons. There is this particular cohort, and there may be similar cohorts in extreme disadvantage in pretty much every way that we know are going to need an NDIS package and will be eligible for one. Is there any way that the NDIS or the department could look at a separate trial or a different way of dealing with these cohort as a gap measure until the NDIS is rolled out across the country?

Mr Maynard: That is actually what we have in place at the moment. We are not waiting for potentially eligible participants in trial sites to come forward. In conjunction with the Summer Foundation, we are actively working with the operators of aged care facilitators and with carers and family members to start the dialogue with potential participants, granting their eligibility and then, in the same way as for every other participant in the scheme, developing a plan that meets their needs. To the extent that accommodation cannot be found other than their existing accommodation, the agency is still able to fund all the other supports and capacity building and capital items that are needed by that individual to meet their needs.

Senator REYNOLDS: Is that right across Australia for everybody who is currently in an aged care facility who should not or does not want to be there, or has that still got to be phased in in accordance with the national rollout?

Mr Maynard: That arrangement through the grant with the Summer Foundation applies in four trial sites. We are in the process of expanding it. The learnings that we get will inform the way that we engage with that highly vulnerable cohort as we phase out the scheme.

Senator REYNOLDS: I have one final question, possibly for Mr Pratt or Ms Hand. One of the recommendations was to get the exact number and location of those who have been subject to an ACAT so that we know exactly how many there are and where they are and what facilities they are in. I think last time we talked about it, the department was going to put that list together so at least we know exactly who is in the cohort. Has that occurred?

Ms Hand: We have numbers of young people who are in nursing homes. I have the number here somewhere. To be honest with you—

Senator REYNOLDS: I am happy for you to put that on notice. Perhaps you can do it with a state breakdown.

Ms Hand: We will take it on notice.

Senator REYNOLDS: I am happy for you to take it on notice. If you can give us a state breakdown, we would all be interested to see that. The next issue is a very small issue but I think an important one. I and I think others have had very consistent feedback, having talked to participants and their support family and groups, that there seems to be a very high turnover of planners—people who are dealing with individuals' cases. I am not saying that is the case, but it is a consistent thing. One of the biggest issues people have had is not in the way that they are treated but the fact that—people keep calling it Groundhog Day—they have just gone through it with a planner. They do not seem to have the record, so they have to explain it all over again, or they do not like what the previous planner did—they turned it upside down—and they have to go and appeal it to bring it back to what it was. I do not know how much is perception and reality, but that has been a very consistent bit of feedback. There are two things. One is the reasons for turnover, if it is occurring and, two is how you capture the records and the decisions and the reason for the decisions so planners can pick it up again.

Mr Maynard: Thank you, Senator, for that question. I want to acknowledge that wherever there is a staff turnover, be it a planner or whoever is engaging with a participant, it is a very challenging situation. We have worked hard as an agency to maintain our corps of planners. One of the challenges that we face as we expand the scheme is to ensure that we are applying the experience and knowledge of our most capable planners in areas where we need to build our capability. So at times some of our planners may work in other trial sites to be able to

transfer information to apply their learnings. Generally they are temporary arrangements. I acknowledge that where that occurs, that will create some frustration for participants. If it is occurring on a regular basis or in a particular geographic area, we would love to hear about that as an agency because it might indicate turnover that has not been evident. I would like to also acknowledge the tremendous engagement that our employees have with their job. Turnover is not something we are experiencing at the planner level. In fact, it is the reverse. Our planners, in the engagement I have had with them, just love their roles. They love the opportunity to serve participants in the way that they are and are always looking to be able to share those learnings as the scheme expands.

Ms Glanville: I will just add to that. In terms of our staff engagement surveys, the agency does very well in the Commonwealth context in terms of retaining staff and in terms of people's indications of how long they wish to stay with the agency, which is reassuring.

Senator REYNOLDS: I will ask you to take this on notice. Again, I am passing on what has been passed on to me. Can you put on notice not only the turnover but also the transferring? Someone might not have left a particular office but somebody may have been passed to other people, which is the nub of the complaint. People will turn over. It is an incredibly difficult and challenging job for people. How do they physically keep the records? Some of the complaints say, 'Look, it's like they haven't read my file or someone has taken their notes with them.' If someone takes on someone else's case, I am happy if you give us on notice a bit more information about how they keep these notes—electronically, handwritten or whatever—to transfer that knowledge over.

Mr Maynard: I am very happy to answer that now. We are currently operating on a system that was designed to serve the agency in trial site mode, so it has some limitations. The time that I have spent sitting with planners and working out how they capture information, I am confident that the vast majority of information they capture goes straight on to the system. However, the system has some constraints because it was developed for trial sites. We are in the process at the moment of migrating to a new system which will serve us in the full scheme. It is designed around our end-to-end processes which will be consistently applied across the country. One of the key features in that system design is the ability to have any planner be able to take on a case file. It may just be an instance where someone is off sick for a day but a participant rings up with a query on their plan. The new system is designed to be far more intuitive for a staff member to operate and include all of the relevant detail and linkages that are relevant to a participant. So another planner can come in and as seamlessly as possible pick up the status of that plan.

Senator REYNOLDS: That is very good. Thank you. My final series of questions—I will put the rest on notice—relate to the My Way NDIS trials in WA. Can you give us an update from the Commonwealth's perspective, or from the NDIA's perspective, on the timelines of the trial process? I know there is an evaluation process underway. Could you let us know what that evaluation process is and what it is evaluating and when you expect it to have concluded?

Ms Hand: We did cover that, actually.

Senator REYNOLDS: You have already?

Ms Hand: Yes.

Senator REYNOLDS: Thank you. I will go back and have a look at it. I do not want to go over questions that have been asked. Did you talk about the bilateral arrangements process?

Ms Hand: Yes.

Senator REYNOLDS: Excellent. Thank you. Some of the concerns that have been expressed relate to three things—choice and control; concerns about inequitable levels of funding; and, if the state does adopt My Way, the transportability of packages and the transportability of the range of services they can access and the dollar values associated with that. Has that been covered already?

Ms Hand: No. It has not. To be honest, we cannot really talk about it because there has been no decision to adopt the NDIA or the My Way model. Until we have worked through whatever government has decided for a transition to full scheme in WA, it would be premature to answer those sorts of questions.

Senator REYNOLDS: So once we have a decision, we can come back and ask you more questions about the detail of those issues either through this or the NDIS committee?

Ms Hand: Yes.

Senator REYNOLDS: Thank you. I will put the rest on notice.

Senator MOORE: I have a brief follow-up question. Go ahead.

Senator LINDGREN: Mr Maynard, you talked about the program that Senator Reynolds inquired about. I would like to know what your transparency measures are around that particular program. If something is red-flagged, for example, as an issue, is the issue somehow fed up to the next level? Is there a safeguard around that program? If someone makes a complaint and the person gets the complaint and it is an issue and it needs to be followed up, how is it followed up? That person goes sick. Is there a safeguard that says, 'Okay, this issue needs to be red-flagged.' You might be copied into that red flag and it is kept. I am a former teacher. We have a one school program in Queensland. If something is red flagged, the principal sees the copy. Is there some measure that does that?

Mr Maynard: There are a couple of issues there and I might cover them both separately. The ICT program that sits behind our planning process has limited ability at present to flag key milestones, review points or issues. It is largely incumbent on planners keeping those records themselves. One of the features of the new ICT program which is being rolled out within the agency is that it will workflow a lot of those key milestones, review points and comments et cetera. What that will do, if everything goes according to what is currently planned, is trigger diary notes in a planner's diary, for example, a period ahead of when a planning review is required, and they can start to gear up with that participant. The second part of your question relates to specific complaints. The agency has a formal complaints framework that is independent of the planning function. So if there are queries or concerns that are raised in the normal course of a plan being developed for a participant, they would be discussed with the planner or a senior planner within that work group. If that concern is not completed or addressed to the participant's satisfaction, it can be registered with the agency as a formal complaint and reviewed independent of the planning function. Ultimately, through various escalation points, if the participant is not satisfied, it is referred on to an independent investigator.

Senator LINDGREN: Thank you.

CHAIR: Just before we finish up here, I think Senator Moore had some questions.

Senator MOORE: I wanted to follow up on Senator Reynolds.

CHAIR: I do apologise to Senator Siewert. You do.

Senator SIEWERT: Do you want to ask follow-up questions on housing?

CHAIR: Yes. That is all right. So Senator Moore and then Senator Siewert.

Senator MOORE: I want to follow up particularly on the last point that Senator Reynolds raised, which is about the Western Australian experience. Certainly I take the point that no decision has been made. Already the media in WA has had publications talking about how much better the My Way system is because it is cheaper. They are actually saying that. In line with previous questions we have asked this morning, does the department have any response so that when the media comes out—I am sure you have seen it—and makes these claims in the local media, the department then tries to give some response to it? It is particularly dangerous. The particular questions we had around this area could not have responses because no decision has been made. If already it is being ceded in the community that My Way is better, that is very worrying.

Ms McDevitt: I might just comment. As part of the regular reporting on both trial sites, we do get more and more information. You would be aware that My Way expanded into the Kwinana and Cockburn region—

Senator MOORE: I do know that.

Ms McDevitt: earlier this year. In fact, WA has just published their latest quarterly report on the site. Certainly the package costs are going up and are much more in line with the NDIA model. Yes, we do constantly get reports from both trial sites—I am aware of that—and we go out of our way to make that information available. I think you will see that voices in the media—for example, the people with disability in Western Australia who did a participant survey last year—are quite active in providing participant perspectives on both of the models in WA.

Senator MOORE: We have been told by service providers that they have to register with the state system to deliver services under the NDIS in WA. My understanding is that, in the state system in WA, it is a process that can take many years to get that registration. It is complicated and restrictive. Is that your understanding?

Ms McDevitt: I am not aware in detail of the WA government's registration process for providers.

Mr Bowen: It was an issue early in the Perth field site. Part of the bilateral agreements for trial vested the states with continuing responsibility for quality and safeguards. The WA model is to go out occasionally inviting providers to register and go through that process. Our trial site was finding that that was slowing down registration early in the piece. But WA responded and that has been accelerated.

Senator MOORE: That has been stopped?

Mr Bowen: I am not aware that it has been a problem for over 12 months now.

Ms Glanville: I think that is right. If it would be useful, we could certainly give you the number of providers that are now registered in WA. I just do not have any of those to hand.

Senator MOORE: I have the number. The providers in some areas are still making complaints that it is more complex to be able to partake in the system in WA than it is in other states. I have not heard the same complications anywhere else.

Ms Glanville: Just to echo Mr Bowen's comments, that certainly was the case, but we think that has been resolved. So if you have any recent examples of that, we would very much welcome hearing about them.

Senator SIEWERT: I have. I have had it said to me recently—within the last three months—but it may be just repeating old information, so I will double-check that.

Ms Glanville: That would be great. Thank you.

Senator SIEWERT: I have some more WA questions.

CHAIR: Before we proceed, I will remind senators that we are about 40 minutes past the time for outcome 2.

Senator SIEWERT: I have two areas that I want to traverse, but I will try to do them quickly. I want to follow up on WA. You do not know yet whether the evaluation report is going to be released?

Ms McDevitt: It is being finalised and will go through both the Western Australia and Commonwealth ministers. It will be their decision whether it gets published.

Senator SIEWERT: Was that not part of the agreement in terms of the comparison approach?

Ms McDevitt: It is a matter for the ministers.

Senator SIEWERT: When is that issue going to go to the ministers for resolution?

Ms McDevitt: It should happen fairly shortly because, as I understand it, Standards International, which is doing the evaluation of the WA trials, is close to finalising its interim report. As I said, we received a draft of that report, as did all members of the WA joint steering committee that oversights the trial. They had the opportunity to provide some comment, and that work is ongoing. But that is for stage 1 of that evaluation, with the final evaluation due later this year, in around August.

Senator SIEWERT: Thank you. I was particularly interested in the timeframe when you think the ministers will be able to release that report.

Ms McDevitt: It has not yet gone to the ministers. We expect that will happen in potentially the next month.

Senator SIEWERT: Thank you. I understand Minister Porter met with the Western Australians and the Western Australian steering committee. Could you confirm whether that is in fact true? Is anyone able to confirm that?

Ms McDevitt: I am not aware that the minister met with the WA joint steering committee.

Ms Hand: We will take that on notice.

Ms McDevitt: I will take that on notice.

Senator SIEWERT: Could you take that on notice, please? There is still ongoing concern in Western Australia that we are going to go with the Western Australian model and that is it.

Ms Hand: As I said, there is absolutely no decision on which model or what model or hybrid or whatever will be pursued.

Senator SIEWERT: Sorry, I am having trouble hearing you.

Ms Hand: There is absolutely no decision in that regard. Until the evaluation is done, there is very unlikely to be a decision.

Senator SIEWERT: Thank you. I want to ask, then, about Aboriginal and Torres Strait Islander people and how the scheme is responding. I understand that you have been meeting with the First Peoples Disability Network. Could you update us on where you are at in negotiations particularly addressing very significant issues around access for Aboriginal and Torres Strait Islander peoples?

CHAIR: Sorry to interrupt, Senator Siewert. I seek your guidance, Mr Pratt. I understand the Australian Institute of Family Studies had some time constraints today.

Senator SIEWERT: Sorry, yes.

CHAIR: We are probably pushing up against that, I imagine. What is their timing?

Mr Pratt: If we wrap up here shortly and they come on first, I think that would be fine.

Senator SIEWERT: I do not have a lot of questions. I want to have this update, if that is possible.

CHAIR: While I have you, Mr Pratt, and I have interrupted, Senator Xenophon had a question. It is not a line of questioning at the moment.

Senator XENOPHON: It is about the review by former Premier O'Farrell of online wagering, and particularly offshore wagering, because that is now in the media.

Mr Pratt: In the next session, Senator.

Senator XENOPHON: Next session.

CHAIR: Outcome 2.

Senator XENOPHON: Outcome 2. That is all I wanted to know. Thank you.

CHAIR: Thank you. Senator Siewert.

Ms Glanville: Thank you, Senator. The agency continues to learn from the Barkly trial site, which covers the small communities of Epenarra and Utopia. Of course, there is the rollout of the site up in Townsville, Charters Towers and Palm Island in North Queensland. We worked very deliberately and gently in those communities. In the Northern Territory, I think the agency has made terrific ground in terms of the number of participants that are in the scheme now. That is shown by the figures in our quarterly report. But, most importantly, I think, from the agency's perspective, we have learnt enormously about how to work with indigenous leaders in that community. That is exactly the approach we are taking in Far North Queensland as well in order to be able to ensure that indigenous Australians are very much involved not only in what their plan might look like but, most particularly, the most effective way of being engaged. Most recently I was in Townsville and met with a number of the elders there. It was terrific to get authority in that way for us to proceed into those communities and have ways of working there. The agency is in the process of finalising its indigenous

community engagement plan, which also looks at rural and remote issues generally. In that vein, we have a good conceptual structure around how we wish to work in those communities and how we would partner on issues.

Senator SIEWERT: And are Aboriginal and Torres Strait Islander peoples subject to the guided plan process?

Ms Glanville: That is a newer initiative and it is being tested at the moment in the ACT.

Senator SIEWERT: We were told it is mandatory. Will they be subject to that same process? If so, it sends a lot of red flags up for me.

Mr Maynard: Thank you, Senator, for that question. One of the benefits we will get from the pilot in the ACT and the differences with the traditional planning process is that it will highlight how we need to modify our engagement with different groups of people. Testing it, as we are, with peak bodies will also give us further insight.

Senator SIEWERT: Mr Maynard, with all due respect, the ACT is a vastly different place to rural Australia and, in particular, Aboriginal communities.

Ms Glanville: I have no doubt that in the Northern Territory, for example, when I look at the efforts we deliberately put in after engaging with people there and the sort of steps we needed to take to ensure that people understand what the scheme is about, they can become participants in a way which is meaningful to them. Some of those different ways of working will need to continue in some of these areas in order to get the take-up that we would want in the scheme. We have also very much worked with the First Peoples Disability Network in some of the granting that they have done to assist us in areas like South Australia as well as in the LAC space. It is very pleasing that, in our own workforce in the Northern Territory, I think out of the Barkly region, we have eight or nine staff and four of them are people from indigenous backgrounds themselves. It is hugely helpful.

Senator SIEWERT: I understand that the network has made a number of suggestions or recommendations and proposals to you. Where is that at? I do not know what they are all. I understand they have been talking to you. Could you outline where you are at in terms of looking at those proposals?

Ms Glanville: I am not sure which particular proposals you are referring to. If you are able to identify them, we would certainly give you that.

Senator SIEWERT: Maybe we should follow that up.

Ms Glanville: That would be terrific, thank you.

Senator SIEWERT: Thank you.

CHAIR: Thank you. I think that brings to a close outcome 5. Thank you very much. We are now going to move to outcome 2 and start with the Australian Institute of Family Studies.

Australian Institute of Family Studies

[16:04]

CHAIR: Welcome to the table, Minister Fierravanti-Wells. I will go straight to Senator Moore for questions.

Senator MOORE: Ms Hollonds, is this your first estimates as the director?

Ms Hollonds: It is, Senator.

Senator MOORE: Congratulations and welcome.

Ms Hollonds: Thank you.

Senator MOORE: I have just a couple of questions. I am sorry, but they are going to be over different parts of your program.

Ms Hollonds: Of course.

Senator MOORE: That is unfortunately how it has to work. The first question I have is about the *Hearing her voice* report. My understanding is that that was an AIFS report. Is that correct?

CHAIR: Senator Moore, it is a little difficult to hear you. Is it possible to speak a little closer to the microphone?

Senator MOORE: Sure. I was talking with other members of the committee at the last estimates. I was asking about issues around FGM and working with multicultural women. On record, it said that DSS had commissioned the report *Hearing her voice: report from the kitchen table conversations with culturally and linguistically diverse women on violence against women and their children*. I could not find it on the DSS website. I found it on the AIFS website. I want to confirm that this was a product of the AIFS.

Ms Hollonds: My understanding is that that is not one of our pieces of work. It may be on our website as a piece of work done by somebody else. I think ANROWS might have been funded to do that.

Senator MOORE: It is not owned. We had a discussion at the last hearing, where there was confusion about whether there was going to be one or two reports. That one has been on the website for a few months. If it is not yours, I will go on. I will try to find it elsewhere. I was advised by people who searched for it that it was on the AIFS website. Anyway, I will follow back with the department on that. Secondly, I wanted to talk with AIFS about issues of adoption in terms of the longstanding interest this committee has in adoption issues. Can you tell me the current status of your work on the issues around adoption?

Ms Hollonds: I will hand over to Associate Professor Higgins on that matter.

Prof. Higgins: I am happy to give you an update on the range of work that we have been doing. As you are aware, we were integrally involved with providing advice to the department in the form of a scoping study about the current needs of those affected by past adoption practices and forced family removal practices. The basis of that report has really turned itself into the current funding model. Where we are now working with the department is to look at, I suppose, what you might call a suite of best practice resources to support the agencies that have been funded under the forced adoption specific services that the department has. That is Relationships Australia in all states and territories, except in Queensland, where it is Jigsaw. So we have been working collaboratively with the department and with each of those funded agencies to explore some of the findings from our research around what the current needs are and the best ways of implementing that. We have developed a range of resources that are summaries of what the research evidence says and formed a discussion paper that is now out for consultation with the sector as we speak.

Senator MOORE: I spoke with the Australian Institute of Health and Welfare yesterday. One of many committees in which they are involved concerns issues around adoption, foster

care and out of home care. They were telling me about their data needs in this space. Can you confirm, probably again, for me the process of consultation at the moment around the issues of adoption? Are there interdepartmental organisations that include the Institute of Family Studies? Are there ongoing processes? I now know that DSS has picked up the responsibility for all adoptions. If we have time, I want to ask questions of the wider department. Are you involved in ongoing work looking at the issues of adoption? I particularly refer to the historical knowledge that AIFS has in terms of what I see as the current policy focus on looking at making adoptions simpler and more accessible.

Prof. Higgins: I can answer that currently we are not on any committees.

Senator MOORE: Nothing of that nature going on?

Prof. Higgins: No.

Senator MOORE: You are not working with the department in any way about this?

Prof. Higgins: Not regarding current adoptions. Our work has been focussed around past adoption and meeting the needs of those affected by past adoption.

Senator MOORE: Another area in the AIFS is gambling and the Centre for Gambling Research.

Ms Hollonds: The Australian Gambling Research Centre.

Senator MOORE: Is funding secure for that work?

Ms Hollonds: Yes. It is secure. I think it is five years. It is appropriation funding.

Senator MOORE: Five years from when?

Ms Hollonds: No. It is not five years, I am sorry. I will take that back. It is appropriation.

Prof. Higgins: Funding commenced in—

Ms Hollonds: From 2013.

Prof. Higgins: Yes.

Senator MOORE: What does that give you as an appropriation? What does that mean in terms of your funding?

Ms Hollonds: In terms of dollars?

Senator MOORE: Yes.

Dr Alexander: It is about \$1.2 million.

Senator MOORE: There is one other space. It is the national conference. Are you moving towards a national conference this year from the AIFS?

Ms Hollonds: Yes. We have our biennial conference coming up in July 2016.

Senator MOORE: In 2016?

Ms Hollonds: Correct.

Senator MOORE: Ms Hollonds, where does the funding for that come from?

Ms Hollonds: We seek funding support from various departments and other interested organisations willing to support the conference.

Senator MOORE: And how is that going?

Ms Hollonds: We are just at the beginning of that process now trying to secure that sponsorship.

Senator MOORE: For July 2016?

Ms Hollonds: Correct. We have had some small amounts come in from various stakeholders, but we are seeking to secure funding from departments as we normally do.

Senator MOORE: I do have some other questions, but I will put them on notice.

CHAIR: Are there any other questions for the Institute of Family Studies?

Senator SIEWERT: The current project looking at the longitudinal study of leaving care in Victoria.

Ms Hollonds: Beyond 18?

Senator SIEWERT: Yes, Beyond 18. How is that progressing? I understand it is going to be reporting next year.

Ms Hollonds: I will refer to Associate Professor Higgins again.

Prof. Higgins: Thank you, Senator. The study, which, as you know, is funded by the Victorian Department of Health and Human Services, has had a number of modifications both to the methodology and to the timelines as it has progressed for a range of reasons. One of the initial stages was going to be a case file audit that was going to form wave one of the study. For a range of reasons, including getting access to the right data and the availability of it for us, that led to a number of changes. We are happy to say that we have been in further discussions with the department and changed the methodology. We are now well into the two critical components, which are surveys both of carers and obviously young people themselves. We are on track to meeting our target of having around 200 young people respond to that survey by about May.

Senator SIEWERT: So it is still on track to report in 2017?

Prof. Higgins: It may be that we will have discussions about extending that. Of course, it is really only going to be telling us the early outcomes of young people's journey to transitioning beyond care. So that is an ongoing matter for discussion with the department. But at this stage there has been no change to the reporting timelines.

Senator SIEWERT: Thank you. Have you been involved at all in the development of the third action plan under the framework for child protection?

Ms Hollonds: Yes. Thank you, Senator. We have been very involved in the process of the preparatory meetings. In terms of the implementation, we have a number of our personnel involved in the various strategy groups that are looking at how to implement it along with the states.

Senator SIEWERT: In terms of the third action plan?

Ms Hollonds: Correct.

Senator SIEWERT: When did you start that process?

Prof. Higgins: It had been an ongoing process. I suppose we became more critically involved last year when the department asked us to assist on a couple of key meetings. For example, I was asked to assist with chairing a roundtable that was focussed on the needs of people with disability and how their issues will be able to be reflected in the plan. We have

been invited to attend a number of the national forum meetings. It is the tripartite mechanism for the Commonwealth, states and territories and the not-for-profit sector, who are the ones that are delivering many of the services that relate to the national framework. We will be part of those discussions and very actively involved in both preparations for those meetings and assisting the department and other members of that forum, including the not-for-profit agencies with options, given our knowledge of the research and what works in that space.

Senator SIEWERT: So which particular working groups under that process are you involved with?

Ms Hollonds: I think we are involved in all of them, actually. There are three main strategies. We have someone on each of those working groups.

Prof. Higgins: We have particular involvement in relation to the research because we are currently being funded by the department to update the research register, which we had developed under the previous action plan. So that work is currently underway and will obviously be of use by not only the department but more broadly the national forum as they progress the third action plan.

Senator SIEWERT: Are you being specifically funded for that? How are you resourcing that?

Ms Hollonds: That is just through our appropriation.

Senator SIEWERT: Do you anticipate ongoing engagement in that?

Ms Hollonds: We have a strong commitment as an organisation to supporting the success of that plan and the framework. So we would be seeking to commit as many resources as we can to support that work.

Prof. Higgins: One way we can give effect to that is that one of the largest ways in which the department funds us is through the Child Family Community Australia information exchange. That is really supporting all of the agencies that work in that space. So that is why we are sitting on each of those three strategy groups—to be able to get close alignment with those other pieces of work. That is one of the main ways in which we are tailoring, I suppose, our support for the national framework.

Ms Hollonds: As well as the research advisory side, as Professor Higgins mentioned. Obviously evaluating the outcomes is very important.

Senator SIEWERT: Yes. There is still part of the second action plan that has not been implemented. As part of that process, are you looking at what was not implemented fully out of the previous action plan?

Prof. Higgins: That is not specifically our role. Of course, that is a question for the Commonwealth and the states and territories and the community agencies as well. I should also add that, with the biennial AIFS conference, we make sure that the conference themes are very much focussed on issues that are aligned to the national framework and the national plan for the reduction of violence against women and their children. Of course, there is much overlap there in terms of family violence and the protection of children.

Senator SIEWERT: As you were saying that, a question flitted through my brain, but I was too intent listening and I did not capture it. So when I do, I will put it on notice.

Senator MOORE: I have another question. It is to do with the surveying that DSS and AIFS are doing on formal non-parental carers. You would know that one of the recommendations we made in the grandparents report we did was for a quite detailed study to be done by the AIFS on the issues of grandparent caring and having a longitudinal study arrangement. The Australian government's response said that while a national large-scale or longitudinal study of grandparents was not possible at this time, the Australian Institute of Family Studies and the Department of Social Services had been working collaboratively to progress the issue as a priority research topic. What does that mean?

Prof. Higgins: I am happy to elaborate on that. What has been agreed and funded by DSS—it is one of the national initiatives, if you like, that relates to the work that DSS is supporting under the national framework—is to ask us to do a formal survey of non-parent formal carers. It involves those who are in the child protection system in each of the states and territories. So it will include grandparents but only those who are formal carers as opposed to those who might be informally providing care. But it goes well beyond grandparents.

Senator MOORE: What is the difference there?

Senator SIEWERT: What do you count as formal?

Prof. Higgins: Where there is a children's court or a juvenile court order.

Senator SIEWERT: So we are going to miss a whole cohort, are we not?

Prof. Higgins: This survey is not necessarily answering all of the same questions that you might want answered from a survey specifically on the issues of grandparents. It will answer some things. It is answering a lot of other questions, because it will be capturing all of the kinship carers and all of the foster carers as well. The main impetus for it is that there is currently no other way of reporting against the national carer standards, where we do not have data about the levels of support and so forth. So that is really the main focus of this study.

Senator SIEWERT: It will only catch the kinship carers who are formal?

Prof. Higgins: Yes. Kinship carers who are formal. Foster carers. Anyone who has a children's court or a juvenile court order in their state or territory and is receiving support or has been offered support, even if they have declined it, from a state or territory child protection department. So it is using the same definitions that are used by the AIHW in terms of reporting on numbers of carers in the child protection system.

Senator SIEWERT: Is there any process that you are aware of that is capturing, then, the informal carers?

Prof. Higgins: No. That is one of the things that we discussed early on. While that would from many people's perspective be a useful thing, it was obviously going to cost a lot more and be very difficult and perhaps even need a very different methodology. The reason for the focus on this cohort is that it is a known population. We know exactly how many formal carers there are in every state and territory. The overriding aim was to be able to make statements that we could generalise to the population from our survey of formal carers because it is representative.

Senator SIEWERT: So you are not doing it. Do you know of anybody else that is looking in that space of informal care?

Prof. Higgins: I mentioned before the register of research. We know that there are lots of small-scale studies of carers going on that will often include informal carers, but—

Senator SIEWERT: That is not giving us an idea of the size of the cohort?

