



COMMONWEALTH OF AUSTRALIA

Proof Committee Hansard

SENATE

COMMUNITY AFFAIRS LEGISLATION COMMITTEE

Estimates

(Public)

FRIDAY, 5 APRIL 2019

CANBERRA

CONDITIONS OF DISTRIBUTION

This is an uncorrected proof of evidence taken before the committee.
It is made available under the condition that it is recognised as such.

BY AUTHORITY OF THE SENATE

[PROOF COPY]

INTERNET

Hansard transcripts of public hearings are made available on the internet when authorised by the committee.

To search the parliamentary database, go to:

<http://parlinfo.aph.gov.au>

SENATE

COMMUNITY AFFAIRS LEGISLATION COMMITTEE

Friday, 5 April 2019

Members in attendance: Senators Askew, Gichuhi, Griff, McAllister, O'Neill, Patrick, Polley, Siewert, Dean Smith, Spender, Storer, Watt.

HEALTH PORTFOLIO

In attendance

Senator Scullion, Minister for Indigenous Affairs

Senator Fifield, Minister for Communications and the Arts

Department of Health

Whole of Portfolio

Ms Glenys Beauchamp PSM, Secretary

Professor Brendan Murphy, Chief Medical Officer

Mr Matt Yannopoulos PSM, Deputy Secretary, Corporate Operations Group

Ms Caroline Edwards, Deputy Secretary, Health Systems Policy and Primary Care Group

Ms Penny Shakespeare, Deputy Secretary, Health Financing Group

Dr Lisa Studdert, Deputy Secretary, Ageing and Aged Care Group

Mr Matthew Boyley, Acting Deputy Secretary, Population Health and Sport Group

Mr Charles Wann, First Assistant Secretary, Financial Management Division

Mr Paul McCormack, Chief Budget Officer, Financial Management Division

Ms Stefanie Janiec, Acting First Assistant Secretary, People, Communication and Parliamentary Division

Ms Jodie Grieve, Assistant Secretary, Communication and Change Branch, People, Communication and Parliamentary Division

Outcome 1

Mr Paul McBride, First Assistant Secretary, Health Economics and Research Division

Ms Adriana Platona, First Assistant Secretary, Technology Assessment and Access Division

Mr Tim Kelsey, Chief Executive Officer, Australian Digital Health Agency

Ms Bettina McMahon, Chief Operating Officer, Government and Industry Collaboration and Adoption Division, Australian Digital Health Agency

Outcome 2

Mr Paul McBride, First Assistant Secretary, Health Economics and Research Division

Mr David Hallinan, First Assistant Secretary, Health Workforce Division

Outcome 3

Mr Matthew Boyley, Acting Deputy Secretary, Population Health and Sport Group

Ms Kate Palmer, Chief Executive Officer, Sport Australia

Mr Peter Conde, Chief Executive Officer, Australian Institute of Sport

Mr Peter Dunlop, Chief Financial Officer, Corporate, Sport Australia

Mr Luke McCann, General Manager, Corporate, Sport Australia

Outcome 4

Ms Adriana Platona, First Assistant Secretary, Technology Assessment and Access Division

Mr David Weiss, First Assistant Secretary, Medical Benefits Division

Outcome 5

Professor Brendan Murphy, Chief Medical Officer

Professor Paul Kelly, Chief Medical Advisor, Health Products Regulation Group

Dr Jane Cook, First Assistant Secretary, Medicines Regulation Division, Health Products Regulation Group

Mr George Masri, Acting, First Assistant Secretary, Regulatory Practice and Support, Health Products Regulation Group

Outcome 6

Ms Maria Jolly, First Assistant Secretary, Aged Care Reform and Compliance Division

Mr Jaye Smith, First Assistant Secretary, Residential and Flexible Aged Care Division

Mr Nigel Murray, Assistant Secretary, Funding Policy and Prudential Branch,

Ms Fiona Buffinton, First Assistant Secretary, In Home Aged Care Division

Committee met at 08:59

CHAIR (Senator Gichuhi): I declare open this meeting of the Senate Community Affairs Legislation Committee on 5 April 2019. The Senate has referred to the committee the particulars of proposed expenditure for 2019-20 for the portfolio of Health and the portfolio of Social Services, which includes the Department of Human Services. The committee may also examine the annual reports of the departments and agencies appearing before it. Today, the committee will begin its examination of the budget estimates of 2019-20 for the Health and Social Services portfolios. The committee has fixed 30 May 2019 as the date for the return of answers to questions taken on notice. Officers are to be aware that this date has effect notwithstanding a prorogation of the parliament. Senators, I remind you that any written questions on notice should be provided to the secretariat by close of business, 18 April 2019.

The committee's proceedings today will begin with an examination of the Health portfolio, commencing with whole-of-portfolio and corporate matters, and then continuing with the portfolio outcomes and agencies as listed on the program. At 4 pm, the committee will commence its examination of the outcomes and agencies of the Social Services portfolio, including, at 9.15 pm, the Department of Human Services. The committee has scheduled estimates hearings to further examine the Health portfolio on 10 April 2019, and the Social Services portfolio on 11 April 2019. If needed, the committee may hold a further estimates hearing on 12 April 2019.

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

The Senate, by resolution in 1999, endorsed the following test of relevance of questions at estimates hearings. Any questions going to the operations or financial positions of the department and agencies which are seeking funds in the estimates are relevant questions for purposes of estimates hearings. I remind officers that the Senate has resolved that there are no areas in connection with the expenditure of public funds where any person has discretion to withhold details or explanations from parliament or its committees, unless the parliament has expressly provided otherwise. The Senate has resolved also 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, which will be incorporated by Hansard:

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)

CHAIR: 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 the public interest that could result from the disclosure of the information or the document. Officers are requested to keep opening statements brief or to seek to incorporate longer statements into the *Hansard*.

Department of Health

[09:05]

CHAIR: I now welcome Senator the Hon. Nigel Scullion, representing ministers for the Health portfolio, and the secretary and officers of the department. Minister, do you wish to make an opening statement?

Senator Scullion: No, but I thank the chair and the committee for their attendance today.

CHAIR: Secretary, do you wish to make an opening statement?

Ms Beauchamp: No, thank you.

Senator WATT: Thank you, everyone, for coming. Senator Scullion, it might be your final estimates appearance, depending on what happens over the weekend.

Senator Scullion: Unless we're here next week.

Senator WATT: Do you want to repent for your sins and join the Labor Party on your last day as a minister?

Senator Scullion: I'm glad you think I'd be welcome!

Senator WATT: Well, maybe you would need to go to a re-education camp first or something!

Senator POLLEY: We haven't had a discussion about it!

Senator WATT: That's true—I haven't caucused with my colleagues; I was freelancing there! Can we just start with a few questions about the Health Funding Facts website, which I think is a fairly new website for the department—is that correct?

Ms Beauchamp: Which Health Funding Facts are you talking about?

Senator WATT: I was going to ask about a particular graph that's an excerpt from it—which I can table, if you like—that shows increases to hospital funding. I don't know if that helps you—

Ms Beauchamp: Is this under hospital funding? I'm just wondering whether we should look at that as part of the hospitals outcome?

Senator WATT: We've only got a couple of cross-portfolio things. The question is about the website in general. There are a couple of questions about this graph, but the question is about the website in general. Does that help you work out which one I'm talking about?

Ms Beauchamp: From a distance, I think I can—

Senator WATT: I'll try and pull it up on my iPad so I can maybe direct you to the exact site that I'm talking about. Are you familiar with that graph that's on this Health Funding Facts website? It's headed 'Total Australian Government hospital funding'.

Ms Beauchamp: Without being able to see that graph from here, I am familiar with the website, yes.

Senator WATT: It looks like the website is beta.health.gov.au. That's the URL that's coming up for me. If you google 'Health Funding Facts', that's what comes up. You'll see, on the opening page there, that it's got a graph titled 'Total Australian Government hospital funding'. The figures that are presented there are as follows. 2012-13 starts at \$13.3 billion, rising in 2024-25—which is a couple of elections away, I suppose—to \$28.7 billion. Are those figures adjusted for inflation?

Ms Edwards: If you look down a bit at the disclaimers, you'll see that the future funding amounts are based on the published spending estimates of the National Health Reform Agreement, as published in the Commonwealth 2018-19 budget. That's the source of all of those numbers.

Senator WATT: Do you know whether those figures are adjusted for inflation?

Ms Edwards: These are Treasury figures. They appear in Budget Paper No. 3. I hesitate, of course, to speak for Treasury, but they're the national partnership assessments that the Treasury has made about what the funding has been and is expected to be under the National Health Reform Agreement. I can look it up—it's in Budget Paper No. 3, but you've probably got it also.

Senator WATT: I'm sorry to harp on about this, but—

Ms Edwards: The National Health Reform Agreement, as we've talked about before, is based on activity based funding for hospitals, contributions and some block funding. In certain circumstances complex payments are calculated by estimate, actuals are provided by the states and then an efficient price is calculated by the Independent Health Pricing Authority. It goes to the administrator, and the Treasury makes an assessment of what has happened, to put it into the numbers. The assessment is based on that formula and what's likely to happen going forward.

Senator WATT: So they're the things that go into providing those figures. But, from what you're saying, I'm taking it that they're not adjusted for inflation, so they don't reflect real growth, if you like.

Ms Edwards: I don't think indexation is the right way of expressing it. They do take into account estimations of what's likely to happen to the change in pricing and activity levels. There are complex assessments based on projections and so on. But you'd have to take up with the Treasury exactly how they come to—

Senator WATT: We all know that, year on year, health costs go up, whether it be staff or devices—I'm not sure about the current levels, but in the past, certainly, healthcare costs have risen higher than inflation.

Ms Edwards: Yes, healthcare costs have risen and so has activity in relation to hospitals. My understanding is that that's taken into account in making what are well-considered estimates going forward. They're published in Budget Paper No. 3, and that's what's reproduced here. Obviously, it's last year's budget; we haven't got to—

Senator WATT: Yes, I understand that. And are those figures adjusted for population growth?

Ms Edwards: The estimate of activity would have in it an element of population. So how much activity we expect to happen in a public hospital is based in part on the price and on how much activity, which is based on population, and—

Senator WATT: If the Australian population keeps growing at, let's say, two per cent or whatever it is then the cost of servicing that increasing number of people goes up as well?

Ms Edwards: It would be a factor. It's not as simple as that, because you factor in age, demographics and all sorts of things. But, again, these estimates are done by the central agencies. We provide advice and input, but they're not numbers we own.

Senator WATT: But the reality is that the growth in funding that's reflected in this graph—you could describe it as notional growth. It doesn't take into account the fact that population is growing and that the cost of providing health care is growing.

Ms Edwards: It does.

Ms Beauchamp: I think it does. Within the National Health Reform Agreement—and this is total Australian government expenditure; you also need to look at state and territory government expenditure—there are a number of parameters that are used, which Ms Edwards has already spoken about: national efficient price and activity levels. Activity levels will reflect growth in population.

Senator WATT: That's right. I think we're actually arguing at cross-purposes. What I suppose I'm really getting to is that if, for instance, hospital funding does increase from \$19.9 billion in 2017-18 to \$21.2 billion in 2018-19, that increase is a function of your formula, which is a function of things like the population increasing and therefore requiring more dollars to service that increasing number of people. It reflects the fact that the cost of providing health care is increasing for that number of people, and therefore the amount of hospital funding that needs to be provided is increasing. It's more a function of those sorts of increases than any sort of decision of government to add to the pool of funding for an extra number of people.

Ms Edwards: Remembering of course that this is only the Commonwealth contribution. But the formula on which these numbers are calculated—which is very complicated, as we discussed—is based on all of those factors. The agreement which the states and territories and the Commonwealth have reached, which the Commonwealth has offered and which all but two jurisdictions have agreed to do over the next agreement, factors in all of those ideas. So it's that commitment to continue funding that level of activity which is the government decision at play here.

Ms Beauchamp: I think the bottom line is in terms of the figures that are present here. When you look at the current five-year agreement compared to the next five-year agreement, which is a \$30 billion increase, that is well above inflation and population growth. So it does reflect a number of different parameters. It's probably worthwhile us working with Treasury to exactly get the basis of those parameters.

Senator WATT: Okay. Why don't we get you to take that on notice, in that case?

Ms Beauchamp: Yes.

Senator WATT: I've noticed there are quite a lot of graphs on this website. Is there any graph that sets out the effects of the government's cut from a 50 per cent share of growth in hospital funding to 45 per cent?

Ms Beauchamp: I think the graphs reflect what's in the budget papers and reflect the government's contribution to hospital funding going forward—exactly what is reflected in the Treasury budget papers. I think it's Budget Paper No. 3.

Senator WATT: But we don't have a graph here on the website for Australians to see what the effect of that cut from 50 per cent to 45 per cent is?

Ms Edwards: The website reflects—up until the current year—what has actually been paid out and demonstrates what's happened with those amounts of payment. The underlying basis on which that is calculated is not represented. This is a website to show, in a user-friendly way, what has happened with Commonwealth contributions to hospitals.

Senator WATT: If the point of this is to advise Australians about the effect of government policy, wouldn't it be more honest to also have a graph that shows the effect of that decision of government policy to reduce the share of hospital funding?

Ms Edwards: I think what the graph is showing is that, regardless of what decisions are going to be made, the amount of funding made by the Commonwealth to hospitals has increased throughout the period.

Senator WATT: Could we get you to table a graph today that shows the effect of that cut by this government of the 50 per cent share of growth in hospital funding to 45 per cent?

Ms Edwards: We're not engaging in a discussion about cuts. This graph shows what the actual government policy resulted in. That's the graph we can show you, based on the Treasury figures, as to what's actually paid out. This reflects what has happened and what payments have been made.

Senator WATT: Yes, but what it doesn't show is—to put it, I think, in your terms—the effect of government policy in deciding to cut, or reduce, if that's a better word to use, the Commonwealth share of the growth in hospital funding from 50 per cent to 45 per cent.

Ms Beauchamp: I think what it does show is exactly what expenditure has been incurred in the years up to now and what's in the budget. We're happy to look at combining Australian government funding with state and territory funding, of which the growth rates are much less, and provide you with that information.

Senator WATT: Why would you do that, if this is just about Australian government funding?

Ms Beauchamp: You were wanting a total picture.

Senator WATT: No. Well, I'm wanting a total picture of Australian government funding. I wouldn't expect you to have things on here about state governments.

Ms Beauchamp: Well, this reflects total Australian government funding.

Ms Edwards: And the decisions that governments have made across the period are reflected in what payments have been made out.

Senator WATT: But there's no comparison there to show what funding would have been available, had that decision to cut the share of funding—

Ms Edwards: No, we don't graph what might have happened.

Senator Scullion: Senator, if I could, I understand where you're trying to get to. You think we should have perhaps indicated in a graph on this website that we've increased funding by \$5 billion. If we could have taken it from 2012-13 up from \$13.3 billion to \$21.7 billion, and that was in 2018-19, then the graph would show up to \$26.2 billion in 2022-23. We possibly could have added the \$31 billion increase in public hospitals, which is forecast from 2021-24. But, really—

Senator WATT: I think you have done that.

Senator Scullion: No, the intention of—

Senator WATT: That's it there. I'm looking at that.

Senator Scullion: Indeed, and we're very proud of being able to run a good economy and invest in our public hospitals. But this was intended so you can actually put your postcode in and find out—not only in Medicare, but in two other streams—about which way we're going. But I think that was the nature. It wasn't intended to do something like actually indicate how much more we've invested in hospitals. It was actually by postcode to allow people to understand how we've made our investments over a period of time. It was intended to assist people.

Senator WATT: So you didn't think it was a good idea to put a graph up there to show Australians how much your government had cut the share of growth in hospital funding?

Senator Scullion: Well, clearly, no such graph would exist. As I've indicated, we have increased the nation's public hospital funding by \$5 billion. The graph would then show it going upwards.

Senator WATT: Because the population increases, because healthcare costs keep increasing—

Senator Scullion: Then it would go to \$21.7 billion, then it would go to \$26.2 billion. So that's a graph. Thanks for the advice. Perhaps it's something that we might consider—

Senator WATT: Could you table, over the course of the day, a graph that compares these increases to the increases that would have occurred had the government not cut that share of growth funding?

Ms Beauchamp: Senator, these graphs reflect exactly what's in the budget papers. I think you can go through a number of what-if scenarios that at this stage of the budget would be hypothetical. So I'm not inclined to do those sorts of graphs in terms of 'what if this' and 'what if that'. These are the actual numbers reflected in the budget papers that Treasury have provided, that we're in the process of negotiating with the states and territories on. They show there's been a significant increase in funding from one five-year period to the next five-year period—a \$30 billion increase.

Senator WATT: Who developed this website?

Ms Edwards: The Department of Health.

Senator WATT: Were any external contractors engaged?

Ms Edwards: I think we used some IT-appy-type developer people that we contracted into the department.

Senator WATT: So, 'yes'?

Ms Edwards: Yes.

Senator WATT: Techie-appy people?

Ms Edwards: Techie-appy people.

Senator WATT: Is that a company name?

Ms Edwards: It could be—in my next career.

Senator WATT: I'll google them. How much did the website cost to develop?

Ms Edwards: I'm just seeing if I've got the right numbers. I think it cost—external out-of-pockets, not including staff time—about \$30,000.

Senator WATT: \$30,000 out of pocket?

Ms Edwards: I'm looking for the right piece of paper—but, from my memory, yes.

Senator WATT: That's for these techie-appy people?

Ms Edwards: Yes.

Senator WATT: And then staff time as well?

Senator SIEWERT: We should go and register that name.

Ms Edwards: Yes. Well, it's mine, okay? Yes. And there were staff costs as well.

Senator WATT: Sorry, what was that?

Ms Edwards: Our staff worked on it as well.

Senator WATT: Do you have a figure for that?

Ms Edwards: I don't have a figure. I'm just looking to see. Actually, I've got my number; it's less than I had thought. To develop the Health Funding Facts cost the department \$15,131 in developer costs. So that's less than I had remembered. It would have been part of the work of various members of the department, both in my hospital funding team and in the IT area.

Senator WATT: Okay. So you can't put a figure on the Department of Health staff time?

Ms Edwards: No. It would have been a partial time for up to, say, about 10 people—but only a bit of their work.

Senator WATT: Okay. Whose idea was this website?

Ms Edwards: It was an idea developed in discussion with, I think, the minister's office about how we could present this information in a more user-friendly way.

Senator WATT: A 'more user-friendly way'? Not a more government-friendly way, Minister?

Senator Scullion: As I've indicated, we're all very, very proud of the massive investments we've been able to make in hospital funding. I think the way this was produced was very friendly. I was able to just google my little Howard Springs address and bring up the Northern Territory over periods of time. That was very informative.

Senator WATT: So you're feeling user-friendly right now?

Senator Scullion: Well, it's very rare for me, I have to say—being a bit of a Luddite—being user-friendly. If I can get into it, anyone can.

Senator WATT: Ms Edwards, you said that the website idea emerged out of discussions with the minister's office about how to present this information in a more user-friendly way?

Ms Edwards: Yes.

Senator WATT: So was the development of this particular website ultimately a suggestion from the minister's office?

