

Chapter 3

Social Services Portfolio (including Human Services)

Department of Social Services

3.1 This section outlines key issues discussed during the 2015–2016 additional estimates hearings for the Social Services Portfolio.

3.2 Areas of the portfolio were called in the following order:

- Cross Outcomes/Corporate Matters/Grant Programs
- Social Security
- Disability and Carers
- National Disability Insurance Agency
- Families and Communities
- Australian Institute of Family Studies
- Housing

Cross Outcomes/Corporate Matters/Grant Programs

3.3 The Department of Social Services (department) grant tendering process was discussed. The department was asked whether it has a process in place to gauge community feedback of service gaps arising from the grants tendering process. The committee heard that the data exchange reporting system will provide information on the client footprint and client outcomes and that the department intends to build a client survey into the system. The department said all service providers with grant agreements have signed up to the data exchange and that an activity work plan is attached to all grant agreements. The work plans set out agreed performance indicators as part of ongoing reporting that will feed into a holistic understanding of the service system.¹

3.4 Senator Moore inquired into advertising campaigns the department has run since the 2013 election. The department said there are currently two campaigns in the development stage. One is for the prevention of violence against women, which is a COAG campaign, and the other is for the National Disability Insurance Scheme (NDIS). The Commonwealth is contributing \$16.7 million to the prevention of violence against women campaign over three years and is spending \$14.2 million over two years for the NDIS campaign.²

Outcome 1 Social Security

3.5 The committee sought an update on the actuarial valuation of the lifetime liability of Australia's welfare system, examining both longitudinal data and future

1 [Proof Estimates Hansard](#), 11 February 2016, pp 10–11.

2 [Proof Estimates Hansard](#), 11 February 2016, pp 14–15.

projections. The department has engaged PricewaterhouseCoopers to produce four valuations—a baseline valuation and three subsequent valuations, to provide three additional development modules, and to facilitate knowledge transfer to the department. The contract is worth \$9.4 million over four years. The department has been provided with a final draft evaluation.³

3.6 The committee inquired into trends and projections of social welfare payments and heard that social welfare expenditure overall is growing and that the key growth area is care services. The NDIS is one of the key drivers of growth in expenditure. The department confirmed that working age payments are in decline as a result of a number of factors, including overall population growth, fertility rates, migration, population ageing, wages, prices, and economic growth.⁴

Outcome 5 Disability and Carers

3.1 The committee sought an update on the rollout of the NDIS. The committee heard that as a result of the bilateral agreements that have been made with New South Wales, Victoria, South Australia, Tasmania and the Australian Capital Territory, 64 per cent of the eligible population for NDIS in Australia is now covered. The Commonwealth is currently negotiating with Queensland and the Northern Territory.⁵ The Chair asked the department how the bilateral agreements will mitigate the Commonwealth's financial risk. The department explained that the current bilateral agreements are more detailed than the trial agreements and that specific numbers of participants and financial contributions have been agreed based on more analysis into disaggregated costs.⁶ The bilateral agreements are based on the Productivity Commission's estimates for participants. Ms McDevitt, Group Manager, NDIS, gave the following explanation:

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.⁷

Outcome 2 Families and Communities

3.2 Proposed changes to eligibility for paid parental leave (PPL) announced in the Mid-Year Economic Fiscal Outlook were discussed. The measure will allow for primary carers who receive employer paid parental leave to be eligible for a top up

3 *Proof Estimates Hansard*, 11 February 2016, pp 26–28.

4 *Proof Estimates Hansard*, 11 February 2016, pp 31–32.

5 *Proof Estimates Hansard*, 11 February 2016, p. 52.

6 *Proof Estimates Hansard*, 11 February 2016, p. 53.

7 *Proof Estimates Hansard*, 11 February 2016, p. 53.

payment, paid at the national minimum wage, for the difference in weeks between the employer scheme and the 18 weeks provided by Government.⁸ This replaces the Budget measure titled *Removing Double-Dipping from Parental Leave Pay* that proposed a similar top up scheme, up to a capped amount of \$11,640 instead of a number of weeks.⁹ The department said that the proposed measure will result in 7,000 carers, or four per cent of mothers, not receiving any PPL due to having an employer scheme of at least 18 weeks, as opposed to 34,000 carers under the Budget measure.¹⁰

Outcome 4 Housing

3.3 The committee asked for comment about delays to payments under the National Rental Affordability Scheme. The department explained that it has 'processed every application for an incentive that is compliant with the regulations for last year, 2014–14'. There are still 4,443 applications which are either non-compliant or for which the department requires additional information. The main reasons for non-compliance were identified as market rent valuations being incorrect, or late, or not in respect of a relevant period, as well as overcharging of rent.¹¹