Prof. Higgins: No. Methodologically, it is incredibly difficult because it is not a known population. That is why in our support of the government's response we were saying that it would be a very, very expensive task. You would have to survey very, very widely in order to get the small number of people who are informal carers, unless you go for a methodology that is not representative. Then it does not allow you to answer the kind of questions you might want to ask about how much of the population is in this category and what their levels of needs are. So you can go for the qualitative, rich, in-depth work, but it does not answer the question about how much.

Senator MOORE: What is the cost and the timeframe of this particular project from the AIFS perspective?

Prof. Higgins: The institute is receiving \$600,000 for the survey. That is covering not only the design but also subcontracting out to a field work agency to get on the phone and make the calls, record the surveys, send us the data and provide the report.

Senator MOORE: And the timing?

Ms Hollonds: July 2016.

Prof. Higgins: Yes. I think it is actually by the end of this year.

Senator MOORE: The calendar year?

Prof. Higgins: Yes. The end of the calendar year.

Senator MOORE: So we would have that data in 2017?

Prof. Higgins: That is right.

Senator SIEWERT: I have one more question. In terms of Aboriginal and Torres Strait Islander peoples, this survey will cover the formal care?

Prof. Higgins: Yes. So any type of carer. It does not matter. We have a number of questions that will explore—

Senator SIEWERT: Will you specifically be exploring Aboriginal and Torres Strait Islander peoples?

Prof. Higgins: Yes. There is a range of different subgroups—culturally and linguistically diverse communities, people in same sex relationships, Aboriginal and Torres Strait Islander people and grandparents. They are all the ones that we know are out there in the caring population. They might differ in terms of their support needs both from departments and other agencies. We know that, of course, in the various states and territories there are carer support agencies that do some critical work in addressing the needs of carers.

Senator SIEWERT: I will move on in a minute. I want to pick up on something you said. You said court orders in some states. Then you talked about interaction with the department of child protection. Some states do not have as many people going to seek court orders if they do not need to. There is an arrangement through the department of child protection as well, whatever they are called, in various states.

Prof. Higgins: Yes. But they are definite. We have some very strict criteria because we are hoping to have comparability right across the country. Therefore, the data request to each of the child protection departments is exactly the same so that we can say we have used the same methodology. One of those criteria—I just do not have them off the top of my head—is that there is a court order in place.

Senator SIEWERT: So we are actually going to miss a hell of a lot more than I thought we would.

Prof. Higgins: Well, it is the same definition that is used by the AIHW, so it is the same population group that you are seeing reflected in the—

Senator SIEWERT: But we are trying to get more information on that. Our understanding—Senator Moore can correct me if I am wrong—through our inquiry is that a lot of the arrangements have not gone to court.

Prof. Higgins: My understanding is that, therefore, it will vary in the degree to which they are 'registered' as a carer within—

Senator SIEWERT: In some states, exactly.

Prof. Higgins: That is right. For consistency, we have had to go with what is equivalent across all states and territories, and that is where there is a court order.

Senator SIEWERT: So we are going to get an even narrower population than I thought that you were talking about.

Prof. Higgins: It is potentially narrower than what you were thinking of. But it will still be a significant cohort, the same cohort that is reflected in the child protection Australia reports.

Senator SIEWERT: Yes. I am trying to see how we can get actually beyond that, because we are studying the same cohorts. Each time we have informal carers where the state is not involved. Gran or aunt has taken over the care of the kids. We know there is a cohort there. There is a very significant cohort that, in fact, do not end up in court.

Prof. Higgins: Yes.

Senator SIEWERT: And we are not picking them up.

Prof. Higgins: I think that is the same issue as the grandparent carers. It would be informal grandparent carers. It would be very useful to understand their experiences, but that was not able to be incorporated within the methodology and the funding provided.

Senator SIEWERT: Okay. I am trying to understand what additional information we are going to get through this. There is still a whole lot that we are going to miss for various reasons.

Prof. Higgins: Yes.

Senator LINDGREN: I want to ask about that data. You said it has to be a court order. Is that correct? That is the data that you are capturing?

Prof. Higgins: My understanding is that that is one of the criteria for the states and territories to apply in working out who is within scope for being surveyed.

Senator LINDGREN: I assume those guardians, be they grandparents or otherwise, would be accessing funds to support them. If the grandparent is on a pension or a small

superannuation payment, they would be accessing some sort of funds from a government organisation. Could you capture your data from that?

Prof. Higgins: We looked at all of those different options and there was no way of being able to define the population to be able to say what proportion responded to our survey. We had lengthy discussions with both the Commonwealth and all of the states and territories. What was agreed was restricting the survey to formal carers as I have defined it.

Senator SIEWERT: Could you perhaps give us that definition?

Prof. Higgins: Yes.

Senator SIEWERT: Thank you.

CHAIR: That is all for the Australian Institute of Family Studies. Thank you very much. We will now break and come back at a quarter to five with the rest of families and communities.

Proceedings suspended from 16:28 to 16:46

CHAIR: We will recommence.

Mr Pratt: I would like to table another one of our comebacks. This is the list of organisations offered service gap funding.

CHAIR: Great. Please do.

Senator MOORE: I have some questions about paid parental leave. They are very straightforward. I want to get the details of the changes made in the 2015 MYEFO to the proposal that was originally on the cards for PPL.

Ms Bennett: Could you repeat that question?

Senator MOORE: I am after the details of the changes proposed to PPL in the 2015 MYEFO.

Ms Bennett: Those changes were listed in the MYEFO, which basically said that women who met the eligibility criteria and had an employer provided parental scheme of less than 18 weeks will receive a top-up of the minimum wage on the difference between what their employer provides and to make the 18 weeks.

Senator MOORE: How does that differ from the original measure? Ms Bennett, exactly what is the difference?

Ms Bennett: The original measure was based on the amount of money that you received that exceeded \$11,640. If you received more than that from your employer, you were not entitled to the paid parental leave scheme from the government.

Mr Pratt: So it has gone from a dollar basis to a number of weeks basis.

Senator MOORE: Of the 80,000 people who were expected to have their PPL reduced or cut entirely as a result of the measure contained in the budget, how many will now be not affected by the change?

Ms Bennett: Not affected?

Senator MOORE: How many will be spared any change to their PPL?

Ms Bennett: Our estimation is that four per cent of mothers will not have a PPL entitlement due to their employer schemes being at least 18 weeks. That is about 7,000.

Senator MOORE: So with the original budget measure there were a number of women who would not have their PPL affected. What is that number?

Ms Carapellucci: The number of women who are unaffected by the MYEFO measure is the same as the number of women who were not affected by the budget measure because those not affected are those who do not have employer provided—

Senator MOORE: I am sorry. Can you go through that again? My understanding is that in the proposal that was in the budget there were estimates that we discussed at length in the committee about the three categories of women. Some would be completely unaffected by the budget change. Some would have a minor impact. Some would lose all entitlement. We went through that detail.

Ms Carapellucci: We have the same preliminary analysis on it. Those who were unaffected in the previous arrangements are the same number as this time because they are women whose employer does not provide paid parental leave.

Senator MOORE: That is right. They will be non-affected no matter any change?

Ms Bennett: Yes.

Senator MOORE: In the next two boxes?

Ms Carapellucci: There is about 90,000 women who are not affected.

Senator MOORE: In total?

Ms Carapellucci: Yes.

Senator MOORE: So 90,000 unaffected. How about that middle one, where there would have been some change? I would have expected that perhaps with this amended model from the MYEFO there would be a change in the numbers in that box.

Ms Bennett: There is. There is around 44 per cent, which is about 72,000. These are obviously calculations.

Senator MOORE: Calculations, sure.

Ms Bennett: They will receive a combination of what their employer provided and a partial PPL, which will be made up of how many weeks to equal 18 at the minimum wage. As I said, there will be four per cent, about 7,000, where their employer provides at least 18 weeks and they will not have a PPL entitlement.

Senator MOORE: Will that 7,000 be part of the 72,000?

Ms Bennett: No.

Senator MOORE: That is what I am trying to get my head around—the difference in impact. I was really clear with the first one. I am just not clear how many women would have been affected by the first proposal who will be advantaged by the second proposal. I do not think I have actually heard that answer.

Ms Carapellucci: With the budget measure, our estimate was that 34,000 women would miss out completely on government PPL. With the amended MYEFO measure, 7,000 women will miss out completely on government PPL. So that leaves 27,000 who previously would have missed out will get some government PPL.

Senator MOORE: That is what I wanted to hear. How many people get access to PPL but that previously did not? That would be the 27,000. What are the revised numbers of people that will have their PPL cut or reduced each year?

Dr Baxter: Those who will under the new scheme no longer be eligible for PPL will be 7,000 families. Previously under the budget measure it would have been 34,000 mothers. So the difference is 27,000.

Senator MOORE: So under the proposed scheme, there will be no more women who will lose their PPL because this is a more generous scheme. Is that right?

Dr Baxter: That is right.

Senator MOORE: So there will be no more women or families who will lose PPL, because the previous scheme had greater effect. And of the people who had their PPL reduced, there will be no more of those either, will there?

Dr Baxter: That is correct.

Senator MOORE: Are there any changes being made to the work test around PPL?

Ms Bennett: The minister has announced in some media interviews that the intention is to change the PPL work test for mothers in dangerous positions.

Senator MOORE: I am sorry, Ms Bennett, but I just missed that middle bit. It phased out.

Ms Bennett: In recent media reporting, Minister Porter announced that there will be changes to PPL work test arrangements for mothers in dangerous jobs—for example, jockeys—or those whose positions may require them to take longer breaks, such as casual teachers.

Senator MOORE: Do we know what those changes are going to be?

Ms Bennett: This is the legislation and the changes are still being considered.

Senator MOORE: In terms of the categories of women who would fall under that heading, I have heard the jockey issue described, and that is very real. Are there any others that we know of at this stage that would fit into that particular category?

Ms Carapellucci: It would be women who, for example, work with dangerous substances and who—

Senator MOORE: So mining areas?

Ms Carapellucci: That is right.

Senator MOORE: And they are defined somewhere? Will there be definitions there, or will women have to make their own case?

Dr Baxter: At the moment, it is just being talked about in reasonably general terms, so that would all be part of any conversations about any definitions.

Senator MOORE: Are there any dates around these changes? I know that we are waiting for legislation, but has the minister made any statements that says when he would like this to be operational? I have not seen anything that says that.

Ms Bennett: As set out in MYEFO, it is intended that the new arrangements would apply from 1 July 2016.

Senator MOORE: Can you provide the number of PPL recipients in receipt of income support? You can take these on notice, if you like.

Ms Bennett: I think we will have to take that on notice. We will take it on notice.

Senator MOORE: With income support, can you provide any information on the annual income of these people? Can you outline how much these people are likely to be worse off as a result of the measure and by what average?

Ms Bennett: We could provide it—it would take some time—by income. Would you prefer us to put it on notice?

Senator MOORE: Put them on notice, yes. We have two areas here around settlement and multicultural policies. I do apologise for bringing you up and down at the moment, but there is a time element where I am just going through and crossing things off. Hopefully this is all in the right program. This next one is changes to the newly arrived residents waiting period announced in MYEFO.

Ms Bennett: That is not for our area. It is not this area.

Senator MOORE: I am sorry. My records indicate that it is. I am happy to be advised it is not.

Mr Pratt: Senator, I think that is an outcome 2 question.

Senator MOORE: I thought we were in outcome 2.

Mr Pratt: Sorry, outcome 1 question.

Ms Bennett: A social security question. Would you like to put it on notice?

Senator MOORE: I will put that on notice. I have this under outcome 2, which is a confusion. Settlement services?

Ms Bennett: Yes.

Senator MOORE: This is about the Syrian refugee process. How many people have been resettled so far in this cohort?

Ms Cala: I think you are referring to the government's decision to resettle an additional 12,000 people—

Senator MOORE: I certainly am, yes.

Ms Cala: fleeing conflict in Syria and Iraq. Of that 12,000, 26 people have arrived in Australia so far.

Senator MOORE: And they are in the process of being resettled. So they have reached our shores and they are now in the process?

Ms Cala: Correct, yes.

Senator MOORE: Is the process to resettle this group exactly the same as the current humanitarian program?

Ms Cala: Yes. So we are using the same settlement programs and services that are available to any humanitarian entrant. Also note that the government did task the Refugee Resettlement Advisory Council, now called the Settlement Services Advisory Council, to provide a report about additional things that might be required in this regard.

Senator MOORE: Have any special measures been put in place? I would imagine any special measures would have come out of that recommendation that was done by the specialist group. Have any special processes already been put in place?

Ms Cala: Not as yet. The recommendations of the council are still under consideration.

Senator Fierravanti-Wells: Perhaps I could add that the Syrian cohort has afforded us an opportunity to look at some of the things we are doing, obviously with the reestablishment of the advisory committee under Paris Aristotle. The particular nature of this cohort has certainly been helpful for us to look at some of the things that we are doing, and perhaps with a fresh pair of eyes, if I can put it that way as well. Some of the things that have been suggested to us are clearly things that we know in some areas we could do better. But it has really been a very useful opportunity for us to engage very broadly with the council and new members on the council and for them to supply us with the benefit of their suggestions and advice in this area.

Senator MOORE: Minister, are the recommendations of that council going to be made public in terms of the work they have done and the assessments and information they are providing?

Senator Fierravanti-Wells: Rather than recommendations, if I can put it that way, they have provided us with in some areas simply an analysis of where things are and where we could progress. At this stage, there has been no decision made in relation to that.

Senator MOORE: Can we put on notice, as you well know the system, to let the minister know that we would be interested in seeing any of the work that comes out of that council.

Senator Fierravanti-Wells: Certainly.

Senator MOORE: Because we have an expectation of 12,000 people coming, I would imagine in a fairly rapid time because of the urgency of the situation, are there processes being put in place to respond to a relatively large intake during 2016? We have had 26 until now, and 11,000 and something will be coming in the next few months. That is a relatively large intake in a quick period of time. Has that been taken on board by the department?

Ms Bennett: There has been evidence given to the committees by the department of immigration. There is evidence that due to the arrangements put in place by immigration before people leave offshore, it is going to take longer than anticipated. We work very closely with them. They have not at this stage exactly worked out the flow and pace.

Mr Pratt: I will add to that. From the original announcement of this, it was never anticipated that all 12,000 would come in in this financial year. It was assumed that this would happen over several years. So it is not going to be 26 now and then suddenly 11,974, if I have my maths right, in the next few months. We have certainly estimated that it will happen over several financial years.

Senator MOORE: Over how many, Mr Pratt? I know you are still working through the process, but is there any expectation of how many? Certainly my belief and the wider community view is that once the announcement was made that we were going to take 12,000, we will see it—

Mr Pratt: I am sure our costings assume that it will be last year, this year and next year at least.

Senator MOORE: So that is 2015-16 and 2016-17?

Ms Bennett: It was confirmed by the secretary of immigration that the program would extend over multiple financial years.

Senator Fierravanti-Wells: Senator Moore, there was quite comprehensive evidence given in immigration on 8 February. You may wish to have a look at the evidence that the Director-General of ASIO gave on 9 February as well. There are two distinct components to this. There is the pre-arrival and the post arrival. Certainly from our perspective our post arrival activities are very much conditioned on what happens in the pre-arrival part of it. So I think it would be useful to get a complete picture by looking at the evidence here in immigration and the evidence that was given as part of the ASIO and the Director-General's evidence as well.

Senator MOORE: I am sure the shadow will be doing that. We go into each of our committees and gather it. Has the department taken any feedback from service providers in relation to the provision of settlement support for the new migrants?

Ms Cala: We are in constant contact with our service providers, which is part of our normal processes even without the additional 12,000 people, around their preparations and their readiness. I think it is worth noting that they are used to the need for flexibility. Issues around flow rates with the humanitarian program can always be subject to change, so they are well prepared for this.

Senator MOORE: This is my final question, but not on the exact topic. Did the department see a copy of the submission outlining proposed changes to visa processing linked to the media last week? Was that seen by DSS? I am certainly not asking you whether it leaked from DSS. I am asking you whether you have seen that document.

Ms Bennett: There was also evidence given by the secretary of the department of immigration, who said that the papers that were provided to the media were provided to a number of departments, and our department was one of them.

Senator MOORE: That was handy, wasn't it?

Senator Fierravanti-Wells: It was quite comprehensively covered in the immigration estimates.

Senator MOORE: I think we were doing health at that time, Senator Fierravanti-Wells.

Senator Fierravanti-Wells: Sorry?

Senator MOORE: I think we were doing health at that time.

Senator Fierravanti-Wells: That was on 8 February, Senator Moore.

Senator MOORE: There are questions about the current multicultural policy of the government. Does the government have a current multicultural policy? That is directed to you, Minister.

Senator Fierravanti-Wells: Yes. We are not going to rush this process. We will be taking our time. As you know, the Prime Minister certainly is a strong supporter of cultural diversity, as I certainly am. This has certainly been clear from the tone and the language that has been used by him and certainly by me. As I said, this is a process that we are taking our time with. We want to get it right. We are not going to be rushing it.

Senator MOORE: And in terms of a time frame, is there an expectation that a policy would be developed before the election?

Senator Fierravanti-Wells: As I said, it is an important issue. It is a very important area. We do not want to rush the process. It will be a matter for government.

Senator MOORE: A government decision?

Senator Fierravanti-Wells: And the logistics of the process will be a matter for government.

Senator MOORE: Have any resources been dedicated to the upcoming procurement processes for settlement programs like the humanitarian settlement services?

Ms Bennett: With the settlement services, the new contractual arrangements are for next year. We are planning what the timing and the pace of that will be.

Senator MOORE: So the current resources dedicated to that would be part of just the internal program?

Ms Bennett: The normal business of the department.

Senator MOORE: So no particular dedicated team or resources for that?

Mr Pratt: There are two, maybe three, parts of the department that will be engaged in this in due course.

Senator MOORE: Which parts?

Mr Pratt: One is the settlement services area.

Senator MOORE: And that is yours, Ms Cala? Mr Kennedy, you are now in settlement services.

Mr Pratt: The program office.

Senator MOORE: Who are?

Mr Pratt: Well, Dr Reddel and his team, who do work on this, and state network.

Senator MOORE: And that is your whole state network?

Mr Pratt: Well, parts of it, yes.

Senator MOORE: There would be elements across the states. So they are in the planning process towards their development of the new humanitarian settlement services.

Ms Bennett: As I said, it is a normal cycle when a selection process is up. We will be obviously planning what the next one should look like, how it should be conducted, consulting appropriately and building that into a work plan.

Senator MOORE: Day by day?

Ms Bennett: Day by day.

Senator MOORE: EY recently completed an evaluation of the HSS and complex case support programs. Can you tell us how much the evaluation cost? When will the government respond to the evaluation?

Ms Cala: The total cost for EY's report was \$277,776. I am sorry, but what is the second part of your question?

Senator MOORE: Will the government respond to this evaluation?

Ms Bennett: It is an internal evaluation that we are using. It will help inform our planning for the next arrangements.

Senator MOORE: I have to ask, Minister, whether it is likely to be made public.

Senator Fierravanti-Wells: At this stage, I will take that on notice.

Senator MOORE: Absolutely. Thank you very much.

Ms Cala: Senator, can I seek a clarification? Do you mean is the report likely to be?

Senator MOORE: Yes.

Ms Cala: The report was made public on the department's website.

Senator MOORE: I have that. But there were a number of issues raised in that about what should happen.

Ms Cala: So you are talking about the response?

Senator MOORE: Will the response be made public? Basically, you are saying it is an internal process looking at practice into the future. We are just looking to see whether there will be any kind of departmental statement about the response to that.

Ms Bennett: No. Senator, it will be reflected in how we redesign the program guidelines and requirements when we go out for selection.

Senator Fierravanti-Wells: It was intended as an internal process to look at what we are doing with the current processes. I think as Ms Bennett said, its intention was very much one to inform us as part of those processes. At some stage we might make a decision to release it, but at this point it was really intended for our internal purposes. But we will certainly take that on board.

Senator MOORE: Chair, Senator Brown has some questions. I know that Senator Siewert does. In the last two areas, just for notice, I would really like to look at financial counselling and women's programs.

CHAIR: Sure.

Senator CAROL BROWN: My first question is about the BasicsCard. I am not sure if you will be able to answer it. I have had a constituent—

Ms Bennett: Sorry, I am getting the right people up. So there is no more for settlement?

Senator MOORE: No.

Ms Bennett: We will just get the right people up.

Senator CAROL BROWN: I have had a constituent inquiry brought to my attention. There is no income management currently in Tasmania, is there?

Dr Baxter: No. There is no income management in Tasmania at the moment.

Senator CAROL BROWN: So if a Centrelink recipient goes from Tasmania up to an area that does have income management and they are placed on income management there and then they return to Tasmania, what happens?

Ms Strapp: That would depend on the measure under which the person was placed on income management in a declared income management area. If they return to Tasmania and they are disengaged youth or a long-term welfare recipient, they will remain on that for 13 weeks and then they will come off if they have permanently relocated to Tasmania. If they have been placed on it by a DHS social worker or child protection authority, it is then up to whoever referred them to decide whether that person would come off the measure.

Senator CAROL BROWN: This is an adult who is 19 years of age. It is a Tasmanian resident who has gone to the Northern Territory to visit her community and has been there for a number of months. During those months, she was placed on income management in the Northern Territory. She has now returned home.

Ms Strapp: It depends on what measure she has been placed on income management under. As I have just said, it would depend on what measure she has been placed under. If she has relocated to the Northern Territory, she has been placed on income management because she has relocated for a reasonable amount of time. But if she has moved back to Tasmania on a permanent basis, as I said, she is either on for 13 weeks and then will come off or if she has been placed on by a child protection authority or she is a parent and she has been placed on under the child protection measure or by a social worker—

Senator SIEWERT: If she is in the NT, she would come under different processes, would she not?

Ms Strapp: Well, there is a number of different measures in the Northern Territory, so it could be—

Senator SIEWERT: It applies to anybody where there are those rules around being unemployed and being on a working age payment et cetera.

Ms Strapp: Yes. So it would be 13 weeks.

Senator CAROL BROWN: Unless some other special measure has been put in place?

Ms Strapp: Yes.

Senator CAROL BROWN: Do you keep track of how many Tasmanians have been caught under this measure?

Ms Strapp: I believe DHS do, but I do not have figures. I have figures of where people are located. It is a very small number, so I cannot report it because it is less than five.

Senator CAROL BROWN: It is less than five?

Dr Baxter: Where there is a number that is less than five or, in some cases—

Senator MOORE: So you are saying that Senator Brown's constituent is one of five?

Ms Strapp: My apologies. It is 11, so it is actually less than 20.

Senator MOORE: Less than 20.

Ms Strapp: My apologies.

Senator CAROL BROWN: But there are a number of outlets where the BasicsCard can be used in Tasmania?

Ms Strapp: Yes, absolutely. We have quite a few national providers. DHS would be able to provide you with a more comprehensive answer. In Tasmania, there are 338 approved merchants that are, I guess, Tasmanian specific. There is also Coles, Woolworths, Big W and Kmart. They are all approved on a national basis. A lot of our national merchants would have approval.

Senator CAROL BROWN: Okay. According to the information I have received, she attended the Centrelink office in Tasmania, but they were unable to help her because they really did not know much about the BasicsCard. I will follow it up. Thank you for your

information. I want to follow up a question on notice. It was question on notice SQ15-000845 about discretionary grant funding.

Ms Bennett: We are just finding the question. Discretionary grants at cross programs. You asked whether we could provide a breakdown. Is that the question?

Senator CAROL BROWN: The funding breakdown I got was not what I asked for. I also asked on notice for a breakdown on disability, mental health, carers and housing and homelessness programs. I received a very good response. I am just wondering why I could not get what I asked for in question 000845. I was directed to the department's website, which I went to, and that did not give me any information either. I wanted a breakdown of the discretionary grant funding under the families and communities program, including funding by each activity, subactivity and a component identified in the DSS grants.

Ms Bennett: I will suggest that we go back and look to see if additional information can be provided. We will take it on notice.

Senator CAROL BROWN: I did receive it under the housing and homelessness program exactly as I asked for.

Ms Bennett: We will reference that and have a look at that. We will take it on notice.

Mr Pratt: It may actually be due to a difference in the types of programs. But we will examine that.

Senator CAROL BROWN: It should be easy enough. Being referred to a website that does not give you any actual information is a little frustrating. I now want to ask some questions about the government response to the grandparents raising grandchildren report. First of all, I wonder how many times the government response to this report by the Senate Community Affairs References Committee was submitted to the minister's office for consideration?

Ms Bennett: We will have to take that on notice because we did have a change of minister in this process.

Senator CAROL BROWN: I understand that. In that case, can you let me know whether it went to Minister Morrison?

Ms Bennett: I also note that the government's response had a number of departments involved. They had elements of it. So we had to work at different points in time on our contribution and other departments' contribution. I think some of it also went to the state government.

Ms Carapellucci: It did not go to the state government, but all ministers whose portfolios contributed to the response had to sign off on it.

Ms Bennett: So that was part of the process.

Senator CAROL BROWN: I just thought some of the responses said you noted those things that were relevant to the states and territories. But that was not my question anyway. My question is whether it was sent to Minister Morrison's office and/or Minister Porter's.

Mr Pratt: We will take that on notice.

Senator CAROL BROWN: So with regard to the response, one of the responses was that the Australian government notes this recommendation, acknowledging that the issue is best

dealt with by the Commonwealth, state and territory ministers with portfolio responsibility. So my question is: is there a dedicated process where that is indicated in the response alongside the recommendation? Is there a dedicated process of doing this? Will DSS be the lead progressing these recommendations?

Dr Baxter: DSS was providing the lead on the response to this report in the first place. So if there were a lead on that response, it would be us. But there is not a single dedicated place across the Commonwealth government that looks at grandparent issues. It is dealt with under a number of portfolios, as Ms Bennett indicated.

Senator CAROL BROWN: I might have not put that as well as I could have. Some of the responses have been that the Australian government has noted the recommendation and acknowledges that the issue is best dealt with across Commonwealth, state and territory ministers with the relevant portfolio responsibilities. Is there anywhere in the department that is dedicated to processing this?

Dr Baxter: To follow this with the states and territories? No, there is not an area that is dedicated to that. We will track what happens with the responses to the report through our various mechanisms for talking about children in care, including children who are looked after by grandparents, such as through our national forum. We will continue to track what is being done, but we do not have responsibility for following those up with the individual state and territory governments, no.

Senator CAROL BROWN: That national forum is departmental?

Dr Baxter: The national forum is a tripartite arrangement between the Commonwealth government, the state and territory governments and the nongovernment sector. It is the primary vehicle for the national framework for protecting Australia's children.

Senator CAROL BROWN: So are the government people departmental people?

Dr Baxter: DSS is the body that pulls that group together and helps to manage that group. The people who are on it are Commonwealth government DSS people and people from the relevant state and territory departments.

Senator CAROL BROWN: So departmental people?

Dr Baxter: Yes. That is right.

Senator CAROL BROWN: So there is no indication, then, that some of the issues may be raised at COAG or anything like that?

Dr Baxter: Yes. Ms Carapellucci has just noted that we also work through the relevant secretaries group on this issue as well to track what the states and territories are doing in relation to these issues. The acronym for that is the CAFS group, which is the secretaries who are Mr Pratt's counterpart in the states and territories.

Senator CAROL BROWN: When did they last meet?

Dr Baxter: The last meeting was November. I am sorry that I do not have the date to hand of the last meeting, but I understand it was November.

Ms Carapellucci: They generally meet about twice a year.

Senator CAROL BROWN: Twice a year. Is there another meeting scheduled?

Dr Baxter: There is. I can get that date for you. We will just have to follow that up. We can get that while we are in session.

Senator CAROL BROWN: When they meet, is there some communique put out? Do we know what the agenda is?

Ms Bennett: New South Wales at the moment currently chairs. The New South Wales government chairs that. We receive an agenda when they send it to us.

Mr Pratt: We do not publish a communique, though. We keep records of what we have agreed we are doing and we inform ministers. But it is not a—

Senator CAROL BROWN: How do we get to know what you are doing?

Mr Pratt: I guess through asking us here and in equivalents in the states.

Senator CAROL BROWN: How does the community get to know what you are doing? Some of the work—

Mr Pratt: Good bureaucrats try not to be too much in the limelight. We advise ministers and then ministers take decisions with that great advice.

Senator CAROL BROWN: The New South Wales jurisdiction is chairing at the moment. Is that always the case?

Mr Pratt: It rotates.

Senator CAROL BROWN: So do you have input into the agenda?

Mr Pratt: Yes.