Ms Beauchamp: It's something that we worked on together. Given the complexity of the tables that we've provided to this committee and that we do provide more broadly, it is very hard to understand exactly what it means when you're looking at different periods of time—where the money goes, who makes a contribution and the like. So I think we have worked with the office in terms of how we present it more clearly and provide some clarity around Australian government funding.

Senator WATT: So the minister's office contacted the department one day and said, 'We want to have a discussion about how we can present this complex information in a more user-friendly manner?'

Ms Edwards: I can't remember exactly. There were lots of discussions about hospital funding. We had a zillion spreadsheets of all the different funding and then the discussion was: 'This is really hard to understand. Can we do it more carefully?' And that iterated into, 'Let's have a website'. Then the website was worked on for a period of some weeks, perhaps even months, about how we make this really user-friendly for people. And then it was eventually agreed for launch.

Senator WATT: So the suggestion that all these complicated spreadsheets be transformed into a simple website came out of the minister's office?

Ms Edwards: I don't remember. I wouldn't have been party necessarily to the conversation.

Ms Beauchamp: So, in terms of presenting budget information and government information, we're in discussions with all three offices all the time about how to present information. I think even in the portfolio budget statements, I might have seen a graph which I haven't seen in portfolio budget statements before. So we are absolutely looking at different ways of presenting very complex budget information.

Senator WATT: Do you think it's an appropriate use of public funds to include political messaging in this sort of departmental funded website?

Senator Scullion: Perhaps you could point out exactly where that—I just missed it; I was just looking at it.

Senator WATT: 'The Australian government is providing record investment in health care across hospital funding, Medicare services and the Pharmaceutical Benefits Scheme.' That seems to be a statement designed to elicit a favourable view of the government.

Senator Scullion: It's actually factual. This is the Australian government. That's just a factual statement.

Senator WATT: Why haven't you included the factual information about the cut in growth to hospital funding, if you're about facts?

Senator Scullion: Because there hasn't been any factual cut. As I said, we're very proud of the increase that we've had year on year. It's actually \$31 billion, not \$30 billion.

Ms Beauchamp: Sorry.

Senator Scullion: That's a rounding error. But I'm glad we are conservative about that. So I just don't accept that that's the case, Senator.

Senator WATT: When was this website launched?

Ms Edwards: On 25 March.

Senator WATT: Was there any request from the minister's office as to when they wanted to get this website up and running?

Ms Edwards: I think there was enthusiasm to get this up and running well before that, as there often is. But we found it quite difficult, and the development went on longer than we had expected.

Senator WATT: Were there any further requests from the minister's office in the weeks leading up to its launch about the importance of getting it up and running?

Ms Edwards: As in all of the important work we do, we're often told, 'Get this happening quickly', and we did it as quickly as we could.

Senator WATT: You don't think that the timing of getting this website up and running, including statements praising the Australian government, is a little bit suspicious only a few weeks before an election?

Senator Scullion: Again, we just went through that. I don't think this is praising the Australian government. It is just simply factual.

Senator WATT: Well, it's some of the facts.

Senator Scullion: And I'm not wishing to reprimand you on that. You're just asking the department again. The preface of the question was incorrect.

Ms Edwards: The timing, at the end of the day, was a function of how long it took us to develop it. We think we started in about September. We iterated it various times. Getting the data to feed in was tricky. We have to do the MBS and the PBS as well. It was launched pretty much when it was ready.

Senator WATT: Okay. Just a couple of other, hopefully quick, cross-portfolio things. The budget delivered this week—and I'm looking at budget paper 4, page 174—shows, if I'm reading it correctly, that the Department of Health will lose 259 staff this year. Is that correct?

Ms Beauchamp: I think you need to be careful about saying 'lose'. There have been, as the footnote says, some machinery-of-government changes, which have seen, for example, 280 staff transferred to the Department of Social Services in relation to the administration of our grants. So that's one element.

Senator WATT: How many was that, sorry?

Ms Beauchamp: There's been 284, to be exact.

Senator WATT: To administer Department of Health grants?

Ms Beauchamp: Yes.

Senator WATT: Does that account for all of those 259 plus more?

Ms Beauchamp: It's more than the minus 259. There have been other changes in the portfolio as well, with the formation of the Aged Care Quality and Safety Commission and the combination of the quality agency and the complaints agency, and the transfer of staff to the commission as well.

Senator WATT: I can see that there are extra Aged Care Quality and Safety Commission staff. Were any of them people that came out of the Department of Health?

Ms Beauchamp: Yes, they were.

Senator WATT: Will there be any voluntary redundancies or forced redundancies within the Department of Health in the coming year?

Ms Beauchamp: There will be no forced redundancies. We do look at ensuring on an ongoing basis that we've got the right skills and positions to deliver in our work, and occasionally voluntary redundancies are offered, but it's not an ongoing program and not as big as the redundancy that we did back in 2017.

Senator WATT: Have you budgeted for voluntary redundancies?

Ms Beauchamp: No, we haven't. We don't specifically budget for voluntary redundancies.

Senator WATT: So it's not possible to put a cost on any redundancies? You can't put a price on what redundancies might occur, because it hasn't really been budgeted for?

Ms Beauchamp: It won't be budgeted for, and it varies and is on a case-by-case basis depending on the person taking the voluntary redundancy.

Senator WATT: Okay. Have there been any groups, divisions or branches within the department where staffing reductions are being made?

Ms Beauchamp: No, there have not, as I've indicated.

Senator WATT: And none are planned for?

Ms Beauchamp: No, none are planned for. But we always look for efficiencies and doing things better. What I told staff this week is that generally there are changes in reporting arrangements. You may want to transfer resources from one area to another depending on emerging challenges and government priorities.

Senator WATT: How many staff has the Department of Health lost under the current government?

Ms Beauchamp: Again, I'm not too sure what you mean by 'lost', because there are people who leave the department.

Senator Scullion: Misplaced? We haven't misplaced any.

Senator WATT: No, you've sacked some.

Senator Scullion: Do you know how many have been dismissed or sacked?

Senator WATT: Well, made redundant.

Ms Beauchamp: Since 2017?

Senator WATT: Let's go back to 2013.

Ms Beauchamp: I haven't got those figures in front of me, but I can certainly provide those figures. But, in terms of staffing, over the course of that period it's very clear in the budget papers what our cap is.

Senator WATT: Can you remind me?

Ms Beauchamp: Yes—not since 2013, but I can talk about the cap that we're currently working to. Our cap is 4,058.

Senator WATT: What year are we talking about there?

Ms Beauchamp: This is in the current year.

Senator WATT: So 2018-19 or 2019-20?

Ms Beauchamp: It is 2018-19. At the moment we have a full-time equivalent staff of 4,031, so we're underneath that cap.

Senator WATT: What was the cap in 2017-18?

Mr Yannopoulos: We don't have those figures with us. I can get them.

Senator WATT: Yes, can you get me that back to 2012-13?

Mr Yannopoulos: Yes, but we'd need to adjust for all of the machinery-of-government changes. The major shifts have been decisions of government to move functions in and out.

Senator WATT: Yes, okay.

Mr Yannopoulos: But, yes, I'll do that.

Senator WATT: Maybe you could get me the cap for those years and the number of redundancies in each of those financial years back to 2012-13.

Ms Beauchamp: Yes.

Mr Yannopoulos: Yes.

Senator WATT: You're not disputing that there has been a reduction in the number of staff. I accept that there have been people moved across different agencies, but there have been redundancies. I think you referred to some in 2017, for instance.

Ms Beauchamp: Yes.

Senator WATT: And I presume there were others before that over the last, say, six years.

Mr Yannopoulos: Only very minor changes. I do have the number of voluntary redundancies for the prior financial year. In 2017-18, there were 131 voluntary redundancies.

Senator WATT: Okay. And you're going to get me the figures in the previous years, but you think it was relatively minor?

Mr Yannopoulos: Yes, that's right. That was the only, if you like, structured reduction that we've done in the period going back to 2012-13.

Ms Beauchamp: Could I clarify, too, that it wasn't because of a specific government decision; it was because we had a substantial operating loss. Given that, we made the decision to get our departmental funding back in order by offering voluntary redundancies.

Senator WATT: And what impact have those redundancies had on the work of the department?

Ms Beauchamp: Those voluntary redundancies have not had a significant impact on their own. I think you need to look at functions going in and out of the department. You need to look at the changes in priorities and how we manage those. And, of course, we've got a mix of ongoing staff, contractors, consultants and the like so that we manage the flexibility of the workforce within the funding envelope we're given.

Senator WATT: How many contractors and consultants, or labour hire—the external workforce, if we want to put it that way, in a broad sense—do you have at the moment?

Ms Beauchamp: I haven't got that figure in front of me, so I'll ask Mr Yannopoulos.

Mr Yannopoulos: I can find the dollar value. We have 135 consultancy contracts with expenditure, year to date this financial year, of \$22.1 million. There are 417 contractors in the department.

Senator WATT: I know there can be definitional issues. Those 417 contractors: does that also pick up consultants or people engaged via labour hire or outsourced work?

Mr Yannopoulos: It picks up the labour hire side of arrangements. Consultants, where we are hiring a firm to do a particular piece of work, are not in that number. To give you some kind of visibility of that, the largest number of that 417, 317 of those, work in my group, and they are largely associated with our IT projects.

Senator WATT: Okay. So, even if we just stick to the 417 contractors—and, as you say, that doesn't include consultants who are working on particular projects—if there are 135 consultancy contracts, we must be talking about at least another 200 consultants; it could be anywhere between 200 and 500 consultants.

Mr Yannopoulos: I don't think it's that big, because they are often there for a short piece of work, something from two weeks to six weeks. My estimate would be that at any one time maybe up to a hundred consultants are working in project work of the department.

Senator WATT: There are up to a hundred, say. So that would be about 500. That's an eighth, about 15 per cent. You've got about 4,031 full-time equivalent staff at the moment and roughly another 500 contractors and consultants, so another 15 per cent of your staff are the external workforce. Doesn't that suggest that the staffing cap is limiting the work that you actually need to do? These are people who otherwise could be employed as direct employees of the department.

Ms Beauchamp: I think you need to look at the flexibility of the workforce to meet emerging priorities and changing priorities of government. It's always good to have a mix of ongoing staff, non-ongoing staff, part-time staff and contractors. We primarily use contractors for surge purposes or for particular specialist skills; particularly in the ICT area, as Mr Yannopoulos has said. Going forward, of course, we always just make sure we can fit staffing and that flexibility of the workforce within the budget we're allocated.

Senator WATT: But surely you would concede that there are some of these external contractors and consultants who you could be employing directly if not for the staffing cap? I'm not just picking on Health. This is something that comes up in every estimates: we've got the staffing cap and departments having no choice but to go outside the department to fill their staffing needs because the staffing cap prevents them doing it directly.

Ms Beauchamp: One of the things that I'm very conscious of is making sure we've got the depth and breadth of skills within the workforce, and capability is certainly an issue. We need to maintain the balance, but, of course, it would always be preferable to build up that expertise, which we continue to do, within the department.

For example, we take in 30 or 40 graduates each year. We do look at the capability of our workforce on an ongoing basis. ASL caps are something we live within, of course, and make sure we've got the workforce to deliver what's required of government.

Senator WATT: Would lifting the staffing cap assist the department in it performing its work around health care?

Ms Beauchamp: I don't think that would be the only thing. I think we need to look at a number of things in terms of delivering on the government's agenda. Just the Public Service and what comes with the Public Service and bureaucracy does put additional costs on the department, and I think we're always looking at the level of overheads. We've been looking at, for example, across government, how we create centres of excellence around the Grants Hub, which I've just mentioned, and what that means for the department. It's an ongoing challenge to make sure we've got the workforce that's fit for purpose now and for the future, and it's certainly something that we've contributed to the APS review on.

Senator WATT: Do you think the government should lift its staffing cap?

Ms Beauchamp: That's a decision for government.

Senator WATT: I thought you might say that. I wrote to you a couple of days ago requesting a range of information and I accept that a lot of that was probably difficult to put together at short notice, so thank you to you and your officers for what you've been able to do. I think we received your response yesterday, and I think you flagged that you'd be able to provide some of that information but possibly not all of it.

Ms Beauchamp: Yes.

Senator WATT: You haven't sent any of that to me at this point, have you?

Ms Beauchamp: No, and we can go through that if you like.

Senator WATT: Yes. Could you just tell me which parts you do have? Obviously, you can table anything that you have been able to come up with.

Ms Beauchamp: You've raised a whole lot of issues here. Did you want to go through those one by one?

Senator WATT: Why don't we start with the question about the information about the PBS. I was after the list of all medicines that have been recommended by PBAC but not listed on the PBS as of 5 April.

Ms Beauchamp: We can provide that. I thought it'd be more appropriate to provide that under each of the outcomes as we go through to make sure I've got the relevant staff here.

Senator DEAN SMITH: That would be the correct approach, because we're still in whole of portfolio, as I understand it.

Senator WATT: That's fine. I wasn't actually intending to ask any questions on the basis of what you table now. It might be useful, if it's okay, to just receive this information—not question you about it now—so that I have the opportunity to ask some questions later, in the appropriate—

Ms Beauchamp: Some of it is fairly weighty. For example, I asked Mr Yannopoulos to pull out the information you asked for on terminating grants for 2018-19, 2019-20, and we had people working late last night to try to get all this information, much of which is in the public domain. But when you're looking at 4,340 contracts due to be finalised and terminate in 2018-19 and what we're doing with those to ensure continuity of service to some of them—some are one-off—there's a lot there. And then there's another 1,290 terminating in 2019-20. So it gives you an as-at picture that probably doesn't give you a picture of what we're doing to ensure continuity of service or what kinds of grants they are—whether they're project, service delivery or those sorts of things. We can certainly provide that, but—

Senator WATT: What would be useful so that we can potentially ask questions about some of this information over the course of the day would be if you were in a position now to table any of the information that I requested. I won't ask any questions about it now and might come back to it later.

Ms Beauchamp: I've asked some of the officers to have it available, so I'm not too sure what it looks like in the written form. But, certainly, we can go through aged care appointments. There are a lot of appointments, and in this portfolio—with all the ministerial advisory councils, the governance appointments and the number of portfolio agencies we have, for example—that is quite a lengthy tome, again. And there are expiry dates for appointments ongoing. But there are changes, too, on an ongoing basis. There are grants. We can talk about the mental health announcements under mental health. There's the Medical Research Future Fund. We can talk about the questions that you've asked. Indeed, there's expenditure on advertising. We can go through that in detail as well.

Senator WATT: Can I just take you to about four of the things that I asked for in the letter for the moment? There's the point about the PBS. I was keen to get a list of all the medicines that have been recommended by the PVAC but were not listed on the PBS as of 5 April. Could I get that list now and ask questions about it later?

Ms Beauchamp: Can I check with the officers in the break because that's an update on a question on notice?

Senator WATT: Yes, it is.

Ms Beauchamp: It is about providing what we've provided on notice and an as-at date, today. I'll follow that up.

Senator WATT: Yes. There's the question about advertising. I was after the department's total expenditure on advertising and information campaigns in the current financial year.

Ms Beauchamp: We can do that now. Mr Yannopoulos is here at the table.

Senator WATT: That is a properly cross-portfolio matter. Always happy to keep you happy, Senator Smith.

Senator Scullion: You just jagged it, mate!

Mr Yannopoulos: The total expenditure so far, year to date, is \$2,144,345.

Senator WATT: What's the budget for the current financial year? That's what's been spent so far. Do you have what's—

Mr Yannopoulos: Yes. The total budget was \$19.5 million.

Senator WATT: And you've only spent \$2.1 million?

Mr Yannopoulos: That's right. A lot of it is in later media buys. We will not spend all of the \$19½ million that was budgeted for due to the expectation that we'll shortly be in caretaker—

Senator WATT: I'd sort of forgotten. Any of the ads that you've commissioned won't be able to run through caretaker or will they?

Ms Beauchamp: The Department of Finance makes that decision. Of course, there are things like immunisation and public health campaigns that I think would be legitimate to continue on public health information. But it is the Department of Finance that makes the decisions on what campaigns should be withdrawn during any caretaker period.

Senator WATT: So we can look forward to lots of ads about the Australian government delivering record hospital funding, over the caretaker period?

Senator Scullion: I don't think that's fair, Senator. The Department of Finance, during that period of time, when they're in caretaker mode, is responsible, as has been the convention for a very long time. I think we should all know that, irrespective of who is in government at the time, the election periods haven't been characterised by the sorts of things you describe.

Senator WATT: They have not been?

Senator Scullion: No, I don't think they have.

Senator WATT: Let's hope it stays that way.

Senator Scullion: We should have some confidence that the same convention has applied in the past and protected us and the same convention will protect us in the future.

Senator WATT: I hope you're right, Senator Scullion. Mr Yannopoulos, you said you spent \$2.1 million and you've got a budget of \$9.5 million. You said something like there were later media buys, so there has been time bought over the remainder of the financial year for further advertising?

Mr Yannopoulos: That's correct. Would you like me to list the campaigns?

Senator WATT: I'm just conscious of time. Is it possible to get that tabled rather than get you to run through each? I'm already over time for the cross-portfolio.

Mr Yannopoulos: I'll see if I can find a clean copy that doesn't have my handwritten notes all over it.

Senator WATT: Yes, if you could. That was obviously one of the other questions: an itemised list of all advertising and information campaigns run by the department for the current financial year and the funds attributed to each campaign. That sounds like something you're reading from there. Also provide detailed information about the advertising and information campaigns the department has planned for the rest of the 2018-19 year, including the content of those campaigns, estimated expenditure and details on ad buys and placements. You've got that available?

Mr Yannopoulos: I do.

Senator WATT: And an itemised list of all AusTender contract notice numbers for all advertising and information campaign contracts in the financial year. You've got that as well?

Mr Yannopoulos: I do.

Senator WATT: In the interests of time, I'll get you to table that rather than read it out to us, if that's okay. The other two topics within that letter that I was most interested in include the Community Health and Hospitals Program. I was after the financial profile of the program over the forward estimates and a list of projects that have been announced as 5 April 2019, including the financial profile and contract status for each.

Ms Beauchamp: We can certainly provide information on the projects that have been announced.

Senator WATT: Is that, again, in a form that can just be tabled to save us time?

Ms Beauchamp: I'll have to check with the officers. Can I do that at the break?

Senator WATT: Sure. You can do that over the break as well. That's fine.

Ms Beauchamp: Thank you.

Senator WATT: Finally—and you've referred to this as well—the Medical Research Future Fund. Could you please provide a breakdown of MRRF disbursements by program missions, specific research projects for each of the next 10 years? It is basically an update of a question on notice as well. Have you been able to put that—

Ms Beauchamp: I went through that with the officers this morning and that should be available.

Senator WATT: If we could get all of them tabled after the break that would be useful and then maybe we can come back and ask questions in the relevant part of the program. Obviously, there's a range of other things I haven't asked about there. If we could get them as well, but in particular those ones, that would be helpful.

Ms Beauchamp: We can address those as we go through each of the outcomes.

Senator WATT: Yes; that would be great. I might ask questions about this later in the right part of the program, but I just thought I'd flag this so that you could get people working on this if need be. I think there have been over 490 applications received for Medicare-eligible MRIs.

