

## Chapter 3

### Social Services Portfolio (including Human Services)

3.1 This chapter outlines the key issues examined during the committee's 2017–2018 Budget Estimates hearing for the Social Services Portfolio (including Human Services).

#### Department of Social Services—31 May 2017

3.2 On 31 May 2017, the committee heard evidence from the Department of Social Services (DSS) and agencies of the Social Services Portfolio in the following order:

- Cross Portfolio Outcomes/Corporate Matters;
- Outcome 3: Disability and Carers;
- National Disability Insurance Agency; and
- Outcome 1: Social Security.

#### *Cross Portfolio Outcomes/Corporate Matters*

3.3 Following a private meeting of the committee Senators agreed to proceed directly to questions at Outcome 3: Disability and Carers.

#### *Outcome 3: Disability and Carers*

##### *Mental health services funding*

3.4 The committee's examination of Outcome 3 commenced with consideration of the 2017–18 Health Portfolio Budget measure to provide \$80 million in additional funding to support people living with psychosocial disabilities. Consideration was premised on DSS' involvement with that measure and this led to a broad discussion on the funding arrangements for mental health services.<sup>1</sup> The committee was particularly interested in mental health care programs that support people who may not meet NDIS access requirements, such as the Personal Helpers and Mentors (PHaMs) program.<sup>2</sup> Ms Felicity Hand, Deputy Secretary, Department of Social Services, provided the following context to DSS' mental health services funding:

In terms of mental health programs in general, it is the responsibility of the state and territory governments—the primary responsibility—to deliver services. Today the Commonwealth funds Commonwealth mental health programs to the tune of \$0.4 billion, and the states provide \$1.8 billion, so they provide a lot more funding than the Commonwealth, and they are responsible for their clients who are not eligible for the NDIS. So it is the responsibility of state and territory governments, and our funding is transitioning into the NDIS for those who are eligible. As I have said, for

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1 *Proof Estimates Hansard*, 31 May 2017, pp. 7–14.

2 *Proof Estimates Hansard*, 31 May 2017, p. 8.

the very small number that we look after today in PHaMs and other programs, we will have continuity of support.<sup>3</sup>

3.5 Senators examined the continuity of support arrangements for DSS' mental health care services.<sup>4</sup>

#### *NDIS plan reviews*

3.6 Senators noted recent reports on the complaints made to the National Disability Insurance Agency (NDIA) and the timeframes associated with complaints resolution.<sup>5</sup> This led the committee to an extended consideration of the NDIA's review of participants' plan, where concerns were raised regarding potential reduction to plan caps. The committee received a range of evidence, including: information on the number of plan reviews undertaken by the NDIA, the rationale for undertaking those reviews, and the prospective support cuts as a result of the plan review process.<sup>6</sup>

#### *Young people in residential aged care*

3.7 The committee examined the matter of young people in residential aged care; a matter of ongoing concern for the committee. DSS provided an update on the work being done in phasing young people out of residential aged care and into the NDIS. The committee heard that progress was also being made with developing support services for young people in residential aged care who do not meet NDIS access requirements and the committee welcomed this development.<sup>7</sup> The committee considered the matter of 'churn' emerging from the statistics of young people in aged care. Whereby the levels of young people in aged care are remaining relevantly constant as young people are still being entered in aged care facilities, despite reduction efforts aimed at removing those people.<sup>8</sup>

#### *NDIA call centre*

3.8 The operations and capacity of the NDIA's call centre were considered and the committee received an update on the centre performance following the NDIA's 'deep dive' review efforts, Mr Grant Tidswell PSM, Chief Operating Officer, NDIA, explained:

...our performance has improved dramatically. Just to give you an example, last week our average speed of answer was just over a minute for both general inquiries and providers. I think on Friday it was 19 seconds or thereabouts for providers. So it is being well managed. We have increased the staffing envelope to do that work. We have improved our warm handoff

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3 Ms Felicity Hand, Deputy Secretary, Department of Social Services, *Proof Estimates Hansard*, 1 June 2017, p. 8.

4 *Proof Estimates Hansard*, 31 May 2017, p. 18.

5 *Proof Estimates Hansard*, 31 May 2017, p. 24.

6 *Proof Estimates Hansard*, 31 May 2017, pp. 27-32.

7 *Proof Estimates Hansard*, 31 May 2017, p. 35.