Senator CAROL BROWN: Are these recommendations from the committee likely to find their way on to the agenda any time soon?

Mr Pratt: I think that is quite likely.

Dr Baxter: I mentioned that I would let you know the date of the next meeting. It has not actually been set yet, I have just been advised. So we do not have a meeting date set. When we do, generally there is a call for agenda items, and that is when we look at what we have included on the agenda.

Senator CAROL BROWN: I will follow it up at the next hearing. I think that is as far as I can go.

Senator MOORE: When we got the response on this one, the grant one came out on the same date. It came out on the same day as the government response to the committee. In both of them, there were a number of recommendations, quite rightly, where the government responded and said, 'This is a COAG issue.' We understood that. In fact, I think most of the recommendations in both of them were phrased in that way. What we were hoping for in the government response was a clear statement that it is a COAG response and the Commonwealth government will take it to COAG. That is what we wanted.

Senator CAROL BROWN: That is what I was asking.

Senator MOORE: Yes. We want to know about the response.

Senator CAROL BROWN: But that is not the point. That does not seem to be happening.

Senator MOORE: No. It does not. It is in terms of the frustration. I know we have heard at length how COAG operates and all that kind of stuff. Particularly in the grandparent one, we were looking for Commonwealth leadership in this area and in the government response. Rightly or wrongly, it did not come across as the leadership element.

Senator CAROL BROWN: But the government response did include a reference to a new initiative to provide national information, resources and support for the target group. The department will consult with key stakeholders in the development of this initiative and identify opportunities to build on existing and planned activities and resources.

Dr Baxter: Yes. That is correct.

Senator CAROL BROWN: What is the new initiative? What can you tell me?

Dr Baxter: I can tell you that that new initiative is focussed on exactly the issues you have described—providing national information, resources and support to grandparent carers. We are in the planning phases at the moment, so we are ensuring we properly understand the nature of the problem and consulting with the right people about what the service should look like. We are in the phase of planning. But certainly it has been identified that that is a need. The government is preparing the implementation plan for it currently.

Senator CAROL BROWN: Okay. So you have not yet got a list of who you will be consulting with, or have you?

Dr Baxter: No. I do not have a list here with me today, I am sorry. But we have been speaking to the relevant organisations, which include some of the people who made representations to us previously about grandparent carers. We have also been looking at relevant research through the national framework and the research that has been commissioned at various points through that as well.

Senator CAROL BROWN: I will not be long.

CHAIR: Senator Siewert is patiently waiting, so I will get you to wrap up this line of questioning.

Senator CAROL BROWN: Okay. Is this envisaged to be an online resource?

Dr Baxter: I do not think the exact parameters of how it will look have been worked through yet. That is one option. It may be that there is some capacity to provide support to existing volunteer support groups and see how we might be able to help them. I know that is one of the options that is being explored.

Senator CAROL BROWN: What funding allocation do you have for this initiative?

Dr Baxter: The initiative has been allocated \$350,000 over two years, 2015-16 and 2016-17.

Senator CAROL BROWN: So what is the time line? Do you have a timeline for the delivery of the initiative?

Dr Baxter: No, I do not. I can let you know that the funding is allocated over those years. But at the moment we are in an intensive planning phase, so we anticipate being able to provide an update shortly on exactly how those funds will be expended and what the nature of the service will look like.

Senator CAROL BROWN: I will probably leave it there.

Senator SIEWERT: I have two areas I want to explore here. One is the royal commission and the redress issue and the other one is the cashless welfare card. What level of engagement did you have with the royal commission? I did ask a series of questions in A-G's, but I was particularly keen to see what role DSS had and where you are up to.

Ms Bennett: Our department and a number of other departments across the Commonwealth works with Attorney-General's. They have an interdepartmental committee set up on royal commission issues.

Senator SIEWERT: I am particularly interested in the redress area. I know I am going to run out of time.

Ms Bennett: We are talking to Attorney-General's. As you know from the questions you ask, they are leading this.

Senator SIEWERT: Yes.

Ms Bennett: We are talking to them about how they are going to enter into discussions with the jurisdictions. We are working closely together.

Senator SIEWERT: Have you set up with a committee with them?

Ms Bennett: It is a senior officer engagement.

Senator SIEWERT: That is all I need to know on that, because I did ask a series in A-G's. Thank you. I want to go to the cashless welfare card and healthy welfare card. What are we calling it?

Mr Pratt: The cashless debit card now.

Ms Bennett: The cashless debit card.

Senator SIEWERT: I have a whole series. I will need to put some on notice; I am aware of that. During the debate on the legislation, as I am sure you are aware, I asked a series of questions. I asked about the comparison between a community getting lots of services and the cashless debit card and a community just getting services. I asked how we know that the welfare card itself is having an impact. Minister Fifield said:

There are other communities that would be receiving some equivalent forms of community support and that is what the evaluation will look at.

Have you made any progress in identifying those communities? What is the process?

Dr Baxter: I can tell you that at the moment we are in the process of negotiating with a provider for the evaluation of services under the cashless debit card. So we have approached through one of our relevant evaluation panels and there has been a request for quotation put out. We are having discussions with a potentially successful provider under that. The exact detail of which communities will be chosen and how that will take place will be finalised once we have that provider on board. We have plans to do a baseline evaluation. We are looking at the moment to have that undertaken in around mid-March.

Senator SIEWERT: Is that by the same provider?

Dr Baxter: That will be by that provider; yes, that is right. So we are looking at a mid-March date for the baseline. That is likely to be based on administrative data. We have been working with relevant state and territory counterparts about how we might be able to access

that administrative data and what might be the right pieces of data to look at for the community harm measures that we are interested in measuring.

Senator SIEWERT: Thank you. So you approached only one provider?

Dr Baxter: No. A number of providers were approached by our evaluation panel. One of our evaluation panels is a spread panel. A request for quotation was put to a number of providers. We are now in the process of negotiating with the one who is the preferred provider.

Senator SIEWERT: Thank you for that information. You have pre-empted another question, but it does not in fact answer the question I asked. During the debate, we were talking about which community is going to receive the additional services so that you are comparing like with like. That is surely not up to the evaluation team. It is surely up to the government to choose which community you are going to be investing in in terms of those additional resources.

Dr Baxter: The additional resources are going into the communities that have volunteered to participate in the trial. At this point, that is Ceduna in South Australia and surrounding communities and Kununurra in the East Kimberley. They are communities that will be undertaking the baseline. The baseline will be undertaken in mid-March before those services have fully rolled out in the community. There will be a baseline before the services have rolled out.

Senator SIEWERT: Minister Fifield said during the debate there would be other communities that receive services that you will compare to. I was really clear during this debate about comparing like with like.

Dr Baxter: No. Those communities have not been selected yet.

Senator SIEWERT: So when is that going to happen if the trial does start in the middle of March?

Dr Baxter: So we are envisaging that when we have the provider on board, it will be very, very soon. We are in the very final stages of finalising that process. We will speak to them about how we would run an effective baseline both in the trial communities and in comparable communities that do not have the services and will not be having the services in place.

Senator SIEWERT: So the whole point of this is trying to define whether it is the services itself that has the impact or the services and the cashless welfare card. The discussion we were having is that you cannot define what benefits the cashless debit card has if you are pumping in a million dollars worth of services in that community that they never had in the past. That was the nature of the debate, and it was a very clear debate.

Ms Bennett: But the benchmarking will identify communities where there are comparable services already in place and where the injection of the new services—

Senator SIEWERT: Which communities would these be?

Ms Bennett: Pardon?

Senator SIEWERT: Which communities would these be?

Ms Bennett: This is part of what the benchmarking is.

Senator SIEWERT: Comparable services to what you are going to inject into this?

Dr Baxter: We are envisaging that we will look at communities where there is a comparable service footprint but no cashless debit card. We will also be looking at the communities that the trial is going into before the services and the debit card are rolled out. We are envisaging that we will look at both, but we do not have the detail of what those benchmark communities will be yet.

Senator SIEWERT: All that by March?

Dr Baxter: Yes. That is right.

Senator SIEWERT: Identifying those communities and getting the baseline surveys in the other communities by March?

Dr Baxter: That is right. Well, we are looking to have the benchmark done in mid-March. So given that we will be finalising the provider very shortly, we will have a month to get those things ready. We have been preparing by talking to the states and territories about their administrative data in preparation for that.

Senator SIEWERT: I will keep watching that process. I am going to skip forward a bit. I might come back to those questions if I get a chance. In terms of the East Kimberley trial, where are we up to in the finalisation of the agreement with those communities?

Dr Baxter: Yes. The Kununurra-Wyndham trial is expected to commence in late April. Conversations are ongoing in that community about the nature of the trial there. So, as you know, some of the aspects of the trial, such as the formation of the community panel, take place in intensive negotiation with the community. So we have agreed that a trial will take place and that it will take place in Kununurra-Wyndham. We are looking to commence in late April 2016. In Kununurra and Wyndham, there are a number of activities that are taking place across February and March to talk to people in the community about the trial, including flyer drops, mail-outs and radio advertising. There are ongoing consultations with the leadership and the identified service groups in the community about a number of features of the trial, such as the community panel arrangement.

Senator SIEWERT: So Halls Creek is not going to—

Dr Baxter: Out of scope at this time; that is right.

Senator SIEWERT: Thank you. In terms of the third community?

Dr Baxter: Assistant Minister Tudge had some preliminary conversations at the end of December with the potential third community. At the moment, we are just staying in conversation with those communities and continuing the consultation process. But nothing has been confirmed.

Senator SIEWERT: Does that community happen to be in my home state?

Dr Baxter: Yes. I think Assistant minister Tudge has been very clear that he has had conversations with Geraldton and Laverton and Leonora.

Senator SIEWERT: So either one of those?

Dr Baxter: He is having conversations with all of those communities, but they are in the very early days of those discussions.

Senator SIEWERT: Thank you. What is the anticipated date for the finalisation of that?

Dr Baxter: There is no date at the moment. It is very early stages. The approach has been from those communities, so it is really working to their timeframe about continuing the conversations. We are continuing to provide information as we are asked for it, and we anticipate the consultations will continue. We are also working closely with our state and territory office network colleagues on the ground and they are in touch.

Senator SIEWERT: Thank you. I want to ask about comments that have been made about the potential for rollout across regional Australia. Has the department been involved in any costings of the possible national or region wide rollout of the cashless debit card? I can ask it.

Mr Pratt: Do you mind repeating the question before I give my stock standard answer on that?

Senator SIEWERT: Have you been involved in preparing any costings or advice on the possible rollout or national application of the cashless debit card either regionally across Australia or across Australia?

Mr Pratt: Over the last couple of years we have looked at a whole range of issues around income management and, separately, what is now known as the cashless debit card. We have provided advice to government in lots of areas. Beyond that, I cannot say.

Senator SIEWERT: I want to go to the issues about the selection of Indue as the bank. I will have a lot of questions on notice as well. Some particular ones I would like to ask here. Has Indue Ltd become a subscriber to the ePayments Code, which is the voluntary code regulating electronic payment facilities?

Dr Baxter: I am sorry, Senator, but we would have to take that one on notice. I do not know the answer.

Senator SIEWERT: This is the major provider of the service. You do not know whether they are subscribers to that voluntary code?

Ms Bennett: We do not have the information with us at the moment.

Dr Baxter: I am sure that it has featured in the discussions we have had at a departmental level with Indue, but I just do not have it here, I am sorry.

Senator SIEWERT: Could you take it on notice as to whether they are or are not?

Dr Baxter: Yes.

Senator SIEWERT: I understand that they were not. I do not know if subsequently they have been. If I am wrong, I would really like to know. If they are not, will you be requiring them to sign up as part of that process?

Ms Bennett: We will take that on notice.

Senator SIEWERT: Thank you. Do you know if they are subscribers to the codes of conduct covering authorised deposit taking institutions, particularly the code of banking practice and the customer owned code of banking practice?

Ms Bennett: We do not have that information with us. If you give us a list of those questions, we can take them on notice.

Senator SIEWERT: Take them on notice. Secondly, will you require them to do that? Indue is a member of the credit industry ombudsman. Will the ombudsman be able to consider disputes about the cashless debit card?

Ms Bennett: We will take that on notice.

Senator SIEWERT: Thank you. Does the department consider that Indue as an authorised deposit taking institution, or ADI, meets the requirements of a bank account under the cashless welfare legislation? Is that classed as a bank account?

Dr Baxter: Yes. Our understanding is that it does, yes.

Senator SIEWERT: And on what basis does it meet that requirement of a bank account?

Dr Baxter: We would have to take on notice to provide you with the criteria and the assessment of Indue against that. But our understanding is that it does.

Senator SIEWERT: If you could, because it clearly says bank account. But Indue is not a bank.

Dr Baxter: As you have highlighted, it is an authorised deposit taking institution. We understand that it does meet those requirements. I cannot talk today to the criteria and how it meets it. I am happy to take it on notice.

Senator SIEWERT: Could you take it on notice? Did you seek advice on that?

Dr Baxter: Yes. I can take that on notice.

Senator SIEWERT: So you cannot tell me whether you sought—

Dr Baxter: The nature of the advice we sought? Yes, I can take that on notice along with the criteria.

Ms Strapp: I can confirm that our complaints trial participants can take complaints against Indue to the credit investigations ombudsman.

Senator SIEWERT: Thank you. Can you add to the list you are taking on notice whether the department has liaised with the Australian Prudential Regulation Authority on this issue?

Dr Baxter: Yes. We can take that on notice.

Senator SIEWERT: Thank you. Given that you are going to have to take a whole lot of these on notice, I am not going to go through them any further. Why did you decide to go out to limited tender on this issue?

Dr Baxter: We had had some consultations early with the major banks that indicated there was a lack of interest in delivering a small-scale trial of this nature at the time. Following that, we undertook a comprehensive desktop analysis of 18 potential commercial providers. It was on the basis of those two exercises that the limited tender followed.

Senator SIEWERT: Did they meet the requirements, going to that process, where limited tenders are used?

Dr Baxter: Yes. They did, yes. We had independent advice confirming that the process we had followed was the appropriate one.

Senator SIEWERT: Thank you. I have a series of questions there I will put on notice as well. Some of the other matters in terms of the trial were unanswered. For example, there are issues around the shopfront. Have issues around the shopfront been resolved?

Dr Baxter: Yes. I am very happy to answer them. As you know, the negotiations with Indue have been proceeding. Some of the matters you asked us about last time have reached more of a conclusion. Indue in Ceduna, which is the trial that is most advanced at this stage in the planning stages, is seeking to engage local partners who will provide services on the ground prior to, on and around the time of the rollout of the card. So Indue has issued a request for a quote to a number of organisations in Ceduna. That includes local Aboriginal corporations, Australia Post and not-for-profit organisations. It is currently evaluating those quotes. It is looking very likely at this stage that local partners will be engaged, particularly in Ceduna, Oak Valley, Koonibba, Yalata and Sodexo. We will also have Indue staff on the ground for the four weeks following and around the rollout of the trial. We will also have DSS staff on the ground as well, so if there are any queries that community members or participants have, we will be able to take them at that time.

Senator SIEWERT: Thank you. What about in the Kimberley?

Dr Baxter: East Kimberley will follow a very similar pattern, but our negotiations in relation to the East Kimberley are not as advanced at this stage.

Senator SIEWERT: So will those organisations be able to deal with issues around lost cards?

Dr Baxter: There are a number of ways that participants who have a lost card can deal with them. The local providers will be able to issue an emergency replacement card and funds will be available immediately on that card. So they will be able to be a point of contact if someone has lost a card.

Senator SIEWERT: The local partner?

Dr Baxter: The local partner will. But there will be very akin to standard banking practices. People will also be able to report lost and stolen cards via online and phone. We just wanted to make sure there was also a local presence and someone that they could go to to get a card.

Senator SIEWERT: I do not want to traverse the issues that we traversed last time. There is the issue about getting ready access to cash before you get a card. It is all very well to be able to report online. The point is: how do I get access to cash?

Dr Baxter: Well, if you are in the community and you have lost your card, you can visit one of the local partners and receive an emergency replacement card immediately. So you will be able to get it on the spot. There will be cash available on that. There will be the provision to avail of goods from that card immediately. You will also have a permanent replacement card come in the mail to you. In the meantime, you will have this interim card that you will be able to use immediately.

Senator SIEWERT: Thank you. And when I am outside community?

Dr Baxter: If you are outside community, you will be able to request a permanent replacement card. You will continue to have access to online banking while you are waiting for that new card. You obviously will not have access to the local partners, depending on which community it is that you are going to be in. But if you are in one of the communities surrounding the trial location—one of the outer lying areas of Ceduna—you will be able to access those local partners.

Senator SIEWERT: So if I am in Broome, I am in the East Kimberley. I have gone to the West Kimberley. How do I get access to cash if I need it?

Dr Baxter: You would report your card as missing via the information line or the online service. You would have a new card sent to you. In the meantime, you would be able to access your online banking function. So you could, for example, transfer funds to a family member or friend that you are travelling with and you would be able to have them access goods for you from the card that way.

Senator SIEWERT: Can you take me through that again?

Dr Baxter: You could still use the online banking function.

Senator SIEWERT: Yes. I understand that. What do I do transferring it to somebody else?

Ms Strapp: That is transferring it to, say, somebody else who also has a cashless debit card—another family member that has a cashless debit card and who has not lost their card. You can transfer money to their cashless debit card.

Senator SIEWERT: Only if they have a cashless card?

Ms Strapp: Yes.

Dr Baxter: You can also make transfers to non-restricted cards, but the amount that you can transfer is limited in any given month. So if you were travelling with someone who did not have one, you could also make a transfer.

Senator SIEWERT: So how much can they transfer? How much can they transfer?

Dr Baxter: At the moment, there are two limits. We recognise that these may be things that evolve as we roll the trial out. But these have been set in consultation with the community leaders. One is in relation to a housing payment of up to \$1,000 a month. There is another expenses payment of \$240 a month. So if you were out of community, you could potentially transfer up to \$1,240 to a non-restricted account and you could transfer as much as you wanted of your restricted funds to another restricted account if you were out of community.

Senator SIEWERT: What is the housing money for? For housing? I cannot spend it on something else?

Dr Baxter: It asks you. The system will ask you what the payment is for. It is really to identify situations that the community has been concerned about, where the pattern of online payment may look different than a housing payment. That is why they have set the amount of \$1,000. There is no checking that the money is spent on that, but you are required to indicate that it is a housing payment. Once you get to \$1,000 in any given month, you will not be able to transfer more than that to an unrestricted account. But you could transfer more to someone else who is also on the cashless debit card.

Senator SIEWERT: Interesting. So I can transfer \$1,000 to any account?

Dr Baxter: There are accounts of other people who are on the cashless debit card and there are accounts of people who are not on the cashless debit card. If someone else is on the same card as you, you can transfer as much money as you want to their restricted account. It has the same restrictions.

Ms Bennett: Up to the point if it is lost.

Dr Baxter: No. Generally they are able to do that. This is not related to being lost.

Senator SIEWERT: To anybody?

Dr Baxter: So to an open account. Community leaders have indicated that they do not want that to be an open transfer. They are very worried about the capacity in community to get around some of the parameters of the trial through that function. So they have suggested that situations which might arise are housing. They have suggested a limit in any given month of \$1,000. This is to cover the situation we talked about last time of people who might be paying informal rent. There is another category, which is simply called other expenses. That is \$240 a month.

Senator SIEWERT: That is on top of my 20 per cent?

Dr Baxter: On top of your 20 per cent; that is right.

Senator SIEWERT: Thanks. And merchant charges?

Dr Baxter: Last time we discussed merchant surcharging, I indicated that we thought around six merchants in the Ceduna trial area were charging surcharges. That is correct. There are six merchants, and there are three merchants in the Kununurra-Wyndham area that levy surcharges on transactions. To date, none of those merchants has agreed to remove the surcharges. I mentioned to you last time that we are in consultations with them. While DSS will continue to work with these merchants, clearly this is an issue for them. What we are doing is that information will be placed on the Indue website and in the terms and conditions to ensure that trial participants are aware that there may be surcharges for particular transactions. We are also envisaging that where there are local partners in place, they will be able to provide information to participants about where they might expect to receive a surcharge.

Senator SIEWERT: What about the major centres that people from these regions will travel to? Broome has a large number of merchants.

Dr Baxter: Yes. So there has been no work with merchants outside the trial areas.

Senator SIEWERT: In terms of—

CHAIR: Just before you go on, I want to get a sense of timing from people. We have 35 minutes before we are due to finish both of these outcomes—outcome 2 and outcome 4. I want to get a sense from people where they are up to, because I know there are some people who will come down for housing. It will delay them.

Senator SIEWERT: I have a lot that I will put on notice. I was literally just about to ask my last one in this particular area.

Senator MOORE: I have questions on financial counselling, and I will put the rest on notice.

Senator SIEWERT: Will hire purchase agreements and Centrepay accounts still operate the same as they are currently operating? There are two issues. There is the current process but also the new process that is limiting which hire purchase—

Dr Baxter: What can go where?

Senator SIEWERT: Yes.

Dr Baxter: Centrepay deductions will still perform in the same way that they do currently under a cashless debit card. In terms of hire purchase arrangements, that will very much depend on the provider. So if it is a BPAY provider that the hire purchase payments have been set up through, BPAY is still permissible under the cashless debit card.

Senator SIEWERT: It is still permissible?

Dr Baxter: Yes. That is right. BPAY is still permissible. Again, some of the hire purchase arrangements, on my understanding, relate to particular online shopping retailers. A list of admissible online retailers will appear on the Indue and relevant DSS websites. People will be able to see who they can still make payments to.

Senator SIEWERT: So what happens where people already have arrangements with companies that might not, therefore, be on that? Would there be a circumstance where that arises?

Dr Baxter: It is not something that has been canvassed with us by community leaders and participants in our discussions with them. I imagine there would be a few facilities where you could still do the online transfers that we discussed before to non-restricted accounts from the other expenses account of up to \$240 a month or from your 20 per cent unrestricted portion of the account. In terms of—

Senator SIEWERT: Which reduces the amount of money you can spend with cash, though.

Dr Baxter: In terms of individual hire purchase, we would probably have to look case by case at what they were. Some of them would still be permissible under online shopping and online payments. The only things that are actually prohibited are the withdrawal of cash or where there is a provider who is distributing alcohol or gambling services. So there is no technical reason why you could not pay for a hire purchase agreement with your restricted debit card, but the mechanics would depend on whether it is set up as a BPAY or through online shopping. I am just thinking through some online shopping examples. Some of those which you might be purchasing some goods from are also providers of alcohol, for example. It is one of the reasons that there is a limited list of online providers for the trial. It is case by case.

Senator SIEWERT: This is a supplementary question to the same question. Is that part of the information that will be made available to the people who are going to be impacted by the card?

Dr Baxter: Yes. It absolutely is. When and how you can use the card, and the different online utilities that we have. It is available in written form. We also recognise that people need to work through some of that face to face as well. So sessions are being provided—larger group information sessions as well as small group information sessions—reasonably intensively over the next couple of months in Ceduna, because that is where it is about to start. It will work through all those kinds of questions and answers that people have about how this works. In addition, those community partners who will be on the ground will be available to talk to people and answer questions they might have about the card.

Senator SIEWERT: Thank you.

Senator MOORE: I will put a lot of these on notice. I have a particular question about financial counselling and the use of interpreters in financial counselling services. I know there

has been a range of correspondence between the department and various providers, particularly in Victoria. I saw the letter that the department sent back to one of the providers. It said that the provision of TIS services to financial counsellors, particularly in the financial management program under the financial wellbeing capable activity, was a pilot that was funded until 30 June and then extended to 30 November 2015. Can you tell me what the terms of the pilot were?

Ms Bennett: I would prefer to take the terms of the pilot on notice and provide that to you. I would like to very quickly make the point that free translating and interpreting services are intended not for services funded and provided by government. We have requirements that all government departments make accessible themselves the services they fund, support and deliver. It is under our access plans. This was a pilot to see if this had been a blocker to accessing these particular services. The finding at the end of the pilot was that it not a reason why CALD clients were not accessing it.

Senator MOORE: Has the pilot been published?

Ms Bennett: I will have to take that on notice.

Senator MOORE: We have information from providers that in some parts of Victoria a significant percentage of their clients need access to TIS services. What was the cost to government of the pilot in terms of the use of this TIS program? If it has been cut, how much money was expended under the pilot up until the time it was phased out? The translation of that may give us some indication about what the costings are currently. The providers with whom I have been speaking say that they are going to have process costs of up to \$37,000, which they just do not have.

Ms Bennett: We will take that on notice. We will set out their funding agreements in the question on notice. We will have information. It was a small number of organisations that made up 76 per cent of the usage of this program. In fact, this has been raised with me. I have been informed that the current contract arrangements made it clear that they would have to provide that when they were putting in their grant application. It was accommodated for in their grant application.

Senator MOORE: Ms Bennett, it has been raised with me that certainly the confusion and concern around the grant process was one of the reasons they were unaware of it. It concerns me that they were unaware. Can you tell me whether, in the frequently asked questions and information provided during the grant process, the particular issue of TIS is mentioned? I could not go back and find it because it is no longer on the website. I am interested in whether this was a frequently asked question. These issues were not raised during our inquiry process into the grants issues. I have been told that people did not understand and that by the time they realised it was important, it was way too late to ask any questions.

Ms Bennett: I can confirm that the grant guidelines were absolutely explicit. It is detailed under 2.8 of special requirements. It said that grant applicants should consider whether services, projects, activities or events may require the use of professional translating or interpreting services in order to communicate with non-English speakers. If required, based on an assessment of the target group, costs for translating and interpreting services should be factored into grant applications.

Senator MOORE: Was it part of the consultation process, Ms Bennett, at the time when you went into Victoria to talk with providers?

Ms Bennett: I will have to take that on notice.

Senator MOORE: It would be good if you could take that on notice. You can also take on notice whether it was one of the frequently asked questions.

Ms Bennett: I will.

Senator MOORE: Another issue with financial services concerns a series of correspondence that came through many people about the hub and spoke model. That was the process for the last round of grants that went out for people who were receiving financial counselling in areas subject to income management. A number of organisations have contacted their parliamentarians, and several have contacted me, about their concerns about the geographic coverage area of the new process and the client numbers involved, particularly in the Northern Territory, central Queensland, around Rockhampton and one other area, which I cannot remember.

Dr Baxter: Senator, do you have a question about it?

Senator MOORE: What in fact is going to be the monitoring process now? There is great concern in communities—I know that you have had that information—about whether the current services under this new provision will meet the needs of financial counselling in these areas. What will be the monitoring process now? I took down copious notes this morning in answers about where there could be gaps in service delivery and how people bring that to the attention of the government. I feel sure that is one that we will be following up on. What is going to be the process now? For instance, the Alice Springs decision has changed the geographic area surrounding Alice Springs. It has taken funding away from an organisation that had been receiving funding for financial counselling for over 20 years and given it to another provider who does not have an Aboriginal base. What is the justification for that? I will put that on notice so you know that I particularly wanted to raise that. Thank you, Chair.

CHAIR: I think that concludes this outcome.

Senator SIEWERT: I want to ask one more question on notice. Is the cashless debit card protected under the Banking Act?

Ms Bennett: We will take that on notice.

Dr Baxter: I will take that on notice. There are a number of different provisions. The ones that you have raised, we can give you—

Senator SIEWERT: My understanding is that it is a purchased banking facility. What is the proper term for it, sorry?

Dr Baxter: You mean authorised deposit taking institution?

Senator SIEWERT: Yes.

Dr Baxter: Yes. We can take on notice to get back to you about the various codes they have signed up to and which apply.

Senator SIEWERT: This is about the fact that it is a purchased payment facility. That is my understanding of what it is.

Dr Baxter: Right.

Senator SIEWERT: And that that is not protected under the act.

Dr Baxter: We can take it on notice to get back to you on that one.

Senator SIEWERT: Could you take that on notice, please? Thank you.

CHAIR: Thank you.

[18:05]

CHAIR: We will now move to outcome 4, housing.

Senator GALLAGHER: I will begin by asking what has happened to housing as part of the federation white paper process. It was one of the key areas, along with health, tax and education, was it not, that was part of that work? Has that work been ceased?

Ms Hand: No. As you probably know, Prime Minister and Cabinet have carriage of that. What I can say in general terms is that at the last COAG meeting, where there was discussion about housing in the context of the reform of federation, COAG agreed that there would be a state and Commonwealth working group to look at the availability and supply of affordable housing. That group is being led by assistant minister Alex Hawke in Treasury and Minister Porter, with our portfolio have huge input. The three states represented are Victoria, Western Australia and New South Wales. The terms of reference have been released.