Department of Human Services

3.4 This section contains key issues discussed during the 2015–2016 additional hearing for the Human Services portfolio.

3.5 Areas of the portfolio and agencies were called in the following order:

- Australian Hearing
- Whole of Department—Corporate Matters

Australian Hearing

3.6 Senator Cameron commenced with a series of questions about the services that Australian Hearing provide. The committee was told that last financial year Australian Hearing provided 510,000 services to 161,000 active clients and that 10 per cent of their clients, roughly 16,000, are returned veterans.¹² In response to questions from Senator Cameron, Australian Hearing indicated that they have had no discussions with the Minister's office in relation to the scoping study; that they continued to meet their KPI's; and that they were profitable and could compete with any provider.¹³

3.7 Clarification was sought regarding the five per cent reduction to the community service obligation budget of Australian Hearing—currently \$65.5

8 Mid-Year Economic Fiscal Outlook 2015–16, 'Appendix A: Policy decisions taken since the 2015–16 Budget', p. 216.

9 *Proof Estimates Hansard*, 11 February 2016, p. 76.

10 *Proof Estimates Hansard*, 11 February 2016, pp 76–77.

11 *Proof Estimates Hansard*, 11 February 2016, p. 94.

12 *Proof Estimates Hansard*, 11 February 2016, p. 98.

13 *Proof Estimates Hansard*, 11 February 2016, pp 98–102.

million—and whether this would lead to greater efficiency. Australian Hearing told the committee that they believe they are operating at a 'reasonably effective level' presently and that the saving will 'probably' mean fewer people will receive services.¹⁴

Department of Human Services

3.8 The committee asked the Department of Human Services (DHS) about issues with the Centrelink payment system and the Centrelink website. The committee heard that DHS had incorrectly issued debt statements to 73,000 families in January when it was rolling out the No Job, No Pay measures. DHS told the committee the incorrect statements were the result of a 'computer glitch', which had been rectified quickly. DHS advised the committee that no one was out of pocket as a result of the error.¹⁵

3.9 The committee inquired into the usability of the MyGov website. DHS told the committee that the number of transactions on the MyGov website had increased from 138 million in September 2015 to 234 million in December 2015 and that users experienced an error rate of 0.13 per cent.¹⁶ DHS also detailed past and proposed changes to the process for logging into the website to improve usability while maintaining the security of the website. DHS is investigating options to allow users more choice in determining their user identification. DHS also informed the committee that it is taking the lead on a whole-of-government project called Digital ID, which will allow people to prove their identity through an online Document Verification Service.¹⁷

3.10 The committee discussed wait times of the Centrelink phone line and the availability of the call-back service. Discussion revealed that the call-back service is currently unavailable due to some technological issues that have been ongoing since July 2015. DHS advised that it has addressed an issue in the telecommunications system which had resulted in incorrect approximate wait times being given to customers.¹⁸

14 *Proof Estimates Hansard*, 11 February 2016, p. 100.

15 *Proof Estimates Hansard*, 11 February 2016, pp 105-106.

16 *Proof Estimates Hansard*, 11 February 2016, p. 106.

17 *Proof Estimates Hansard*, 11 February 2016, pp 108–109.

18 *Proof Estimates Hansard*, 11 February 2016, p. 127.

3.11 The committee heard that DHS is currently testing a new telecommunications system and that the new system will feature a mechanism to analyse the reasons for people's calls in order to customise pre-emptive actions such as messages on the website and on social media advising people about answers to frequently asked questions.¹⁹ DHS also said that as part of the Welfare Payment Infrastructure Transformation program, it is building an application to reduce the number of phone calls. Ms Kathryn Campbell, Secretary, DHS, told the committee:

...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."²⁰

3.12 Senator Cameron also raised concerns about the following issues:

- complaints from staff in relation to filling permanent positions and recruitment processes;²¹
- Centrelink being in a position to tender for continued delivery of the Medicare payments with a new Medicare Payment System;²² and
- consumer leases.²³

3.13 DHS was asked about the decision to close the Centrelink-Medicare service centre in Kingston, Tasmania. DHS told the committee that the Centrelink component at the Kingston service centre was a service for small claims only and that people with complex claims were redirected to Hobart. DHS said that simple Centrelink claims and tasks are now mostly processed over the phone or internet and, as a result, there has been a reduction in the number of people visiting Medicare offices. DHS confirmed that the centre will be closed on 4 March 2016.²⁴

Senator Zed Seselja

Chair

19 *Proof Estimates Hansard*, 11 February 2016, pp 122–123.

20 *Proof Estimates Hansard*, 11 February 2016, p. 123.

21 *Proof Estimates Hansard*, 11 February 2016, p. 130.

22 *Proof Estimates Hansard*, 11 February 2016, p. 115.

23 *Proof Estimates Hansard*, 11 February 2016, p. 135.

24 *Proof Estimates Hansard*, 11 February 2016, pp 120–121