Ms Beauchamp: Yes.

Senator WATT: I think the minister put out a press release talking about that. Could I, please, today, get a list of all MRIs that do not have a Medicare licence? We can come back to that in the outcome 4, but I thought that officers might need a bit of time to start working on that.

Ms Beauchamp: Okay; thank you.

Senator WATT: As I understand it, the department has a website that lists all of the MRI locations that do have Medicare licences. What I'm looking at is the MRIs that don't have Medicare licences.

Ms Beauchamp: I'm not too sure what level of detail we've got on that.

Senator WATT: It might be that you have a list of all of them that don't have licences or it might be that you have a list of every location in Australia that has an MRI machine, not broken down by whether it has a Medicare licence or not. That would probably work as well, because, if we know the ones that have them and the total of all of them, we can work which ones don't.

Ms Beauchamp: Okay.

Senator WATT: So if you could ask your officers to start on that for, that would be great.

Ms Beauchamp: I'm sure they're listening.

Senator WATT: That's it for us on cross portfolio.

Senator DEAN SMITH: And, of course, they get tasked by the secretary, not backbench senators.

Senator WATT: Indeed—when asked by backbench senators.

[9:52]

CHAIR: We will now go to the next outcome, outcome 6, ageing and aged care.

Senator POLLEY: I want to move to outcome 6.2. I don't know if there are questions in 6.1 for anyone.

Senator DEAN SMITH: Sometimes we'll move around the outcome to allow other senators to come and go. Are you happy to continue with that approach or would you prefer to go individual outcome by individual outcome and then give up those outcomes that get—

Senator POLLEY: My questions are in 6.2. I'm happy to kick off with that.

CHAIR: Okay. If nobody else has questions on 6.1, then we will go to 6.2.

Senator POLLEY: In the 2019-20 budget, the government will provide \$5.9 billion over two years from 2020 to 2021 to extend the Commonwealth Home Support Program funding arrangements. Can the department confirm that there will be no transition of the CHSP in 2020?

Dr Studdert: That is correct. The government has confirmed that the CHSP will continue for 2020-21 and 2021-22.

Senator POLLEY: Why isn't the CHSP transitioning as planned in 2020? That was the plan.

Dr Studdert: The government continues to review the range of services, requirements and needs in the community. As you know, the CHSP provides a very rich set of services to communities around the country. It has been determined that, at this stage, it is appropriate to continue those services while we continue to develop home care programs across the portfolio of aged care.

Senator POLLEY: But isn't it a fact that this was originally scheduled to happen on 1 July 2018? Why wasn't the CHSP transitioned at that time?

Ms Beauchamp: I think the government made a decision, in a budget following that, that it would need to work more closely with stakeholders and make sure that we provided continuity of service but also make sure that we were preparing ourselves for a more integrated program. And I think we're looking at both those things, particularly in the context of the royal commission and other things that are happening in this area. This extension provides certainty for continuity of support while then we look at and work with the sector in terms of how we streamline the assessment process for home care and residential care going forward, which is part of this program.

Senator POLLEY: What work have you undertaken to enable this transition?

Ms Buffinton: The first thing we did was in 2017, where we went out with a discussion paper on the nature of what transition of Commonwealth home support and home care might look like. As I think we've discussed previously in Senate estimates, there were quite divergent views. There wasn't a clear view, including even in the National Aged Care Alliance, on what the nature of a transition should look like. What we've been doing is this. The first stage in extending from 2018 to 2020 was a much greater focus on reablement and seeking to position Commonwealth home support as the entry-level program for aged care. I think it's also got to be remembered that, in that period 2018 to 2020, it was only on 1 July 2018 that Western Australia joined so that we got the full Commonwealth Home Support Program.

We've also been looking at the precursor to being referred to in-home care, which is of course assessments. As you're aware, we've been working on the streamlined assessment as also a precursor to what comes together in the future of how we better align our two current programs of Commonwealth home support and home care. Streamlined assessment will be coming in from July 2020. We've had a discussion paper out. We had over 223 responses to that in February. We've been working through those responses in getting that model of what streamlined assessment will look like, which will be a precursor to where we head with care in the home.

Senator POLLEY: Because this has been delayed a number of times, we now have the third tranche of a date for transition. Are you confident that you'll be able to meet that date?

Ms Beauchamp: I'm confident that we'll be able to meet that date. Given the number of pieces of work that Ms Buffinton spoke about, we've got a significant data study happening in 2019-20 to better understand both supply and demand aspects of the Commonwealth Home Support Program. This is something that has been transitioned from the states and territories under the old HACC. The last transition came only on 1 July 2018, with Western Australia. Now we've got a very good view of what we've got in front of us and are looking at how we can now ensure that that's meeting the needs and demands of over 800,000 consumers. I'm confident that we can get the work done, but we've got to get the work done with the sector.

Senator POLLEY: Can you just outline to me: what exactly is the work that's been undertaken over the last 12 months, please?

Ms Buffinton: Yes. First of all, we have a couple of relevant trials. We've got a reablement trial, where, in addition, all Commonwealth home support providers are expected to have a greater reablement focus so that, when people come to aged care, they may not come permanently to aged care; they may be reabled and supported to become totally independent again. Over the next 12 months, we'll be doing a greater focus on reablement, and that will be written up because that will help us with the model.

Also relevant is the system navigator. We've got those trials to look at what the role of the system navigator is in supporting coming into Commonwealth home support. Some of the other areas that we are looking at are: over time, are there some services that lend themselves more to block funding and others that lend themselves to other

funding? We're aware of the high level of volunteers that are involved in Commonwealth home support, and we clearly don't want to disenfranchise those volunteers. They're probably some of the key areas.

To check on how reablement is going, we've just done a major survey of all Commonwealth home support providers. They had to report by December. We're just finalising those reports. Certainly, while it's not in the public domain, I can say that 80 per cent of Commonwealth home support providers feel that they do understand and they're now involved in that reablement focus. We also had a roundtable with the minister in January, where we had probably about 50 or 60 representatives of the broader Commonwealth home support sector—of consumers, providers and so forth. It's fair to say that, again, there were very divergent views, because there are some who would like a continuation of what's been for a very long time and others that are looking to have the opportunity of entering into the Commonwealth home support—that earlier-stage side of servicing. The divergent views continue.

Senator POLLEY: Can I just clarify that what you said before was that the transitioning was delayed because of WA coming on board?

Ms Beauchamp: No, that's not the only reason. It was making sure that we took stakeholders and consumers with us in understanding the integration of a program for better home support in the future. Part of that process is looking at the assessment process. Part of that process is understanding the supply and demand for the Commonwealth Home Support Program. I think we've been looking at trialling different options for people living independently. I think that was highlighted in the 2018-19 budget as well. There are a number of factors feeding into the reform program that we're on.

Ms Buffinton: We're also doing a major data study that's kicking off now that will be going over about the next three or four months. As the secretary said, because of the nature of grants and the fact that providers only have to respond every six months on how they've been spending those funds, through the Department of Social Services data exchange, we can only proxy what are, in effect, demand and supply. So we're doing a major piece of work over the next four months to actually get a baseline, which we've never had, on exactly what demand and supply are. It's only now that we've got all the states involved in the system that we have that opportunity.

Senator POLLEY: How many older Australians are recipients under the CHSP, and how many were there on 1 July 2018? What's the current figure, and what was it at 1 July 2018?

Ms Buffinton: The broad answer is 850,000. I'll just have to take a minute or two to find you the figure. It's within a thousand people of 850,000. I've got to just add together the fact that we've got—

Dr Studdert: I'm sorry, Senator—on what date?

Ms Buffinton: On the 1st, effectively, Western Australia came together. The figure for Commonwealth home support at that point was 783,043.

Dr Studdert: That's for 2017-18.

Ms Buffinton: That's 2017-18.

Dr Studdert: And then, on 1 July, WA joined.

Ms Buffinton: When we brought in WA, I've just got to—

Dr Studdert: It was 91 providers. You wanted the figure with the consumers?

Senator POLLEY: The current one, now, and as of 1 July 2018.

Ms Buffinton: As of 1 July would effectively be the latest number that we have, because we go on six-month data. Sorry, I've just got to find—

Ms Beauchamp: We can get that figure for you over the break and bring it back to you.

Senator POLLEY: That would be great. How many of the CHSP recipients are co-contributors, and how many recipients receive full subsidisation from the government?

Ms Buffinton: Again, we can get that for you over the break.

Senator POLLEY: Excellent. In that case, then, can you tell me: why do some recipients contribute while others don't? And why isn't there a consistent approach to who pays and who doesn't?

Ms Buffinton: In Commonwealth home support, the guidance is that those who can contribute should, while protecting those who are most vulnerable. Every provider has to have a contributions policy, but that does vary from provider to provider. I'll get those figures for you, as I said, over the break, but the level of contribution in Commonwealth home support and certainly relative to home care is very low, because some of these contributions are literally on day outings where people give a gold coin donation. But I can give you those figures, which we'll come back to straight after the break.

Senator POLLEY: That would be very useful. Has any work been undertaken to regulate the changes in the CHSP?

Dr Studdert: Senator, can you just clarify what you mean with 'the changes'?

Senator POLLEY: In relation to, I guess, the preparation of going into transitioning.

Ms Buffinton: In terms of regulating what's going on, as far as regulation of Commonwealth home support is concerned, there are two key elements. One is the financial element—so, if you like, keeping an eye that providers are doing what the Commonwealth home support guidelines expect. That's the Department of Social Services. It used to be part of the Department of Health, but we moved to the DSS Community Grants Hub. We have, through DSS, staff all over Australia who work directly with providers. There are about 12 providers per DSS financial—they used to be called the grants administration managers. They do a role. Then, of course, there's a role for the Aged Care Quality and Safety Commission, which is on the quality of the service.

Senator POLLEY: If we just go back to the charges for the CHSP, has there been any work done to regulate these changes of the charges?

Ms Buffinton: All we expect at the moment is that the provider have a policy—and it's checked that they have a policy, because that can vary. We have reports, which I will report back after the break, on the general level of how many of that cohort of 850,000 are being charged at least some form of fee. That could be, as I said, as simple as a gold coin donation, through to a contribution each week to Meals on Wheels. That would vary.

Senator POLLEY: I might have some other questions when we come back after the break. But what will happen to organisations who are currently receiving funding grants as of the CHSP post-2020? What will the impact be on organisations like Meals on Wheels, community transport and local government in Victoria?

Ms Buffinton: The announcement that was made in this budget of an extension of the grant funding through to 2022 gives assurance to all current providers that funding will continue. The nature of the agreement from 2020-22 will be developed over the next 15 months in consultation with the sector.

Senator POLLEY: So that work's being done by the department to ensure continuity of services beyond 2020?

Dr Studdert: Correct.

Ms Buffinton: Yes, that's the key to the announcement.

Senator POLLEY: Has the department undertaken any consultation with these organisations in the lead-up to the budget?

Ms Buffinton: The minister's roundtable in January was an opportunity for both the minister and the department to talk to representatives of the current providers and also consumers. That was the only proactive work. Now that the announcement has been made, the department will now actively engage with providers and consumers on what the agreement will look like between 2020 and 2022.

Senator POLLEY: Excellent. You pre-empted my question, thank you. In the Treasurer's budget speech, he stated there will be, '10,000 new home care packages'. Can the department confirm that these are the same home care packages that were announced in February this year on the eve of the royal commission beginning its public hearings?

Dr Studdert: Yes, that's correct.

Senator POLLEY: So the budget now isn't really about the forward budget; it's now being used to re-announce an announcement that was made in February?

Ms Beauchamp: The budget actually had to account for the cost, and now the cost has been included in the budget.

Dr Studdert: It was an early announcement of a budget decision.

Senator POLLEY: It was, but perhaps the minister can clarify what it meant by 'new home care packages' in the budget, given these had already been announced two months earlier?

Senator Scullion: Well, as the department has just explained—

Senator POLLEY: Is that more smoke and mirrors, trying to con older Australians?

Senator Scullion: No, quite the contrary. We indicated that these would be budget measures that would be announced in the budget. There's no smoke and mirrors about that, Senator. In fact, we can't be clearer that we said these are announcements that will be reflected in the budget, and we announced, I think, some 86 per cent increase in the amount of high-care home packages in the budget. That's exactly what happened, Senator.

Senator POLLEY: The Treasurer stated in his budget speech that the number of new home care packages announced over the last 18 months brought the total to 40,000 places. Can the department confirm that these are the same 40,000 home care places that had already been announced since the 2017 MYEFO?

Ms Beauchamp: I think you probably need to look at the picture over a period of time. A few years ago, I think there were only 60,000 home care packages in the field, and I think last financial year we had 124,000 people receive home care packages. The number as at a particular date now is well over 90,000. So there's been quite a significant increase in the number. That 40,000 does relate to the tranches that have been announced over a period of time over the last 18 months, yes.

Senator POLLEY: So they weren't anything more than those that have been announced over the last 18 months, which indicates very clearly that they're not new places coming out of the budget. In Senate estimates on 20 February, the department officials revealed that the total number of home care packages in the system for the year 2021-22 will be 153,438. Can the department confirm if the 40,000 packages are included in this figure? From what you just said, I assume that they are.

Dr Studdert: Yes, that's right.

Senator POLLEY: They are. Will these 10,000 home care packages, including those in the February announcement and this week's budget, be available to those 128,000 older Australians waiting for home care? Can you give me the details about where those 10,000 places that were announced in February, and then re-announced in the budget, will go?

Ms Buffinton: As far as where they go, they go to individuals —

Senator POLLEY: Yes, but where?

Ms Buffinton: What those 10,000 are—as we've discussed before, there are 3,000 level 1s; 2½ thousand level 2s; 2½ thousand level 3s; and 2,000 level 4s. They started to be released from February 2019. As soon as they were announced, they started to go into the system. They're already starting to flow, and they will flow through to June 2020.

Dr Studdert: Senator, you asked if they go to the people in the prioritisation system. Yes, absolutely, that's where they will go.

Senator POLLEY: Yes, but those 10,000 places, which have been dripping out since February—

Dr Studdert: There are always packages being released, every week. So they just increased the number that is being released week by week.

Ms Buffinton: Indicatively, we were running at around about 2,250 packages a week. Around about 3,000 packages a week are now being released, and many of them are now at a higher level than in the past.

Ms Beauchamp: As our program report says, in the last December quarter I think there were 29,400 packages actually released in that quarter, which reflects 2,260—

Senator POLLEY: I'm sorry—

Ms Beauchamp: which Ms Buffinton says has now gone up to 3,000 per week.

Senator POLLEY: So the figure you just gave was 129,000—

Ms Beauchamp: It says 29,400, in our last program report. That's publicly available.

Senator POLLEY: So all 10,000 that were recently announced and re-announced in the budget are now already in the system and being taken up?

Ms Beauchamp: The 10,000 that were released in February were not in the system as part of the 29,400 that I mentioned. Their release has been in 2019.

Ms Buffinton: Their release is between February 2019 and June 2020—so, next June.

Senator POLLEY: Can you confirm to us if the department had prepared any briefings or provided any advice to the minister's office about including more home care packages in the budget that were in addition to the 40,000 home care packages that have already been announced since MYEFO in 2017? Had you provided advice to the government about additional packages being allocated through this budget?

Ms Beauchamp: We provide advice on an ongoing basis. We provide advice about home care packages, residential care, Commonwealth home support. It is up to the government of the day to make decisions and balance the need for investment in home care, Commonwealth home support and residential care across the sector. Our advice is provided to ministers on an ongoing basis, and those decisions are then made by government.

Senator POLLEY: Given this government has spent quite a lot of money promoting its home care packages to those who have already been approved for one, how will these 10,000 packages make a difference to the 128,000 older Australians who have been approved for home care packages? How is this really going to impact them? Are we likely to see, yet again, another increase in the number of people who are waiting for home care packages?

Ms Beauchamp: Obviously, there's supply and demand. You'd need to look at that on an ongoing basis, in terms of older people requesting support from government through our other home care program, Commonwealth Home Support, and the Home Care Packages program, and the number of people who are actually accessing home care. We can give a program report for a point in time and we can extrapolate, over the forward estimates, the additional packages that will be made available, but you do have to monitor the supply-and-demand figure on an ongoing basis. Of course, as I mentioned, having had only 60,000 home care packages in the system a few years ago and now having well over 90,000, the continual release of home care packages will impact on the waiting list.

Senator POLLEY: Can we get a breakdown of where those 10,000 have been allocated, in terms of level 1, 2, 3 and 4 packages, and the number of people who are still waiting? Can we get an update for those figures as of today?

Ms Beauchamp: I think that's on the public record in terms of the announcement of the 10,000 packages and what level, and we'll look at providing and taking on notice any updates to the information that's publicly available in terms of where they've gone.

Senator POLLEY: Can you give us the time frame and the date as to when the department gave advice to the minister in relation to extra packages to go into the budget?

Ms Beauchamp: I think that's very hard to extrapolate, because we have ongoing discussions with Minister Wyatt and Minister Hunt on an ongoing basis and, when you're talking about aged care, for example, we meet with ministers while they're sitting each week. Of course we talk about aged care and we provide information around aged care, so specifically identifying advice given about home care packages would be—

Senator POLLEY: It would be likely, would it not, that every time you meet with a minister you would be talking about home care packages, the crisis in the waiting list as that's growing and the waiting times, of which we know that Lasser has already done a report which shows that people are waiting far longer than the department has given to us in evidence over the years in estimates.

Ms Beauchamp: The Minister for Aged Care is one of our ministers, and of course we'd be talking about aged care every time we met with him.

Senator POLLEY: Minister, you might be able to answer this next question. Can you point me to one new initiative in this year's budget, 2019-20, that has not already been announced—just one new initiative to older Australians?

Senator Scullion: There are plenty, and can I say I listened so carefully to the leader, Bill Shorten, and his contribution last night—

Senator POLLEY: No, we're actually asking about Morrison's budget—your budget.

Senator Scullion: and it was sad that I heard older Australians didn't get a mention.

Senator POLLEY: They did. You didn't listen properly then.

Senator Scullion: If I could just answer your question. First of all, as you'd know, we've increased the home care packages since you were in government by some 64,000 to 124,000 now—

Senator POLLEY: That's not in the budget.

Senator Scullion: That's been in previous budgets, because we're speaking—

Senator POLLEY: There is no new initiative in this budget for older Australians; otherwise you'd be talking about it now rather than making statements about re-announcing things that were announced two months ago.

Senator Scullion: Whenever you've finished and you can manage to get hold of a salient question, I'm more than happy to answer.

Senator SCULLION: I want an honest answer.

Senator Scullion: If you could just do me simple manners to allow me to answer your question. If you want to just keep going on, making some sort of a rabbiting statement, you go for it. But, when you've finished and you want an answer to your question, I'm more than happy to do it. Are you right now? Cracker. As I was—

Senator POLLEY: A new initiative, Minister.