Senator GALLAGHER: Yes. I have all of those.

Ms Hand: And the issues paper.

Senator GALLAGHER: I am just trying to work out how that aligns. There has been essentially a year and a half of work done through the reform of the federation process.

Ms Hand: That process is ongoing, but you would have to talk to Prime Minister and Cabinet about it, because they lead the reform of federation.

Senator GALLAGHER: Okay. So in terms of DSS, Treasury are leading the working group. Is that right?

Ms Hand: That is right. And obviously other departments. The Department of the Environment is involved with the cities agenda. Prime Minister and Cabinet. Are there any others, Mr Scott?

Mr Scott: We have a working group at the Commonwealth level that includes the departments of Prime Minister and Cabinet, Treasury, ourselves and the Department of the Environment. They are the main agencies with housing related work going on. That feeds back up into the affordable housing working group and the work that we are doing coming out of the COAG decision. With regard to the decision around the reform of the federation and COAG, COAG asked for a report back by relevant ministers by the end of 2016.

Senator GALLAGHER: I think I saw that in the working paper. So that is due to report to the Treasurers?

Mr Scott: The Heads of Treasuries, yes, Senator.

Senator GALLAGHER: So through HoTs?

Mr Scott: Through HoTs. Initially through HoTs by June 2016.

Senator GALLAGHER: And then it carries on its merry way to the end of the year?

Mr Scott: It will then feed up into the report back to COAG; that is correct.

Senator GALLAGHER: Is it different? I guess it has a broader remit than the reform of the federation. Is that the difference here?

Ms Hand: The original objective of reform of federation was to look at roles and responsibilities in housing between the states and the Commonwealth. This is a much broader remit to say that we all know that we want collectively to increase the supply and availability of affordable housing, so it is how we can do that collectively. You would have seen the terms of reference.

Senator GALLAGHER: I know this probably has to go to PM&C, but roles and responsibilities would feed into supply, availability and tax policy.

Ms Hand: They will have to be taken into account. I guess what we are doing, which I think is an exceptionally positive thing, is saying collectively we need to work through the very complex tricky issue of how we increase supply and availability. Out of that, obviously, there may be discussion about roles and responsibilities, but it is a bit too early to say because, as you know, we are in the consultation process at the moment. People have been invited for submissions. So until that process finishes in around March, we really cannot comment much any further.

Senator GALLAGHER: You might direct me to Treasury. Is there a budget associated with this working group?

Ms Hand: Not that I am aware of, but I do not know.

Mr Scott: No. It will be funded through our departmental appropriations. But we obviously—

Senator GALLAGHER: There will be various departmental appropriations coming together?

Mr Scott: Yes. Both DSS and Treasury have departmental appropriations including under housing.

Senator GALLAGHER: I do not know if other people have questions on that working paper.

CHAIR: I was going to broadly split the time. I think it is just yourself and Senator Ludlam unless there is anyone else.

Senator GALLAGHER: No. That is it.

CHAIR: I was going to broadly split the time. You have another eight minutes.

Senator GALLAGHER: Eight.

CHAIR: Seven actually, now. It just ticked over.

Senator GALLAGHER: Fair enough, Chair. Can you bring me up to speed with numbers of dwellings constructed under NRAS and ongoing costs?

Mr Scott: In terms of the number of dwellings that have been allocated into the scheme to date, as of the end of December 2015, we had just ticked over 30,000 dwellings. At the moment, the annual expenditure under the scheme is in the ballpark of \$250 million. That will obviously grow over time as more dwellings come into the scheme. At the moment, I think it is just over 7,000 further dwellings.

Senator GALLAGHER: Until that—

Mr Scott: To come into the scheme.

Senator GALLAGHER: And then it ends, because at around five—

Mr Scott: At that point—

Senator GALLAGHER: It did not go out?

Mr Scott: At that point, all the provisional allocations will have come into the scheme.

Senator GALLAGHER: So by the time NRAS finishes, you are expecting 37,000 dwellings?

Mr Scott: Yes.

Senator GALLAGHER: Can that figure, the 30,000, be broken down on a jurisdictional basis? I do not know if you want to do that on notice.

Ms Hand: We will take that on notice. We can.

Senator GALLAGHER: I have had a couple of letters in the last couple of weeks around delays to payments under the NRAS scheme.

Ms Hand: I will ask Mr Coburn to comment at length.

Senator GALLAGHER: Not for too long, because I have only six minutes to go.

Ms Hand: I do not know why I said that, Senator.

Senator GALLAGHER: Not for six minutes.

Ms Hand: I am delighted to say that the team, compared to a very tricky situation last year where we had many delays, has processed every application for an incentive that is compliant with the regulations for last year, 2014-15. That is pretty much a record, so we are delighted to say that. There are some that are outstanding because we are waiting on compliant paperwork. We have gone back to—

Senator LUDLAM: Ms Hand, could we just ask you to speak into the mic. Sorry, but I am having real trouble hearing you.

Ms Hand: Some have not been processed yet because we have gone back to the relevant providers for compliant paperwork. They have not provided everything we need.

Senator GALLAGHER: So everyone is up to date who has been assessed as compliant. And the outstanding ones are more complicated and have follow-up action being taken?

Mr Coburn: Generally speaking, that is correct. We had 29,099 allocations which were potentially eligible for an incentive in 2014-15.

Senator GALLAGHER: So 20,099?

Mr Coburn: It was 29,099.

Senator GALLAGHER: I was going to say that that is a lot of noncompliance.

Mr Coburn: We have assessed all of them. There are still a few hundred that are able to be paid, but we are just in the process of putting it through the system to get the money transferred. There is 4,443 which are either noncompliant or we need additional information. We are going to give the approved participants the opportunity to provide further information if it is available.

Senator GALLAGHER: Can you give me an idea of the noncompliance? What is it? Is it paperwork based?

Mr Coburn: The key areas are not having correct information in market rent valuations or that market rent valuations have been provided late or are not in respect of a relevant period. The other major item would be overcharging of rent.

Mr Scott: The market rent valuation is a critical part of the scheme, yes.

Senator GALLAGHER: Yes. There are concerns you have around whether that information is correct?

Mr Coburn: Yes. Those kind of issues generally, particularly the market rent valuations, can be dealt with relatively quickly. We have focussed on making payments to those to whom we can in the first instance.

Mr Scott: I guess the other relevant aspect is that we have been receiving statements of compliance since May. A number of approved participants applied for and received extensions. So we are still receiving statements of compliance up until September. There are still a few participants we need to go back to to confirm whether or not they are going to lodge. Part of the timing issue in terms of getting payments out also comes to participants getting the statements of compliance in to us.

Senator GALLAGHER: I probably have only a minute and a half left. I have some other questions that I will put on notice. I know there was some work—it was done, I think, under the federation reform process—looking at potentially extending Commonwealth rental assistance to occupants of public housing as part of the roles and responsibilities. What has happened to that work? Is it continuing?

Ms Hand: That is sort of in the background while the working group focuses on the other work that I referred to earlier. It is not saying it is not going to happen, but it is not being considered actively at the moment.

Senator GALLAGHER: So it is paused?

Ms Hand: Yes.

Senator GALLAGHER: You have taken a pause on that. You got to the point where someone worked out that that was not going to be something that could be easily pursued?

Mr Scott: I think we might have discussed this briefly during the previous estimates.

Senator GALLAGHER: Yes. We did.

Mr Scott: As we anticipated, there was a range of differing views from jurisdictions about whether it was worth pursuing. At the end of the day—

Senator GALLAGHER: It is paused?

Mr Scott: Yes. It was decided that doing this sort of joint Commonwealth-state work was going to be more productive in getting better outcomes than looking at putting CRA into public housing.

CHAIR: Senator Gallagher, unfortunately, I am going to have to cut you off there and go to Senator Ludlam.

Senator LUDLAM: Thanks, Chair. I am going to struggle to do this justice as well, unfortunately, in the time we have. Can I check that we are doing 4.1 and 4.2 in this bracket, or are you breaking them out separately?

CHAIR: Yes, 4.1 and 4.2.

Senator LUDLAM: At the same time?

CHAIR: Yes.

Senator LUDLAM: Wow, okay. Let us start with homelessness. I have asked a number of times about the government's homelessness targets. The answers that come back on notice do not really identify whether there is a target. I think I will just ask this in black and white. Senator Fierravanti-Wells, this might end up coming to you if the officials are not keen to take them on. Does this government have any targets to reduce homelessness? If you do, what are those targets? I am happy for anyone to take that on.

Ms Hand: The key objective of the government is to reduce homelessness. There are no specific targets. The government's absolute objective is to reduce homelessness as much as possible.

Senator LUDLAM: So that is as much as possible?

Ms Hand: The government is working very closely, as you know, with the states through the national partnership agreement on homelessness.

Senator LUDLAM: I am sorry. You do not get to set this. I am seriously not having a go at you. It is actually the politics that I am more interested in. The department does not set the target. I just want to keep this to targets. There is no target? There are no benchmarks? There is not a certain number by a certain date, as there was under the previous government?

Ms Hand: No. No, there is not.

Senator LUDLAM: Thanks. That is all I am trying to establish. What are the current turn-away rates for specialist homelessness services?

Mr Thomas: According to the specialist homelessness services collection, which is conducted by the Australian Institute of Health and Welfare, from the period July 2014 to 30 June 2015, there were 329 instances per day where requests for services made were not assisted.

Senator LUDLAM: That is 329 per day. That is right across the whole country. Maybe in the interests of time, which is very short, could you possibly table us the document that you are quoting from or else point to where we might find it?

Mr Thomas: It is in the specialist homelessness services survey that the Australian Institute of Health and Welfare conducts. That is online.

Senator LUDLAM: Thank you. Is that up or down from last year?

Mr Thomas: The previous year was 423 instances.

Senator LUDLAM: Per day?

Mr Thomas: Per day.

Mr Scott: The other thing to note is that that relates to the 2014-15 year. The new partnership agreement came into force on 1 July. You may recall in previous estimates we discussed that states and territories have under the new two-year agreement also taken the opportunity to adjust the mix of their services. We have also prioritised services to people at risk of homelessness fleeing domestic and family violence and youth homelessness. So part of what we will need to see as the reporting for the new agreement comes through is the impact that is having on the turn-away rate.

Senator LUDLAM: How long do you reckon it will take before we know what impact?

Mr Scott: I would expect that we will start seeing some impacts through the next AIHW specialist homelessness collection report. But we also will not be getting information in from the states until, I expect, late 2016 or early 2017.

Senator LUDLAM: There may be a full year before we will know. I believe it is still very much the case that the greatest single cause of homelessness is domestic violence as women, often with children, are fleeing homes that have become unsafe.

Mr Scott: It has remained stable at around 25 per cent of the clients presenting to homelessness providers. The principal cause of them seeking services is family and domestic violence.

Senator LUDLAM: Under Prime Minister Abbott, who did not appear to have much interest in the portfolio, \$44 million was cut from new shelters. Is there any plan to reverse those cuts?

Ms Hand: When you say \$44 million was cut, I am not sure what you mean.

Senator LUDLAM: This government's first budget was a capital budget so services stayed static, but there is no new supply.

Ms Hand: That is right. The capital money was not included. As you know, there was no provision for any funding for homelessness under the agreement. When this government came in, they reinstated the agreement for two years. It includes money for services. Obviously, homelessness rests with the states in terms of supplying services. If they choose to put money into capital, that is their decision.

Mr Scott: It is also worth noting that under the national affordable housing agreement there is also an allocation of around \$260 million for homelessness. That is available to be used for capital purposes.

Senator LUDLAM: But, overall, is funding up or down since this current government took office?

Mr Thomas: Funding under the national partnership agreement on homelessness was \$115 million. That has been the amount for each year for the next two years of the agreement. The latest report on the Australian government services, though, Senator, sets out how expenditure on homelessness services has been delivered. In 2014-15, there was \$690 million spent by governments on homelessness, which was a 14 per cent increase on the 2013-14 expenditure, which was \$617 million.

Senator LUDLAM: Do you have any information on the current turn-away rates specifically of domestic violence services?

Ms Hand: We will take that on notice.

Senator LUDLAM: If you could, I would appreciate that. In Rosie Batty's last speech as Australian of the Year, she pointed out that it can be actually quite risky to raise—I am paraphrasing—awareness. There is a strategy at the moment around awareness raising. Obviously, that has been occurring over the last 12 months at least. It is dangerous because it lifts demand on already stretched services and shelters. Is your experience consistent with that? If you raise awareness about the issue, is it actually lifting demand? The turn-away rate you just told us runs at 329 per day.

Ms Hand: I am not aware of anything specifically, unless Mr Scott or Mr Coburn are. As you said, obviously there is huge demand for services but nothing specific in that space.

Senator LUDLAM: Has anybody in the department been tasked with working on ways to increase housing or accommodation for women and families escaping domestic violence?

Ms Hand: Sorry, Senator, I missed the question.

Senator LUDLAM: Has anyone in the department been tasked with looking at ways to increasing housing or accommodation, either emergency or longer term, for women and families escaping domestic violence?

Ms Hand: The first thing I would say is you are probably aware that, under the national partnership agreement on homelessness, former minister for social services Morrison, in reaching agreement with the states to the two-year extension, made clear that 50 per cent of that money—so 25 per cent from the Commonwealth and 25 per cent from the states—had to go to three priority areas. One of those was women and children who were suffering from domestic violence. So that is the first thing. In terms of the other question, I do not know whether you have anything further.

Mr Scott: No. Other than there was a housing element to the family safety package that was announced last year.

Senator LUDLAM: How much was that?

Mr Scott: It is around \$17 million.

Senator LUDLAM: Seventeen?

Mr Scott: Yes.

Senator LUDLAM: So quite a bit less than half of what was cut from the capital budget of the providers. So helpful, but not super helpful. We are going backwards. I would like to bring you, because time is unfortunately so short, to the recommendations of the Senate inquiry into housing affordability, which canvassed homelessness, obviously, and affordability more broadly. Government senators supported nine of 40 of the recommendations. I think Senator Seselja, who is chairing, actually, was a member of that committee. So we have unanimous agreement on nine of the 40 recommendations. I have a list of the nine here. One of them I think you could say has been taken up, because we have this new government working group focussing on innovative, transformative and implementable financing models. That is consistent with one of the Senate inquiry's recommendations. I am interested in the other eight. Of all of those remaining eight recommendations that were unanimous—I can spell them out, if you like, but time is a bit short—is there any progress or any movement or sign of life at all?

Ms Hand: The government has not yet responded to that inquiry. Having said that, there is an enormous amount of work underway through the cities agenda for housing, through obviously the working group that we have been talking about, reform of federation and a number of things. The government is considering its response in the context of all that work because it wants to make sure that everything is aligned and integrated, so I cannot really comment on anything more than that.

Senator LUDLAM: When will we see some outputs? We are two years in to what is effectively a scorched earth policy, where a lot of good stuff that was going on was just wiped

out. Now we are starting to maybe see some green shoots. For example, when will we see some outputs for this new working group and what comes out?

Ms Hand: Mr Scott talked to that earlier. We will see a report go to Heads of Treasury at the end of this financial year and a report go to COAG at the end of this calendar year. In the meantime, obviously we are progressing a lot of initiatives behind the scenes.

Senator LUDLAM: Behind the scenes?

Ms Hand: Behind the scenes. We are doing a lot of work on initiatives, I should say. That is the wrong phrase.

Senator LUDLAM: We are finding it more difficult to work in this space, I guess, because the government eliminated some of the really valuable peak bodies who were formerly the voice of the sector and who would go back and aggregate feedback from community housing organisations and crisis centres, for example. Is the government finding it more difficult to get a grip on what is going on with those peak bodies taken out of the picture?

Ms Hand: The first thing I would say, Senator, is that the government did not eliminate those bodies.

Senator LUDLAM: Well, you cut their funding and then they ceased to exist. Not you personally, Ms Hand, but decision-makers.

Ms Hand: We continue to have very, very close and productive working relationships with all those organisations. We engage them, including the intention to engage them through the working group process.

Senator LUDLAM: How are you doing that? Their money is gone. Are they working for you in a voluntary capacity?

Ms Hand: No. Like any organisations, I cannot comment on how they get their other funding sources, but we are having very productive discussions with them.

Senator LUDLAM: I will just pass this one through on notice, if you like, rather than open up a debate. Through you, Senator Fierravanti-Wells, I have been aware that behind the scenes presumably preparations are furiously underway for the forthcoming budget. If the funding could be restored to those housing affordability and homelessness peak bodies, I think everybody in this room would find that of benefit.

Senator Fierravanti-Wells: I will certainly pass that on, Senator Ludlam. I am sure that the minister's office is watching.

CHAIR: Unfortunately, we have to leave it there. I thank you, Minister. I thank you, Mr Pratt, and all of your officials. Ms Hand, thank you in particular for pushing through with your voice. Thank you very much. We have completed DSS. We will now break for one hour and come back with the Department of Human Services.

Proceedings suspended from 18:31 to 19:33

Australian Hearing

CHAIR: Welcome Senator Marise Payne, Minister for Defence representing the Minister for Human Services, and officers of the Department of Human Services and Australian Hearing. Minister, would you like to make an opening statement?

Senator Payne: No thank you.

Senator CAMERON: Mr Davidson might have an opening statement; I am not sure.

CHAIR: Mr Davidson, would you like to make an opening statement?

Mr Davidson: No thank you.

Senator CAMERON: Mr Davidson, has any decision been conveyed to you yet about the scoping study for the sell-off of Australian Hearing?

Mr Davidson: Nothing at all. I understand it is still with government.

Senator CAMERON: Have you had any meetings with the minister or with the minister's office in relation to Australian Hearing?

Mr Davidson: None whatsoever.

Senator CAMERON: Ever since the scoping study was commenced?

Mr Davidson: The last meeting I had was before the finalisation of the scoping study, which was some significant time ago.

Senator CAMERON: That might have been with Minister Payne, was it?

Mr Davidson: Yes, Minister Payne was my minister at that time.

Senator CAMERON: No decision—so I assume you still operating within budget?

Mr Davidson: Yes, we are.

Senator CAMERON: Are you making a profit?

Mr Davidson: We are doing well, thank you.

Senator CAMERON: Meeting all your key performance indicators?

Mr Davidson: Yes, we are.

Senator CAMERON: How many Australians have you assisted with their hearing issues?

Mr Davidson: Last financial year—that is a year that we can look at—we conducted about 510,000 services and we had 161,000 active clients at that stage.

Senator CAMERON: Do you have a breakdown of how many of those clients are returned soldiers or Defence personnel?

Mr Davidson: Not off the top of my head. I am not sure if Gina can get something closer. If you want the precise numbers, I am more than happy to—

Senator CAMERON: Do you have those numbers?

Ms Mavrias: Yes, we do. About 10 per cent of that 161,000 are returned veterans.

Senator CAMERON: So roughly 16,000 returned veterans.

Ms Mavrias: That is correct.

Senator CAMERON: Those returned vets are all over the country, are they?

Ms Mavrias: Yes.

Senator CAMERON: Are some of the hearing problems related to their serving in the defence forces?

Ms Mavrias: Yes, most of them have suffered noise induced hearing loss as a result of their service.

Senator CAMERON: I can imagine what some of that would be. Have there been any cuts to your budget from government?

Mr Davidson: No. Recently there was an indication there may be a notional reduction through the Department of Health with potentially part of the CSO, but as yet we have no confirmation or no facts on that.

Senator CAMERON: You have not been told that you have to find \$3.5 million in savings?

Mr Davidson: We have seen the indications, but as we understand it that is just a notional sum and we are seeking final confirmation.

Senator CAMERON: Is that figure in the budget papers?

Mr Davidson: I think it is in the additional estimates paper that came out this week.

Senator CAMERON: No, not the additional estimates, the mid-year—Secretary, where is this figure of \$3.5 million, do you know?

Ms Campbell: I do not. I think it relates to the Department of Health. Is that what you were saying, Office of Hearing Services?

Senator CAMERON: Yes.

Ms Campbell: It would relate to that. I think what Mr Davidson is saying is that it may have been in their portfolio additional estimates statements, but I am sure we can look.

Senator CAMERON: Yes, that is right. I appreciate that. As I understand it, Mr Davidson, approximately five per cent of your budget will be cut.

Mr Davidson: It looks like five per cent off the CSO budget, the community service obligation budget. That has been targeted at the present time.

Senator CAMERON: So five per cent of the CSO—and the CSO is basically for some of the poorest people in the country, isn't it?

Mr Davidson: It is the program that supports children up to the age of 26, remote Aboriginal and Torres Strait Islander communities and complex adults—those are adults who, apart from having hearing impairments, have other comorbidity issues.

Senator CAMERON: Could that include returned veterans?

Mr Davidson: It could include returned veterans, yes.

Senator CAMERON: As I understand it, you have cuts of \$40 million, \$36 million and another \$36 million over 11 programs over the next three years?

Mr Davidson: As I understand it, that is the health budget. We do not hold that budget.

Senator CAMERON: What are the implications of having a five per cent budget cut to your CSO? What will you have to do?

Mr Davidson: We need to look at the allocation of those funds to try to limit any reduction in service to the people that we are currently serving.

Senator CAMERON: Would you have to postpone trips to remote areas and cut down clinics?

Mr Davidson: As yet, we do not know how we are going to prioritise that. That itself will be an issue for Health, Senator.

Senator CAMERON: So they will direct you?

Mr Davidson: It is their funding.

Senator CAMERON: But if you do not get the funds, you have to do something.

Mr Davidson: I would think so, yes.

Senator CAMERON: If you were not directed how to meet the cuts, what would you have to do? What areas would you have to target?

Mr Davidson: Again, without knowing the exact sum and the timing of it—

Senator CAMERON: Five per cent of your budget.

Mr Davidson: Some of the services, in fact, are already preallocated because we are making appointments up to 10 weeks out from just now. We would need to look at how we would find that \$3.5 million or reduce services to that effect.

Senator CAMERON: Run me through some of the services that might go.

Mr Davidson: It is not an issue of services going; it may be an issue of reduction in numbers of people that we will be able service.

Senator CAMERON: So your footprint would get smaller.

Mr Davidson: Not our footprint itself; the number of people we would see in that footprint would be diminished.

Senator CAMERON: So you are saying it would have no effect on your permanent offices and no effect on your number of employees.

Mr Davidson: At that level, no.

Senator CAMERON: What would be your estimate of how many services you would have to cut back on?

Mr Davidson: Again, Senator, we have only just got these numbers. I am more than happy to take that on notice and have a look.

Senator CAMERON: Didn't this MYEFO come out some time ago?

Mr Davidson: I do not believe it was all included in MYEFO. I think it was just in the latest papers.

Ms Campbell: Senator, I have just received some information that it was included in MYEFO, but I understand the \$3.48 million is in relation to the Australian Government Hearing Services Program. Is that correct, Ms Deininger?

Ms Deininger: Yes.

Ms Campbell: So I do not think the Department of Health has had engagement with Mr Davidson yet, so questions on how it might apply are probably best directed to the Department of Health.

Senator CAMERON: But I can ask Mr Davidson, who will eventually have the responsibility of delivering the savings, where he thinks the cuts would have to be. So you would just see fewer people?

Mr Davidson: Yes, Senator, that would be the outcome. We may purchase less stock going forward and do more just-in-time purchasing to try to limit the effect on people.

Senator CAMERON: Will that make you more efficient?

Mr Davidson: A reduction in funding has a dramatic effect on our thinking, but I am not sure it will make us more efficient. I think we are operating at a reasonably effective level at the present moment.

Senator CAMERON: I think this cut comes under what is described as 'more efficient' health programs.

Mr Davidson: I do not know how they have actually worded it. That is a matter for Health.

Senator CAMERON: I am just asking you, with a cut of \$3.4 million, how you become more efficient.

Mr Davidson: I think the wording does not apply to how we will actually operate in the field.

Senator CAMERON: So it simply means less service to the Australian public.

Mr Davidson: It will probably mean fewer people that we can service, yes.

Senator CAMERON: Have you made any rough analysis of the five per cent cut and how many appointments will need to be cancelled?

Mr Davidson: Not as yet. We are hoping to sit down with the Department of Health and try to work through those issues.

Senator CAMERON: Have they approached you on this yet?

Mr Davidson: Not as yet, Senator.

Senator CAMERON: So these cuts have been in since the MYEFO. When was MYEFO, Secretary?

Ms Campbell: Mid-December.

Senator CAMERON: Since mid-December. We are now in February and nobody has even contacted you.

Mr Davidson: Correct, Senator.

Senator CAMERON: How ridiculous! Would that put you into deficit or would you just cut the services? You wouldn't run a deficit, would you?

Mr Davidson: It would not put us into deficit.

Senator CAMERON: It is just a smaller capacity to deliver.

Mr Davidson: Correct—fewer people. Our overhead would remain the same.

Senator CAMERON: So you are getting the \$3.4 million cut out. The scoping study cost \$547,000. How many services would \$547,000 deliver?

Mr Davidson: Again, senator, it depends on the type of service and the location and the type of client that we are servicing.

Senator CAMERON: Would you have an average of what the cost of a service is?

Ms Mavrias: As Mr Davidson has outlined, it does vary in terms of cost. It is about \$400 a service, but that does not include any additional costs as a result of the provision of devices.

Senator CAMERON: For the service alone, for \$547,000, that could be roughly over a million services at \$400 a head. No, I have got that wrong.

Ms Mavrias: I think it is less than that.

Senator CAMERON: I was never good at maths. It is a significant number—I will work it out when I get a calculator—\$547,000 at \$400 a service. Your budget is \$63 million?

Mr Davidson: The budget for the CSO program is approximately \$70 million, some of which—about \$4½ million—goes towards National Acoustics Laboratories. The other \$65.5 million is for the community service obligation.

Senator CAMERON: Ms Campbell, you indicated to the October estimates that there would be a report on the further consultations on the privatisation scoping study. Have you got a report on those consultations?

Mr Hutson: Those consultations were being conducted by the Department Of Finance.

Senator CAMERON: Have you had any discussions with finance on the outcome?

Mr Hutson: I have had no discussions with the Department Of Finance on the outcome.

Senator CAMERON: Has anyone in the department?

Mr Hutson: I believe that the outcome of the consultations was the subject of a report to the Minister for Finance by the Department of Finance, and the Minister for Finance advised the Senate committee on Tuesday that he had been considering that report and would be making an announcement very soon.

Senator CAMERON: Ms Campbell, have you seen the report?

Ms Campbell: I have not seen the report.

Senator CAMERON: Mr Davidson, the ACCC is doing an investigation into the private audiology industry. Are you aware of that?

Mr Davidson: Yes, senator, we are.

Senator CAMERON: Did you make a submission to that inquiry?

Mr Davidson: We responded to some of the questions, but the inquiry is more of a trawl—it is a very simple questionnaire that they have on their website—rather than a directed, targeted investigation.

Senator CAMERON: You have put in some general information—

Mr Davidson: Yes.

Senator CAMERON: but you have not been asked by the ACCC. I find that surprising. Has the investigation been completed?

Mr Davidson: I am not sure. That is a matter for the ACCC.

Senator CAMERON: One of your corporate plan themes is partnerships. What current partnerships are you engaged in?

Mr Davidson: We actually have many partnerships. We have a lot of partnerships with pharmacy outlets, with general practitioner outlets and groups, with aged-care homes and with some healthcare providers.

Senator CAMERON: How are they going?

Mr Davidson: Pretty good, senator, thank you very much.

Senator CAMERON: Can you give me some detail?

Mr Davidson: It is an interesting business that we are in. We, in fact, get a lot of our clients by referral rather than coming direct and walking in off the street. The referrals tends to be from general practitioners and people that our clients trust—sometimes from pharmacies, sometimes from the aged-care homes in which they work. So we tend to try to work with those bodies to ensure that their clients are referred to ourselves. It is highly competitive. We are not the only provider in that space. The voucher market is almost 240 providers, as well as ourselves.

Senator CAMERON: If you had to cut back the number of face-to-face assessments, could that mean that some children could fall through the cracks in terms of getting proper medical support?

Mr Davidson: Hopefully not. We actually prioritise children. They get our first priority.

Senator CAMERON: What about vets? Are they a priority?

Mr Davidson: We actually have an agreed waiting time for the rest of the type of clients that we look after. For the veterans, there tends to be a two-week waiting list.

Senator CAMERON: Obviously that would blow-out with less money to do your assessments.