8 *Proof Estimates Hansard*, 31 May 2017, p. 52.

processes for more complex inquiries to some agency staff, and we have better managed the distribution of staff to arrival of calls. ... We still have quite lengthy average handle times for the calls—about 13, 14 minutes, which is telling us that we are dealing with a lot of matters at that one call.<sup>9</sup>

3.9 Other matters that were examined under Outcome 3 include:

- funding for the Young Carer Bursary Program;<sup>10</sup>
- operation of the Autism Advisor Program;<sup>11</sup>
- Disability Employment Services ratings;<sup>12</sup>
- NDIS complaints handling;<sup>13</sup>
- development of the NDIA's virtual assistant, Nadia;<sup>14</sup>
- the NDIA's approach to managing disabilities not listed under the NDIS;<sup>15</sup> and
- housing arrangements under the Specialist Disability Accommodation Initiative.<sup>16</sup>

### ***Outcome 1: Social Security***

#### *Drug testing trial for jobseekers*

3.10 Questioning of Outcome 1: Social Security began with consideration of the drug testing trial for jobseekers, proposed under the Better Targeting of Assistance to Support Jobseekers 2017–18 Budget measure. Ms Serena Wilson, Deputy Secretary, DSS, provided the committee with the following context for the trial:

The underlying policy rationale is to identify in a trial whether people are using illicit substances. To the extent that that is the case, it is clearly one of the things that can be a barrier to employment. Those who have that barrier to employment could then be, after a second test, referred to assessment as to whether or not they would benefit from treatment options or other interventions designed to address that substance misuse and to improve their capacity for and likelihood of addressing that barrier and returning to work.<sup>17</sup>

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9 Mr Grant Tidswell PSM, Chief Operating Office, National Disability Insurance Agency, *Proof Estimates Hansard*, 31 May 2017, p. 38.

10 *Proof Estimates Hansard*, 31 May 2017, p. 15.

11 *Proof Estimates Hansard*, 31 May 2017, p. 17.

12 *Proof Estimates Hansard*, 31 May 2017, p. 20.

13 *Proof Estimates Hansard*, 1 June 2017, pp. 24, 35-38.

14 *Proof Estimates Hansard*, 31 May 2017, p. 49.

15 *Proof Estimates Hansard*, 31 May 2017, p. 53.

16 *Proof Estimates Hansard*, 31 May 2017, p. 58.

17 Ms Serena Wilson, Deputy Secretary, Department of Social Services, *Proof Estimates Hansard*, 31 May 2017, p. 62.

3.11 Senators queried an apparently limited evidence base for the trial and heard that 'the government has clearly stated that the purpose of the trial is that it has been designed to build that evidence'.<sup>18</sup> Subsequently, the committee discussed a position paper on drug testing from the Australian National Council on Drugs, which recommended against drug testing of income support recipients.<sup>19</sup>

3.12 The proposed structure and features of the trial were queried extensively and at several points throughout proceedings. The committee was informed of proposed particulars of the trial, including: jobseekers will pay for the cost of the drug testing through the withholding of income support payments where a second review test is sought following an initial positive test;<sup>20</sup> the cost of evaluating the trial is anticipated to be \$980 000;<sup>21</sup> the testing methodology used for the drug testing is yet to be determined;<sup>22</sup> the testing methodology may impact on the accuracy of the tests;<sup>23</sup> the range of drugs to be tested is yet to be determined;<sup>24</sup> people who test positive will be referred to a health professional for treatment; the selection of trial site locations are pending a decision from Government;<sup>25</sup> and a jobseeker who is found to test positive to a drug test may be placed on income management.<sup>26</sup>

3.13 Other matters that were examined under Outcome 1 include:

- consolidation of working age payments;<sup>27</sup>
- comorbidity of mental health and drug and alcohol misuse;<sup>28</sup>
- support services for refugees;<sup>29</sup>
- 'demerit point' system to encourage income support compliance;<sup>30</sup> and
- proposed amendments to Family Tax Benefit A.<sup>31</sup>

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18 Ms Cath Halbert, Group Manager, *Proof Estimates Hansard*, 31 May 2017, p. 64.

19 *Proof Estimates Hansard*, 31 May 2017, p. 69.

20 *Proof Estimates Hansard*, 31 May 2017, p. 66.

21 *Proof Estimates Hansard*, 31 May 2017, p. 72.

22 *Proof Estimates Hansard*, 31 May 2017, p. 73.

23 *Proof Estimates Hansard*, 31 May 2017, p. 73.

24 *Proof Estimates Hansard*, 31 May 2017, p. 74.

25 *Proof Estimates Hansard*, 31 May 2017, pp. 76, 91.

26 *Proof Estimates Hansard*, 31 May 2017, p. 95.

27 *Proof Estimates Hansard*, 31 May 2017, p. 84.

28 *Proof Estimates Hansard*, 31 May 2017, p. 88.

29 *Proof Estimates Hansard*, 31 May 2017, p. 105.

30 *Proof Estimates Hansard*, 31 May 2017, pp. 106, 113.

31 *Proof Estimates Hansard*, 31 May 2017, p. 114.