Senator Scullion: You right? Do you want me to provide the answer to your questions now? As I've indicated, we've just announced in this budget that there will be an additional 33,000 home care packages, which is going to take it up to a record 157,000 in 2022-23. They weren't known or announced in the past. We've also announced in the 2019 budget that there will be another \$282.4 million for 10,000 home care packages across all levels, and we're getting some of the details about those levels. So there have been some significant announcements, and we're very proud that we have been able to make the investments in these home care packages—in fact, right across the spectrum for senior Australians. As you know, we did announce in February and also included a \$35.7 million increase to home care supplements. That was around dementia and cognition of veterans and that was commencing from 20 March this year. Yes, we've been constantly making announcements, because our senior Australians actually want confidence that we're continuing to reinvest in them. We don't wait until the budget for those announcements. We've constantly added information so that they can make a consideration of what's happening to them. So, as we've indicated, all of those matters were in addition to the December—that's last year's—announcements of an additional 10,000 high-level home care packages. That's 5,000 at level 3 and 5,000 at level 4. But as we've indicated, we'll try to get some more detailed information to you about that matter.

Senator POLLEY: Minister, you've failed to answer the question.

Senator Scullion: That's not correct.

Senator POLLEY: You did indicate that there were 33,000 new home care packages. That's not true.

Senator Scullion: I'm sorry. If you—

Senator POLLEY: What I want to know is—

Senator Scullion: If you want to borrow a calculator—

Senator POLLEY: I'm asking you a question.

Senator Scullion: If you want to borrow a calculator, we currently have—

Senator POLLEY: Were there any new announcements or initiatives in this budget? I'm asking for one example of a new initiative—not an announcement that has been re-announced in the budget, like the 10,000 that were announced in February. I'm asking for one new initiative for older Australians that you haven't already announced and re-announced. That's what I want to know. And, quite frankly, there aren't any. At least be honest and up-front here in estimates.

Senator Scullion: Is that it? Can you just arbitrate this, Senator Watt?

Senator WATT: What? That you gave Senator Polley a chance to ask her question?

Senator Scullion: That question has been finished. I'm now going to have a crack at answering it. The senator indicated in her so-called question and statement that there are no 33,000 packages—

Senator POLLEY: You said they were new packages.

CHAIR: Senator Polley, I think it's fair to let the minister answer the question.

Senator Scullion: Can we just try to have a bit of self-restraint, Senator Polley. That would be great. Today, we've announced, in the 2012-13 budget, it's 124,032. We have added so that, at the end of forward estimates in 2022-23, it will be 157,000. If you subtract 124,000 from 157,000, unsurprisingly, you get 33,000 extra packages, Senator.

Senator WATT: But the point is they weren't—

Senator POLLEY: They weren't—

Senator Scullion: That was just a clarification about where you thought that number possibly came from, Senator. The department have provided advice about the nature of all of the packages. We've taken on notice that we are going to provide some additional information about the breakdown of the 10,000 packages. And, as I've indicated, in the 2018-19 budget, we have indicated that we will lift home care packages from 124,032 in 2018-19, and by 2022-23, they will then be at 157,000. My understanding, Senator, is that announcement was made on budget night. So those packages were not announced before budget night, which was two days ago. You don't need my calculator for that, I hope.

Senator POLLEY: Minister, you can keep saying the same thing over and over again, but those 40,000 packages that you're referring to do not indicate a new initiative in this budget.

Senator Scullion: It wasn't announced before the budget.

Senator POLLEY: But 128,000 older Australians are still waiting for levels 1 through to 4—

Senator Scullion: Is this another question, Senator?

Senator POLLEY: It is, if you allow me to ask it in the first place. With so many older Australians—as I said, 128,000—still waiting for home care packages that have been approved, why weren't more packages announced in this budget? After all, it was your Prime Minister who said, 'Australians deserve to age with dignity and have earned the right to expect the highest standard of aged care services.' Why were there not more packages than just re-announcing the ones that you had already tried to con older Australians with?

Senator Scullion: We announced—

Senator POLLEY: Ten thousand don't do anything!

Senator Scullion: We announced two days ago that there will be an additional 33,000 packages.

Senator WATT: You re-announced.

Senator POLLEY: Re-announced.

Senator Scullion: No, no, that's not true. These are packages that will be available between 2018 and 2022-23. That announcement hasn't been made before. And we've also announced \$282 million for the 10,000 home care packages across all the levels. We've indicated we're going to take that on notice. We're able to make these investments because we can measure it. And you would remember, Senator Polley, that we have—well, you may not remember, but, under the previous government, it was actually this government that put in mechanisms so we could actually measure it, so we can actually make a salient response. And we've also managed to actually run a surplus. So we can afford to invest in senior Australians, and we're going to continue to do so.

Senator POLLEY: Minister, I really appreciate your last statement. If you've run a surplus and got plenty of money in the bank, why haven't you, then, announced more home care packages? There are 128,000 older Australians, many of them the most vulnerable, that need packages—levels 3 and 4. Why, then, hasn't this government delivered when the Prime Minister made a statement about how older Australians need to have the best quality of care, which we all agree on? Why wasn't there, then, proper investment in the care and support of older Australians to keep them at home?

Senator Scullion: I'll let the department go to some details on that. I listened carefully last night to your leader, and there were no further aged-care packages. In fact, senior Australians in aged care, it seemed, weren't touched on at all. So I'll just go to the department. Perhaps they can provide some details.

Senator POLLEY: You can try to deflect, Minister, but you're the government of the day. You're the government that actually—

Senator Scullion: I'm talking to you about the comparison—

Senator POLLEY: had to call a royal commission into your own failings. You've failed to deliver. You come in here and boast about having a surplus. Why wasn't that money invested where it needed to be? Why has the Prime Minister let down older Australians?

Senator Scullion: In our budget we have supported older Australians. We have been able to do it because we can actually run an economy. When your leader had an opportunity to say what you would do about what you are asserting today, he said absolutely bloody nothing about it. You should be ashamed of that. Now, if we can just go to the department, they can provide some data that.

Ms Beauchamp: Senator Polley, you've touched on a number of issues there. One was around the quality and safety of care. You'll find in Budget Paper No. 2 there are a number of initiatives that go directly to the quality and safety of care of people in the aged-care system that are new announcements in the budget. There are 14 measures included in Budget Paper No. 2. Some of those have been announced and some of those are brand-new. There are probably half a dozen measures that go directly to quality and safety.

In terms of the number of packages, I think I mentioned that in the last home care packages report, which is now in the public domain, there was a 22 per cent increase in the number of packages from last financial year to this financial year. In terms of the level 3 and 4 packages, I think there has been a significant increase in the mix of packages out there. They have gone up. I think they consist of about 40,000 of the packages that are out there in the field, and that's has been an increase of around 74 per cent. So it's not only the numbers. I think the Prime Minister did talk about the quality and safety of care of our older Australians in a range of settings. I think the budget papers last year, in 2018-19, and certainly in 2019-20, go directly to the quality of safety of care but also the access to home care support. Indeed, the reforms that we are continuing to implement with the Aged Care Quality and Safety Commission are going to the core of making sure our older Australians have confidence and are safe in our aged-care system.

Senator POLLEY: On the 128,000 older Australians who have been approved for home care packages, has the figure changed for the 67,000-odd Australians who are not receiving a package at all? Has that been lowered?

Ms Beauchamp: I'll probably quote from the last report, and I'll ask Ms Buffinton to go into the detail. There are 74,000 waiting for approved packages who had not received a lower level package. But, when you look at the support they are receiving, obviously there's informal support from family and friends but 94 per cent are accessing the Commonwealth Home Support Program funded by the Australian government. There's also been a further tranche of consumers who have been offered packages at the lower level. About 30,000 people have taken a lower-level package. Some are still deciding whether to take up the offer or not. Some consumers have decided not to take up an offer of a lower-level package at all and to continue to access Commonwealth home support. In that report it talks about the number of people. We can't separate home care from residential, but 96,000 people have been offered care in a residential facility as well. So there are options out there.

Of course, we now have transparency around the waiting list. I think there's been acknowledgement about the need to get more home care packages, hence the 40,000 over the last 18 months. You ask why we're not doing more. This is up to the government of the day, but when we're responding to 3,000 packages a week, making sure the sector can respond to the delivery of the home care packages is another element we need to look at in the implementation of the government's release of additional home care packages.

Senator POLLEY: Which leads into one of the other failings of this government: the workforce in this sector. Having enough people who are prepared to work in this sector is obviously a challenge. Minister, I'd like to go back to these 10,000 places that were reannounced in the budget. What difference is that going to make to those 128,000 older Australians?

Senator Scullion: We're actually rolling out 3,000 placements a week for 18 months. It has been the most remarkable surge in home packages. As Ms Beauchamp has clearly indicated, we have to keep pace with the actual capacity so that that means something. A package isn't just a payment. A package is about people who are providing that service—often at-home service; always about people. Whilst I have to acknowledge that I think that workforce has shown a remarkable capacity to expand, and whilst we're very, very proud of the 40,000 new placements in just 18 months, it shows that we can continue to expand and to meet the needs. We've still got the Commonwealth home support process to 94 per cent of those people who are awaiting a placement, so there's only a very, very small fraction of those waiting who are not being provided any services at all. It is hard to actually know, because some people have said, 'No, we don't want a lower level package. I'm happy with the circumstances I'm on while waiting.' It's hard to get the data about whether they remain in the last six per cent or not. We're certainly very proud of the capacity. I should congratulate the department. Over a relatively short period of time that is a huge amount of home care places to roll out, and we continue to roll them out.

Senator POLLEY: Minister, I want to clarify: you're proud, as the government is proud, of the fact that there are still 128,000 older Australians waiting for the level of care that they need and that, in fact, older Australians are dying while they're waiting. Some in their 90s—94-year-olds—are being told they're going to have to wait for 18 months. You think that's something to be proud of. It's certainly nothing that I would be proud of.

Senator Scullion: Madam Chair, I was very clear about what we are proud of. The senator has just asked me, with a whole bunch of garbage about what I'm supposed to be proud of—complete rubbish and verbal—

Senator POLLEY: Garbage? People dying is garbage?

Senator Scullion: I know the *Hansard* will show exactly what has been said.

Senator POLLEY: People dying waiting for this is garbage, Minister? I'd ask you to withdraw that.

Senator Scullion: I don't know what you can do to inoculate this particular senator with some manners, Madam Chair, but it's just ridiculous to have these weird statements being made. This is a place for information. This is a place where senators can ask the ministers and the department for information, and we're happy to provide that information, but it appears for Senator Polley it's an opportunity to make poorly founded and ridiculous statements and then expect those to be—we've been very tolerant and, can I say, so has the department about this, but we would all be a lot better served if we just went back to the process of estimates, where the senators ask questions. We're delighted to provide information to both the Senate committee and the public.

CHAIR: Thank you, Minister. May we go back to the process of the Senate.

Senator POLLEY: I asked the minister a question, which is part of the process. I'll ask the department: have you provided any advice to the minister this year on what interventions could be made to address the growing waiting list?

Ms Beauchamp: Yes.

Senator POLLEY: Can you advise the committee as to what was the nature of that? I don't expect the details, but you must have some framework, some solutions, that you would have put to the government, would you not?

Ms Beauchamp: You would appreciate the huge number of reforms that are going on in the aged-care sector. Of course, we have discussions, as I mentioned previously. On most occasions, we meet with the minister and, of course, contribute ideas, and he also has a number of ideas in terms of what we can do to improve the outcomes for older Australians in aged care, and a royal commission is looking at exactly these issues. So not only are there a number of reform elements up in the air but there is a very large number of budget initiatives and changes happening. We, as a department, would be remiss in not providing advice to ministers on an ongoing basis, but I'm not going to sit here and provide the basis of the sorts of conversations and advice we have about improving services provided by the Australian government because that's our core business; we do this every day.

Senator POLLEY: In light of the report that was released by LASA recently in relation to the wait times, can you firstly indicate whether or not that wait time has decreased or whether in fact it is increasing? Can you also give me the figure of how many older Australians have actually died waiting for their packages?

Ms Beauchamp: I think much of the information on the waiting list, as the minister pointed out, has only become transparent since early 2017. Most of the information in terms of what has happened over time is provided in these home-care packages reports, so it is fairly transparent on an ongoing basis how many people are waiting, what services they're providing, how many people have been offered lower level packages and the like. I don't think I have anything more to add than what is in the public domain. I'll take on notice if it needs to be updated in terms of what is out there.

Senator POLLEY: So would you disagree with LASA in saying the wait times are significantly more than what the department reports?

Ms Beauchamp: I don't know if there's a difference.

Senator POLLEY: There is. I don't have the report with me but there certainly is. Maybe you could take that on notice and come back to me after the break?

Ms Beauchamp: I'll take it on notice.

Senator POLLEY: Do you actually record the number of deaths?

CHAIR: Senator, you have got three minutes to the break.

Senator POLLEY: Do you keep figures relating to the number of people that have either died before they received their package or, as a result of the long waiting times, have actually had to go into residential care? Have you got those figures for us, please?

Dr Studdert: I think that there's always a lot of movement on that system, with people moving in and out for a whole range of reasons that relate to their personal circumstances, so the granularity with which we understand why those movements occur is not great. But we can certainly look at what we've got and see if we can give you more general information.

Senator POLLEY: Thank you very much.

Dr Studdert: Chair, you did ask about charges under CHSP and I think we do have that information now.

Ms Buffinton: The two questions for which I couldn't quite find the answer rapidly was, first of all, how many were in Commonwealth home support when Western Australia joined. That number was 847,534. That would have been effectively at the beginning of the financial year, so 1 July 2018. Providers are advising us that two-thirds of people contribute to Commonwealth home support. But just so we're clear, some of those can be quite small token gold coin donations as opposed to the equivalent of contributions that are provided for in home-care packages.

CHAIR: We will come back to outcome 1.

Proceedings suspended from 10:44 to 11:02

CHAIR: We will now reconvene. Senator Griff, you have the call.

Senator GRIFF: Thank you, Chair. We're on outcome 1. I'd like to refer back to my question in February regarding the status of the COAG commitment last August to create a data and reporting environment that increased patient choice through greater public disclosure of hospital and clinician performance information. Professor Murphy, welcome.

Prof. Murphy: Thank you, Senator.

Senator GRIFF: I don't want you to have too much of a nap there in the corner! I think you said last time that you felt a little bit that way! You and Ms Edwards both had a view on it previously and advised that the AIHW

had taken on the role of being the trusted custodian. What progress has the department made in recent months in relation to this COAG proposal?

Prof. Murphy: The main progress has been made through an AHMAC-led process, the clinical quality registry strategy, which has gone through the AHMAC process and is now finalised. We've recently had meetings with the professional medical groups about the clear aim in that strategy to develop transparent public reporting. There is now a broad period of consultation being undertaken with all of the colleges, the medical groups and the people—the Royal Australasian College of Surgeons, in particular—who run, as I said before, a very complex individual surgeon register. There are issues that they have raised, such as that they currently have qualified privilege over this stuff, and so public reporting does present a problem with that. It's very clear that health ministers and AHMAC CEOs are committed to this cause of public disclosure.

This consultation process on that strategy will pull out all those issues that have to be resolved. The particular ones that, as I said before, keep coming up include data curation. That's whether, you know, you are adequately risk-adjusting. There are some registries, for example, that are now publishing unit-specific data. For example, the dialysis and transplant register is now publishing 12-month transplant survival by unit and dialysis patient mortality at 12 months by unit. That's now in the public domain. There are others who are close to doing that. Obviously, the AIHW role has to be factored into that, and how many of those registers can put data into the AIHW is still to be determined.

In our discussions with the medical leaders, nobody, as I said before, is opposed to the concept. They put up various reasons why it's difficult, but there is a pretty clear commitment now from all levels of governments—all state and territory governments and the Commonwealth government—to make this happen. But we have to bring the clinicians with us.

Senator GRIFF: There's no timetable, because it will take some time, as you said?

Prof. Murphy: It will take some time. But I think—

Senator GRIFF: On this broad consultation, what period do you see as broad consultation?

Prof. Murphy: That's going happen over the next few months. There will then be an implementation plan for this strategy. I think there will need to be some clear milestones where we start to get some stuff in the public domain. As I said, where possible, we're encouraging existing quality registries, where they feel comfortable, to start doing what the dialysis and transplant register have already done.

Senator GRIFF: Who develops the implementation plan?

Prof. Murphy: That will be developed by the AHMAC process. The AHMAC's Clinical Principal Committee, which I'm a member of, will have carriage of that and will keep a very close eye on that.

Senator GRIFF: Ms Edwards, you look like you're about to say something.

Ms Edwards: I was just agreeing furiously.

Senator GRIFF: Thank you for that. Just on a similar theme, which I think still fits in here at the moment too: regarding the plan to publish out-of-pocket costs for specialists, what's the likely timing for this to occur? How will it be published? Will it be on a website? Will it be on your website?

Prof. Murphy: There's a fair bit of work to be done before we could go live. On the website development, particularly with an early focus on cancer specialists, there's a lot of consultation to be done and a lot of information. The advice is that developing a website could—it's unlikely to do anything this year; it's likely to be next calendar year before we can get anything that could be in a position to go live.

We haven't finally determined who would host the website. Whoever hosts it, it will be under a very rigorous government governance. Whether it's an outsourced provider or sitting on a government website, there will be a governance structure to make sure that the content is very clearly governed so that we don't get information on there that is inappropriate, advertising or the like. We will be progressing to test the market for people to help develop the website, and we'll have a sort of steering committee. I suspect that it will probably be in the position in 2020 to start going live.

Senator GRIFF: Possibly as soon as the first quarter of 2020?

Prof. Murphy: I think it's just too early to say, without scoping, at the moment.

Senator GRIFF: I have got to my next set of questions. They fall in outcome and, in a way, they might fall partially into outcome 2, in relation to autism strategy. You may be aware that the Senate passed my motion on Tuesday—you probably aren't aware of it—asking that the government develop a national autism strategy with a

set of measurable outcomes to improve the lives of autistic people. Does the department collect specific autism data relating to the prevalence of health and mental health outcomes in relation to autism?

Ms Beauchamp: I would have to take that on notice. For autism, as a defined disability, I just want to check with the Department of Social Services and NDIA in terms of what data they collect as well. I would have to get back to you on that.

Senator GRIFF: On notice, that would be fantastic.

Prof. Murphy: One of the challenges in the autism space is actually making a clear definition and a diagnosis of autism. I think there has been some recent good work to define the criteria for when someone has autism, because, as you know, it's a spectrum and there are various different grades of people making that diagnosis.

Senator GRIFF: Yes, there are, but 29 per cent of all NDIS participants have a primary diagnosis of autism, which represents the largest diagnostic cohort in the scheme. It's quite surprising that we don't have a national autism strategy as such, given the number of people that we're talking about here. In fact, the most up-to-date ABS figures I have here are for 2015 and they show that there are 164,000 Australians who have been diagnosed with autism, so that's a very large number. I understand Victoria is developing a five-year autism plan. Is the department undertaking any work of its own in relation to autism?

Ms Edwards: As the secretary indicated, autism as a disability is probably primarily something led by the Department of Social Services, although we work closely with them. As the secretary indicated, it might be something you could follow up with them later today or we could take it on notice. I certainly don't want to leave the impression that not a lot of work is being done on autism. There clearly is across government, but I think it's probably mostly their responsibility.

Senator GRIFF: Okay. I'll save that till this evening. Thank you.