Mr Davidson: Those clients are covered in the community service obligation. They are not part of the voucher program. No-one else competes currently in that space. It is a program that we run on behalf of the Department of Health.

Senator CAMERON: Have you made any plans of how, if you were privatised, you would continue to operate?

Mr Davidson: I do not know what you mean by 'plans'.

Senator CAMERON: Business plans.

Mr Davidson: We have certainly considered scenarios in terms of ensuring our sustainability in the face of any competition and, having said that, any market opportunities. We have certainly considered how, in fact, we would operate, but we have not really made any plans.

Senator CAMERON: Has any outside operators or businesses approached you about the privatisation?

Mr Davidson: No, they have not. I think they have approached the Department of Finance.

Senator CAMERON: You are basically the default service for the NDIS, aren't you?

Mr Davidson: I am not really sure at the present moment. I would like to think we would be, but for the NDIS, in fact, until we know the terms and conditions and the structure that they put in place, we not really sure. I would love to be the default because that would mean we could look after more and more people. But the intention, I think, with the NDIS is to give the power of selection to the client and to not provide the funding to the providers. Therefore, I would think that there probably will not be a default provider in NDIS.

Senator CAMERON: So if there is no default provider and one of these American companies that sell hearing aids runs a huge media campaign for 12 months, you would not be able to match that, would you?

Mr Davidson: Until I see it, I cannot really comment, but I have enough confidence in my team to think that we can compete with any provider at the highest level. They may well be multinationals and they may well be cashed up more than we are, but I think that with the strength of our service offering and our value proposition we would hope to operate as effectively as they do.

Senator CAMERON: If there is an advertising campaign—television, radio and newspaper advertising campaign—you cannot match it. You have no funds to match that, have you?

Mr Davidson: We certainly do not put our marketing funds into that type of output at present.

Senator CAMERON: So you would be disadvantaged in a privatised competitive industry, wouldn't you?

Mr Davidson: But, Senator, I am Scottish; I would never be disadvantaged in any competition. But in terms of the business—

Senator CAMERON: I like the Braveheart approach, but I want some realism here.

Senator Payne: Realism would actually be questions that pertain to the actuality of where we are now, Chair, if I might observe. Senator Cameron may as well be asking what would happen if Donald Trump bought Australian Hearing. It is a ridiculous proposition.

Senator CAMERON: What a fantastic contribution!

Senator Payne: It is nice to see you, too!

Senator CAMERON: Mr Davidson, you cannot compete with these big companies. You can compete on service; you can compete on what you provide—the quality of your offering, the skill of your staff and all of that—but you certainly cannot compete on advertising.

Mr Davidson: Again, it is difficult to respond to that without knowing the specifics. A lot of advertising these days has moved into social media and digital, rather than what I would call the large-scale traditional media. If you are smart enough—and we think we are—then we possibly could compete. If you look at the current situation where we have to compete in the virtual services market with some 240 other providers, including these multinationals, we hold 30 to 31 per cent of that market, which makes us the largest at the present moment. So I would tend to think that our competitive capacity is fairly reasonable at the present moment.

Senator CAMERON: Where is the acoustic laboratory longitudinal study up to?

Mr Davidson: We are currently about 50 to 60 per cent through the year nine review. We have been doing assessments with babies to 9-year-olds on the effect of intervention at various stages of their life cycles, and we are now at the nine-year life cycle with a view to, hopefully, publishing a report on that sometime in the next 6 to 8 months.

Senator CAMERON: There are no cuts to NAL, are there?

Mr Davidson: Not that we are aware of at the present moment. But again, to be honest, until we understand the notional reduction that health has on the CSO funding, we are not sure if that impacts NAL at the present moment until we get detail.

Senator CAMERON: Is it a possibility that the cuts to the CSO funding could have an implication for the National Acoustics Laboratories?

Mr Davidson: It is a possibility.

Senator CAMERON: What would happen if there were cuts there, because it is a small unit, isn't it?

Mr Davidson: It is a small unit.

Senator CAMERON: So what are the implications for NAL?

Mr Davidson: We would probably have to reduce some of the other work that we do, but I would imagine the LOCHI study, which you have mentioned, would continue to get precedence. It is a world best, a world first and a world only piece of research.

Senator CAMERON: How many employees does NAL have?

Ms Mavrias: There are 58 people, making a full-time equivalent of 45.

Senator CAMERON: Many of them are highly skilled research scientists, aren't they?

Mr Davidson: Yes, they are. We have 17 PhDs in that team.

Senator CAMERON: Is there a possibility that some of those PhDs might go if there is a cut?

Mr Davidson: We will do our damndest to make sure that does not happen.

Senator CAMERON: I always find that PhDs need some support and help. Will there be cuts to the group under the PhDs?

Mr Davidson: Again, until we know the nature of the reduction—if there is one—it is difficult for me to respond to that.

Senator CAMERON: But there is a reduction. It is in the—

Mr Davidson: But we are not sure yet whether the health facts will actually cover NAL or any of the other programs. It is a reduction to the programs, not necessarily to individual parts of the business.

Senator CAMERON: Since December, no-one has even raised this issue with you?

Mr Davidson: Not yet.

Senator CAMERON: Your minister has not spoken to you?

Mr Davidson: No.

Senator CAMERON: He has been pretty busy and diverted, but that is another issue. Is there any increased commercial pressure on you to sell hearing aids?

Mr Davidson: No, none.

Senator CAMERON: Is there any commercial pressure on you to upsell?

Mr Davidson: None.

Senator CAMERON: Do you upsell?

Mr Davidson: No. There are occasions where the client requires a device that is more expensive than that covered by the voucher scheme or by the government scheme, and they pay the gap. But we only fit devices to meet the needs of the client.

Senator CAMERON: Audiology Australia and Independent Audiologists Australia have been pushing for audiologists to be registered under the Australian health practitioners registration scheme. What is your view on that?

Mr Davidson: We would probably support that.

Senator CAMERON: Would that increase standards in the industry, do you think?

Mr Davidson: I am not sure, but it may well regulate part of the industry. Audiologists are highly skilled, highly trained, highly effective people, and if you were to add another framework that supported them it would not be a bad idea.

Senator CAMERON: Do you agree with the ACCC's view that a patient's interest to obtain professional independent advice from an audiology clinic may be compromised in circumstances where there is a commercial pressure on health professionals to sell hearing aids?

Mr Davidson: That would seem like a reasonable statement, but I have not seen it in practice.

Senator Payne: Where is that from?

Senator CAMERON: ACCC.

Senator Payne: What of the ACCC?

Senator CAMERON: Their recent report.

Senator Payne: Can you give us a reference?

Senator CAMERON: I do not have a reference; I will get it for you.

Senator Payne: Thanks. I just wondered whereabouts; that is all.

Senator CAMERON: It was tabled in the Senate.

Senator Payne: It must be right then. It must be good then.

Senator CAMERON: Well, Minister, you know that, if something comes into the Senate, that is it. The imprimatur is there—except for cuts against workers' wages and conditions and cuts on DHS—

Senator Payne: Do not let me distract you, Senator, please. Go back to where you were, the ACCC. That is much more interesting.

Senator CAMERON: You have done some work on a speech processor upgrade. Can you brief us on where that is up to?

Mr Davidson: I would like to ask Gina to pick that up.

Ms Mavrias: In terms of where it is up to, the numbers in terms of how many have been issued are in line with the budget and it is tracking well. The plan is to review the candidacy criteria in March—which we will do in light of what funding from the budget is available and the candidates that will benefit most from the features offered by the speech processor.

Senator CAMERON: Thanks. Mr Davidson, you practice in the audiology industry, you are retailing in the industry and you are providing health support in the industry, so you know the industry pretty well, don't you?

Mr Davidson: We do, Senator.

Senator CAMERON: The Deafness Forum of Australia—you are aware of them?

Mr Davidson: Yes, I am.

Senator CAMERON: They say that audiology is a self-regulating profession with few safeguards to protect clients. Would you agree with that?

Mr Davidson: Not necessarily. If, in fact, what you are getting at is that currently it is not fully regulated, I would agree with that.

Senator CAMERON: Aren't they self-regulated?

Mr Davidson: Internally, we follow our processes which we have developed—

Senator CAMERON: I am talking about your competitors.

Mr Davidson: I cannot really comment on our competitors.

Senator CAMERON: I thought you knew the industry.

Mr Davidson: Thank you, Senator. I think we do, but we do not know their practices. We do know that, where we compete with them, they have 70 per cent of the current market and their market share has remained stable at that level for a decade. Therefore, I would imagine that their services, in the main, are of a reasonably high standard.

Senator CAMERON: In the main, but that is why the ACCC is looking into them.

Mr Davidson: I am actually looking forward to the ACCC's outcome.

Senator CAMERON: The Deafness Forum also says that, if Australian Hearing is privatised, people in rural and remote areas would experience reduced access to services. Is that a possibility?

Mr Davidson: I do not know. That is a matter for government.

Senator CAMERON: That would mean how they would keep the CSO operating in some way, shape or form?

Mr Davidson: Again, I have no idea what government is thinking.

Senator CAMERON: I think that is me. I am done on Australian Hearing.

CHAIR: Are there any other questions on Australian Hearing? No. Mr Davidson, thank you very much for your time. We will now move on to DHS.

Department of Human Services

[20:04]

Senator SIEWERT: We are doing the whole-of-corporate matters. Is this where we ask about computer systems?

Ms Campbell: Yes.

Senator SIEWERT: Okay.

Ms Campbell: I am sure the applicable deputies are on their way.

Senator SIEWERT: Thank you.

Senator MOORE: I am just asking the departments I appear before about your breastfeeding policy. Does the Department of Human Services have a breastfeeding policy? I just thought you might not need your officers to help you with that.

Ms Campbell: We have a policy. It is actually corporate. We need—

Senator MOORE: I am happy for the IT one to go first. I just thought that was one that could be knocked over before the IT.

Ms Campbell: Someone will find the details while we are doing the ICT issues, but we have a lactation policy.

Senator MOORE: Good. Thank you.

Senator SIEWERT: I will go to some of the most recent incidents of computer glitches and computer outages. The first one is the one that occurred in January, where 73,000 families were told to repay their family tax benefits.

Ms Campbell: Yes, we can talk about that. They were not told that they had to repay it. There was a glitch that appeared on their electronic records for a couple of days, which said that there was a debt. We stopped the letters going out once we realised that there was an issue with the system, but—and I am sure the gentleman to my right will talk more about it—when we did No Jab, No Pay measure, we had to cut across two systems, both the Centrelink system and the Medicare immunisation system. Both of them are very old systems, and connecting up we had an error, which produced that glitch for that 73,000. As soon as we found out about it, we shut down any correspondence going out from there and rectified it as quickly as possible. But, yes, there was an error.

Senator SIEWERT: Okay. Thank you. When you said that you cut it, 73,000 families got the letter before you realised it?

Ms Campbell: No. For the 73,000, it went on their electronic statements. We do not know how many people viewed those statements.

Senator SIEWERT: Okay. They are myGov statements.

Ms Campbell: It could have been much less than that, but we were open in disclosing what had occurred and very quick to tell people that we were rectifying that issue.

Senator SIEWERT: So they said they had a debt?

Ms Campbell: Yes, and then we reversed that debt.

Senator SIEWERT: Okay. So nobody had got to the point where they were repaying that debt?

Ms Campbell: It was only a few days, and when we realised it we fixed it straightaway.

Senator SIEWERT: Had anybody—

Ms Campbell: I will check with Mr Learmonth whether there is anyone who repaid that debt, but we do not generally find people that prompt in being able to repay those debts.

Senator SIEWERT: Okay.

Ms Campbell: In fact, on most occasions, people do not get to see those statements when we bring that to their attention.

Senator SIEWERT: That gets me to myGov, but—

Ms Campbell: We are happy to talk about myGov.

Mr Learmonth: I am not aware that anybody actually paid. We were quick to close things down and to inform customers that they did not actually have a debt.

Senator SIEWERT: How did you tell them they did not actually have a debt? Did you send them another email?

Mr Learmonth: People got letters. People were informed.

Ms Campbell: They did not get a message the first time, I think. They just—

Mr Learmonth: It was a very small number of letters that went out, and they were followed up very quickly, so people understood there was no debt.

Senator SIEWERT: So they got a message through their myGov service?

Ms Campbell: It was on their statement; that is my understanding.

Mr Learmonth: It was their online account.

Senator SIEWERT: It was on their online account, so they would have had a message saying that they actually have—

Mr Learmonth: That there was a debt. That was addressed quickly and no-one is out of pocket.

Senator SIEWERT: Okay, and some people got hard copies?

Mr Learmonth: A very small number of people would have had a letter generated, yes.

Senator SIEWERT: Thank you. I have an enormous number of emails and messages from people who have had problems with using reporting online. Maybe we should first go to where you are up to in term of the errors that occur in the process. I understand that you have a process where you look at your IT error rates. Is that correct?

Ms Campbell: I might let Mr Sterrenberg try to answer that and see whether his answer is going to satisfy your question.

Mr Sterrenberg: I have some information that may be helpful, but I probably need to context it with a broader explanation if you do not mind, because it may give some light on it. In sheer raw numbers—and these are technology, as opposed to applications or NTN transactions—in September last year we did 138 million transactions on the myGov platform. In December that increased to 234 million transactions. So there was an incredible growth in the transaction rate. And the error rate across that number is 0.13 per cent.

Senator SIEWERT: Can you tell me what constitutes an error in that respect?

Mr Sterrenberg: There are a number of them, of course. But the ones that are more obvious are when the resource is not available; I think some people refer to it as the 500 error. The customer gets a notice saying the resource is no longer available and they have to log on again. In this case you push the F2 button and it logs you in again.

Senator SIEWERT: You call that a resource error or a 500 error. You gave me numbers and then you said the error rate is 0.13 per cent. What is that in terms of numbers? When you give me the other ones, can you give them to me in the same format. I note you are trying to make it sound smaller by saying 0.13 per cent, but that is still a number of errors.

Mr Sterrenberg: Yes, it is.

Ms Campbell: Senator, would this be an opportunity for us to talk about some of the issues that people are experiencing with myGov? Would that be a helpful way to take this forward?

Senator SIEWERT: Yes, I was going to go there. I have just got a couple more questions around this. You can talk about numbers all you like, but these are real human beings who are getting extremely frustrated about the process. So priority 1 errors are where you had 0.13 per cent?

Mr Sterrenberg: No, we have only had one priority 1 error this year, and that was related to an outage around myGov in July. In the first week of July we had a routing error. I think you may be aware that we have been in the process of geographically relocating two separate data centres to give us high availability. In moving half of the data centre to our new tier 1 data centre in Fyshwick, we had some routing errors and that made the myGov platform unavailable for a period of time.

Senator SIEWERT: How long was that?

Mr Sterrenberg: I would need to come back with a definitive answer on that.

Senator SIEWERT: Did it not go out for two days in December as well?

Mr Sterrenberg: No. One of the issues we have is that obviously it is the face of what people see. MyGov, in its native form, is an authentication engine: you put in a password and you get a yes/no answer, and that is the end of myGov if you will. People who are trying to access it online—whether it is Centrelink, Medicare or tax—will just see it as myGov. So they may present it as a myGov issue where in fact it could be something else. In September—if you don't mind me saying, it was more like the end of October—we did some significant engineering to the myGov platform. What has been important for us is to separate myGov into two production lines that are completely separate so that we can run the volumes across either one should we lose capacity. Within the production lines, we have laid the architecture through the firewalls, the gateways, the load balances, the application services and the database. So it is layered architecture and at each point we have redundancy. In architecting that outcome, we had some firmware issues with what is known as the federated identity manager. What that does is keep a synchronicity between the two centres. So if you lose a connection it seeks an alternative pathway. IBM had an issue with the synchronicity and they had to put a fix in that allowed us to increase the time out, which meant that the two production lines could stay in sync.

Mr Shepherd: In simple language, we benchmark myGov regularly against other industry capabilities. From July through to December last year, we ran at 99.3 per cent availability in July—that is, uptime, where people can use it. That was where we have the issue that Mr Sterrenberg was talking about. We had availability of 100 per cent in August, 100 per cent in September, 99.9 per cent in October, 99.7 per cent in November and 99.8 per cent in December. To give you an idea of when the service is up and people can use it, those are the uptime percentages.

Senator SIEWERT: When people talk about myGov, they talk about it generally rather than the specific sites—and I am guilty of this too. Having spent quite a bit of time on myGov recently, I share people's frustration. Some people talk about the myGov site but then they talk about the Centrelink site. So the detail that you just gave me was for the myGov site?

Mr Sterrenberg: Yes.

Senator SIEWERT: And then you go to the Centrelink site.

Mr Sterrenberg: Yes.

Senator SIEWERT: What I have been told is that the Centrelink site was down in December.

Mr Sterrenberg: Yes, we had intermittent issues. I will give you the broad numbers. In the Centrelink online space, for the first quarter of the financial year, which is July to October, we had 14 intermittent issues. As we referred to, there were no high priority ones, no P1s as we call them, but there were 14 P2s.

Senator SIEWERT: What is a P2?

Mr Sterrenberg: A P2 is an intermittent disruption to a customer. And we had 14 between September and December. So, in total, we had 28.

Senator SIEWERT: So the first lot was when?

Mr Sterrenberg: July to September was the first quarter, and in the second quarter we had a similar amount. There were different errors; it is not one set of errors that we have been seeing. We had issues relating to CPU board failures. We had IO card failures. A hardware failure would have an impact of 'intermittent'. The importance of the discussion that I want to bring on is that 'intermittent' means there is a partial disruption. In our Centrelink online, similar to myGov, we have two separated production lines. Within a production line we have six servers, each of which has two nodes attached. That is effectively 200 worker threads per node, which means significant capability. When a CPU board crashes, what happens is effectively that those people who have submitted at that time will be disrupted. But any traffic where a person is just waiting to input, or whatever it might be, will just be routed to an alternative board and an alternative thread. That is why some people will experience a difficulty. In that case, they would get the 500 error that I mentioned. In other cases, it will be just like a short stutter.

Senator SIEWERT: You said that only occurred 14 times.

Mr Sterrenberg: Yes, in a quarter.

Senator SIEWERT: There must have been a hell of a lot of people on at the same time then.

Ms Campbell: And sometimes that was the case. In December, there were double lodgement periods when we were leading up to the public holidays. A lot of people were trying to report their earnings because there were going to be public holidays in the following week.

Mr Sterrenberg: There is additional information that I would like to provide. We have seen an unusually high level of authentication errors, where people enter their passwords incorrectly. A citizen will have the experience of not being able to get in. When I look across the platforms, what I see is that what people experience is less about a system error but more about a system they cannot access. With the myGov platform at the moment, we have around 14 per cent where people are attempting to access but for whatever reason are using the wrong user id or password. In some cases, I have data that suggests that they are using their telephone number. Or they may be using what is sometimes referred to as the CRN, the Centrelink reference number. So there is some confusion that we need to sort out going forward.

Ms Campbell: And that is a usability issue that I was going to talk about. You are wanting me to wait until you are ready to hear that?

Senator SIEWERT: Yes. I am just about with you in terms of wanting to go there. Could we split this up into the issues around Centrelink reporting and the issues around the myGov site?

Ms Campbell: Yes.

Senator SIEWERT: Okay, let's go to usability.

Ms Campbell: Most people—and I think you have already touched on this—see myGov in different ways, with Centrelink, Medicare, tax or some other initiative. So I am going to focus my comments on the myGov authentication issue. Mr Sterrenberg has just touched on the issue of people logging on. I think all of us, when we log onto a commercial data base, use our email, our phone number or something we can recognise. When we started with myGov we used an MBUN, a 'meaningless but unique number'—and because it is meaningless some people struggle to actually remember it. And that is why we have failure rates of about 15 per cent in people logging on whereas the banks probably see a failure rate of two per cent. So we have been working with the minister on how we can try and improve this quickly to get some improvements for the customer experience. That is probably the first one. I will let Mr Shepherd and Mr Sterrenberg talk about some others. But we know it is complex for people to have to remember those numbers and we need to keep pace with where other digital services have gone and improve that usability for the customer.

Mr Sterrenberg: And four years ago we were using multi-credential authentication as our security. It was layers of passwords: you know your MBUN, which is unique to you; you know your password, which is unique to you; and you know your secret question and answer, which are unique to you. So it was a multi-credential way to protect our systems. Clearly over time the market and the industry have moved to two-factor authentication, which is where we have gone with the myGov site. When we reflect back, the MBUN was a good idea and it was needed four years ago. But in having two-factor authentication the logon no longer needs to be unique. You can consider using things like Google and others, who use an email address.

Senator SIEWERT: Fourteen per cent is a pretty high failure rate. Some people will have problems. Even at Centrelink offices they have had problems getting on line.

Ms Campbell: And we can tell, because we can actually see what they are typing in, but we cannot tell them what they are doing wrong because that itself is a security issue. So they have to be able to remember their MBUN.

Mr Shepherd: I conducted the focus testing with consumers to look at this issue. One of the issues with the MBUN is that it is long, so we all struggle to remember it. But you do not necessarily use it as often as you would your banking number, which is about that long too. You regularly go into your bank. But many Australians only go to myGov once a year to do their tax return or Medicare.

Senator SIEWERT: And you make up your own number for the bank.

Mr Shepherd: But if they are reporting to Centrelink, they will probably remember the number because they use it more regularly. I benchmarked what we were doing against the banks. The only real difference is the regularity. Banks use the number too, and you remember it because you go in there every fortnight.

Senator SIEWERT: Your PAN number is on your card and then you have made your own password!

Mr Shepherd: That's right. As Mr Sterrenberg and the secretary outlined, what we will do is move ourselves far closer to the likes of PayPal, where they give you a choice about what you can use, including your email address. I do not know how many things you log on to, Senator. I generally use my personal email account as my username and customers will be able to do that.

The other issue—and you would probably have had constituents writing to you about this—is being locked out of your accounts. What that means is that if you cannot remember your user name and your password, if you keep trying to enter the wrong details, we will lock you out for 12 hours and ask you to contact the helpdesk to reset your login details. This was advice we received two years ago as an appropriate security feature.

Two years later the technology has moved on. Our experience has moved on. As a result of feedback from customers, we are about to reduce the period significantly. We are also about to—and you may have experienced this in other online systems—make it so that you can reset yourself. You are asked a series of questions and go through a series of processes. It is fairly common. In banking, when you reset yourself online you go through an online process. We will have something very similar to that.

The other issue—and, Senator, I do not know how long you have spent on myGov—is that if you go to myGov and then go off to Centrelink, Medicare or the ATO when you come back you will find you have been locked out. It has been really frustrating for people. They say, 'I have already told you who I am. Why can't I just keep using those services?' So we are going to take up that issue and look at resolving it.

Mr Sterrenberg: It is fair to say that that was a security feature. Obviously you do not want to have a session left open. So what a lot of the technologies do is use a reverse ping to keep the session alive. It is something that we are looking at now to make sure that we do not reduce the security but improve the usability.

Senator SIEWERT: Going to the Centrelink site then, what people talk about is when they can report data and what level of access they have and have not got. They talk about the experience of having to go to a Centrelink office and the Centrelink office having to then verify their ID. There are a number of issues there. The Centrelink office may not then do whatever they need them to do and so when they go home because they were told they could not complete their transaction they go back on a computer system to do it and it has not been done. Or they may find that there is still something else that has gone wrong and the system will not accept the information they put in. They can get halfway through and the machine has a P2 intermittent failure and the data will be lost. They are finding that extremely frustrating. They are finding it frustrating that they are told to go into a Centrelink office and the Centrelink office will verify their ID but then will not allow them to finish entering the rest of their data. They have to go away and do it again. One person said that then that did not work and they had to go back again. So it seems to me that we still have these problems with the computer system. People are being driven to online reporting and they are having very frustrating experiences.

Mr Shepherd: One of the issues across the Australian government is that we are all striving for a common ID framework so that how you prove who you are happens in a consistent way across all agencies. DHS, as you will recall, is an amalgamation of three agencies. The processes for how you identify yourself were different at all of three of those

agencies. So we have been working overtime to improve the situation you just described so that people have a consistent way to identify themselves.

We are also working and taking the lead on a whole-of-government project called Digital ID so that people are able to prove who they are in a digital way through online checking with the Document Verification Service and are able to establish their credentials with an organisation and then use those credentials across all of our services. We hear the same issues at our front-of-house. We hear those issues in our call centres. We are doing something about it, but it is a whole-of-government issue that we are working on.

Mr Sterrenberg: The service you referred to is reported earnings and income. Our data suggests that it is one of our biggest successes in terms of the take-up by constituents. In December we had the largest ever take up of digital services. I believe that part of the success is due to the fact that we have made it available on the mobile channel as well as online. I believe it also available on our IVR channel. We know it is an important process for citizens. We have gone out of our way to make sure that, where there are inconsistencies in the system, there is a receipt given so that the citizen is well aware of whether their information has been accepted by the system.

Ms Campbell: Senator, you talked about what happens online. We ensure that we keep the mobile channel up so that, were there to be a P2 error online, there would be an alternative option for people to be able to report their earnings.

Senator SIEWERT: Do you mean an app?

Ms Campbell: Yes, a mobile app. They can also ring on the IVR on the phone. They can talk and enter their earnings by talking into the phone.

Mr Shepherd: To give you a data point, as Mr Sterrenberg, said this year the traffic through smart phones increased by 69 per cent.

Senator SIEWERT: For reporting earnings?

Mr Shepherd: Yes. It was a massive increase. The point Mr Sterrenberg was making was that a number of people are using a mobile phone to update their income. The convenience of mobiles is very important. These are people reporting their earning incomes and participation in work. The last thing they want to have to do is walk into an office and tell us what their income is, so it is not surprising there has been such an increase.

Ms Campbell: They do not even have to log into a computer. They can do it on their phone.

Senator SIEWERT: Not everyone has phones that can do that.

Ms Campbell: That is why the IVR channel remains very important—so people can ring up.

Senator SIEWERT: I have some more questions that I will need to put on notice. I want to make sure we have time to go to phone lines and problems with the DSP process.

Senator CAMERON: I have similar issues to Senator Siewert. I think most of my questions would be in the cross-portfolio area. I want to start with a question about the scoping study for possible outsourcing of the Medicare payment system. Which payment systems are under consideration in the scoping study?

Ms Campbell: The scoping study, as the health minister has indicated, is looking at all the payments in the health and aged-care space. I think it is known as the 'Medicare payment system'. Mr Sterrenberg can talk to you in detail about that system.

Senator CAMERON: Thank you. I put some questions on notice and you came back with some figures for the number of people employed in that area. I think in the Medicare area it was about 1,400.

Ms Campbell: Yes.

Senator CAMERON: Does that include aged care, DVA and PBS?

Ms Campbell: It includes those payments as well as a corporate ICT overhead type area. It is in the order of 1,400.

Mr Sterrenberg: I will just offer some clarification on the Medicare system. There are around 100 to 200 applications that make up what people refer to as the Medicare system. The ones that are most commonly referred to are the MBS and the PBS.

Ms Campbell: That is the Medicare Benefits Schedule payments and the Pharmaceutical Benefits Scheme payments. I think Mr Sterrenberg is about to outline that this is something that has grown over 30 years, so it is hard to categorise it as one system. In fact, Mr Sterrenberg has a chart that is very large which illustrates this.

Senator CAMERON: I remember Senator Payne having this huge chart when she was minister.

Ms Campbell: It is very useful.

Senator CAMERON: Did that cover all the parameters or just one system?

Ms Campbell: We have many charts.

Senator CAMERON: Mr Sterrenberg, can we have a chart that outlines the IT areas that are covered by the scoping study?

Mr Sterrenberg: Yes.

Ms Campbell: We will take that on notice.

Senator CAMERON: Mr Sterrenberg is saying 'yes'; you are saying 'take it on notice'.

Ms Campbell: We will take it on notice.

Senator CAMERON: That is good. It should not be too hard. It is just the payment system that is being looked at. Are there any assessment or other functions that are being looked at that are you aware of?

Ms Campbell: The scoping study was looking at the payment system.

Senator CAMERON: Just payments. So assessments and other functions will be separate. Do you believe that you are capable of handling with this IT system, Mr Sterrenberg, what you are saying is 100 to 200 applications. I remember asking you about ISIS, and you said, 'That is an old warhorse; it will still do the job.' What about the MPS system. Is that the same?

Mr Sterrenberg: Very similar. I think the Australian public can be confident that we will continue to deliver reliable payments through that system.