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## Department of Social Services—1 June 2017

3.14 On 1 June 2017, the committee heard evidence from the Department of Social Services and the Department of Human Services in the following order:

- Outcome 4: Housing;
- Outcome 2: Families and Communities; and
- Department of Human Services.

### *Outcome 4: Housing*

3.15 Proceedings recommenced with the committee hearing an opening statement from Senator the Hon. Zed Seselja, Assistant Minister for Social Services and Multicultural Affairs. The Assistant Minister's statement informed the committee of updates to housing measures proposed in the 2017–18 Budget; particularly the formation of a new National Housing and Homelessness Agreement (NHHA).<sup>32</sup>

3.16 Senators' discussion subsequently centred on the NHHA and examined the agreement's: intra-departmental governance arrangements;<sup>33</sup> housing supply targets and affordable housing stock;<sup>34</sup> and associated affordable housing policies.<sup>35</sup> The committee moved to consider whether there had been a funding decrease for affordable housing and homelessness services in the Northern Territory.<sup>36</sup>

### *Outcome 2: Families and Communities*

3.17 Examination of Outcome 2: Families and Communities began with consideration of the Cashless Debit Card (CDC) trial.

#### *Cashless Debit Card trial*

3.18 DSS responded to questioning on the potential adverse effects that the availability of unauthorised alcohol in trial site locations may have on the efficacy of the trial. The committee heard that DSS had received anecdotal reports of 'grog running' at CDC trial sites.<sup>37</sup>

3.19 Senators questioned the funding of the CDC trial in 2017–18, however the committee was informed that these figures are not published and that '[t]he reason it is not for publication in the 2017–18 year is because a component relates to the expansion of the cashless debit card, which is commercial-in-confidence'.<sup>38</sup> DSS noted that, with the expansion of the CDC trial, they are currently negotiating service

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32 *Proof Estimates Hansard*, 1 June 2017, p. 5.

33 *Proof Estimates Hansard*, 1 June 2017, p. 6.

34 *Proof Estimates Hansard*, 1 June 2017, p. 6.

35 *Proof Estimates Hansard*, 1 June 2017, p. 8.

36 *Proof Estimates Hansard*, 1 June 2017, p. 26–28.

37 *Proof Estimates Hansard*, 1 June 2017, p. 29–31.

38 Mr Tristan Reed, Branch Manager, Department of Social Services, *Proof Estimates Hansard*, 1 June 2017, p. 38.

contracts and the yet-to-be-determined new trial site locations may impact on the final 2017–18 CDC funding allocation. Mr Finn Pratt AO PSM, Secretary, DSS, outlined the forward process for determining the 2017–18 CDC trial costs:

...the steps will be that we need a government determination of the new sites. Once that has been determined, that will identify what the conditions are in both the sites and for the people who will be part of those trials. That will then factor into the negotiations with the card providers about the costs to do that. Clearly, if it is done in the middle of a big city, it will be very different from if it is in a regional area or a remote area. They could be quite different costs.<sup>39</sup>

3.20 Further consideration was given regarding the CDC trial expansion and DSS provided the committee with information on the communities which had expressed an interest in becoming CDC trial sites. DSS confirmed that selection of a trial site location is a matter for the Social Services Minister to decide.<sup>40</sup> Senators sought clarification on the evaluation methodology being used to assess the success of existing CDC trial sites. Ms Kathryn Mandla, Branch Manager, DSS, advised the committee on the evaluation design:

We worked with the evaluators and the policy area to design the evaluation based on previous evaluations and what we knew about change and how long it generally was anticipated to take. We anticipated that we would see some other shorter term outcomes around stabilisation and reductions in alcohol consumption, gambling and drug use. Bear in mind some of the difficulties in the early stages of measuring that. Over time, they were foundational early outcomes required to achieve the medium term community outcomes. As I said, once we get a more longitudinal data sample as the trial goes out and we have a longer period of time and we can look more closely at, for example, crime stats relating to violence and so forth, we will be able to see what those longer term impacts are.<sup>41</sup>

### *1800 RESPECT service*

3.21 The committee questioned DSS on its administration of 1800RESPECT service, particularly the approach to first-line response services and complaints management.<sup>42</sup> Mr Pratt assured the committee that male counsellors do not answer 1800RESPECT calls.<sup>43</sup> In response to Senators questions, DSS provided detailed information on DSS' involvement with the tender process for the 1800RESPECT service, which is currently administered by Rape and Domestic Violence Australia

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39 Mr Finn Pratt AO PSM, Secretary, Department of Social Services, *Proof Estimates Hansard*, 1 June 2017, p. 40.

40 *Proof Estimates Hansard*, 1 June 2017, pp. 69–70.

41 Ms Kathryn Mandla, Branch Manager, Department of Social Services, *Proof Estimates Hansard*, 1 June 2017, p. 73.

42 *Proof Estimates Hansard*, 1 June 2017, pp. 33–35.