Ms Beauchamp: I want to table or suggest information now following up from Senator Polley's questions. What is the process for tabling the information that Senator Watt has requested? I think Senator Polley wanted a breakdown of the profile of levels of package for the latest 10,000 packages that have been announced. I've got those. That is 3,000 at level 1, 2,500 at level 2, 2,500 at level 3 and 2,000 at level 4.

Senator WATT: Sorry, I wasn't here for part of Senator Polley's questions. So that's the breakdown of the 10,000 that were announced in February?

Ms Beauchamp: Yes.

Senator WATT: Thanks.

Ms Beauchamp: Chair, I was seeking clarification on the tabling of the information that Senator Watt sought that I said I would do immediately following the break. There is a list of information that we've got. It's probably worth going through some of what we're going to table.

CHAIR: Yes, we can do that now.

Ms Beauchamp: One of them is the PBAC recommended listings and those not yet listed. Do we hand them over formally?

Senator WATT: We've certainly received copies of that one. I don't think it has been formally tabled. Would you like to formally table that?

Ms Beauchamp: Yes, I would.

Senator WATT: Excellent, thank you. Chair?

CHAIR: Yes.

Ms Beauchamp: I would also like to table the details on your request around ministerial appointments, acknowledging that much of that is already in the public domain. I would like to table that, Chair. Also there is the information Senator Watt sought on grants. We are also tabling the Medical Research Future Fund table. I'm just making sure that these are the actual things that we are tabling. The MRI list?

Apologies, Senator.

Senator WATT: That's okay; take your time.

Ms Beauchamp: Grants, Medical Research Future Fund, your requests around the PBS, which I think you had in your hand, also tabling the information sought on advertising campaigns. There was also a page I saw this morning which we can table, Chair, on AusTender contract notices as they relate to advertising campaigns.

Senator WATT: Apart from the figures you gave me earlier about expenditure on advertising and information campaigns, there were three separate advertising related requests. One of them was the AusTender information

you've just referred to. Do you know whether you've been able to do both of the other things I asked for around advertising? It was an itemised list of all advertising information campaigns run by the department for the current financial year and the funds attributed to each campaign.

Ms Beauchamp: We can provide that. Whether it was going to be tabled, as I said, directly after this break—

Senator WATT: I'll interrupt you there. Why don't we let you table everything you've got and I might get a couple of people to look at it. If it looks like there's anything missing, I might come back and ask about that.

Ms Beauchamp: Sure. I just want to be able to clarify, through the chair, exactly what we're tabling and have on the record exactly what pieces of information we have tabled. We've got a printing problem.

Senator WATT: That's the advertising material, is it?

Ms Beauchamp: Yes.

Senator WATT: Was there anything else you wanted to table at this point?

Ms Beauchamp: Not at this point.

Senator WATT: You mentioned MRI information.

Ms Beauchamp: It's probably worth going through under that outcome, which I think is in the next couple, where we're up to with the MRIs.

Senator WATT: Obviously I made a request just before the break, but there was also something in the letter.

Ms Beauchamp: Yes. I'll get the officer up and we'll talk through exactly what we can and can't provide. I think we can also talk through some of your requests around mental health services.

Senator WATT: The only other one I was interested in at this point is the Community Health and Hospitals Program. Are you able to table what I asked for there?

Ms Beauchamp: I think that's in the process of being finalised. We'll be able to table what has been announced. I think you also requested the profile of funding and we mentioned that it was a seven-year program and that those figures are being put together now.

Senator WATT: And a list of projects that have been announced.

Ms Beauchamp: Yes.

Senator WATT: Again, I appreciate that that has been a lot of work, so thanks to you and your officers for doing that so quickly. The only questions the opposition has in outcome 1 relate to My Health Record. I think we have the Digital Health Agency people here.

Ms Beauchamp: Yes, we have. I'll call them to the table.

Senator WATT: Chair, we don't have any other outcome 1 questions. I don't know whether any other senators do but, if not, other outcome 1 officers can probably head back to the office.

CHAIR: You don't have any more outcome 1 questions?

Senator WATT: Correct, apart from My Health Record—just flagging for later in the day that we don't have any housing questions. We're going to put the housing questions on notice. It's DSS rather than yourselves, but we won't require the housing officials from DSS today. They were down for only half an hour anyway.

CHAIR: So we're going to—

Senator WATT: Still in outcome 1: My Health Record. Thanks again for coming today. I'm sure you were expecting to front up. Are you able to tell me on how many occasions someone has had a My Health Record created for them without their consent?

Mr Kelsey: My Health Records have historically, until opt-out was enacted, been created only with the consent of an individual. During the period of the opt-out trial we discovered that quite a number of people seemed not to have known that they had had a record created. In some cases that was because they were living in areas where opt-out was trialled. A number of people appeared not to have realised that a record had been created in that context and they hadn't known or taken advantage of the opportunity to opt out there. In other cases we're aware that people have been surprised to have a My Health Record, because they subscribed to the previous iteration of the My Health Record system, called the PCEHR, and the name change in some cases had been confusing. We investigate incidents in which people have raised concerns about whether or not they were aware that a record had been created for them and, in cases where somebody subsequently doesn't want a record, they can now be permanently deleted.

Senator WATT: Is it possible to put a figure on the number of times that someone has had a record created for them without their consent?

Mr Kelsey: As far as we know—

Ms McMahon: Zero.

Senator WATT: Zero?

Ms McMahon: To confirm: there has never been a record created before opt-out without someone's explicit consent, but there have been instances where someone has forgotten or hasn't realised or appreciated that they have a record, and we've taken action in those instances.

Mr Kelsey: Other than in the opt-out trial areas, where the same model of consent was deployed as nationally rolled out recently.

Senator WATT: How much in total has been paid in practice incentive payments?

Ms Edwards: I have a 2017-18 total number of \$96.4 million.

Senator WATT: Remind me: these practice incentives were payments made to GPs?

Ms Edwards: To practices.

Senator WATT: Is that another way of saying GPs or is that wider than GPs?

Ms Edwards: A practice might have varying numbers of GPs working in it.

Senator WATT: Yes, but a GP practice.

Ms Edwards: Yes, but paid to the practice. There might be five GPs working together in a practice.

Senator WATT: They played a role in promoting and informing people about the My Health Record.

Ms Edwards: The ePIP measure is there to encourage general practice to be up to date digitally. It has been around for quite a while, and various elements had to be met. Not all of those elements have to do with My Health Record. The current eligibility requirements are integrating healthcare identifiers into electronic practice records, having a standard-compliant secure messaging capability to electronically transmit and receive clinical messages, working towards recording the majority of diagnoses for active patients electronically, ensuring the majority of prescriptions are sent electronically, using compliant software for My Health Record and uploading an average of five shared health summaries per GP per quarter. That fifth element which needs to be met is about being compliant and able to work with My Health Record and having a minimum number of shared health summaries loaded in relation to patients who have a My Health Record.

Senator WATT: Do you know the number of practices that have received payments?

Ms Edwards: Yes. As at 31 January 2019: 4,982 general practices were registered for the ePIP incentive. The number actually paid may differ slightly from that.

Senator WATT: Do you have a figure for the average incentives paid per practice?

Ms Edwards: I probably do. They're capped at \$12,500 per general practice per quarter with a maximum of \$50,000 per year. I don't think I have a per-practice average.

Senator WATT: I suppose it's a matter of dividing \$96.4 million by 4,982.

Ms Edwards: I suspect it's more complicated, because some practices are big and some are small.

Senator WATT: I see. They don't all look the same.

Ms Edwards: I'll take it on notice and get you a full explanation.

Senator WATT: Could you also take on notice the median paid per practice incentive period.

Ms Edwards: Yes, and we might wrap around that explanation, if it is beyond my current knowledge of how it fits together.

Senator WATT: What proportion of records are created in the week immediately preceding a practice incentive payment deadline, compared to the rest of the corresponding period? Has anyone got any figures on that?

Ms Edwards: Sorry?

Senator WATT: I'm after the proportion of records that are created in the week immediately preceding a PIP deadline, compared to the rest of the correspondence—

Ms Edwards: Do you mean the shared care summaries that are uploaded?

Senator WATT: Sounds like I do!

Mr Kelsey: Obviously, records where somebody hasn't opted out or has chosen not to delete their record exist as of now. I think the point about the ePIP is that GPs qualify when they upload what's called a shared summary, which is a document type within the My Health record.

Ms Edwards: I think Mr Kelsey is reminding me that there's a misapprehension that the ePIP is somehow linked to the creation of a My Health record. So, the idea that, if you get your patients to sign up, that factors into the ePIP is not correct. As I mentioned, the requirement is that you have a system that's compliant with My Health records and that you load up a minimum number of shared care summaries for patients who have a My Health record. So, I think you may want to reframe the question, Senator, on notice, to check what it is you want.

Senator WATT: Let me have a think about that. Is the agency aware of any instances of practices breaching rules around the creation of records or creating records without consent in order to meet incentive targets?

Ms Edwards: Again, the creation of the record is not part of the incentive.

Mr Kelsey: We're aware of no instances—and, today, as of the end of 31 January and the creation of records in February, records are created for those who have not opted out or chosen to delete them. So, there's no role of a GP in creating a record.

Senator WATT: So, no instances that you're aware of. I suspect that because I'm asking these questions there has been some suggestion of practices creating records without people's consent. But you have no knowledge of that occurring?

Mr Kelsey: Well, I can only speak for the period from the agency's creation, in 2016. But we're aware of no cases since that point. But what I did mention at the beginning was that there have been people who have expressed concerns that they weren't aware of a record. When we've looked at those, they tend to fall into the category of somebody who's either lived in an opt-out trial area, may have forgotten, of course, or has subscribed to the previous scheme and the name change has proved confusing to them. In those cases where somebody wants subsequently to have their record deleted, obviously we're able to afford that service to them.

Senator WATT: In the event that someone has had a record created without their permission, what recourse do they have?

Mr Kelsey: We're not aware of any such incident, but in the event that somebody wants to have their record removed, the new legislative amendments, which were passed obviously before Christmas, allow people to permanently delete their record at any point of their choosing. That would be in any instance where a person did no longer want to have a My Health record.

Senator WATT: What proportion of records created does the agency believe have been created unlawfully? Would the answer be zero, based on what you've said?

Mr Kelsey: Zero. Yes.

Senator WATT: The last time we were at estimates, I remember asking about the number of people who had opted out?

Mr Kelsey: The number of people who had opted, which we gave to you at the last estimates, was just over 2.5 million.

Senator WATT: What's the current number?

Mr Kelsey: That was the number of people who had opted out. Since then, in terms of people who may have chosen to, say, delete records, I can get you those numbers. I don't have them to hand. Records were created on 22 February—

Senator WATT: Sorry, it wasn't opt out—they had cancelled.

Mr Kelsey: Yes.

Senator WATT: Could you take on notice for me the number of people who have—

Mr Kelsey: Deleted since records were created, yes.

Senator WATT: Yes, please. Are you absolutely confident that the practice incentive payments for GP practice owners have not led to people having records created without their permission, or in breach of regulations?

Ms Edwards: I think the point you're making is that the creation of records does not factor into whether you get your ePIP. Mr Kelsey said he is not aware of any instance of people illegally creating a record. Obviously, on ePIP, there are things you have to meet; and we do our ordinary compliance to make sure practices have done what they have to do. We are certainly not aware of anything like that, no.

ACTING CHAIR: We will now move to outcome 2. Senator Siewert.

Senator SIEWERT: Can we go to mental health. Can we start on looking at the hubs and organisations that have been provided with funding under the Prioritising Mental Health measure. There are a number of organisations specifically mentioned. Can you take us through how the funding was decided and those organisations were selected?

Ms Edwards: We are talking about the measure on page 103 of Budget Paper No. 2, which has a range of items starting with the trial of eight mental health centres?

Senator SIEWERT: Yes. I want to go to Bellarine Community Health, the Repatriation General Hospital in Adelaide, the Lord Somers Camp and the Esther Foundation. How were these groups selected and why were they named in the papers?

Ms Edwards: The overall package which the government announced for mental health and suicide prevention is \$733 million, with \$461 million in youth and suicide prevention, and then there are a range of things that follow under that. There is our expansion to the network of headspaces; the early psychosis youth services; the National Suicide Information Incentive; the Perinatal Mental Health and Wellbeing Program; the trial of adult mental health centres; the National Mental Health Workplace Initiative; the National Disaster Support Initiative; the eating disorders facilities measure, which relates to one of those examples that's in the measure; and a number of other particular projects. And the measure takes an example of those, so that is where we are up to. You want to talk particularly about this?

Senator SIEWERT: Some are more general and some are very specific. How did the government pick and choose the specific centres that are named?

Ms Edwards: They're identified across the whole of the health budget. We have national networks of things like the headspace centres, some more targeted things like the trials of walk-in centres and the eating disorders thing, and then specific and one-off projects around the place. Those are identified through a variety of means—through advice put up by the department, from projects which were gathered in the EOI process we did with states and territories and the PHNs, through approaches by particular stakeholders and others. There are a whole range of projects which have come in over various times, through various mechanisms, and been considered as a whole. The budget measure points to a number of the specific—if you look at the \$5 million to the Repat General Hospital Adelaide for the treatment of people with eating disorders, which is one of the ones in that list, that factors into our eating disorder approach.

Senator SIEWERT: Does the money for that come out of eating disorders?

Ms Edwards: It's still within this measure, but it's one of the six centres which have been announced in the budget to deal with eating disorders, for example.

Senator SIEWERT: Which ones would have been chosen from approaches, which ones were from EOIs and which ones were from PHNs?

Ms Edwards: I'd have to take that on notice.

Senator SIEWERT: Could you take that on notice?

Ms Edwards: Yes.

Senator SIEWERT: I want an understanding of the transparency of the selection process for these named organisations. I'm not casting aspersions—before anyone starts—on any of these organisations, but I want to know how they were specifically chosen, when there are a whole lot of other really good services out there as well who weren't named in the budget.

Ms Edwards: These are particular projects which are referred to in the measure as examples. It's not exclusive of all things. But we can certainly take it on notice. You might want to point to me which of the ones in this list you particularly want me to take on notice and provide information about the source of the—

Senator SIEWERT: How were each of the named organisations chosen?

Ms Edwards: Okay.

Ms Beauchamp: We'll take that on notice.

Senator SIEWERT: Thank you. Of those, can you give me the total funding on each of the named organisations?

Ms Edwards: Other than what's already in the budget measure?

Senator SIEWERT: Yes. The total amount that's given to named organisations.

Ms Edwards: For example, it says \$5 million to the South Australian government for the purpose-built facility at the Repatriation General Hospital Adelaide, to provide treatment for people with eating disorders—the example I mentioned before. Do you want further information? That's on page 104, as you know.

Ms Beauchamp: It's in Budget Paper No. 2.

Senator SIEWERT: Are there any other organisations that aren't named in the budget papers that are getting specific amounts of money?

Ms Edwards: I think, as the secretary was mentioning this morning, there are many thousands of grants that we do through the Department of Health, most of which wouldn't be mentioned in the budget papers because they fall under a program.

Senator SIEWERT: Most of those go through a selection process. They don't get specifically allocated money without going through a specific grant allocation process.

Ms Edwards: We can certainly take on notice to provide you with the source of the proposals that are in these budget measures.

Senator SIEWERT: Thank you.

Senator O'NEILL: The question is: if you were involved in preparing the budget statement—I'm assuming that was the case—

Ms Beauchamp: Yes.

Senator O'NEILL: you should have that information, probably at hand.

Ms Beauchamp: Ultimately these are decisions of government, as outlined in the budget papers. We've just taken on notice for Senator Siewert whether they've come through direct approaches to the government, whether they've come through our call for projects and expressions of interest through the states and territories and the PHNs or whether they've come through some other process. So we'll get clarity on those.

Senator O'NEILL: In terms of the timing of those responses, taking it on notice means it could be quite a while before we get an answer.

Ms Beauchamp: I just want to be able to do the reconciliation, because the information we requested from the states and territories and the PHNs under the Community Health and Hospitals Program, in particular—I think all of those proposals were due back on 1 February. So I just wanted to have a look and see what's come through that process, what's come through direct approaches and what's come through other processes.

Senator O'NEILL: And at this stage you have no summary document of that?

Ms Beauchamp: I haven't got the summary document with me, no.

Senator O'NEILL: But somebody would have, because there's no way you could have done the budget and made the announcements for those people without having that information at hand.

Ms Beauchamp: There are a number of funding announcements in the budget around mental health. Some projects and some proposals have been announced. Others haven't yet been announced. So I just want to be able to do that reconciliation process and, as I've said to Senator Siewert, I'd take it on notice.

Senator O'NEILL: Is there any way you can provide that information today? It's got to be a summary document that you're working from.

Ms Edwards: I think what we've taken on notice is in relation to source.

Senator O'NEILL: Yes.

Ms Edwards: Some of that will run into budget confidentiality. It's quite a big effort to go and sort through all these. It's clear from the budget papers what the projects are and how much they're for, and we've already taken on notice to provide—I think today—a list of all the announced Community Health and Hospitals Program projects.

Senator O'NEILL: Oh, right. That happened earlier, when I wasn't here.

Ms Edwards: But, in terms of this more detailed analysis of where the source of things is, I don't think we could commit to do that quickly.

Ms Beauchamp: Senator Watt asked us to table all the projects that have been announced under the Community Health and Hospitals Program.

Senator O'NEILL: Thanks.

Senator SIEWERT: I'm happy to share as we go. Can I ask about the money that's been allocated to the eight mental health centres focusing on specialised support for adults requiring treatment, particularly after hours, and the process for allocating that money.

Ms Edwards: They would be decisions for government. There are eight of them. We expect them to be in each state and territory and to be funded through the PHNs. But exactly where the locations are and which PHNs they are, in those states that have more than one PHN, are yet to be determined.

Senator SIEWERT: Do you mean the process that the PHNs would use?

Ms Edwards: It's 63 or 64 hours now since the budget came down. We haven't yet sorted the process exactly. But we do expect there to be one in each state and territory, so we expect to use the same mix of country and city that we would ordinarily do. It would be a matter of readiness and so on, but at the end of the day where the locations will be are decisions for government, and that hasn't yet been determined.

Senator SIEWERT: So PHNs won't get to decide where they are? That's where I was going. PHNs won't decide; government will decide where they go in each state and territory?

Ms Edwards: Government will decide how they're selected. As to whether that means deciding the locations or whatever, we haven't got there yet. So 'I don't know' is the answer.

Senator SIEWERT: Yes, okay. Can I go to the gap funding.

Ms Edwards: The which funding?

Senator SIEWERT: Can you tell me now the level of funding that is now going to be made available for the transition?

Ms Edwards: Oh, are you talking about NDIS now?

Senator SIEWERT: Yes—well, what's not NDIS.

Ms Edwards: We're talking about PIR, Day to Day Living and PHaMs.

Senator SIEWERT: Yes. It wasn't clear to me through the budget papers how much is now the overall total for the gap.

Ms Edwards: Yes, I can tell you that.

Senator SIEWERT: Thank you.

Ms Edwards: We talked about this issue on the last occasion.

Senator SIEWERT: Yes.

Ms Edwards: We talked about how the programs PIR, PHaMs and Day to Day Living cease on 30 June. Then, after that, there's the psychosocial measure and the continuity of support.