Ms Campbell: But it does lack flexibility. It is very difficult to change when governments want to change the policy parameters. Just like ISIS, it is a very old system that is very complex. I would suggest that this one has had less done to it than ISIS because of the static nature of the policy over many years, whereas ISIS and Centrelink payments have changed regularly and have had changes. This one has been quite static.

Senator CAMERON: Have you made any assessment about the replacement cost of the system?

Ms Campbell: I do not think we have finalised our business case. We have looked at it, and it would be quite a lot of work. Have we done a number on it?

Mr Sterrenberg: It was a long time ago, and I think the number is not worth putting out there because it did not have the right rigor around it. But we were looking at it in comparison to the size of—

Senator CAMERON: How does it compare to ISIS?

Mr Sterrenberg: It is best to compare it to—it is like—the Westpac retail bank. If you took their system, it is equivalent to that. ISIS is another—

Senator CAMERON: Another planet—universe!

Mr Sterrenberg: Everything is small compared to the social welfare system.

Senator CAMERON: So this is a small system compared to ISIS. But for the ISIS system, the only estimate I have really seen was I think about \$1.3 billion, \$1.5 billion from the Commission of Audit.

Ms Campbell: That was the number in the Commission of Audit.

Senator CAMERON: Is there any other figure that you have seen?

Ms Campbell: Not in the public domain.

Senator CAMERON: Currently the MPS system is handling about 600 million transactions a year?

Ms Campbell: Yes.

Senator CAMERON: About 20 per cent of the volume of DHS?

Mr Sterrenberg: Roughly, yes.

Ms Campbell: About that.

Senator CAMERON: Roughly. I am not asking for it. So about \$21 billion in payments. Is that the figure? \$10 billion for PBS.

Ms Campbell: Closer to about \$40 billion.

Senator CAMERON: \$40 billion for Medicare?

Ms Campbell: And those associated payments.

Senator CAMERON: Does that include aged care and DVA?

Ms Campbell: Yes.

Senator CAMERON: So about \$40 billion all up. Has the department had a briefing—or, what engagement have you had?—with the group that has been established to look at the scoping study? What are they called?

Ms Campbell: Task force. Mr Jackson is representing us on this matter.

Mr Jackson: We have had two discussions with the Department of Health—both after Christmas—with regard to the terms of reference and the task force they have set up. These discussions have been information sessions for us. The department is currently in the process of establishing the membership of the committee that we will be on and providing us terms of reference, which we have not yet seen.

Senator CAMERON: Mr Sterrenberg, how many IT professionals are linked to the MPS?

Mr Sterrenberg: It is difficult to give you that because a lot of our staff have multiple skills. In a lot of ways we are a shared service. The MBS—it is 'MBS' system—

Senator CAMERON: I thought it was the Medicare 'payment' system?

Mr Sterrenberg: It is referred to as different things by a number of different people, but it is—

Senator CAMERON: What should I call it so that you recognise what I am talking about?

Mr Sterrenberg: MBS.

Senator CAMERON: But you did say 'MPS'.

Ms Campbell: Isn't it a subset of the Medicare—

Senator CAMERON: So what is it? The Medicare—?

Mr Sterrenberg: Benefits Schedule.

Senator CAMERON: 'Benefits' system.

Ms Campbell: That is one element. Then there is the Pharmaceutical Benefits Scheme, which is why I refer to it as a Medicare 'payments' system to try and wrap up all of those—the collection.

Mr Sterrenberg: Yes.

Senator CAMERON: So you guys have different names for it; that is fine. It is either the Medicare benefits system, or, if you talk to the secretary, it is the Medicare payments system.

Ms Campbell: I would say that the Medicare 'benefits' system is a subset of the Medicare 'payments' system.

Senator CAMERON: Right—and you are going to try and give us a schematic of that, so we can be clear.

Ms Campbell: Yes.

Senator CAMERON: So you have had two meetings with the task force, Mr Jackson?

Mr Jackson: That is correct, yes.

Senator CAMERON: Secretary, when was the last time you met with the minister?

Ms Campbell: Today.

Senator CAMERON: He was not making his farewells, was he?

Ms Campbell: We were doing business-as-usual activities.

Senator CAMERON: I want to come back to this issue of the number of IT professionals. I will call it the Medicare payments system. I will defer to the secretary on this. We know we

are talking about the broader system. You say you cannot identify how many technical professionals are looking after it because they do work all over?

Mr Sterrenberg: And I can give you an example—

Senator CAMERON: No, that is okay. I do not need an example. But if this Medicare payments system went out of the system and the outcome was that you do not have it any more, would you have to make some of these IT professionals redundant?

Mr Sterrenberg: It is a difficult question—not knowing what parts of it may or may not go.

Senator CAMERON: But we can make an assumption that we are talking about the whole Medicare payments system. That is the scoping study.

Ms Campbell: I think we have discussed before that in the Department of Human Services our general policy is that if a piece of work concludes—and we often have pieces of work, tasks or projects that are no longer going on—we look to redeploy staff in the first instance.

Senator CAMERON: But this is 1,400 staff that we are talking about.

Ms Campbell: Yes.

Senator CAMERON: You are saying they would be redeployed?

Ms Campbell: I am saying that in the past—for example, when the CRS function ceased—we sought, over a period of time, to redeploy those staff throughout the department.

Senator CAMERON: The sort of impression you get, if you read the press—and I am not accusing the department of this—is that you have outdated technology; you are a behind-the-eight-ball department; public service—lack of flexibility; public service—not very innovative; you cannot keep up with the banks. That is why we have to do a scoping study. What is the problem here?

Ms Campbell: I think it is true to say that the hardware and software of this payments system are out of date. It is some 30 years old. We also know that other entities in the private sector invest, probably, more often in this sort of software and hardware than governments, mainly because they are looking for a competitive advantage and they are constantly seeking that advantage. That is why, often, the offerings that they have are more up-to-date than what we have—and they have, sometimes, more money to invest in those things.

Senator CAMERON: Have you made submissions over the years for significant upgrades to this system?

Ms Campbell: The government announced in the 2014 budget that they were looking at market testing this function, so we are working with the Department of Health on that market testing.

Senator CAMERON: So you are still one of the victims of the 2014 budget?

Ms Campbell: I do not think we are a victim at all.

Mr Sterrenberg: I think sometimes we may not market what we are doing very well. In terms of the base infrastructure and some of the mobile platforms we put out, it may not sound like it now but myGov is one of the first in the world. Most people across some of the bigger countries look at us with envy in terms of what has been achieved. We were the first

department to launch a mobile phone method of payments transaction in the world. We are one of the first departments to roll out Windows 10, certainly in Australia if not in the southern hemisphere. But it is not for us to stand up and publicly make those assertions. I do think that, as a relatively new member to the Public Service, I have seen a willingness to see some investment and things like that but it just takes time in something as big as this.

Senator CAMERON: But you are not sure how much investment would be needed to bring this up. You have got \$60 million over the next four years to work on WPIT.

Ms Campbell: We have got \$60 million at the moment for the first tranche. We will link back to government with the second tranche, which includes the procurement. If government is satisfied with the work that we do, I expect we will get more money to then go into tranche 2. So it is not really true to say that the \$60 million is just—

Senator CAMERON: The \$60 million is in the forward estimates. I understand what you are saying—you make the case; you go back. So when will you be making the case to government for more funding?

Ms Campbell: Later this year.

Senator CAMERON: When you say 'later'—

Ms Campbell: It will be in November, I expect.

Senator CAMERON: That is late in the year.

Ms Campbell: We are going through tranche 1, which is the procurement phase, to make sure that we have appropriate dollar costings and numbers. We go to the market so the government can be assured—

Senator CAMERON: So that is only for the hardware and the software applications for WPIT?

Ms Campbell: That is for the software WPIT; that is right.

Senator CAMERON: The ideal thing surely would be that you do WPIT and the MPS system at the same time because they have got to talk to each other eventually, have they not?

Ms Campbell: I suppose it is about priorities and who can actually deliver those systems. When it comes to WPIT, there are not very many other entities that have a social welfare system that has the unique features that we do, so we really do need to build that and work with system integrators ourselves.

With a payment transaction system, it is a bit more straightforward. For example, with Medicare, there is eligibility or non-eligibility and then the payments are made to either providers or citizens. It is a much more simple transaction. There are providers in the market who have these payments structures, so government is testing to see what they are.

Senator CAMERON: That is fine but we have a clear view and we like to keep these payments in government hands. We do have confidence regardless of the problems that we get and we are always the first to raise the problems. I have to say that I have always found DHS to be a hardworking, effective operation given the complexity of the work that you do. I am just worried, if you start unpicking parts of DHS, that by the time WPIT is up and running—we have got to look really long-term on this—you will not be able to get the Medicare payment system up and running to meet it and that will just be another reason to

send it to the private sector. Is that a reasonable concern about the technological disconnect between these two systems?

Ms Campbell: There is a connection around identity between the two systems and sometimes eligibility, particularly in the aged care space, on earnings and income. But the government is reviewing to determine what is the future for the payment systems and that is viable as well.

Senator CAMERON: I gather by your answer earlier, the government has not asked you for an estimate of replacement cost to modernise the MPS system?

Ms Campbell: As Mr Jackson said, there have been two preliminary meetings. The task force terms of reference are being developed, and we will be on that task force, so we are working through those processes with the Department of Health.

Senator CAMERON: So you are on the task force?

Senator Payne: Are you on the task force?

Ms Campbell: Yes.

Senator CAMERON: Given that you will be a competitor to keep this work, I am wondering why you would be on the task force.

Ms Campbell: We deliver it now, so we have insights into how it works.

Senator CAMERON: Yes. You are the experts.

Ms Campbell: And we need to provide that expertise to the Department of Health.

Senator CAMERON: So you may be in there committing suicide?

Senator Payne: That is an unfortunate turn of phrase I think.

Senator CAMERON: Metaphorically.

Ms Campbell: Our role is to provide services to the Australian people as decided by the Australian government.

Senator CAMERON: Yes. I understand that.

Ms Campbell: We have to be open to the fact that the best way to do it may not be us, and so we should work with the Department of Health to determine whether that is the case.

Senator CAMERON: Are you aware of any other countries where there is private sector delivery of such a big chunk of government services? I have had a look. I cannot find it. But you are the experts. If you can tell me, I would like to have a look at it, but I cannot find it. I think there are some smaller states in the US, but nowhere else.

Ms Campbell: We can take that on notice. I do not have that sort of literature with me at this stage.

Senator CAMERON: And the other issue is that for all the problems in that commission of audit, it did raise the spectre of competition. But in terms of DHS, they did say that we had to be extremely careful, didn't they?

Ms Campbell: Yes.

Senator CAMERON: They did, and they did point to the complexity of the system.

Ms Campbell: I do not have the commission of audit in front of me, but I think that related a lot to the ISIS and Centrelink payments. The Medicare payments are much simpler than the Centrelink payments to administer.

Senator CAMERON: And you just carve that out and privatise that?

Ms Campbell: The scoping study is commencing. We will work with the Department of Health, but I think it is too early, and the government has not made a decision; they have just called for proposals from consultants to assist with that process.

Senator CAMERON: Given that there are 100 to 200 applications on the MPS system—and you will need to call it MPS now, Mr Sterrenberg, I think you are gone—

Senator Payne: It is on the *Hansard* now. We are stuck with it!

Senator CAMERON: You are outvoted on this. Given that there are 100 to 200 applications, and it is an ageing system, and there is some lack of flexibility, how long can it still do the job for?

Mr Sterrenberg: In my professional opinion, I believe we have a four-year window. The point I did not make before, which I should have, is that it does become harder every year to do what needs to be done. That is a simple technical thing, whereas the new releases of the operating systems on the machines come out, the old software cannot fully run with them and there are incompatibility issues. So I think we have four years, and my advice would be that something needs to be done within that four-year period.

Ms Campbell: And we are already sometimes limiting policy options because of the nature of the IT system.

Senator CAMERON: So that has budget implications for the department?

Ms Campbell: Going for the next four years?

Senator CAMERON: Four years, yes.

Ms Campbell: We have money in our recurrent budget to maintain it, but Mr Sterrenberg often brings forward proposals about maintaining it, and some upgrades to the system. We work that amongst the other ICT systems in our suite and how we prioritise the fund.

Senator CAMERON: I know this is speculation, but we have to think—you cannot ignore this, as a professional IT person—that if it went then some of your IT personnel would go. They would either go to the private sector or they would be reallocated somewhere, but surely with this being 20 per cent of the volume of your IT, you would lose some IT people, wouldn't you?

Mr Sterrenberg: It is difficult to assess, and I would love to be able to give you a definitive answer, yes or no. I would believe that if we had specialist skills that were best placed with the person or persons taking over—I am sure these people are worth their weight in gold—they would be snapped up by the private sector.

Senator CAMERON: So your people are worth their weight in gold?

Mr Sterrenberg: Those with these specialist skills.

Senator CAMERON: Yes. These are the innovative people within the public service?

Mr Sterrenberg: I am very proud of the people that work in the public service—

Senator CAMERON: They are innovative, and they are very highly skilled. Are they flexible in the work that they do?

Mr Sterrenberg: They are a credit to the public service.

Senator Payne: I think they are darn innovative, actually, Senator.

Senator CAMERON: So these are exactly the type of people that we hear so much rhetoric about from some politicians. We should try to keep hold of them, shouldn't we?

Ms Campbell: We often take on new tasks and new responsibilities, and staff will end doing something and start doing something else. For example, Mr Sterrenberg is doing some work on the NDIA system. People who may previously have been involved with one system may move to another system. We do value our workforce and make sure that they are applied to the priorities of the department. It is a large department and there are plenty of priorities.

Senator CAMERON: So the child support system replacement has been one of your projects?

Mr Sterrenberg: Yes.

Senator CAMERON: How has that gone?

Mr Sterrenberg: It is doing reasonably well. Obviously, it is a very complex piece of work. Because of the nature of the particular project we want to be very, very careful that we engineer this correctly.

Senator CAMERON: And given that we are doing WPIT—and I have lots of questions on WPIT—and that it is the bulk of the IT delivery framework for government, I think I have asked you before if we are starting to look at compatibility issues in other departments, with WPIT?

Ms Campbell: Yes we are. Payments for other agencies are an example. We are working very closely with—I think Mr Shepherd can come up—a wide range of other departments, such as the Department of Veterans' Affairs, so that they can take advantage of this platform in order that the government is efficient and effective in how it uses its resources. So 'build once, use many times' is a piece within this.

Senator CAMERON: So you are doing that with other departments and their IT, but are you doing that within your own department with the MPS?

Ms Campbell: MPS was never in scope for the WPIT process. WPIT is generally looking at citizens—their nature and circumstances and the like—to determine eligibility for certain payments. It is quite complex. The Medicare Payment System is generally about if eligibility is there then the payment is made, depending on whether it is Medicare or pharmaceutical—

Senator CAMERON: Yes, so it could be a simple bolt-on to WPIT, couldn't it? Is that an option, technically?

Ms Campbell: I think everything is an option, but it is whether that is the best way to do it or whether there are other ways which would be quicker and deliver a better service faster for citizens.

Senator CAMERON: I have asked on a number of occasions for the business plan for WPIT. Is that still a secret document?

Ms Campbell: I think it is a deliberative document of the cabinet.

Senator CAMERON: Has the department had any discussions with any of the banks, or with the private health system or anyone in the finance sector about how this MPS could be sold off?

Ms Campbell: This is starting the work that is being spoken about this week, and that is the task force work that Mr Jackson has been talking about. There have been two meetings, but I do not think we have had any direct discussions on this system.

Mr Jackson: No, we have not.

Senator CAMERON: Do you intend to put in a submission to government to maintain the MPS system within government?

Ms Campbell: We intend to work with the Department of Health through this scoping study. It is a scoping study; there is no determined outcome and no decisions have been taken. So we will work with the Department of Health on this process.

Senator CAMERON: The question I am asking is not whether you will work with the scoping study. I am asking: if the determination is made that there will be a competitive tender, would you be in a position to tender?

Ms Campbell: That is hypothetical, and I think that is down the track. I do not think I can answer that at this time.

Senator CAMERON: Let me ask you another question: how long is the scoping study taking, Mr Jackson?

Mr Jackson: Given that we do not have the terms of reference and the full time frame yet, we are not sure. The actual time frame has been set by the Department of Health, as the responsible agency, to then respond to government with options.

Senator CAMERON: When?

Mr Jackson: They have not given us a—

Senator CAMERON: So there is no timescale, but the longer it goes on the more difficult it is to get the MPS system up to speed and to be competitive—isn't that right, Mr Sterrenberg? Is that not the implication of your previous answer?

Ms Campbell: I do not think the MPS would be an answer for the long-term in any shape or form. It is too old to be fixed.

Senator CAMERON: So the government really has to make a decision to outsource or to fund a replacement for the MPS. Is that the bottom line, Mr Sterrenberg?

Mr Sterrenberg: Yes.

Ms Campbell: And that is the work that will be done as part of this scoping study.

Senator CAMERON: We have not seen the terms of reference, so we do not even know if that is an option in the terms of reference.

Ms Campbell: We are working with the Department of Health on the terms of reference.

Mr Jackson: And the Department of Health is out for some advisers at the moment. I believe that closes shortly and I believe that part of those advisers' remit will be to determine options for consideration by the task force and then by the government in due course.

Senator CAMERON: Who are these advisers? Do you know?

Mr Jackson: No. We are not privy to that.

Ms Campbell: It is out for a tender. Is it a select tender?

Mr Jackson: It is a select tender.

Ms Campbell: It is a select tender process and there have not been decisions made yet.

Senator CAMERON: Okay. So this is really in its infancy?

Ms Campbell: It is.

Senator CAMERON: So it could be a long-term proposition, and the longer this goes the less chance you have of being able to compete. That is how I read it.

Ms Campbell: We do not see it that way. We will work closely with the Department of Health to make sure that government can deliver these payments to citizens.

Senator CAMERON: But if this scoping study goes ahead and they go to the market to seek the most cost-effective and best technical response, you cannot engage in that unless you have had the nod from the government to actually invest in competitive IT—can you?

Ms Campbell: I do not think that we have not even got to that stage yet. The Department of Health has gone out for a consultant to assist them with the scoping study process.

Senator CAMERON: But, Ms Campbell, you do not need to be a genius to see what is going on here. And really, I am just looking at this—a scoping study, calls for tenders and no commitment to pay to give any upgrade in your technical capacity—you have no hope. That is the reality.

Ms Campbell: Our focus still is to provide these payments to citizens.

Senator CAMERON: That is right. It is like committing suicide over the long term. Mr Sterrenberg, have you done any work on developing a replacement for MPS?

Mr Sterrenberg: No.

Senator CAMERON: So you have done nothing?

Mr Sterrenberg: What we are doing at the moment is making sure that we maintain a sustainable, reliable payment system.

Senator CAMERON: So you are 'nursing'—if I use the word—the current system? Yes?

Mr Sterrenberg: Yes.

Senator CAMERON: You are nursing the current system. It is outmoded, it needs an investment of new technology and you need to do that within the next four years. This scoping study needs to have an option to provide funding for you for a replacement MPS system, otherwise there is no chance of this work staying in government, is there?

Ms Campbell: That will be—

Senator CAMERON: There is not, is there?

Ms Campbell: That will be part of the scoping study.

Senator CAMERON: How do you know if you have not seen the terms of reference?

Ms Campbell: The scoping study will determine the way forward. The Department of Health is out looking for a consultant to assist them with the scoping study. Then, when they have expertise around payment systems and the like, we will work with both the consultant and the Department of Health about what the scoping study should involve and that next step.

Senator CAMERON: So these workers are dead ducks. There are 1,400 jobs going here—that is the reality—because you are not going to be in a position to competitively tender. If you do tender, you will be tendering with a system that is completely outdated and outmoded.

Senator Payne: Senator, I think you are engaging in commentary now, which you are perfectly entitled to do. But it is commentary and it is not a question you can expect the officers to answer. They are your opinions, and officers do not have to engage with your opinions.

Senator CAMERON: But I think that is the logic, Minister.

Senator Payne: I would disagree with you.

Senator CAMERON: Do you disagree with the logic of that?

Senator Payne: I do, Senator.

Senator CAMERON: How did it compete, then, with the MPS?

Senator Payne: I think you are pre-empting a process which is getting underway and, as I understand it, is no further advanced than that and one which the government intends to approach very responsibly.

Senator CAMERON: Can I just get a clarification, Mr Sterrenberg, about the ISIS system. In 2004 I think it was the former Treasurer and then Minister for Human Services, Joe Hockey, who signed the ongoing technical agreement for ISIS, didn't he? How long was that agreement for—10 years?

Ms Campbell: I think you might be talking about the contract with Rocket Software.

Senator CAMERON: Who was that?

Ms Campbell: It would have probably been the chief executive officer of the then Centrelink, but we can take that on notice and come back to you.

Senator CAMERON: The minister would have had to approve that.

Ms Campbell: We can take that on notice. I am not sure what the arrangements were in 2004.

Senator CAMERON: I think you might have given evidence on that before, actually. I think you did indicate that the contract was done under Joe Hockey.

Ms Campbell: It may have been when Mr Hockey was the Minister for Human Services.

Senator CAMERON: If you can just revisit that, I am pretty sure it was. I am pretty sure the evidence you gave last time—and it was Mr Sterrenberg who had all the details—was that in 2004 it was a 10-year contract.

Mr Sterrenberg: Yes, I believe so.

Senator CAMERON: So there was a 10-year contract signed under the Howard government that locked the current ISIS system in up to 2014. Correct?

Mr Sterrenberg: Yes.

Senator CAMERON: Yes. So that was the decision that locked that technology for 10 years under Joe Hockey. Was the MPS system part of that software contract, or was that separate and distinct?

Mr Sterrenberg: No, it was separate.

Senator CAMERON: So you just muddle along—no, I will not say 'muddle along' because that is wrong. You sort of patch this up as you go along to make sure that the MPS system continues to deliver.

Mr Sterrenberg: I will need to go on notice for the exact figures, but I think up until 2012 the MPS system was actually run—

Senator CAMERON: We got him, Secretary! We got him!

Mr Sterrenberg: It was run by an outsourced contractor with IBM. We moved it in-house after that date to get the scale advantages that we had on our mainframe.

Ms Campbell: I think we discovered in 2012 that there were some significant shortfalls in its capabilities because we had not been looking at it as closely.

CHAIR: We are past time for the break, so now is a good time to break. We will suspend now and come back at 9.25.

Proceedings suspended from 21:08 to 21:25

CHAIR: My question is to the secretary. It is a very left-field one, so bear with me. I do not know if you are aware of these light rail information displays that another department is doing. I know one of the Commonwealth government departments at the John Gorton Building is hosting them. I think it is the Department of the Environment.

Ms Campbell: Or Finance.

CHAIR: Or Finance, but I think it is the Department of the Environment—part of the John Gorton Building. Are you aware of whether the DHS had any sort of request from the ACT government to do any of those light rail information displays?

Ms Campbell: Not that I am aware of, but someone will be watching next door, and they will come and tell me, if I am unaware of it.

CHAIR: That would be wonderful. If that is the case, I will ask some more questions.

Ms Campbell: Chair, could I just put on the record about the lactation breaks? The agreement that we are currently operating and the proposed agreement both include paid lactation breaks. The agreement provides for staff members to access up to 10 per cent of their working time for breastfeeding or expressing milk. The policy goes on to talk about facilities, primarily clean, generally carers rooms to be made available for staff members.

Senator MOORE: Thanks, Ms Campbell. I am following this up across the public sector, because you know that there is some debate about enterprise bargains and policies and how it fits. In terms of your large network, how have you been able to ensure that, with the extremely large number of locations in which you operate, as you look at the demands of property, you are able to ensure you can always have—or at least work towards always having—those facilities? I take the point about the leave, and I think it is fabulous that that leave is there—I would expect nothing less than that from human services—but how have you been to ensure that kind of appropriate placement?

Ms Campbell: We have the standard fit-out requirement for all the offices that we lease, and sometimes we have people build on our behalf in some remote locations and they include those carer room facilities. I think it is fair to say that, in some of our former, smaller

offices—predominantly the ones which were Medicare alone services—there was not always those facilities. One of the advantages of the collocation program bringing the Centrelink and the Medicare offices together, generally in larger premises, is that staff members can take advantage of tearooms, sick rooms, carers rooms and those types of facilities.

Senator MOORE: And they are not all the same place, which is an issue sometimes where one room is one size fits all for all those things. Thank you very much. Is your policy available on the website or something of that nature?

Ms Campbell: It looks like it is on the intranet.

Senator MOORE: That means I cannot be into it.

Ms Campbell: But I am sure we can provide it.

Senator MOORE: It would be lovely if we could get a copy on notice. Thank you.

Senator POLLEY: I am not sure if the officers are here. My question relates to the age pension. Are there people here that can answer?

Ms Campbell: I am sure there is someone. We will be able to try to answer your question.

Senator POLLEY: Excellent. Recently I was contacted because an application was made to get the age pension, but Centrelink would not accept a pre-1970 Tasmanian birth certificate as proof of identity, and that made it very difficult then for this particular gentleman to be able to prove his identity. Is this general practice? Is it something that you are aware of? There was no indication on the appropriate forms to suggest that there may be a problem with accepting pre-1970s birth certificates, and the statement was made that those records were corrupt.

Ms Campbell: I have had a number of officers join me at the table, and I am hoping that one of them knows more about pre-1970s Tasmanian birth certificates than I do. I will hand over to them, starting with Mr Withnell.

Mr Withnell: My understanding is we accept official Tasmanian birth certificates—not extracts—the ones that have the number from Births, Deaths and Marriages. If there is a problem there are also alternate proof of identity options that are available to people if they do not have a genuine birth certificate or they are unable to get one.

Senator POLLEY: This was a genuine birth certificate, but I was advised that the Tasmanian births and deaths records prior to 1950 are considered to be corrupt. But that is what he was advised and if that is the case then that should be on the appropriate form so people are prepared. Sometimes people do not have a drivers licence or things like that. I still really want to get to the bottom of: if the records are considered to be corrupt why has Centrelink made that decision?

Mr Withnell: I am happy to take that on notice and look into it for you.

Ms Campbell: We would be happy to do service recovery for that customer if he is still experiencing difficulties. If he is happy for you to release the information to us, then we are happy to follow that up.

Senator POLLEY: He has been assisted. We were able to help him there, but it was more a matter of making people aware that there may be a problem and, if that is the case, then I would really appreciate you taking that on notice.

Ms Campbell: Thanks for bringing that to our attention. I had not heard of that problem before.

Senator POLLEY: Neither had I. But I thought I might have been able to reduce my age, but never mind.

Ms Campbell: Chair, the staff inform me that we have no knowledge of any request from the ACT government with respect to light rail.

CHAIR: Light rail will never get down to DHS. I can tell you that!

Senator MOORE: I have questions in two other areas. One relates to the grandparent carers report and the government response to it, which came out two weeks ago. The government response mentioned the extension of the Department of Human Services-Centrelink grandparents advisers program, which received very positive commentary during the inquiry we were involved in. I have got a couple of questions that Senator Brown has put forward about this particular extension of service: can we get an idea about when the two new advisers will be put in place?

Mr Thiveos: Yes, the report did talk about the fact that we were going to have two new grandparent advisers. I do not have the date when those grandparent advisers will be with us. However, I am happy to take that one on notice for you.

Senator MOORE: That would be fine. Some of these might end up being a briefing note in response about the whole issue, but I will just read the questions into the record and we will go from there. Do you have any idea what the annualised funding allocation for the positions will be?

Ms Campbell: There are two staff and we generally do an approximation of about \$100,000 per staff member as a broad guide.

Senator MOORE: Is there additional funding allocated for the additional outreach work to be undertaken by all of the grandparents advisers? We recommended that the network be extended because we heard such good things from consumers about how they felt the network supported their needs in such a difficult time. But we also felt that there was a role for an expanded outreach service—rather than just being on the end of a telephone, you could do more awareness and community work. My understanding is, and I have read it, that the government response said, 'Yes, the outreach focus would be enhanced by the extension.' Is that something that you have looked at yet?

Ms Campbell: I do not think we have looked at it to the level of detail yet.

Senator MOORE: One of the things we did find was that, whilst the personnel who were employed in the existing network were outstanding—the evidence that they gave and their knowledge was deeply impressive—we felt that perhaps the evaluation could be extended to their response. If we could get a little bit of information about the evaluation of how effective the network and its personnel were, as well as the out years of the funding for the extension. I will put those all on notice.