43 *Proof Estimates Hansard*, 1 June 2017, p. 40.

(RDVSA) under subcontract from Medibank Health Solutions (MHS).<sup>44</sup> The committee received detailed evidence on the discrepancies between MHS and RDVSA data regarding the nature of calls received by 1800 RESPECT and the extent to which specialist trauma counsellors are required to manage those calls.<sup>45</sup>

*Commonwealth Redress Scheme for survivors of institutional childhood sexual abuse*

3.22 The committee considered particulars of the 2017–18 Budget measure to establish the Commonwealth Redress Scheme for survivors of institutional childhood sexual abuse (scheme). The committee received information on: the timeline for implementation of the scheme; the remit of the scheme to support victims from Commonwealth institutions; maximum payments available under the scheme; particulars of witnesses' engagement with the scheme; and the forward process for having states and territories come on board.<sup>46</sup>

3.23 Other matters that were examined under Outcome 2 include:

- support programs for victims of trafficking;<sup>47</sup>
- factors contributing to disrespect and violence against women;<sup>48</sup>
- redesign of the Strengthening Communities Program;<sup>49</sup>
- funding of emergency relief services the accessibility of service locations;<sup>50</sup> and
- drug and alcohol support services existing in conjunction with the CDC trial.<sup>51</sup>

## **Department of Human Services**

3.24 This section contains the key issues covered during the committee's examination of for the Department of Human Services (DHS).

*Community Development Programme*

3.25 Consideration of DHS' performance and expenditure began with questions regarding the administration of funding for the Community Development Programme (CDP) regarding participants who breach the programme's requirements; the support

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44 *Proof Estimates Hansard*, 1 June 2017, pp. 55–60.

45 *Proof Estimates Hansard*, 1 June 2017, pp. 59–60.

46 *Proof Estimates Hansard*, 1 June 2017, pp. 43–48.

47 *Proof Estimates Hansard*, 1 June 2017, pp. 31–32.

48 *Proof Estimates Hansard*, 1 June 2017, p. 41.

49 *Proof Estimates Hansard*, 1 June 2017, pp. 49–41.

50 *Proof Estimates Hansard*, 1 June 2017, pp. 61–62.

51 *Proof Estimates Hansard*, 1 June 2017, p. 76.

Centrelink provides to CDP participants; actions that constitute a breach of CDP conditions; and rates of non-compliance investigations.<sup>52</sup>

#### *Drug testing trial for jobseekers*

3.26 The committee sought to examine DHS on its involvement with the drug testing trial for jobseekers proposed under the Better Targeting of Assistance to Support Jobseekers 2017–18 Budget measure. The committee heard that DHS will be managing the measure's procurement process, which is in early stages of development.<sup>53</sup> DHS is currently in the process of: consulting with other Commonwealth agencies who conduct widespread drug testing initiatives;<sup>54</sup> assessing the engagement of a third party with specialist knowledge of medical testing regimes;<sup>55</sup> and considering how contact will be made with jobseekers to be notified of a drug test.<sup>56</sup>

3.27 Other matters that were examined under DHS include:

- compliance measures for income support payment recipients;
- freedom of information requests submitted to DHS;<sup>57</sup>
- Medicare eligibility for refugees;<sup>58</sup>
- Centrelink call wait times;<sup>59</sup>
- DHS staffing level reductions;<sup>60</sup>
- Disability Support Pension reviews;<sup>61</sup>
- Parenting Payment eligibility requirements;<sup>62</sup> and
- the number and profile of Centrelink debt appeals made to the Administrative Appeals Tribunal.<sup>63</sup>

3.28 Consideration of matters related to DHS' performance and expenditure concluded the committee' examination of departments and agencies for the 2017–18 Budget Estimates.

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52 *Proof Estimates Hansard*, 1 June 2017, p. 86.

53 *Proof Estimates Hansard*, 1 June 2017, p. 92.

54 *Proof Estimates Hansard*, 1 June 2017, p. 93.

55 *Proof Estimates Hansard*, 1 June 2017, p. 94.

56 *Proof Estimates Hansard*, 1 June 2017, p. 96.

57 *Proof Estimates Hansard*, 1 June 2017, p. 99.

58 *Proof Estimates Hansard*, 1 June 2017, p. 102.

59 *Proof Estimates Hansard*, 1 June 2017, p. 106.

60 *Proof Estimates Hansard*, 1 June 2017, p. 110.

61 *Proof Estimates Hansard*, 1 June 2017, p. 114.

62 *Proof Estimates Hansard*, 1 June 2017, p. 122.

63 *Proof Estimates Hansard*, 1 June 2017, pp. 126–127.



Senator Jonathon Duniam

Chair

June 2017