Senator SIEWERT: Yes.

Ms Edwards: Since we had that discussion, the government's also announced \$121.29 million for 12 months extra for PIR, Day to Day Living and PHaMs to make sure that we give people time to transition. I think that's what you mean.

Senator SIEWERT: Yes, but I'll come back to the PHN funding in a second. That's still going to the PHN funding.

Ms Edwards: It's going through the PHNs, yes.

Senator SIEWERT: So there's \$121 million. This is to continue the support while the transition is ongoing.

Ms Edwards: It's effectively to continue the programs until the division occurs.

Senator SIEWERT: Is there a division with PHaMs? I know that PHaMs is another agency, but is there a decision there? When I saw the announcement, I was concerned that there was still a question. Remember we talked about whether you could keep your same provider or not?

Ms Edwards: Yes. There is no absolute commitment to the same provider, but not because we don't expect people to continue with the same provider in most instances. It's just for circumstances where a provider may no longer wish to do the service or might have only one person left on their books or the client might prefer to go to a different service, and so on. But we expect, in the vast majority of cases, the existing contracts with existing providers to continue.

Senator SIEWERT: I understand the exemptions that you've just made; they're perfectly reasonable. But if I as a consumer say, 'I want to use this provider,' PHNs don't have the right—I want to be clear about this—to say, 'No, you won't use this one; you'll use that one.'

Ms Edwards: In the vast majority of cases, we would expect that to happen. I can't say there wouldn't be a case where there was, for example, some issue with a certain provider. We can't give an absolute guarantee, because we might have a provider who is ceasing the contract or falling over and so on. The general position will be that the person having PIR, Day to Day Living or PhaMs who has not yet tested for NDIS and who is taking advantage of an extension will continue with the same provider. We expect the vast majority to be like that, but we need to have the flexibility to make sure that we provide services to people.

Senator SIEWERT: I don't want a situation where PHN has certain favourite providers and that someone has to swap.

Ms Edwards: I understand and agree. What we're doing is just making sure that we don't have some sort of unintended consequence.

Senator SIEWERT: I understand. How is that being communicated to existing consumers?

Ms Edwards: We're doing some facts sheets and so on on the website. That's the first step for providers, PHNs and consumers. Many consumers may not be in a position to do that. We are expecting providers to talk to their clients. We're expecting PHNs to make sure they deal with that, and we're working through it.

Senator SIEWERT: I understand the website is there, but, to be honest, probably not all providers go and check things on the website, although I do appreciate, given this time of change, you could expect that they will be paying attention. Will there be direct contact with providers of existing services?

Ms Edwards: I would have to take on notice exactly what arrangements. I know that teams are working with DSS and us. We work very closely with providers to make it very smooth, but I'm not aware of the exact detail of how it's done. I can take on notice how we're going to ensure that people are aware of the situation.

Senator SIEWERT: I presume Day to Day Living is included in this as well?

Ms Edwards: Day to Day Living, PIR and PhaMs.

Senator SIEWERT: Is there a split between those programs?

Ms Edwards: I don't know the answer to that. I'd have to take on notice how it works out. It is done as a variation to the existing funding rather than a specific measure. My teammate will know more about it.

Senator SIEWERT: PhaMs is DSS.

Ms Edwards: It is, although we're going to look after that, as I understand it. We expect the money for PhaMs will continue for those clients until they're transitioned. As we've talked about before, we are still really keen to get them to test as soon as possible, and the money for PIR. It won't be from exactly the same buckets, of course. You know how organisations work things, but people should be able to expect a continuation, effectively, until they test, and in the vast majority of cases with the same provider, as we've discussed. Exactly how we've structured it today, I'm not clear. I would have to take it on notice.

Senator SIEWERT: I'm aware that I'm straying into NDIS territory, and it is another agency.

Ms Edwards: You've got this afternoon to look forward to.

Senator SIEWERT: Yes. You would be aware, I'm sure, that NDIA and NDIS are going through a process of reform around mental health.

Ms Edwards: Yes.

Senator SIEWERT: So the issue then is in terms of the experience you had with PIR, for example. Are you aware of people who may be waiting to test their eligibility until the system improves? It's no secret that there has been a great deal of concern about the way psychosocial disabilities are handled by the NDIS.

Ms Edwards: The transition hasn't been as quick as we would like and we think there are a whole range of reasons why people have not gone to test, including that they are too sick—all sorts of reasons.

Senator SIEWERT: They don't want change.

Ms Edwards: Yes. We are also aware that there are really good results coming from people who have tested and are eligible, and we think the packages they get are superior and provide good service. One of the things we want to do over this additional 12 months is work with people to allay any of those sorts of concerns and make sure that they do test and then get into the right stream and work with the NDIA and DSS on how that happens. I'm not aware of any individual who is specifically saying what you've suggested, but there may well be a group. As you say, there might well be a group who don't want to change, and providers who are reluctant to change, and we need to work with them carefully to change manage that for the providers and the clients. That's one of the reasons for the 12-month extension—because it has taken longer than we would have hoped.

Senator SIEWERT: In terms of the allocation of \$121 million, how was that arrived at?

Ms Edwards: I'll have to take that on notice because I think I need to talk to DSS about that.

Senator SIEWERT: Because of PhaMs, do you mean?

Ms Edwards: It's an interplay between NDIS funding and—

Senator SIEWERT: Okay. Can I ask around the aged care funding? Do I ask that here?

Ms Edwards: Aged care? Residential facilities?

Senator SIEWERT: Residential facilities.

Ms Edwards: Yes, you can.

Senator SIEWERT: We talked before about the trials that are being undertaken by PHNs—and I'm aware of two. Have you got an update about how that funding is being rolled out for PHNs?

Ms Edwards: I think I do. It might take me a minute to turn it up.

Senator SIEWERT: That'd be great.

Ms Edwards: The short answer is that they're well advanced. I'll have to find it. I'm not as organised as usual, I'm sorry. It's been a bit more rushed on this occasion.

Senator SIEWERT: Yes, I understand.

Ms Edwards: As at 31 January, 21 PHNs have commissioned and are delivering services as part of the psychological treatment services in residential aged care facilities measure. That's the one we're talking about?

Senator SIEWERT: Yes.

Ms Edwards: Ten PHNs finalising, planning, commissioning of services as at late January.

Senator SIEWERT: That's on top of the—so, 21 have done it?

Ms Edwards: Twenty-one have done it, 10 are still planning and commissioning. Of the 21 that are already doing it, 17 have reported that their initial services will be trials to further inform what they're going to do next. That leaves four continuing things they were already doing—so, they're rolling out greater services. That's 31 January—the most recent figures I've got. There has been activity since then, but we're well advanced in having trials being delivered to further inform, and some extensions of services.

Senator SIEWERT: I'm trying to get an understanding of what the different PHNs are doing. I'm aware of a couple, because of the health services and clinical services in aged care. I'm trying to get an understanding of what each one of them are doing in terms of provision of services. Is it possible to give us a table or a break-down or point me to where I can find out?

Ms Edwards: I can give you a few examples now, if you'd like?

Senator SIEWERT: And maybe you could take it on notice to give all of them.

Ms Edwards: Absolutely. Let's go to Western Australia, given that's your home state.

Senator SIEWERT: We only have one PHN there anyway.

Ms Edwards: In Perth North, in phase one, Clear Health Psychology and Direction Psychological Services will provide psychological therapy to residential aged care facilities selected through a needs assessment. That's one of the planning ones. North-West Melbourne are doing a targeted approach undertaken with three aged care facilities to test model elements, pilot service links providers and facilities through defined referral pathways. In Tasmania, delivery of psychological services to people with mental illness living in residential aged care facilities is being undertaken through a phased approach. It was identified through the commencement of the commissioning cycle. Services will be implemented incrementally in the following phases: from January, phase 1 will inform finalisation of solution design; phase 2 will be procurement of services—to be complete in coming period. And the finalised full-commission services will be implemented by July 2019. I've got a range of ones. In Cairns in North Queensland, for example, they're doing a two-stage also—a developing relationship with major stakeholders. That stage will commence in March and be done in the middle of the year. Stage 2 will involve the engagement of health professionals and services to align with the stepped care principles, and then if successful they'll move on—

Ms Beauchamp: Why don't we table these case studies after the break?

Senator SIEWERT: Yes, if you could. If that also outlines how long the trials are for, my concern is that this all came from the fact that people in aged care weren't getting adequate access to mental health services, as you very well know, so I'm not going to carry on there. But the point is that, where there are trials—and you said in

some places they're trialling it at three sites—it still means that some people in aged care aren't necessarily getting access to mental health services. That's my concern.

Ms Edwards: We can table today the information I've got. It may not go to all the detail you're after, but we can do it today and you can come back to us with what you need in addition.

Senator SIEWERT: That will depend on when the election is called and when we receive answers to questions on notice.

Ms Edwards: Perhaps next week we can—

Senator SIEWERT: But I would like an answer to the general question. In some instances this process does not mean that everybody in an aged-care facility has the capacity to access mental health services, which is a key issue for many, many people.

Ms Edwards: I understand the question. The aim of the whole measure is to find ways to deliver services that actually match what's needed by older Australians living in aged-care facilities, and so some of these new initiatives are actually trying to find a way to get through. If we haven't succeeded in providing the services people need, having a blanket approach is not—

Senator SIEWERT: I understand what you're saying, and sorry to cut you off, but the issue here is why a lot of us were saying: just change the regulations around better access so that, in the meantime, people can get access to it. I understand we've got to find a good way of providing those services and I don't object to that. What I object to is the fact that at the moment we're still not necessarily providing the services that people in aged care need in order to address mental health.

Ms Edwards: I hear the comment. It's clear that through the PHNs we're delivering a lot of activity, and we'll provide that information later today, and I couldn't comment further on—

Senator SIEWERT: Have you been asked to look at how you could provide access in the meantime to mental health services, as I've suggested, for example through Better Access or something else? Going through this process sounds really valuable, but it doesn't solve the most immediate issue, and that is—

Ms Edwards: The decision of government was, in order to address the mental health needs of residents of aged-care facilities, to go through the process we're doing, and that's the process we're doing.

Senator O'NEILL: I apologise I wasn't here for the commencement of the discussion on mental health, so you may have to repeat a couple of things for me so I can catch up with where we were when I arrived and Senator Siewert was in full flight. I will go first to the eating disorder clinics. Do you want to provide me with an overview?

Ms Edwards: Yes. To be clear, on the last occasion we talked a lot about what we were doing at that point in eating disorders and I think I put on record a whole range of things. I think you're asking now about the things announced since then.

Senator O'NEILL: Yes.

Ms Edwards: It's not all we're doing; this is the new announcement.

Senator O'NEILL: Yes.

Ms Edwards: The most recent announcement is for a total of \$70.2 million, which covers \$63 million for six eating disorder facilities but also \$3.6 million to the Butterfly Foundation to nationally oversee that process and a further \$3.6 million to the Butterfly Foundation to continue the National Eating Disorders Collaboration.

Senator O'NEILL: Could you go to the detail of the six centres.

Ms Edwards: I will just mention that there is, in a way, a seventh centre, which is the one that was already announced as we discussed last time in North Queensland.

Senator O'NEILL: It's on the Gold Coast, isn't it?

Ms Edwards: The Sunshine Coast.

Senator O'NEILL: It's all coastal up there.

Ms Edwards: Yes it is, in lovely Queensland. Not all of the sites have been announced at this date, but there are three sites to date which have been announced. One is at the South Australian repatriation hospital, a further one is at the WA Peel Health Hub and the third is in the ACT. The three remaining sites remain to be announced.

Senator O'NEILL: Are they distributed by state?

Ms Edwards: Yes. We expect them to have a geographical location. Obviously there are not eight of them, so we're looking at ways of making sure that similar facilities are provided through another mechanism in remaining jurisdictions.

Senator O'NEILL: So Tasmania is still—

Ms Edwards: In the mix.

Senator O'NEILL: It has nothing. And New South Wales has nothing?

Ms Edwards: At the moment, South Australia, Western Australia, the ACT and Queensland have one, and we're looking at what happens with the other three.

Senator O'NEILL: Just to be clear: New South Wales, Tasmania, the Northern Territory and Victoria—

Ms Edwards: There's no announcement in relation to those as yet.

Senator O'NEILL: still have no announcement? Okay. On what basis will the determination of these remaining three centres—no, there are only two more to go?

Ms Edwards: Three more. I've indicated that we're going to have a geographical mix; we expect to have one in additional states and territories. The other key thing to remember is that we've actually funded and worked closely with the Butterfly Foundation to make sure that the appropriate facilities will be there and that they fit into a model which is really going to tell us what we need to know about this.

Senator O'NEILL: When you talk about the geographical mix—we've discussed states. What about metropolitan, rural and remote contexts? That's a geographical reality that confronts Australians with eating disorders.

Ms Edwards: Obviously that's a matter being taken into account. There are various other factors, and announcements are yet to be made. I couldn't make any commitments.

Senator O'NEILL: Have you provided advice to the government about the best sites, in the department's view?

Ms Edwards: I don't recall any specific advice about that particular topic. We've provided a lot of advice over a long period on eating disorders material, particularly in working with the Butterfly Foundation. I would have to take on notice if there was anything specific about that.

Senator O'NEILL: You have mentioned the Butterfly Foundation on a number of occasions. What other sources of consultation have you drawn on?

Ms Edwards: I'd have to take that on notice. I'm not aware.

Senator O'NEILL: Is it possible that the only consultation you've had is with the Butterfly Foundation?

Ms Edwards: When I talk about the Butterfly Foundation: they, of course, are responsible for the National Eating Disorders Collaboration. They bring together a lot of stakeholders. I'd have to take on notice whether we've relied on them to bring those together or gone broader.

Senator O'NEILL: You're not aware of any conversations with other groups?

Ms Edwards: I'm certain that my people would have had other conversations, but I'm not aware of exactly what they are.

Senator O'NEILL: Have you made any recommendations to the government about the need for a response to eating disorders in rural and remote communities, in addition to metropolitan communities?

Ms Edwards: Again, I can't recall any specific advice, although we have been clear that we need to cater for eating disorders of people wherever they are in Australia. The best way to provide that is by trialling a residential facility—if you go to a residential facility, you might be brought in. What we're trying to do is find the best ways of seeing whether a residential facility is the right way to treat people, as opposed to a day facility. You'd recall that the new MBS item on eating disorders is really beefing up the ability for someone as an outpatient, through a GP and others, to get psychological treatment and so on. This is actually looking at: if we were to bring some of these people with these issues together in an intense way, how would we do that? Obviously that would include people regardless of where they live. Whether that means you have a residential facility in the country or the city, and what's the best way to bring those people in, is exactly what we're trying to trial.

Ms Beauchamp: On top of that: in terms of the substantial changes to the MBS, the Prime Minister also announced a piece of research work—\$4 million for the Inside Out institute to develop a strategy which will translate evidence into clinical practice—and he specifically made reference to 'right across Australia'. Looking at

rural, remote and regional is very important—access to all the MBS items. Then on top of it are these residential facilities as well. So there's quite a big package that's been developed over a couple of months.

Senator O'NEILL: Can I just go back to clarify, for myself, the centres that are out: the South Australian repat, the WA Peel health centre and the one in the ACT. Where is it in the ACT?

Ms Edwards: In Canberra but I don't know exactly where in Canberra.

Senator O'NEILL: Who made the decisions?

Ms Edwards: They're decisions of government.

Senator O'NEILL: Did you provide recommendations?

Ms Edwards: I think I already indicated that I'm not sure whether we provided specific advice in relation to locations and so on. We provided a range of advice about eating disorders and how we might move forward.

Senator O'NEILL: Yes. But did you indicate to the government that it should provide six additional eating disorder clinics across the country? Was that advice given by the department?

Ms Edwards: It's a decision in the budget. Obviously we can't talk about the processes we do within the budget.

Senator O'NEILL: In the budget papers? Can you identify exactly where this amount is for me?

Ms Edwards: One of them is referred to in the measure I was discussing with Senator Siewert earlier.

Senator O'NEILL: When you say 'one of them', I'm specifically talking about the eating disorder centres—the six.

Ms Edwards: Yes, I know.

Senator O'NEILL: Are we on Budget Paper No. 2?

Ms Edwards: On page 104, the Repatriation General Hospital in South Australia, for eating disorders, is referred to as one of the examples under the 'caring for our community' measure.

Senator O'NEILL: That was an amount of \$5 million?

Ms Edwards: That's right.

Senator O'NEILL: Is that the only one that's in the budget papers?

Ms Edwards: That's the only one I've mentioned so far; I'm just working through this. Four of the residential ones are under the Community Health and Hospitals Program. That leaves one, which—

Senator O'NEILL: Where would I find that in the budget paper?

Ms Edwards: You'll find it in Budget Paper No. 2 at page 107.

Senator O'NEILL: Where is that?

Ms Edwards: Those are examples there—not all of the projects under the Community Health and Hospitals Program, which I mentioned before. We're tabling a list of all the announced projects, of which this is one.

Senator O'NEILL: Have you tabled that? Is that amongst the documents?

Ms Edwards: We're about to. We're having a printing problem, to be frank. But we will, and it includes those. They're not in the measure because there are only examples of the various projects in the measure.

Ms Beauchamp: They have actually been tabled.

Ms Edwards: They have been. There you are.

Senator O'NEILL: Is that the document that we've got here?

Ms Beauchamp: It should be in there. I'm not too sure exactly what you've got in front of you. I've been advised that we've tabled the Community Health and Hospital Program projects that have been announced.

Senator O'NEILL: They've been accepted?

ACTING CHAIR: Yes.

Senator O'NEILL: Thank you.

Ms Edwards: It looks like this.

Senator O'NEILL: I've got that big list. Do you want to point me to where it is?

Ms Edwards: On the second page, it's sixth from the bottom. The Peel one is also on this list, although the eating disorders element is an element of the bigger project.

Senator O'NEILL: Can we go to the one that says, 'Eating disorders, four residential facilities'. For eating disorders at four residential facilities, it says 'ACT, remaining three to be confirmed'.

Ms Edwards: Yes. And then the sixth is Peel.

Senator O'NEILL: The total amount there is \$45 million. And it's got the budget date, 2 April, as the announced date.

Ms Edwards: Which is in the budget. And then the sixth one is WA Peel, because it's an element of a bigger project.

Senator O'NEILL: Where is that?

Ms Edwards: I'm looking for it.

Senator O'NEILL: So this is not like a cohesive eating disorder funding pool; this is bits of money coming out of different parts? Is that correct? It's certainly not one lump; we're looking for it all over the place.

Ms Beauchamp: These are a number of specific projects under that. But, in terms of eating disorders more generally, there is a cohesive MBS, research—

Senator O'NEILL: Yes, but we're talking about the funding of these six centres in addition.

Ms Edwards: The delay is me still trying to get across all these things. Five of them are under the Community Health and Hospitals Program and one is under the Community Mental Health Program, which we mentioned before. So, that's all six.

Senator O'NEILL: And the Peel hospital campus refurbishment? That's the last one on the list that you've provided. It says: 'To expand and refurbish the existing emergency department, relocate and fit out the imaging department and construct new community mental health facilities in an off-site location.'

Ms Edwards: A portion of that is for eating disorders.