The other area of questioning is about the closure of the Kingston service centre. These have come again from Tasmania. A decision has been made to close the combined Centrelink-Medicare service centre in Kingston. Their service was only opened in 2013. Can

you tell me about the background of the decision? Was that made by the agency or by the government?

Ms Campbell: This is part of our broader co-location program where we have co-located Medicare and Centrelink offices together. I think it is fair to say that the Kingston service centre had a Centrelink extension that was not a full Centrelink office.

Mr Maloney: That is right. It was a brief extension with a small-scale Centrelink service that was added back at that time.

Senator MOORE: It was originally a Medicare—

Mr Maloney: It was originally a Medicare site. With anything that was complex, as a lot of the Centrelink stuff was, people would have gone into the Hobart office or somewhere like that.

Ms Campbell: We have been running a program of co-location for some years now. That addressed the requirement for some efficiency dividends sought by a previous government. This is one of those co-locations that is part of that program.

Senator MOORE: As it is part of an ongoing strategy, what consultation was undertaken with the community stakeholders—local businesses, local council and public transport people—about ease for people who were used to going to Kingston, and about what would be the added process involved for them to now access their combined centre?

Mr Maloney: On each occasion when we do one of these things we take a long look at a whole range of issues. Normally, we start with lease expiry. That is where we have covered probably 210 sites that we have co-located since 2009. As that comes up we take a look at the service that is offered on the site. We look particularly at the usage of that service. As you would appreciate, say, in the case of an office that largely does Medicare, the numbers have dropped significantly in terms of people coming in because there are other options for people to get their rebates.

We look at the proximity of other service centres and the type of business that might move there and make a decision around that as to whether we believe co-location is warranted or not. We then put a recommendation to the minister. The minister makes a decision and engages in some consultation himself. We then talk to the community, which is what we have been doing in Kingston. There is a range of ways that we do that. Often, but not exclusively, we talk to local members—sometimes that is done by the minister and sometimes it is done by senior officers locally. We certainly attend and provide information inside our service centres and often advertise in the press locally about what we are planning to do.

Senator MOORE: Over what period of time has this process been operating in Kingston?

Mr Maloney: I think there was a decision by the minister just before Christmas.

Senator MOORE: So with the lag for the Christmas period it has really been about a month.

Mr Maloney: Yes.

Ms Campbell: It is also fair to say that some of these offices were very small. Some of them were in shopping centres where our staff did not have access to toilet facilities, so they would need to go to the shopping centre facilities and they were really not of a good standard.

Senator MOORE: There have always been issues about privacy with shopping centre locations. Are there any savings expected to the department through the relocation of this centre?

Ms Campbell: There are minor savings in relation to the rent and that is to contribute to the efficiency dividend from August 2013.

Senator MOORE: On notice, can we get some idea about how much that is in terms of the process?

Ms Campbell: We can.

Senator MOORE: In the letter to the *Kingborough Chronicle*—I believe that must be the local paper—Minister Robert said that the closure of the Kingston service centre was due to visitation having reduced to 126 walk-in visitors each day. How does that compare to other regional centres in Tasmania, such as the Devonport or Burnie centres?

Ms Campbell: I do not have the numbers.

Senator MOORE: That could go on notice.

Ms Campbell: The Devonport and Burnie offices are actually co-located. Medicare has co-located with Centrelink in those cases.

Senator MOORE: Centrelink has the larger facility than it would in a smaller—I have been to several of those, but I have not been to any of the centres the other way around.

Ms Campbell: I think it is fair to say that most of the Medicare property did not lend itself to that.

Senator MOORE: Is it true that the reduction in visitations has occurred at least in part because a large number of visitors are being referred to the Hobart office already due to the lack of services available in Kingston?

Ms Campbell: All that might relate to Centrelink, which was always meant to be an extension for more simple claims, and many of the Centrelink claims that now occur in Centrelink offices are quite complex because the more simple can be done generally over the phone or on the net.

Senator MOORE: How far is the closest office to Kingston?

Ms Campbell: Ten kilometres.

Senator MOORE: I have to admit I am not familiar with this area—I am doing this on behalf of one of the Tasmanian senators. Has the government considered providing a better range of services in Kingston to increase usage rather than shutting the centre or providing prearranged appointments with specialist services in Kingston?

Ms Campbell: The Centrelink services were always an extension. It is quite difficult to balance staff across some of these sites. I think we take an officer from Hobart and they go out to Kingston for the day, and they may not have the broad range of skills that a walk-in asks for, particularly if it is across the Centrelink programs. If they were to go into Hobart, there are more people and more subject matter experts.

Senator MOORE: The Hobart office is a significant one.

Ms Campbell: It is—it is a large piece of real estate.

Senator MOORE: In the letter to the *Kingborough Chronicle*, Minister Robert also said that engagement with the 126 visitors on average per day is five minutes each. Can you provide details of this data and all other data regarding usage compared to 2013 and compared to your target for similar regional offices.

Ms Campbell: We will take that on notice.

Senator MOORE: Are you aware, as I am sure you are, that there is a community campaign and petition with more than 2,000 signatures on it to have this decision reversed prior to the closure date?

Ms Campbell: We are aware.

Senator MOORE: What is the proposed closure date?

Mr Maloney: It is 6 or 7 March.

Mr Egan: The last day of operation of the current Kingston service centre will be 4 March.

Senator MOORE: Are you aware that the Hobart service centre is not on any public transport route from Kingston or any of the southern Tasmanian communities?

Ms Campbell: I am not sure of the exact details of the transport routes.

Mr Maloney: We will have to take that on notice and get back to you.

Senator MOORE: Please do. What conditions would need to be met for the government to reconsider the closure of this centre?

Ms Campbell: I am happy to refer that to the minister.

Senator MOORE: Seeing as the minister has been in correspondence, I am sure he has been aware of the issues. So that has been referred to the minister, and we will put some of the detail on notice.

Mr Thiveos: Senator, I do have an answer to one of your questions, about the grandparent carers—the one about when we are expecting to have our two new grandparent carers appointed in Tasmania and the Northern Territory. We are looking at that happening by the end of this month.

Senator MOORE: Very good. Thank you very much. Does that bring it to seven?

Ms Campbell: Eight—we have six now, and two more.

Senator XENOPHON: I have previously raised concerns about the difference in cost between the AGS and a father in a particular case—the so-called test case that has been referred to. I asked question on notice No. 19 in February 2015. The father's costs were \$71,459.92; the registrar's costs were \$369,283.17. There is a substantial difference—

Ms Campbell: There is.

Senator XENOPHON: I asked you about the cost difference, and the department answered that the department was satisfied that the registrar's legal costs were appropriate and commensurate with the legal work performed. I am just trying to understand why there was a difference. I know that you are satisfied but I am not satisfied in terms of trying to understand the difference. As a suburban lawyer in a past life, I was always astounded as to how much the big end of town costs were in some cases compared to the costs for some other parties. Under the Model Litigant Rules, the Commonwealth have agreed to pay the father's legal

costs but he was advised to obtain only one junior counsel and an instructing solicitor in that case. That is my understanding.

Mr Hutson: Perhaps we might start by talking about the reasons why the legal costs for the department were so much greater than those of the—

Senator XENOPHON: You might start, but you might have to finish by taking it on notice, because I only have another three minutes.

Ms Campbell: Do you want us to put that question you just asked on notice?

Senator XENOPHON: Would you give me a 30-second summary, please.

Mr Hutson: The 30-second summary is that there were a lot of complex legal and administrative issues, including issues about whether the registrar could use the information provided to the father and making arrangements for the payments. There were a number of very serious allegations made by the father in that case about the department's conduct and about whether or not we had complied with the model litigant rules. Those things all added up to a total bill which, as you say, was quite a large sum of money.

Senator XENOPHON: I am very happy for you to give me more information in respect of that on notice, but there are a couple of issues there. Presumably, the issues had to be considered by both parties. A legal team was offered, a junior counsel and a solicitor. You did not think it was appropriate to have the same level of representation? I think you would have had more lawyers involved.

Ms Musolino: I think, to understand this matter—if we talk about matter 1, which is also referred to as tranche 1, which was that first matter that the department initiated—it is important to understand that that was the department's application. The department had to put in lengthy submissions, had to make an application and had to gather evidence. There was a lot of preliminary work to meet its model litigant obligations and to make sure that it put all the information before the court. This was a matter that had broad consequences. If it would assist, I can quote from the judgement. I think that will set a nice context for what we were dealing with. The judge said: 'The issue before me arises after the Child Support Scheme has been in operation for 22 years. In all that time, the registrar has been receiving the type of information that the mother sent to the registrar in the circumstances of this case. So far as I know, nobody has ever asserted a breach of this obligation before now.' So this well and truly was a novel issue that had broad implications.

Senator XENOPHON: Very quickly, can I get details from you as to how big that legal team was in that particular case?

Ms Musolino: Certainly.

Senator XENOPHON: One argument is that each legal team was dealing with the same set of orders. Are you in a position to at least tender the invoices, with appropriate privacy—I do not need to know the names of the lawyers—to get an idea of the sort of work that was done in respect of that?

Ms Musolino: We can take that on notice.

Senator SIEWERT: I want to go to the phone lines—DSP and phone lines are the next biggest issues that people have raised; I will come back to DSP. Is the call-back service still available?

Ms Campbell: It is not available at the moment because we have been having some difficulties.

Senator SIEWERT: What are those difficulties?

Mr Maloney: We have had some considerable difficulties with the technology of the call-back system going back as far as July 2015. We found that the technology, which is probably reflected in the rest of our telecommunications technology, is well and truly out of date. As a consequence, when we are busy the technology that we are using at the moment for place-in-queue can actually block an enormous number of people getting into the system. In other words, it uses what I would describe almost as a primitive algorithm to work out when to ring a customer back, regardless of the situation that is going on inside the queue at the time. As a consequence, not only can it mean that the person is rung back and actually waits for a considerable amount of time to be answered but it can block a considerable number of people from getting in and, at times, it blocks the whole system. As a consequence, we took the decision to turn it off. As you probably know, we are putting a new telecommunications system in this calendar year, and that is a much more sophisticated system that will enable us to turn place-in-queue back on.

Senator SIEWERT: Place-in-queue and call-back?

Ms Campbell: It is the same system. We call you back when you have reached your place in queue, so it gets called place-in-queue or call-back, but it is the same thing.

Senator SIEWERT: Thank you. What time this year is the new system due?

Ms Campbell: We are doing testing on it at the moment. One of the things we are very careful of with the phones is to ensure that when we are doing the testing it is not at the busiest part of the year, and we are currently in that busy part of the year. So we are trying to get the February surge over before we do some more testing on it, but I think we are going to start testing in April. Is that when we expect to test?

Mr Maloney: That is correct. It is probably also worth pointing out that, just as ISIS is an incredibly complex ICT system, Centrelink's telephony is similarly complex, with a large number of lines. In some respects, there are many moving parts, and it is making sure that all of the new system—which is, again, state of the art but incredibly complex—work together so that they do not create issues in other parts of the network.

Senator SIEWERT: Thank you. Is that going to address some of the long wait times? We will come back to the other questions around saving time.

Ms Campbell: Wait time is also a function of resource, with the number of people ringing up and how long people stay on the phone for. I think our wait time average has been fairly static for a number of years, I think it is fair to say. I accept that most people consider it to be an exceptionally long time. I know that the average does not always reflect the experiences that some individuals will have, because 'average', by its very definition, means some will be less and some will be more. We do expect, with the new telephony system, to be able to—for want of a better term—route phone calls more broadly across our network and hopefully have some more resources available to deal with those calls.

Mr Maloney: If I could just add briefly to what the secretary has said, the new system does give us some opportunities to do a number of things that I think will help with the issue around wait times. For example, there will be a mechanism there for us to analyse much better

why people are ringing, which is something that we lack at the moment. That would then enable us to take some pre-emptive action in terms of either putting messages into the IVR, putting messages on our website or using social media, for example, to advise people of the answers to the frequently asked questions. So I think that is a significant advantage.

As I said earlier, it gives us a much better place-in-queue. It will give us a much more accurate estimated wait time than we have had in the past. It also enables us to extend the reach of our smart centre operation beyond the locations where we are at the moment. As you probably know, we have 27 contact centres, or smart centres as we call them. The current technology that we have limits our incoming phone calls into those 27 places. When we put the new technology in, we will actually be able to route those calls virtually anywhere in the department, so our ability to respond to peaks or surges in workload, regardless of the cause, will be significantly enhanced.

Ms Campbell: We know one reason customers ring us up is that they want to know where their claim is up to. So, as part of WPIT tranche 1, we are building an application which will give people an insight into where we are up to with processing their claim, and that will, we hope, be able to take some volume out of the telephony to free up some operators if people know where their claim is up to.

Senator SIEWERT: How will they know where their claim is up to?

Ms Campbell: We describe it sometimes as being like the pizza wheel, where it says, 'The pizza's in the oven,' 'It's now being cut up,' or, 'Now it's on the delivery.' We could do something like that, or if we are waiting for documents for customers—and we do often wait for extra information. At the moment we do not stop the clock; we keep saying we are processing it. We write to them and say, 'Please provide this additional information.' If we can get that information to customers saying, 'We need something more from you more quickly,' that will be helpful as well.

Senator SIEWERT: Thank you. There are a number of people who have had very large phone bills from having to wait on the phone. Have you had that reported to you?

Ms Campbell: No, because generally we—

Senator SIEWERT: It was people ringing over and over again when they are trying to get through.

Mr Maloney: We are certainly aware of people trying to get through. I think at the last hearing Mr Tidswell might have talked to you about the applications that people can use on their phone at the moment which just continually ring. I understand why people do that but it does also add to the congestion in the system, which does cause problems not just for us but for our telecommunications provider as well.

I am not aware of the specific issues that you are talking about, which I think is around the cost of calls. A lot of our calls, particularly if made from a landline, as you know, come at the cost of a local call regardless of where you are ringing from and regardless of where it is answered. But I think there is an issue with people using mobile phones.

Senator SIEWERT: Yes. Could you give me some stats on the first half of this year for the total number of calls that you have had—blocked calls and calls that have entered the network? And then I have another series, but maybe we can go to those first.

Mr Maloney: Certainly. The number of calls that have entered the network in the six months to the end of December is just over 19.5 million.

Senator SIEWERT: That was the first half of the financial year?

Mr Maloney: That is correct.

Senator SIEWERT: That was the total calls? You do not count the calls that get the busy signal though, do you?

Mr Maloney: We do count the calls that get the busy signal.

Senator SIEWERT: How do you know that?

Mr Maloney: Our telecommunication provider provides us with that information.

Senator SIEWERT: That is all of the ones that you may have got, including—

Mr Maloney: The 19.5 million are calls that actually entered the system; they have not received a busy signal, so they are calls that would go into our IVR.

Senator SIEWERT: Sorry—the 19.5?

Mr Maloney: That is right.

Senator SIEWERT: So 19.5 entered the system. How many total calls?

Ms Campbell: With the calls that we call 'blocked'—they have got the engaged signal—we will have a number for that, but we do not know if they are unique calls. I saw some of the material that you were putting in the Senate: a number of people just redial, redial, redial, redial, redial. So we are not sure that it is actually a valid number. We can tell you how many pings we get, but if you get people doing redial, redial, redial, then that is not an accurate reflection of the number of people trying to get into the system.

Senator SIEWERT: It is an accurate reflection of the frustration of the people trying to access the system. So, how many did you get?

Mr Maloney: Year to date, it was 12.9 million blocked calls.

Ms Campbell: I think we had a very busy July, for some reason.

Mr Maloney: Yes—if we compare it with last year, it is higher. Almost exclusively the increase occurred in July. The rest of the year has been pretty much on par, or in some cases actually slightly lower than it was last year. We had, I think—I do not have the exact figure with me—something like seven million of those blocked calls occurring in July.

Ms Campbell: We think that might be due, from anecdotal evidence from the network, to people being very keen to get their tax returns in as quickly as possible, because the tax office has sped up that process of doing tax returns. Customers were looking for statement of earnings much more quickly than they did in previous years and we will need to look at our business response to that.

The tax office, I think, did expedite the process, so we started to see, particularly through myGov, a real flow in volume going into the myTax space from midnight on 30 June. Therefore, customers were looking for payments such as family tax benefit supplements quickly; they wanted to get their tax done very quickly. Then they were able to give us their tax earnings, so then they were able to determine what their supplements were. That cycle, which usually was July, August and a bit of September, kind of shrunk into July. So we need

to have a look at our business processing in order to take into account that change in the tax system.

Senator SIEWERT: Okay, thank you. Are you able to give me the figures for the calls for the customers that use the IVR options, which then transfers them to the self-serve application?

Mr Maloney: I can give you the number of calls that shows the self-service application inside the IVR, and then finish. That was 2.4 million calls so far this year.

Senator SIEWERT: Do you have last financial year's?

Mr Maloney: Last financial year for the same period was 2.6 million.

Senator SIEWERT: That was for the whole of the year?

Mr Maloney: No, that was just for the six months. It is the same period—July to December.

Senator SIEWERT: Sorry, I was looking for 2014-15, for the whole of the year. I beg your pardon if I was not clear.

Mr Maloney: I am not sure that I have that.

Ms Campbell: We can take that on notice for you, Senator.

Senator SIEWERT: So I can compare like with like for the time being: the calls that entered the queue to speak to a service officer?

Mr Maloney: That was 11.6 million calls.

Senator SIEWERT: This financial year?

Mr Maloney: In the six months, this financial year.

Senator SIEWERT: How does that compare to last year?

Mr Maloney: It was 12.1 million last year.

Senator SIEWERT: Calls abandoned after being in a queue?

Mr Maloney: 3.2 million.

Ms Campbell: We do not know whether or not they got the information they were looking for.

Mr Maloney: This is a problematic area in some respects. As you probably know, when people go into the IVR, they get a series of messages or they get options to do self-service, and right at the end of the IVR they get a message about wait times. The largest single proportion of people who abandoned coming out of the IVR abandoned within the first minute or two. We do not know if that is because they have got the information they wanted out of the IVR or maybe have heard the wait time message and have decided they will ring back later. There are a few problematic issues around that.

Senator CAMERON: I understood there was a pain threshold of nine minutes that was identified as when people were giving up.

Mr Maloney: I think the average this year is just over 10 minutes.

Senator CAMERON: So it is not one minute, people are hanging up after 10 minutes?

Mr Maloney: That is the average.

Senator SIEWERT: How does that compare to the last six months of last year?

Mr Maloney: There were 3.6 million abandoned.

Senator SIEWERT: What about transferred calls?

Mr Maloney: Transferred calls this year is 2.2 million and in the same period last year it was 1.6 million.

Senator SIEWERT: Answered calls, customers who speak to a service officer?

Mr Maloney: This year it is 10.6 million and last year it was 10.1 million.

Senator SIEWERT: For carers that are calling in to ask about the carers payment for themselves, but sometimes they may be the nominee for somebody, can they deal with all that in one call?

Mr Maloney: Yes, they should be able to. It would depend on the nature. If it was all about themselves, for example—I am making this up—they might have been ringing about Newstart or the carer payment or something like that, and they said 'Now I want to ask a question about carers', it would depend on who they spoke to. It might be somebody who does not necessarily have the skills to be able to handle that second call, in which case they would be transferred. But, if it was purely on their record and they were a carer and they were receiving Newstart then it should just be the one phone call.

Senator SIEWERT: That has not been the experience of some people. They have had to ring back to deal with their second issue.

Mr Maloney: That certainly should not be the case.

Senator SIEWERT: If they are on a call and the line drops out, does the department ring them back?

Mr Maloney: We would not have visibility if that did happen. That would have been caused by our telecommunications provider. I did see in some of the press just recently about people believing that they had been hung up on and I am certainly not denying that does happen, but it is a telecommunications fault. One of the things we have looked at, that perhaps worries us a little bit, is, as you know, when people are on hold they get music. Some people like it, most people do not, but they get music that is provided by Telstra. There is a limit on the amount of on-hold music that Telstra can provide—again this comes back to our telecommunications system—but it is not just to us, it is to other people as well, and sometimes when they get to that limit, which might only be 20 or 30 minutes into the wait, I think some of our customers believe they have been hung up on.

Ms Campbell: When in fact the music has just stopped.

Mr Maloney: The music has just stopped. I understand that Telstra has a limit on the amount of on-hold music that can be played at any one time, and that is distributed not just to us but to a whole range of people who have large telecommunications operations—the banks et cetera. We get allocated part of that, and when it runs out the music stops.

CHAIR: Fair enough.

Senator SIEWERT: What is the average wait time?

Mr Maloney: The average wait time for social security and welfare for the current year to 31 December is 14 minutes and 17 seconds. By comparison with the same period in the previous financial year, it was 15 minutes and 36 seconds.

Senator SIEWERT: Which of those calls that we have been talking about do you use for the average?

Mr Maloney: That would be all of the social security and welfare, so the five large queues that we know about are for retirement et cetera, the Participation Solutions Team—virtually everything in the social security and welfare field. What it does exclude is the health public telephony and the health provider telephony.

Ms Campbell: And child support.

Mr Maloney: And child support.

Senator SIEWERT: How do they know that? How do they calculate the average time?

Mr Maloney: It is done inside the telecommunications system.

CHAIR: When you talk about that average, I know there was an ANAO report on smart centres and it has some stats on that. Is that like-for-like or are those two slightly different measures?

Ms Campbell: They are like-for-like in the ANAO report and against the PBS targets.

CHAIR: If you go back a few years, the ANAO report says that it was three minutes in 2010-11 and then it jumped to 11 minutes and 45 seconds in 2011-12. That obviously coincides with a couple of things. One was a very dramatic drop in the number of front-line staff answering calls. In 2010-11 there were 3,678 and in 2011-12 there were 2,978. Not surprisingly, it went from three minutes and five seconds to 11 minutes and 45 seconds. This is before my time, but this is not clear to me: was that a deliberate policy decision of government or was that the department getting an efficiency cut or something and then saying, 'We've got to save some money here' and therefore they made that decision?

Ms Campbell: Following the global financial crisis there was an expectation that unemployment levels would rise, and the then Centrelink was funded for a number of customers and customer expectations. I think it is fair to say that there was a build-up of staff in preparedness for the expected rise in unemployment. Thankfully, those numbers never rose to the expectations—

Senator CAMERON: It is called good economic management.

Ms Campbell: which meant that Centrelink was overstaffed. So I took up this position in March 2011 and I think we were overspending by a couple of hundred million dollars, and that was due to the fact that we had too many staff and we had to live within our budget. There were also other measures, including the service delivery reform initiatives and some efficiency dividends as well.

CHAIR: When you say you had to live within your budget, in the year 2010-11, was that a temporary lift in the budget for those staff or were those temporary staff who were taken away with the budget change?

Ms Campbell: I think there was a mix of both temporary and ongoing staff, but by the end of the year we were overstaffed by over 1,000 staff.

Senator SIEWERT: I was talking to DSS earlier about an issue with the assessment period—I think they call it the time line standard—

Ms Campbell: The key performance metric?

Senator SIEWERT: Yes, the 49 days. They were not able to tell me on how many occasions you have met that assessment for DSP.

Ms Campbell: We might have some more people join us, but broadly speaking the target is 70 per cent. We are seeing quite a different profile this year, and our processing has dropped to 49 per cent. One of the reasons for that is that we are seeing a far greater reject rate of disability support pension. Last year it was about 62 per cent; it has risen to about 75 per cent. One of the provisions in place is that if a DSP claim is rejected the customer has 13 weeks in which to provide further information to have that claim reassessed. So you can see that a key performance indicator of seven weeks can be blown quite out if they then have another 13 weeks—and the clock does not stop. Customers can come back with more information, and we are seeing more customers come back with more information, to try and have their claim accepted. They then have a 13-week period in which to do that, which makes it very difficult to meet a seven-week KPI.

Senator SIEWERT: They have 13 weeks to come back to—

Ms Campbell: Provide further information. We need to talk to the Department of Social Services now that we are seeing this greater number of rejections from disability support pension. We are seeing many people try a number of times to be found suitable for DSP.

Senator SIEWERT: So there isn't a time period for the first assessment. The time period becomes seven weeks and 13 weeks. Is that what you are saying?

Ms Campbell: No. We target to get them done within seven weeks, then we measure how we have done overall. What we are finding is that when a customer is rejected they then have another 13 weeks, which some of them are taking advantage of. The clock starts when they first put in their claim and does not finish until the final decision. That includes when we ask them to go away and asked them to get documents—maybe they do not come back as quickly as they can. That is included in the measure, which is not the best way of assessing it. We will be doing something different in WPIT, which will be to stop the clock while the customer goes and gets information. At the moment we have a mix. Officers are looking in detail at this because we know people are very worried about how long it takes, but we do rely on the customer bringing us back information. The issue of having 13 weeks after rejection to bring back more information without the clock stopping has a bit of an impact.

Senator CAMERON: I want to come back to the issue of call wait-times. It must drive you mad. It certainly drives mad the public when they are using Centrelink and DHS services. I have been monitoring the wait-times. You indicated, Mr Maloney, that there was something people could listen to for a period of time, but the monitoring I have been doing is that on 4 January disability, families and job seekers were engaged—you could not get access to the call line—and the wait for older Australians was 50 minutes.

Ms Campbell: When phone lines are very busy, at capacity with our older telephony system, we can let only so many calls into the system. When it reaches its maximum point that is when the engaged signal goes on. We did notice that in one of your press releases you

quite helpfully told us that the wait time was, I think, 75 minutes. We were all very surprised by that because we thought the maximum was 37 minutes that day.

Senator CAMERON: Some were 90 minutes.

Ms Campbell: Yes. We did discover at that time that we had a problem with the system telling customers how long they had to wait for. It was not actually accurate, and we had to take it down.

Senator CAMERON: Yes, we noticed that.

Ms Campbell: We did not get it back up for two days, because we discovered that people were being told—I think on the occasion you put the press release about 75 minutes or 90 minutes, when in fact it was 30, which is still not good. That had occurred as well, which it made it worse. We were very grateful for that help!

Senator CAMERON: I am sure you were! You didn't ring me and thank me.

Ms Campbell: I thought you might have been engaged.

Senator CAMERON: No, that is your side; not mine.

Senator Payne: There would have been a clamour of people wanting to speak to you, Senator.

Senator CAMERON: There are lots of people who want to speak to me. Especially about Badgerys Creek, about unemployment, about all the problems you have got.

Senator SIEWERT: You're interrupting your answer!

Senator CAMERON: She will come back.

Ms Campbell: We are very focused on this.

Senator CAMERON: Ms Campbell is very good on this.

Ms Campbell: We are focused every day. Mr Maloney and I talk frequently about this during the day, every day, about what we can do differently. We balance, particularly in the smart centres, how many people we have on processing claims versus how many people are on answering the phones and how we can get social media messages out so that people do not need to ring us up if there is a common question. We are trying a number of different strategies. We are very hopeful that the new telephony system will allow us to have a broader range of people answering calls, but we also need to look at why people are ringing us up. If people are ringing us up because they want to know where their claim is up to, can we somehow give them that information without their having to call up? It is a bit of a balance between that and doing more claims so that they do not ring up and then clog up the phone lines. That is how we balance work across the network.

Senator CAMERON: I have for 12 January, no wait-times given.

Ms Campbell: I think there was when you helped us identify that technical problem.

Senator CAMERON: For 13 January, no wait-times given for families.

Ms Campbell: Yes, that was it.

Senator CAMERON: For 14 January, no wait-times given right across disability, families, job seekers and older Australians; 15 January, no wait-times for disability, families and job seekers, and older Australians was engaged. On 18 January we were told a wait time

of 30 minutes. I have a block, basically from 14 January right through to 27 January, when either no wait-times were given or it was engaged, and then we were told '30 minutes' wait time given for job seekers on 18 January. This is a massive block of time when you cannot access any services.

Ms Campbell: I don't think it is fair to say nobody could access those services, because—

Senator CAMERON: We could not access the service, and we were doing nothing special other than ringing your number.

Ms Campbell: If the phones were engaged—there were staff working; I know that—that meant that the system was at capacity and was answering calls.

Senator CAMERON: We got cut off on 21 January on disability. We got cut off on families on the same day. There was no wait-time given for job seekers, and we got cut off on older Australians on 21 January.

Ms Campbell: When you say 'cut off', do you mean the engaged—

Senator CAMERON: The phone just dropped out.

Ms Campbell: You waited on the phone?

Senator CAMERON: We waited on the phone and the phone just cut out.