Senator O'NEILL: It doesn't say that.

Ms Edwards: It doesn't say that in this list but it is.

Senator O'NEILL: So that's where it's coming from. That \$25 million is going to spread across—

Ms Edwards: It includes a proportion for eating disorder residential.

Senator O'NEILL: Okay. So, if I can drill down into that, there is one that's clearly identified by itself, and that amount is \$5 million. Is that the allocation for each of the six?

Ms Edwards: I have \$4 million for the WA Peel Health Hub in relation to the eating disorders element and \$13.5 million for the ACT.

Senator O'NEILL: Oh, that's a very big difference.

Ms Edwards: Hang on; no, I've got a total of 54 for the four.

Senator O'NEILL: 54 for the four? I can't make these figures work. It looks like a bit of a mess. It is all over the place. It's bits of funding coming out of bits and pieces. I know there's a big need in terms of eating disorders, but it seems very bits and pieces in terms of a program. Well, it's not a program, really, is it?

Ms Edwards: The eating disorders work is part of our mental health program and our health and hospital programs. We've got overarching programs that being announced in the budget, and I'm trying very quickly after the budget to provide detail of various projects being announced under each of those programs.

Senator O'NEILL: So you're finding out after the government's made their announcements and you're trying to figure it out yourself? So this is not what you recommended to the government?

Ms Edwards: I'm trying to collate the material to talk to you about it today in a much truncated process, which is no reflection at all on the information, but only on my ability to bring it all together so quickly. What we've got is programs like we always have—

Senator O'NEILL: There's plenty of this, 'We don't know what's going on,' happening in every hearing that's going on today. The government has stitched a lot of bits and pieces together in the last few hours, by the looks of things.

Ms Beauchamp: I think when the fund or the program was announced back in December, of \$1.25 billion, I think, there were four—

Senator O'NEILL: Can we not go to the broader things? I want to talk specifically about eating disorders?

Ms Beauchamp: I was just going to say that there were four key areas that were identified as part of that fund. Mental health was one of them. Now you're drilling down into the mental health component, specifically looking at eating disorders.

Senator O'NEILL: That's right.

Ms Beauchamp: The eating disorders programs and initiatives are being picked up in not only this program but also other parts of the portfolio in mental health. What we're doing for you now is—

Senator O'NEILL: Was that the methodology that you recommended to the government?

Ms Beauchamp: Well, there's a number of programs that we administer on behalf of government. We were lucky enough to get additional funding through the budget for these sorts of priorities. Now we're looking at making sure that there is, indeed, as you've described, an integrated strategy around eating disorders. I think that's what we've got in front of us with the MBS items, the research work and the residential.

Senator O'NEILL: Can we just keep coming back to eating disorders? At this point in time, I have no clarity about exactly what's happening with that \$72 million and exactly what's going where. You've told me that New South Wales, Tasmania, Northern Territory and Victoria still haven't got anything. So I'm assuming there will be some gap between the \$70.2 million that's been announced and what you know has been allocated.

Ms Edwards: I think what we've told you is there's an overarching program. Normally we would say, 'There's a program, but we don't know where it's going or anything yet.' But we actually have some further detail that three of the centres have already been identified, and we told you what we know about those. It's very early days after the budget.

Senator O'NEILL: Yes, so can we be clear about those? There is \$5 million for South Australia and \$4 million for Western Australia. Is that correct? And there is \$13.5 million for the ACT. On what basis is that differentiation in response, because—

Ms Edwards: Well, it's not a cookie-cutter approach; it's: what do you need? We're giving \$5 million to the South Australian government in an existing facility to provide this. We're working with Western Australia as an element of a much bigger project to do an eating disorders thing. And, in the ACT, it may be an entirely new project. So one of the key things here is not to just say, 'Here's money to do this.' It's actually to think about what's needed in each location. We're doing three. They'll be different. They're trials to see how we can bring people together to give them the services they need to combat eating disorders. I'm giving you the information we've got at the moment, which is very soon after the budget, and we haven't got the full picture yet.

Senator O'NEILL: I'm trying to understand. We've got one announced of the four that are here in eating disorders for residential. So, of the \$45 million there, you've taken \$13.5 million out for the ACT. Is that correct?

Ms Edwards: I've mentioned the number 13.5, but I'm not clear that I'm understanding that number correctly, so I'd prefer to retract it and say that we've got a total amount and we'll come back to you on notice with the exact amount for the ACT.

Senator O'NEILL: There are some key headline numbers here. There's 70.2.

Ms Edwards: Yes.

Senator O'NEILL: There's a 54.4 that you mentioned for the four.

Ms Edwards: There's five for South Australia, four for Western Australia Peel, 54 for the balance four. That makes 63. Then 3.6 for national coordination and 3.6 for the National Eating Disorders Collaboration. That makes 70.2.

Senator O'NEILL: Can you give me any further clarity about how much each centre will cost in the rationale for the determination of that amount?

Ms Edwards: I'll have to take that on notice.

Senator O'NEILL: One of the issues we know of in this area is the workforce. Is the money that you're talking about here for capital expenditure, or is it for workforce for each of the eating disorder clinics as well?

Ms Edwards: It depends. In South Australia, it's a contribution to the South Australian government, so how that's allocated depends on the circumstances. In Western Australia, it's part of a bigger facility. In the ACT, it's more going towards a whole new thing, so it would depend. We need to work with those jurisdictions and those facilities about how it's to be divided up.

Senator O'NEILL: Is it going to be recurrent or is it a one-off spend?

Ms Edwards: It's allocated within the forward estimates.

Senator O'NEILL: I'm really trying to understand what's happening, because people are out there, and we know there's massive underservice in this area. I acknowledge the fact that there's money going in here, but people are going, 'What are we getting?' They're actually asking. There's an announcement, and there's all the cachet of that for the government: 'We're sorting eating disorders.' But what exactly are they going to get in South Australia and Western Australia?

Ms Edwards: As you know, Senator, there's an important process of working out funding agreements or intergovernmental arrangements—

Senator O'NEILL: Yes, but that's after you've already started, with a clear idea of where you want to go. My question is: what advice have you given to the government, and on what basis have these amounts been determined? And to go to the question from Senator Siewert that I picked up on when I got in: who has been engaged in determining if these are the appropriate places for it to go?

Ms Beauchamp: I think we've already taken that on notice. Of course, once the announcement's made, then we work through a process with providers and other stakeholders, in terms of the shape and design of the services that need to be delivered.

Senator O'NEILL: But I want to know your decision-making about these allocations of funds before—

Ms Beauchamp: These are government's decisions about decision-making, and we said we'd take that on notice. In terms of what's been announced, it's clear what's out there, and there are a number of projects yet to be announced.

Senator O'NEILL: That are being determined in a way that doesn't seem to be very transparent.

Ms Beauchamp: There are decisions of government, and they will be announced when—

Senator O'NEILL: Have the government followed your recommendations, or have they—

Ms Beauchamp: The government use advice from the department and a range of other sources in coming to their own decisions.

Senator O'NEILL: And a range of other sources—okay.

Ms Edwards: Including the Butterfly Foundation, and, through it, the National Eating Disorders Collaboration—

Senator O'NEILL: But you're already talking to them.

Ms Edwards: We've been talking to them all along.

Senator O'NEILL: So that's not a separate source for the government, is it, if they're talking to you?

Ms Beauchamp: It's not all funnelled through us. Of course—

Senator O'NEILL: They talk to them directly, then.

Ms Edwards: They talk to them directly. They talk to us. The key thing is we're funding them to actually help guide this work. Because it's a trial. We don't know how this stuff should be delivered and what's going to work, and that's why we're putting an investment into having a go at it in various locations in various ways.

Senator O'NEILL: Is there any data from the actual trial on the Sunshine Coast that informed this decision-making? Because that's why it's called a trial. But this seems to be happening without careful consideration of that trial.

Ms Edwards: As you've indicated, this is a very important area, which is why we've got a new MBS figure and why the decision was that we need more than just one trial; we need to try a few things in a few different places. There's an investment made and we'll be carefully monitoring all of those sites to see the best way to deal with the people in these situations.

Senator O'NEILL: So trying a few different things means there are different models going to be implemented in each place?

Ms Edwards: Potentially.

Senator O'NEILL: Potentially—but you don't know?

Ms Edwards: Obviously, we've already got one that's part of the Peel campus, one that's attached to the Repatriation Hospital and the other one that's happening on the Sunshine Coast. There's a different approach in the ACT and three are yet to be determined.

Senator O'NEILL: This is probably absolutely unanswerable, given what we have been going through so far, but what will the staffing mix and numbers be in each centre?

Ms Edwards: Too early to say.

Senator O'NEILL: So, that did not inform the decision-making around the dollar allocation?

Ms Beauchamp: It would have formed part of the costing process, yes—indicative, very indicative—and, as I said, we've got to work through—

Senator O'NEILL: So, back-of-the-envelope-type figures rather than detailed figures?

Ms Edwards: Some of these are contributions to what's already happening in state governments and so on, so it's not a direct—it's not a stand-alone, 'We're doing it in this way; do a formula.' It's actually working together on how we're going to do this.

Senator O'NEILL: So, it could be just propping up things that they're doing. There's no considered and informed research-defined process that has determined where these are going and what they're going to do, the staffing mix and the methodology? None of that detail is in this plan. It's just, 'We've picked some places and we're working with some governments and we're putting different money in different places'?

Ms Beauchamp: And with the experts in the field and the key community people involved—working with them on how we might try ways to really address this important issue.

Senator O'NEILL: I'll try with this one: has work been done on the workforce and modelling to staff each of these?

Ms Edwards: I'd have to take that on notice.

Senator O'NEILL: Do you know what the government's going to announce? Have you got any documentation prepared to support the government in their announcements with regard to New South Wales, Tasmania, the Northern Territory and Victoria?

Ms Beauchamp: Can we take that on notice? Because I'm sure we would have provided some support in terms of any announcements that need to be made.

Senator O'NEILL: Right. If you can provide that in a timely way, that would be particularly helpful. But I'm really interested in the rationale for the recommendations that you put forward to government.

Ms Beauchamp: What I was trying to say earlier is that it is part of a whole strategy around eating disorders. As Ms Edwards said, some of this is trial and some of it's research, and we're looking at and have invested quite a bit of money in what's the best clinical practice, how do we translate the evidence into proper clinical practice and the like. I think the trials and the different models of care will contribute to that. We are working with the states and territories and we are working with a number of experts and providers in this area, and the different models of care, depending on the different cohorts of population we're trying to assist, will go towards developing an ongoing strategy in this area.

Senator O'NEILL: I'd like to think, particularly for this sector—and I've been engaging with the Butterfly Foundation myself, as well as parents and young people and great advocates and peer workers, and they're remarkable people doing extraordinarily hard work with the mental illness that has the highest mortality rate of any. So, I acknowledge the work that they're doing. But what I'm concerned about is that the piecemeal nature of this is really an indication that, at the time of the budget, there was so little planning that these announcements that are following—that weren't sufficiently considered to be able to go in the budget for people to see—are just a political game.

ACTING CHAIR (Senator Dean Smith): Is there a question, Senator O'Neill?

Senator Scullion: Perhaps I can just help. I've listened what the department—

Senator O'NEILL: I'm genuinely concerned for people to have a sense of ordered organisation and research-informed practice.

Senator Scullion: Indeed. You're putting it that there doesn't seem to be a sense of order. What we started to roll out was in December. You can remember that in December we had a \$115 million package. We actually said that eating disorders, as you say, are the deadliest of psychiatric illnesses in Australia. Then we announced people would be able to get access to 40 psychological services and 20 dietetic services, and we know that's going to benefit about 30,000 people. We then decided that we would speak not only through the Butterfly Foundation but to the jurisdictions we want to be able to co-design this. Thus far, we've decided that there are going to be six centres, because we know that having a residential centre is absolutely essential to this. We've settled the negotiations, which are ongoing with every jurisdiction, in Western Australia and the Australian Capital Territory, and those have been announced. As the other jurisdictions come to bear—

Senator O'NEILL: Senator Scullion, I appreciate what you're doing, but can I just ask: when were those settled? Do you have any indication of when?

Senator Scullion: I would say they were settled when they were announced. That's the only advice I have. But, as we've already indicated, there have been some announcements about those. They were settled with that jurisdiction and then announced. As the remainder of the jurisdictions' negotiations are completed, they will be announced.

Some of our funding is for infrastructure and some of it is for a mix, but that depends on the arrangements between the jurisdictions. This is not uncommon—about how this would go. In some jurisdictions they may not need any infrastructure, and the convention that the Commonwealth will provide infrastructure and the jurisdiction will provide the staff may not apply. As we've indicated, from the department, it can't be a cookie-cutter approach. Everybody's in slightly different circumstances.

As the remainder of the jurisdictions come to bear, the announcements about those investments will be made. But this is a comprehensive and rational investment. Can I say, this is a bigger commitment than from any other government ever before. I know you appreciate that we are working with the Butterfly Foundation—I know you've worked closely with them—but it's on the basis of the advice that we've been taking for some time that this significant decision and investment have been made. I think it's a rational investment. I'm sorry we're not up to the stage where the other jurisdictions have indicated exactly where they're up to so that we're able to share it with you at these estimates, but we are able to share with you details about those decisions that have already been made.

Senator O'NEILL: Thank you for that—and I know that you take the matter seriously—but I question, if the matters were settled amicably and professionally with the jurisdictions, that it was not given a cent in sufficient time for you to put it in the budget papers, considering it is such an important part—

Senator Scullion: They just haven't been settled yet. We have the amount of money we'll invest—

Senator O'NEILL: Have they been settled or have they not been settled?

Senator SIEWERT: Some have and some haven't.

Senator O'NEILL: Right. But I can't understand, if they have been settled with South Australia, Western Australia and the ACT, why South Australia was the only one that got it in the budget papers. When you made this decision looks to me like policy on the fly. Anyway, could I move on to another area.

Senator Scullion: I can assure you that that's not the case.

ACTING CHAIR: Actually, just for the interest of all senators, we're going to break for lunch at 12.45. Senators Martin, Spender, Patrick and Griff have also expressed an interest in outcome 2. Senator Siewert, do you have additional questions?

Senator SIEWERT: I have more questions.

Ms Edwards: Excuse me, Chair. Before we go on, can I correct the record about something I said earlier this morning in answer to a question from Senator Watt in relation to the costs of the Health Funding Facts developers. I had thought it was about \$30,000 and then I gave an answer that it was about \$15,000. The reason for that is that the total amount is actually a combination of those two amounts. At the end of March, it was \$44,265. I apologise for the confusion.

Senator WATT: That's okay. That was for the techie-appy people, right?

Ms Edwards: Yes. I thought you might take an opportunity to remind me of that.

Senator WATT: I'm not a very techie-appy person either.

Ms Edwards: Well I can't add, clearly.

ACTING CHAIR: Senator O'Neill, you're still in outcome 2?

Senator O'NEILL: Yes. I have two quick questions to finish off this line of questioning. Do you have any idea about what the opening hours for each of the centres will be, and will they be staffed 24/7?

Ms Beauchamp: I don't personally.

Senator O'NEILL: You'll take that on notice?

Senator Scullion: We'll have to take it on notice.

Senator O'NEILL: How many people does the department expect will be accessing these centres by the end of the forward estimates?

Ms Edwards: I'd have to take that on notice also.

Senator O'NEILL: Okay. Going to the headspace announcements, my first question is: can the department confirm who decided on the locations of the Victorian headspace sites? Was it the minister or the department?

Ms Edwards: They were decisions of government.

Senator O'NEILL: So the minister made the determination.

Ms Edwards: They were decisions of government.

Senator PATRICK: The government's not a person. Decisions are made by cabinet, a group of people or a person. Can you identify who made the decision please?

Senator Scullion: I think the difference was whether it was the department or government. She referred to the government and the minister.

Senator O'NEILL: No, I asked if it was the minister or the department.

Ms Edwards: It wasn't the department. I think in most cases it was a decision of the whole of the government.

Senator PATRICK: The whole of the cabinet. The government is some idea. Decisions get made by groups of people, either committees or cabinet—

Ms Edwards: Yes, but we don't talk about cabinet decisions; we say, 'The government make the decision,' which is a whole-of-government decision.

ACTING CHAIR: I'll just remind you that we're in outcome 2, not whole of government or anywhere else.

Senator O'NEILL: Thanks for pointing that out, Senator Patrick, because it can become a bit amorphous, can't it?

Senator PATRICK: It can.

Senator O'NEILL: The minister, in his role, would have interacted with the cabinet to make a determination about the sites in Victoria where headspace services are going to be delivered. What about other sites? Has the department made recommendations?

Ms Edwards: The department's been in an ongoing discussion with the minister, his office and, in particular, headspace national about the locations of sites and what need is where.

Senator O'NEILL: Across the entire country, not just in Victoria?

Ms Edwards: Yes. It's worth noting that, with the announcement, there'll be a total of 145 services across the whole of Australia.

Senator O'NEILL: Yes. Can the department confirm when the locations of the new headspace services were decided? Have they all been decided?

Ms Edwards: No, they haven't all been decided.

Senator O'NEILL: So the minister is still making his mind up?

Ms Edwards: There was an additional four satellite services out of the MYEFO process and then there was a budget measure, as you know, for an additional 30 headspace services. Of that, three centres have been announced.

Senator O'NEILL: Let's be really clear about the 30 headspace services. headspace is a very significant brand for young people, which we know has been effective in destigmatising.

Ms Edwards: Yes.

Senator O'NEILL: And headspace centres are of a particular scale to carefully allow for integrated services. A centre is not a satellite. There is quite a difference.

Ms Edwards: It would be a mix of centres and satellites.

Senator O'NEILL: There are 10 centres—is that correct? A centre is what people predominantly know as headspace across the country?

Ms Edwards: Yes.

Senator O'NEILL: And there are 20 satellites, which are not headspaces as such; they are attached to another centre.

Ms Edwards: A way to outreach, yes.

Senator O'NEILL: Let's be clear. There are not 30 headspaces. There are 10 headspaces and then there are 20 satellites, which are much smaller, draw fewer funds and provide much reduced service. It can still be appropriate, but there is a difference between them.

Senator Scullion: They're usually scaled down for the population, so remote areas are where the satellites are likely to be. They would be scaled down—

Senator O'NEILL: That's not always the case.

Senator Scullion: No, it's not always the case, but it is often the case.

Senator SIEWERT: In Tasmania that's not the case.

Senator O'NEILL: It's not the case in Victoria either.

Senator SIEWERT: St Helen's isn't remote—well, not our version of remote.

Senator O'NEILL: Exactly.

Senator SIEWERT: And Devonport is a satellite site, I think.

Senator O'NEILL: It is. I have visited that site. I have visited 42 headspaces across the country, and you can tell there's a massive difference between a headspace centre and a satellite in terms of space, service, staffing and funding allocation. I really want to be clear about that. There are 30, but 10 are centres.

Ms Edwards: We have a mix of centres and satellites in order to have the best possible reach across Australia. We determine what sort of service and how it works and it all has to be ticked off by headspace national as complying with providing the sort of model that the headspace model provides.