Ms Campbell: Do we know whether the music stopped or it actually cut out.

Senator CAMERON: The music stopped for us, I'll tell you. The music definitely stopped.

Ms Campbell: Did it register the dial tone signal?

Senator CAMERON: I think the music has been going in this area for a long time! We got cut off; that is all I know. I must say, I did not ask my staff.

Ms Campbell: January is always an extraordinarily busy month.

Senator CAMERON: Let us look at February. January is extremely busy—

Ms Campbell: As is February.

Senator CAMERON: Busy for somebody ringing from the Blue Mountains, because this what they get. On 27—hopeless—engaged, and then we get a 30-minute time for families. We were told '30 minutes'. Then, apart from being engaged a range of times, from that block period 27 January to 10 February—surprise, surprise!—we got '30 minutes' every time we rang up. That was for disability, families and job seekers—'30 minutes'. That does not ring true to me. And for older Australians we got '30 minutes' on 1 February, 'engaged' on 2 February, '30 minutes' on 3 February, '25 minutes' on 4 February, 'engaged' on the next two days, and then into that block of '30 minutes'. So, if you look at the period between 27 January and 10 February, we were getting a standard '30 minutes', and that does not ring true. That was across every area.

Ms Campbell: I do not know whether we have the actual wait times. Have we got the actual wait times for those weeks?

Senator CAMERON: This is the actual wait time for somebody ringing in.

Ms Campbell: But that is the estimate that we give you, and I am just trying to see whether we have at the table the actual average wait time for those week periods.

Senator CAMERON: While you are looking for that, does it ring true to you that every one of these agencies has '30 minutes' in a block right across that period—either 'engaged' or '30 minutes'?

Ms Campbell: I think that, when we detected with our telecommunications provider that there was a bit of a problem around the accuracy of estimating times, we did ask them to be conservative in that space.

Mr Maloney: We did. Just for a little bit of clarification: sometimes when you get a 'no wait time' message, it is actually because the wait time is quite short.

Ms Campbell: It is less than five minutes sometimes.

Mr Maloney: The calculation—

Senator CAMERON: 'No wait time' was given mainly in that period from 12 January to 15 January, and I will tell you: they were not quick responses.

Ms Campbell: Did the officer who was doing this compare what was said with what actually happened?

Senator CAMERON: No, we were ringing up to see what the wait time was. I would have no staff doing anything, because they would be totally waiting for you, your people, to lift the phone up, and we would do nothing else.

Ms Campbell: Senator, I can assure you—

Senator CAMERON: I am happy if you want to give me some staff. I will do it.

Ms Campbell: Senator, our staff are answering the phones, and we are working closely, particularly with our staff, about enhancing productivity in call centres.

Senator CAMERON: Can I ask you this. How can we be confident that these wait times are accurate?

Ms Campbell: We will take on notice and give you the actual wait times for those periods.

Senator CAMERON: Okay. I am happy to table this if you want it.

Ms Campbell: That would be very helpful. We are working on the technical telecommunications system but also with our staff about how we can more productively use—what is the best, productive way of utilising—staff.

Senator CAMERON: I want to move on because I think Senator Siewert has covered a lot of the issues that I had. We are getting the same Facebook meltdowns on this and emails to the office—just awful. It is one of the areas that really are destroying your reputation. It is wrecking the reputation of Centrelink.

Ms Campbell: Mr Maloney and I look at the different periods each time—what was the wait time in the same period last year?—and there does not seem to be too much difference, but what has changed is customers' expectations.

Senator CAMERON: I have to say that I have rung Telstra and experienced very lengthy wait times. This is a First World problem, but the problem with DHS is that it is predominantly the poor, low-socioeconomic Australians who are ripping their hair out on this stuff. If you are rich, you do not need this. But these are poor people who are getting really—

Ms Campbell: We know that people complain, but a lot of people get through as well, and I think it is worth remembering that there are many millions of phone calls that we do answer. It is about capacity. But we do know that expectations have changed. Customers—

Senator CAMERON: When I was getting involved in best-practice programs and the like, one of the things I was told by some of the consultants was that, if one person is dissatisfied, it can lead to up to 12 people being dissatisfied because they get told about it.

Ms Campbell: Indeed.

Senator CAMERON: How many people are dissatisfied with Centrelink and DHS, with the phone services? Millions.

Ms Campbell: I think we did not have millions of complaints.

Senator CAMERON: No, you do not have millions of complaints; they just give up.

Senator Payne: In fairness, Senator, I think that one of the things that Ms Campbell has not perhaps had an opportunity to put on the table—and now might not be the time, in your view—is the actual volume that we are dealing with as well in terms of the contacts made, the customers dealt with and the solutions and responses provided, which is quite an extraordinary volume of work that is handled by this organisation. The government clearly have acknowledged over an extended period of time that we would prefer to be able to address these challenges, which you have identified and Senator Siewert has identified, more readily. I can promise you from my experience that the department spends an extraordinary amount of its time trying to do just that. At the same time though, and you were generous enough to say earlier that you think the organisation works extremely hard and takes a very diligent approach—

Senator CAMERON: I have never said anything else.

Senator Payne: Indeed. At the same time, there is a lot of contact with the Australian citizens who are trying to engage with the organisation being made and being made successfully.

Senator CAMERON: I get that, but it is still not good enough. That is the bottom line.

Ms Campbell: We are recruiting at the moment. We are out recruiting staff, but it does take time to train staff up for these functions.

Senator CAMERON: I will move onto another issue. I think that, between Senator Siewert and me, we have covered this.

Senator SIEWERT: Can I just ask how many staff you are recruiting.

Ms Campbell: We are recruiting 1,500 staff at the moment.

Senator CAMERON: Is that on top of the 1,000 that the minister spoke about?

Ms Campbell: That is including those.

Senator CAMERON: That is including them, so it is an extra 500.

Ms Campbell: We have been recruiting over a number of months now—

Senator CAMERON: Can I just go briefly to that issue because I have heard complaints from members of your staff who were IIEs, basically part-timers. They had applied for the job. They ended up not getting the job even though they had commendations for the work that they had done within the department. What is going on?

Ms Campbell: We had 8,000 applications for those jobs, and we took the best-qualified candidates, the best candidates who performed at interview. That sometimes meant that staff who had worked as irregular and intermittent employees were not offered full-time jobs.

Senator CAMERON: Staff who had been commended for the work they had done?

Ms Campbell: They are competitive processes. We go to the market, and all Australians have the opportunity to apply. We do not say that the people who have worked as IIEs have preference over the broader Australian market.

Senator CAMERON: Can you take on notice then to provide me the process that was undertaken, who undertook the process, how much it cost for the process, and how many IIEs who applied for the job did not get the job?

Ms Campbell: I will just check whether Mr Jackson has that information on that last question.

Senator CAMERON: Can you take it on notice? I have not got time to go through it now. I will be happy for you to take that on notice. I want to cut to WPIT. Are you using any PR consultants in WPIT?

Ms Campbell: PR?

Senator CAMERON: Yes. Are you producing videos or booklets or web presentations?

Ms Campbell: We might be doing some design work, so I will just wait for Mr Shepherd to join us.

Senator CAMERON: Mr Shepherd, are you spending any money as part of the WPIT project on PR consultants, the production of videos, booklets or web presentations?

Mr Shepherd: We are not spending any money on PR consultants.

Senator CAMERON: What about consultants?

Mr Shepherd: We have not spent any money on consultants. We have expenditure on contractors.

Senator CAMERON: This may not be the WPIT program, but tell me about Dragons' Den.

Mr Shepherd: Yes, I can tell you about that program.

Senator CAMERON: That is the WPIT program, is it?

Mr Shepherd: The Dragons' Den is actually part of the department's innovation program.

Senator CAMERON: So this is the overall—this is not just WPIT; Dragons' Den applies across the department?

Ms Campbell: Across everything we do.

Mr Shepherd: One of the key elements of that program is—it is so important in all the large transformation projects we looked at around the world—to actively engage your staff at the front line in coming up with ideas that can be implemented across your organisation as part of that transformation. The program you are talking about was a program to go out to all of our staff to actively engage. I think 280 staff across about 35 locations formed teams, developed innovative ideas and then came to a national workshop with those ideas. Front-line staff—who are case officers; they answer phones; they are our customer liaison officers—

presented those ideas to a panel, and the winning ideas are now being picked up and implemented within the organisation.

Senator CAMERON: Who delivered Dragons' Den?

Mr Shepherd: The department partnered with PricewaterhouseCoopers to deliver Dragons' Den.

Senator CAMERON: So, with PricewaterhouseCoopers, how much did Dragons Den cost?

Mr Shepherd: The total cost for that engagement was \$233,385.

Senator CAMERON: Was there a DJ at the Dragons' Den exercises?

Mr Shepherd: Was there a what, sorry?

Senator CAMERON: You know—a DJ, a disc jockey. Did you play music?

Mr Shepherd: No. Music was played at the Dragons' Den—sorry, yes—but there was no DJ at the Dragons' Den.

Senator CAMERON: What kind of music was played?

Mr Shepherd: I cannot recall the tracks, but definitely the background music that accompanies the Dragons' Den in the program was played.

Senator CAMERON: So it was PricewaterhouseCoopers who picked the music, was it? Did they?

Ms Campbell: Senator, these are different ways of doing business.

Senator CAMERON: You do not have to be so defensive. I am simply asking—

CHAIR: She can see you coming, Senator Cameron.

Senator Payne: I thought it was very helpful, Senator.

Senator CAMERON: Can you then, Mr Shepherd, on notice, provide me with details of the outcomes in terms of better IT arising from this program, and better call response times and resolution times?

Ms Campbell: We can talk to you now about the fact that—

Senator CAMERON: I do not have a lot of time, so if you take it on notice that will be fine. Were there artists at the Dragons' Den or cartoonists?

Mr Shepherd: Just to explain the concept: this is a new approach that organisations and governments around the world are engaging in to engage their staff in innovation on their programs. This is an approach currently being used by the New South Wales department of Treasury. It is an approach that was used by Sydney Trains to solve their train congestion issues.

Senator CAMERON: Sydney Trains?

Mr Shepherd: It is about bringing together people with skills. Some of those skills are skills around how you map a customer journey and how you map a staff experience. Those processes are mapped out using pictures of customers interacting with services and staff interacting with customers.

Ms Campbell: And these are often junior staff who experience and work with customers, so they know what it is like for a customer to go through an unpleasant or unrewarding

outcome. We have junior staff who are telling us: 'You know what? If you changed this, this would lead to better customer outcomes.' That is why we want to engage these staff, and that is why we want to try different things—so that we can respond to our customers better.

Senator CAMERON: On notice, could you provide details of the innovations that have been picked up arising from it. What about Hack the Future?

Mr Shepherd: Yes, that is also part of the department's innovation program.

Senator CAMERON: How much is spent on Hack the Future?

Mr Shepherd: I will need to see if I can get that. I will take that on notice.

Senator CAMERON: Who is delivering Hack the Future?

Mr Shepherd: The department is delivering Hack the Future.

Senator CAMERON: It is an internal one?

Mr Shepherd: The department is delivering Hack the Future. We did start that program in partnership with PwC, but the whole idea is that they have helped train us in this new way of working, and now we have public servants fronting those events. I participated in the Canberra event. It was entirely run by my team.

Senator CAMERON: Were there DJs at Hack the Future?

Mr Shepherd: We have never hired DJs at any of these events, Senator.

Senator CAMERON: Do you have somebody playing music?

Mr Shepherd: Yes. Do we use music as part of the design session? Yes, we do.

Senator CAMERON: Does somebody play the music?

Mr Shepherd: Yes. I know that person, I know the iPhone user, and he is one of my staff.

Senator CAMERON: Who picks the music?

Mr Shepherd: I could not tell you that.

Senator CAMERON: Is it part of the programs Dragons' Den and Hack the Future? Is there a certain type of music that is played?

Mr Shepherd: Music is predominantly used because the sessions move quite rapidly—you do 20 minutes at a table and you will move to the next exercise. The music is to get you up faster and moving to your next exercise.

Senator CAMERON: So you do not play Barry White?

Mr Shepherd: No.

Ms Campbell: I do not think we know who Barry White is. We use uplifting-type music, getting-people-moving-type music.

Senator CAMERON: No Leonard Cohen? What a shame.

Senator Payne: I suspect *Hallelujah* is not on the list.

Senator CAMERON: Is painting banners with slogans part of the process?

Mr Shepherd: As I said, we use the process for our staff to express their ideas. Those ideas are all about serving customers and changing customer experience. I would not say there were slogans, but there will be names around those ideas. For example, one of the ideas was about how we can help customers keep their debt down, and so the idea was called Down

with Debt. I do not think you would describe them as slogans, but do they give their initiatives names that they come up with? Yes, they do.

Senator CAMERON: Was there voting with balls?

Ms Campbell: Yes, there was.

Mr Shepherd: Yes, there was.

Senator CAMERON: How does that work?

Mr Shepherd: All of the ideas get displayed, and the participants in the conference vote for which idea is the one which will have the most impact on our customers and our staff, and they drop a ball into a cylinder.

Senator CAMERON: What was the cost of Hack the Future? Have you found that yet?

Mr Shepherd: I have got the event that you asked about. I have that cost here. That was the \$233,000.

Senator CAMERON: That was Dragons' Den.

Mr Shepherd: Yes. The Hack the Future cost I will have to take on notice.

Senator CAMERON: I appreciate that. Also, who delivered Hack the Future? Was it PwC? How much did PwC get?

Mr Shepherd: We can take that on notice.

Senator CAMERON: And any other consultants that were involved. Just give me itemised accounts for what was spent on Dragons' Den and Hack the Future.

Mr Shepherd: Sure.

Senator CAMERON: I think you advised me last time that you had an internal slogan. Is that right? You had developed some internal slogan—was it 'Yes'?

Ms Campbell: Was it 'We'—our statement of how we want to behave, those sorts of things?

Senator CAMERON: Yes. How much did you spend on 'We'?

Ms Campbell: That was some years ago, so I think it is best we take that on notice. I do not think I have got anyone here tonight who would have that information.

Senator CAMERON: Is it still used?

Ms Campbell: It is still used.

Senator CAMERON: Can you provide some graphics of how it is used?

Ms Campbell: We can.

Senator CAMERON: On notice, can you also indicate where 'We' is still used?

Ms Campbell: It is used throughout every one of our offices.

Senator CAMERON: What do you do with it?

Ms Campbell: It talks about a framework on the behaviour that we expect from staff and each other—about initiative, collaboration, honesty, listening and other attributes in that space.

Senator CAMERON: What is the relationship with DTO and WPIT?

Ms Campbell: We work closely with the Digital Transformation Office. The Digital Transformation Office has been set up in the Prime Minister's portfolio. The Prime Minister's portfolio has responsibility in the administrative arrangement orders for whole-of-government service delivery policy, and we are working very closely with them on that.

Senator CAMERON: There was a report in *The Canberra Times* that DTO were going to take over WPIT. The minister basically rejected that, saying that WPIT has got 3,500 and DTO has got 30 staff. Are there any plans to take more staff from WPIT to the DTO?

Ms Campbell: I think the article might have been not about WPIT but about MyGov. The Digital Transformation Office is about usability. It is about working out how the government interfaces with citizens, and the minister's statement was about the fact that these are very big ICT systems, that the Digital Transformation Office's focus is on ensuring that government moves to a digitalised system. I think the Digital Transformation Office is probably much better placed to talk about its objectives than I am. But we work very closely with them. We have a team that is co-located at their premises at the moment. We expect to have more teams co-located there and, hopefully, in our organisation so that we can work on the best way for citizens to engage with government.

Senator CAMERON: So how many of your staff have co-located?

Mr Shepherd: I would need to get the accurate figure in an answer to this on notice. But about 10, at the moment, are working on a project with the DTO.

Senator CAMERON: What is your projection for further projected numbers to further co-locate?

Ms Campbell: We are thinking about those sort of sized teams. I think the Digital Transformation Office has envisaged small expert teams helping agencies like ours in that user facility space.

Senator CAMERON: DTO, I think, has got a bit dirty, according to Minister Robert—I am not sure if he is a minister still. He is still your minister, is he? He hasn't resigned yet?

Senator Payne: Senator.

Senator CAMERON: Well, things change fast in this game. With the 30 in DTO, are any of them co-locating back into the WPIT design group?

Ms Campbell: I do not think we have got that far in our discussions with them. I do expect over time for staff from the DTO to come and work within the department and bring their expertise—and particularly in that space.

Senator CAMERON: The impression that has been given by the minister and by spokespersons for DHS is that once WPIT is in place you will see significant improvements in service delivery. Will that improve call wait times?

Ms Campbell: I would hope that some of the functionality that comes from WPIT will mean that people will not have to ring up. For example—and I mentioned earlier—people ring up to find where their claim is up to. If we are able to say to people at the start of their claim, either when they put it in electronically or in person, that it is expected to take X days and there is a way for that customer to know where it is up to along the way, they will not have to call.

Senator CAMERON: Can you provide details of any analysis that has been done within the department to link lower call wait times to the implementation of WPIT?

Ms Campbell: We will take that on notice.

CHAIR: Senator Cameron, I will just advise you that Senator Siewert is waiting. So you have another few minutes, and then I will go to Senator Siewert.

Senator CAMERON: Has there been any analysis done as to when WPIT will start making a difference to call wait times?

Ms Campbell: We will take that on notice.

Senator CAMERON: You don't know?

Ms Campbell: You asked me for analysis, and I do not have analysis with me. That is why I said I would take it on notice.

Senator CAMERON: If you do not have it with you, is it there?

Ms Campbell: We are only in tranche 1 of WPIT. We have been very clear on what we have asked tranche 1 to deliver, and that is about the procurement—

Mr Shepherd: The design, the first initial deliverables.

Ms Campbell: the design and first initial deliverables, which include the applications about where claims are up to.

Senator CAMERON: Can you provide me some documentation as to the detail of tranche 1?

Ms Campbell: We will take that on notice.

Senator CAMERON: Can you provide me some details about what is going to apply in tranche 2?

Ms Campbell: I think we have said that tranche 2 will become clearer once we have gone to the market, which we are doing as part of tranche 1, and the design. We will not be in a position to provide details on tranche 2.

Senator CAMERON: But you have spoken of different tranches. You must have an idea of what the tranches are. How many tranches do you have?

Ms Campbell: We are looking at five tranches.

CHAIR: So just give me an overview of the five tranches. What is going to be happening in those five tranches?

Ms Campbell: I think we have said before at this hearing that the first tranche is about the design. The latter four tranches sort of broadly break up the size of the project. But we will need to go to the market and talk to system integrators and software providers about the best way to structure the rest of the program.

Senator CAMERON: How did you come up with five tranches?

Ms Campbell: Broadly, the amount of IT work that the market could sustain at any given time. That was broadly worked out on other major projects that had been conducted of this ilk.

Senator CAMERON: Just give me an idea of how these five tranches will work?

Ms Campbell: We need to wait until we have the design in place. But, broadly speaking, we think that we may start with a certain cohort of customers. We may start with, for example, students. That might be a cohort that we build and replace the current systems with first off.

Senator CAMERON: Is there documentation about the five tranches?

Mr Shepherd: There are over 100 pages of documentation about the program that went on to AusTender on 18 September.

Senator CAMERON: So that is on AusTender?

Mr Shepherd: Yes.

Senator CAMERON: Is there any other documentation in relation to the tranches that are not on AusTender?

Mr Shepherd: I think that if you see the pages on AusTender you will see there is quite a comprehensive articulation of what the department is looking for. As the secretary said, we need to actually wait for the response from the marketplace because it may have a smarter idea about how to achieve that.

As the secretary said, our thinking at the moment is that you would approach this from a customer cohort perspective and, perhaps, start with students. But our evidence from international projects is that they took a capabilities approach to some of the transformations rather than slice this by customer cohort. So we do need to wait for the response from the marketplace to finalise how those will work. But the concept of taking a large multi-year program, breaking it up into tranches and breaking it up into smaller work packages is now considered best practice in all large transformation programs. So you will see the concept of tranches and work packages in the documentation.

Have we landed on the contents in those tranches and those work packages? We cannot actually do that until we ask the market to respond to our requirements.

Senator CAMERON: Have you made any estimates about if there would be a reduction in staff as a result of the implementation of WPIT?

Ms Campbell: I think that we have looked at some areas broadly but I do not think we could say that it was comprehensive yet, because we are still waiting for the design of what we are going to do first.

Senator CAMERON: Okay. You said that you have looked at some areas broadly. Can you just tell me which areas you have looked at for staff reduction?

Ms Campbell: I think that we would like to ensure that WPIT allows, as much as possible, end-to-end processing. A customer could enter their details, or we could naturally collect their details, and if we could get through some of the complexity of the legislation that the outcome of a claim could be an end-to-end process—not unlike the tax system, where I think that 85 per cent of their claims can be done without human interaction.

Currently in the Centrelink system 100 per cent of claims require a person to be engaged. So we are looking at whether there are some efficiencies there.

Senator CAMERON: Centrepay?

Ms Campbell: Yes.

Senator CAMERON: When Minister Payne had responsibility for DHS she started a working group to promote the disclosure of effective interest rates. It has met four times I understand—is that correct?

Ms Campbell: I will just get the officer who knows all about Centrepay to the table.

Senator CAMERON: I just want to ask about Centrepay. Last time—I think it was Mr Learmonth—

Ms Campbell: Mr Learmonth is at the table.

Senator CAMERON: Yes, he just walked in—sorry! The Thorn Group had to repay over \$1 million—okay? You indicated, when I asked you whether there were any sanctions against this company, that it was a matter which was underway and that it was not concluded. I asked if there were a possibility that there could be a sanction and you said that it was 'a matter underway' and that it was not concluded. Where is that up to?

Mr Learmonth: It is still underway.

Senator CAMERON: It is still underway. Tell me how it is underway.

CHAIR: I am sorry to interrupt, but is this going to be a long line of questioning, Senator Cameron?

Senator CAMERON: I do have a bit to go; I am the shadow minister and I am keen to get some of these questions answered.

CHAIR: I will get you to conclude.

Senator CAMERON: How long has this been underway? Tell me that.

Mr Learmonth: While my colleague is looking up when it started, it is still underway in so far as there are a number of clients of the Thorn Group. Some of those will no longer be our clients. There is a process that Thorn is undertaking to identify those people who may have monies owed in order to repay them and that process is not yet concluded. For some of those clients, and particularly ex-clients, it will be harder than for others.

Senator CAMERON: How long has it been running, Mr Box?

Mr Box: In August 2015, Radio Rentals advised the department that it identified the excess payments—August 2015.

CHAIR: Unfortunately, we are going to have to leave it there, Senator Cameron.

Senator SIEWERT: I want to come back to the issue of the DSP assessment process. You said that 75 per cent of claims had recently been rejected. What period was that for?

Ms Campbell: My understanding is that it is for this financial year to date, but I will confirm with the officers when they come to the table.

Senator SIEWERT: For the group of people who applied, do you have an understanding of where they ended up? Did they end up on Newstart, youth allowance or with no income support?

Ms Campbell: Customers with a rejected claim, where do they go?

Ms Golightly: We make the offer of whether they would like to go on to another payment, which is usually Newstart. It is up to the customer if they wish to do that, but most do take up that offer.

Senator SIEWERT: Do you have any data on that?

Ms Golightly: I do not have the numbers with me, but I can take that on notice.

Senator SIEWERT: Can you also take on notice where that 75 per cent ends up?

Ms Golightly: Yes.

Senator SIEWERT: For the increased number of people who are not receiving DSP, I presume you are talking about the group which participated in a program for 18 months.

Ms Golightly: Not necessarily; that would be a subset of all the rejections. The figure that the Secretary was mentioning was for the total number of people who were applying for DSP. You are talking, I think, about one of the measures where people under the age of 35 were reviewed against—

Senator SIEWERT: No, it was a different one. I am talking about the process now where people have to participate in an approved program for 18 months.

Ms Golightly: There is a criterion that you need to have undertaken a program of support. The figure could include people who have not undertaken that program. They have a time period to complete that program. We can see what data we have on that for you.

Senator SIEWERT: I would be interested in knowing: of that 75 per cent how many were rejected because they had not undertaken a program of support and then came back through the system.

Ms Golightly: Yes, I understand that.

Senator SIEWERT: I want to make sure I understand the process. In terms of going down to the 49 per cent—and we had that discussion about the seven weeks and the 13 weeks—the ANAO report, the recent one on qualifying for the DSP, goes through your not meeting the agreed timeliness standard for that process. I think it said you met the target in 58 per cent of cases. I have it here somewhere, but I think it was about 58 per cent. So I am a little bit confused now about the process that you just talked about in terms of the 13 weeks, compared to that internal review process.

Ms Golightly: That is the AROs.

Ms Campbell: That is the AROs. That is a review process. My understanding—and then Ms Golightly will correct me!—is that with DSP you can actually bring further information in without asking for a formal review.

Senator SIEWERT: Okay.

Ms Golightly: That is exactly right.

Ms Campbell: So, after they have provided all the information they have, maybe at the end of those extra 13 weeks, if they are still being rejected, then a customer might ask for a formal review.

Senator SIEWERT: Rightio. So that is a process that is in between. The process is basically in between, and that is what you are saying is blowing out—the fact that you have not met that 70 per cent target.

Ms Golightly: Yes, that is right. If they want to provide information for whatever reason, after they have been rejected they have 13 weeks until they can do that, with the clock still

running. Even if they provide one piece of the information—it might not be all of it—the 13-week clock keeps running for another 13 weeks. So it is sort of an endless tail.

Senator SIEWERT: Do I understand that you are going to go back to the department, to DSS, to discuss that?

Ms Campbell: I think we need to look at the entire process—I am not sure this is good for anyone, whether it is trying to administer it or a customer claiming—to see whether there is a better way of doing it.

Senator SIEWERT: In terms of the findings in the ANAO report on qualifying for the DSP, and its recommendations, have you met with DSS? There were some recommendations for DSS and some for you. Have you met with DSS yet to talk about those recommendations?

Ms Golightly: We are constantly talking to DSS. Yes. Even during the audit, we were talking to them about working with them, going forward. I do not think there has been any one meeting dedicated to those recommendations yet.

Mr Williamson: As Ms Golightly said, we meet with them on an ongoing basis. We have certainly discussed the audit with them, post the audit being tabled. There are two recommendations there that probably relate to both departments, and we are in the early days of talking about how we make sure we go about addressing those.

Senator SIEWERT: Okay. In particular, I am interested in—well, all of it, actually, but I am interested right now in—the finding about the lack of documentation in decision making and what you have done to address that.

Ms Golightly: We are always looking at different ways we can improve the whole process, whether it be documentation or anything else. Certainly, one of the things we noted during the audit was that there are different places in the system where different parts are documented, and my understanding is that the Audit Office recommendation was around how we might make that easier or bring it all together, and we are doing that. Again, we are a little bit hampered by the system we have, but we are certainly looking at what else we might do with our staff to try and bring that documentation into a more coherent space.

Senator SIEWERT: What do you mean by the system that you have?

Ms Golightly: ISIS.

Ms Campbell: ISIS, our old Centrelink system.

Senator SIEWERT: Your old system. Okay.

Ms Campbell: That is where the information is kept.

Mr Williamson: Senator, can I just add to that. We are certainly looking at the documentation one, but I think one of the important things the audit showed is that the ANAO, when they were questioning the decisions that were made, were actually saying that we could do better in our documentation of those, so that is something we are looking at.

Senator SIEWERT: That is why I asked about that.

Ms Campbell: Chair, could I just correct the record before we finish?

CHAIR: Please.

Ms Campbell: The Capital Metro agency are visiting Braddon Service Centre to consult with staff on light rail. They will be in our tearoom on 24 February.

CHAIR: So the inner suburbs will be well serviced! We are going to have to wrap it up there. Actually, could you take on notice to provide some detail on who initiated that engagement and any arrangements around it, whether there is any cost and all that sort of thing—just any further details?

Ms Campbell: Yes.

CHAIR: Before we finish, I should put on the record that one of our Senate colleagues has been elevated to Deputy Leader of the Nats tonight, so congratulations to Fiona Nash. And of course a former senator, Barnaby Joyce, is now Nationals leader. So the senators are doing it! Thank you, Minister, for being here—

Senator Payne: Thank you, Senator Seselja.

CHAIR: and Ms Campbell and all of your staff. Thank you also to our secretariat and Hansard and Broadcasting staff. Senators are reminded that written questions on notice should be provided by 19 February 2016. The hearing is now adjourned.

Committee adjourned at 23:00