Senator O'NEILL: They're only going to take what the government's offering. If there are 10 on offer and you give them 20 satellites—

Ms Edwards: Give them? headspace national is a separate organisation that has a model and governs the integrity of that model. No service—

Senator O'NEILL: Are you telling me that headspace recommended 20 satellites? If I ask them that question I don't know that I'm going to get that answer.

Ms Edwards: Each service and satellite has to be ticked off as meeting the integrity of the service model by headspace national; that's a condition. And we need to find a way to service as many young people as we possibly can. This is deemed as having 145 services across Australia, which is a huge expansion.

Senator O'NEILL: Yes, but it's only good if it's effective, isn't it?

Senator Scullion: It has been supported, as the officer just indicated. Headspace national provide the integrity for the service. I'm not saying that you don't believe in it.

Senator O'NEILL: Did they request 20 satellites from the government? Did they request it of the department?

Senator Scullion: I can't answer that.

Senator O'NEILL: They accepted what they were given, but did they request 20 satellites?

Senator Scullion: I don't accept that that's what happened. I don't think you or I know. I don't know what happened. I wasn't a party to those negotiations. But headspace national have provided the integrity, and they believe—

Senator O'NEILL: So far, yes, they have.

Senator Scullion: Indeed they have. What I'm saying to you—in these circumstances as well, I've been assured—is that it's headspace national that have approved these additional investments.

Senator O'NEILL: Yes, let's be clear. 'Approved' and 'requested'—two different words, okay? Did headspace, to the department—

Senator Scullion: We'll take on notice—

Ms Edwards: Yes, we'll take that on notice.

Senator Scullion: I know it's not just a small thing that you're asking, but I'm not able to provide that answer.

Ms Edwards: But I don't think that we should disparage satellites.

Senator Scullion: No.

Ms Edwards: Satellites may often be the best way to provide service in particular areas, and they have to be ticked off as having the integrity of the model. We have a mix of centres and satellites. Three new centres have been announced under the new measure, and there are 15 locations, centres and satellites, yet to be announced. So we're getting there.

Senator O'NEILL: What modelling were the decisions based on?

Ms Edwards: A decision of government in the budget process.

Senator O'NEILL: Right. If you can't answer this now, can you take it on notice: was the mix of 10 new centres and 20 satellites centres proffered to you by headspace, or was it a decision of the minister and cabinet to organise the funding in that way?

Ms Beauchamp: I think this has been investment in headspace over a long period of time. I think we've been working on additional services, with government, since the announcement was made last October. When you look at it in terms of additional funding for headspace, it's over \$200 million since last October. The form and content of that is looking at headspace services, and, as you've mentioned, providing better access for people in rural and remote areas through satellite services as well. So we've been working with government and headspace national, the Mental Health Commission and others in terms of what we should be doing over the longer term, and we're lucky enough to get in this budget a substantial additional investment of over \$260 million.

Senator O'NEILL: And that's a really big spend and it's fantastic if it works, but it needs to be based on modelling, not on arbitrary decision-making. So can I ask you to take on notice—

Senator Scullion: It does have the support of headspace national. I was unaware of people's opposition to satellites until today. I do know that headspace national are not opposed to this notion of a satellite.

Senator O'NEILL: Yes, because there is no perfect formula there. But my question is: on what modelling were the decisions based? That is my question. Could you take that on notice and provide for me the modelling on which the determination of that allocation was based. Can the department also explain what mechanisms the \$152 million will go towards with regard to reducing waiting times?

Ms Edwards: It's yet to be determined exactly how that'd be allocated across the network. I understand that headspace national is today going to release its report on the detail it has collated about how long people are waiting for an initial assessment or initial therapy session, and that will be very influential in guiding how we allocate it. You would recall—

Senator O'NEILL: So there will be modelling that informs that spend?

Ms Edwards: There will be information, and that will be an important source. You would remember that there was an allocation in MYEFO to help with this building capacity, and that was allocated exactly across all centres equally. We'll have a look at this. It might be appropriate to do it that same way. It might be appropriate to look more at different ways. We'll be working with headspace national on the basis of the information they're releasing, I understand, today—it may already be out—and that'll be key to how we work out how to allocate the \$152 million.

Senator O'NEILL: One of the concerns I have is that the tearing-up of the National Health Partnerships a long time ago has led to a massive reduction in community mental health in almost every state and territory jurisdiction. What we're seeing with headspace is a shift from it being mild to moderate intervention to it cleaning up moderate and severe cases where services are not available. So the pressure on headspace is increasing and it's appropriate that more funding goes there, but it needs to go to the right place and to the right people. Also, I think the states need some consideration.

Senator DEAN SMITH: Did headspace make a pre-budget submission?

Senator O'NEILL: Great question.

Ms Edwards: I have to take on notice whether there was a formal submission. We clearly talk to them a lot.

Ms Beauchamp: And we get a number of pieces of correspondence in terms of headspace need and mental health services generally.

Ms Edwards: They go through the Treasury formally. As to whether there's a specific document, I'd have to take that on notice. Certainly we know a lot about what they think.

Senator DEAN SMITH: Great.

Senator O'NEILL: Regarding the \$152 million, how much of the funding is going to go to infrastructure?

Ms Edwards: Yes. Just a minute.

Senator O'NEILL: My next question is: how much funding will go to service delivery? Then: will any of the funding go to e-headspace, and is there anything else? The \$152 million breakdown—is this it?

Ms Edwards: I've got a breakdown of all the bits.

Senator O'NEILL: Do you want to table that, Ms Edwards?

Ms Edwards: Yes, once I get rid of my scribbles on it. It's a table I think we've presented before: all the youth mental health funding over a 12-year period, including all the headspace funding, all the FS funding and youth through the PHNs, and it includes the breakdown of headspace services, headspace capital, the waiting list, efforts—but I'm just checking to see if it includes the budget numbers today. Perhaps we could very quickly provide it to you. I just have to clean it up.

Senator O'NEILL: That would be great. My questions are: how much of the \$152 million is going to infrastructure, how much is going to service delivery, and how much is going to e-headspace, if it is? They were my three questions. You'll try to get that back to us shortly?

Ms Beauchamp: Yes.

Senator O'NEILL: That will be great. Apart from the differentiation for different purposes, will this money all go through to PHNs?

Ms Edwards: Yes.

Senator O'NEILL: Will it be distributed on a basis of need and waitlist length or will it be distributed between centres evenly?

Ms Edwards: The \$152 million? I think I just answered that question previously, saying the previous amount we did evenly across all headspace, but we'll have a look, including on the basis of the waiting list stuff that headspace National is about to release, to see the best way to allocate it. It may well be that there is an even spread again or it might be that there's a different way of doing it. We haven't yet determined.

Senator O'NEILL: When will that be determined and by whom?

Ms Edwards: The department will do a lot of work with headspace National and will provide advice on it in due course. I couldn't give you the exact timing at the moment.

Ms Beauchamp: There's a profile over the forward estimates, so it's not expected to be done right now. But we do have to work with headspace in terms of the rollout that matches that profile of the funding of the \$152 million.

Senator O'NEILL: How much of the budgeted headspace funding is new money?

Ms Edwards: None of it is out of our existing mental health program.

Senator O'NEILL: Where did it come from?

Ms Edwards: The budget.

Senator O'NEILL: It not a reappropriation of money from another part of the mental health—

Ms Beauchamp: No. I think Ms Edwards just said that—yes.

Senator Scullion: I think it's reasonable to say it's new money in the context that we'd usually use that term.

Senator O'NEILL: I've just got one other line of questioning if I can, Chair, to complete.

CHAIR: Two minutes, Senator.

Senator O'NEILL: With regard to the adult mental health centres, can the department confirm where the centres will be located?

Ms Beauchamp: Not at this stage. We talked about this briefly before. There are eight trial sites and we expect one to be in each state and territory. Exactly where they are is to be determined. It will be a matter for government as to where they're located and/or how the locations are decided. It will be put through the PHNs, the funding, but we haven't determined exactly which PHNs or how that will work at this stage.

Senator O'NEILL: I'll just go through the questions so I'm clear. You do not know how many will be metropolitan, research rural or remote, because that's yet to be determined. Is that correct?

Ms Edwards: Correct.

Senator O'NEILL: There's no basis for the decisions regarding locations at this point. Is that correct?

Ms Edwards: Correct. Other than we expect one in each state and territory.

Senator O'NEILL: Great. Do you have any information about how much each centre will cost?

Ms Beauchamp: I think we've got a general figure, but I'd have to take that on notice as part of the general costing.

Ms Edwards: Me too.

Senator O'NEILL: While you're doing that, I'll go through the rest and you might be able to come back after the break. What will the staffing mix and the numbers be in each centre? Do you have any of that detail?

Ms Edwards: That wouldn't be determined yet.

Senator O'NEILL: Has work been done on any workforce or modelling for these staff issues?

Ms Edwards: That'll happen as we develop the models.

Senator O'NEILL: Has there been any indication of the required opening hours of such centres?

Ms Edwards: It's intended that they'll be open for long hours. If I can find the right piece of paper, I can tell you a bit more.

CHAIR: Senator O'Neill, we are now on—

Senator O'NEILL: I've literally got two more questions and I'm completed.

Ms Edwards: I can finish this. There are expected to be extended opening hours. That's one of the key things, to make sure that people can avoid going to emergency departments. It's a different and more welcoming environment. So we expect extended hours.

Senator O'NEILL: Can you provide detail on that on notice, perhaps just after the break, about exactly what you mean when you say 'extended hours'. How many people does the department expect will be accessing these centres by the end of the forward estimates, if you've got any data around that?

Ms Beauchamp: I don't think we would have data on that. As I said, the profile of funding is over the forward estimates. How many people would be accessing those services each year and at a particular point in time will change over that period, but we'll see what information we can get to you.

Senator O'NEILL: Can the department provide detail who was consulted on this model?

Ms Beauchamp: On notice.

Senator O'NEILL: When we come back. I just wanted to give you the chance to make sure you've got that ready.

CHAIR: Senator O'Neill, we'll come back.

Proceedings suspended from 12:46 to 13:45

CHAIR: We now reconvene. Senator Martin is not here yet, so we'll go to Senator Griff before we go to Senator Smith.

Senator GRIFF: We're still on 2.1?

CHAIR: Yes.

Senator GRIFF: I'm following along the lines before, when we were talking about autism. I know you said to talk to DSS—which I will—but my question here is: of the funding provided to mental health service provision, is there any funding that's dedicated to supporting autistic individuals with co-occurring mental health conditions?

Ms Edwards: Nothing specific that I'm aware of in terms of mental health services for people who have autism spectrum disorder, but we would expect our mental health services to provide services to everybody, whether there is comorbidity or whatever it is.

Senator GRIFF: Do they classify—

Ms Edwards: Autism is not a mental disability.

Senator GRIFF: I'm talking about someone with autism that might have mental health issues.

Ms Edwards: A mental illness as well?

Senator GRIFF: Yes.

Ms Edwards: We would expect the services we fund and the health system generally to deal with the mental health issues of a person who has autism in the same way they would deal with any other Australian.

Senator GRIFF: But you wouldn't have any stats? You wouldn't classify them—

Ms Edwards: Not that I'm aware of.

Senator GRIFF: Could you take that on notice?

Ms Edwards: Yes. I would say that one of the issues we've been thinking about lately is that it's very important to ensure that the health needs of people with intellectual disability, autism and other disabilities are well catered for. That's a policy area going forward, but nothing specifically about that at this point.

Senator SPENDER: I have some questions on 2.4.

Ms Beauchamp: Chair, I just wanted to clarify a point that Senator O'Neill made around the adult mental health services. When we had a look at some of the things that she'd raised—we're talking about the rollout of a

program five years from 2021—there seemed to be some dismay about the lack of understanding of the model. There has been \$114.5 million provided for adult health centres. Over the next 12 months we're going to be doing a lot of that design work. But, in the course of coming up with indicative costings, we've been looking at having services with psychs in-situ, mental health nurses, counsellors and the like—so looking at the range of services that can be provided.

I think Senator O'Neill also raised the issue of waiting times. That's certainly something the government is very cognisant of and is looking at the availability of community mental health services until 9 pm available on weekends. That's obviously dependent on the availability of staff as well. There is going to be a lot of design work happening over the next financial year. It's not as if we've got to spend that money right now and come up with that service right now. We'll be working in concert with those affected.

ACTING CHAIR (Senator Siewert): We'll make sure we pass that on.

Ms Beauchamp: Thank you.

Senator SPENDER: When I was working for Senator Leyonhjelm in December I think we had a visit from an ANU professor who was going to end up being the chair of a review into all things vaping. I think it was announced by Minister Hunt. I'm not aware whether any funding for such a review was put away in MYEFO, but I don't think I saw anything in the budget either. Firstly, is there such a review led by an ANU professor—I am sorry I've forgotten her name—and has it been budgeted for?

Ms Beauchamp: I'd have to take that on notice. This falls across this outcome, but also Professor Skerritt's area, particularly around the regulation. In terms of what research has been done and been commissioned, I'll have to take that on notice.

Mr Boyley: I can provide some information on that research if the committee would like?

Senator SPENDER: On that Professor Skerritt issue, is that under outcome 4? Is there a possibility of coming back—

Ms Beauchamp: Outcome 5.

Senator SPENDER: Later on, okay. I'm just interested in whether or not the terms of reference for that have been released and formed and whether or not there's funding for that either in MYEFO or in budget. I'd also like advice as to whether there's an intention to consult with professionals such as Professor Borland and Associate Professor Mendelsohn as well as consulting more broadly with the vaping lobby areas. If you don't have that information—

Mr Boyley: I'd need to take those specifics on notice.

Senator SPENDER: Whilst you're taking that on notice, just in case there's something other than that ANU professor leading, can I ask the same questions of any other review in consideration, such as the health minister considering an NHMRC review? If there is such a review in consideration, is there any budget for it? Who would chair it? Would you commit to the terms of reference covering the comparison between vaping impacts vis-a-vis cigarette and tobacco impacts. That's the main query, because we imagine that any other review, whether it's the ANU review or another review in the offering, which doesn't compare vaping with tobacco might not be particularly useful. You don't have the details on that?

Ms Beauchamp: I don't have the details, but, of course, there has been quite a bit happening internationally. The FDA has done some further work, as you know, particularly around young people and the take up of vaping by young people. There's a fair bit of international literature that's been developed, but, in terms of the specific work that we have commissioned either through the department or the NHMRC, I'll take that and those details on the terms of reference on notice.

Senator SPENDER: Sure. On the tobacco strategy that just recently finished, because it was dated to 2018, do you yet have a critical evaluation of that strategy or is it in the pipeline?

Mr Boyley: The evaluation is still pending at the moment.

Senator SPENDER: Will that be public?

Mr Boyley: In the ordinary process of reviews of effectiveness of programs and initiatives, we would provide the advice to government and then determine, what, if any of those aspects, would be released publicly. I haven't got a specific view on that evaluation, so I'm happy to take that part on notice.

Senator SPENDER: If you are able to publish, please do so.

Mr Boyley: Absolutely.

Senator SPENDER: Presumably the conclusion will be that we did not reach the targets we sought in that strategy.

Ms Beauchamp: Can I just clarify, is that the strategy or the campaign or the combination of both?

Senator SPENDER: The strategy. I think it was something like the 2011 to 2018 strategy, which had various targets. My current understanding of the stats is that we didn't meet the targets for either the general population or the ATSI population.

Ms Beauchamp: We'll take that on notice.

Senator SPENDER: That's it from me.

Senator PATRICK: I've just got some questions in relation to regional doctors. In particular, I've been out to Kimba, in South Australia, a couple of times over the last month or so. They're in a situation where they don't have a local GP. They've been without a GP for about 12 months and prior to that had patchy services. My understanding is that in fact the state and federal government engaged an organisation called Rural Doctors Workforce Agency. That agency appears in their own annual report to talk about a \$16.6 million income and state that the major funders are the Australian government Department of Health and Country Health SA. Can someone give me an idea of what the Department of Health contracted this organisation for? Professor Murphy?

Prof. Murphy: I can start. Mr Hallinan is probably across more of the detail. In each jurisdiction there is a rural workforce agency which is contracted by the Commonwealth to provide a range of services to promote the supply of health workforce to non-metropolitan regions. They have an increasingly important role in doing that, particularly now that we've got a restriction on visas for doctors going into the city. We're trying to get the rural workforce agencies to be the deciders around where overseas trained doctors go. They have a good knowledge of the local circumstances in each town and they broker—sometimes help find—jobs for doctors or other health professionals. When overseas doctors come in, they can facilitate their migration. They are increasingly important now in really addressing those workforce shortage issues. They can also point out to us where in some circumstances the suggestion is that, though an area might not be a district of workforce shortage, that's the solution, when often the solution is particular issues within the practice or within the town that might need to be addressed. Sometimes some areas have a rapid and regular turnover of GPs. So we rely increasingly on those rural workforce agencies. Mr Hallinan can give you some more details on this.

Senator PATRICK: I think that gives me an overview. I'm just mindful of time. We've got a situation where we find a community without a doctor for over a year. Indeed, I've got an email before me that suggests that that particular organisation in South Australia had a doctor lined up and then basically suggested that there were perhaps three other locations that might better suit that doctor. So the council are of the view that the agency in some sense has steered a doctor away. I'm interested in what you contract them for. On notice, I'd like to have a list of the contracts that you have made to the Rural Doctors Workforce Agency, and I'd like to understand what the scope of work is for those contracts and your KPIs for filling these sorts of positions. I'm guessing you'd have to take that on notice.

Mr Hallinan: We can take that on notice, but I can give you a further brief overview if you like.

Senator PATRICK: Thank you.

Mr Hallinan: The rural workforce agencies are funded by the Commonwealth to do a range of things, including broad needs assessments of each jurisdiction that they're in. The South Australian one is the one you've identified. The first thing that we would ask them to do in any given year is assemble a stakeholder reference group which is made up of all the different levers that are available to try to fill workforce needs in a region. That usually has involved the general practice regional training organisations, the primary health networks, outreach fund deliverers—those are the people who deliver outreach services to communities without practitioners—specialist training pathway organisations, rural clinical schools, regional training hubs, state health departments and Aboriginal and Torres Strait Islander jurisdictional bodies for the community controlled organisations. They will do a needs assessment of a state and identify key priority areas that they're working towards achieving a workforce outcome for.

Senator PATRICK: Is that documented?

Mr Hallinan: Yes, that's a documented deliverable.

Senator PATRICK: And it's provided to the department?

Mr Hallinan: Yes.

Senator PATRICK: Can you please provide to the committee a copy of their assessment for South Australia?

Mr Hallinan: Yes, I can take that on notice.

Senator PATRICK: Thank you.

Mr Hallinan: The plan is then delivered off the needs assessment: what sorts of things are going to work for each community; whether or not the practice is a practice that's accredited for training, in which case it might be able to take on trainee doctors; whether or not there's a way to facilitate a remote trainee through the vocational training scheme or remote vocational training scheme, which is a different model where you don't need to have supervision on sight; or whether or not you can just have a workforce outcome through linking up perhaps a bonded student or an overseas trained practitioner to that town or community. In each of those circumstances, the practitioners themselves would have to agree to go work there. There's no way to force people to go work there.

Senator PATRICK: I understand that.

Mr Hallinan: In the circumstance that you've identified, there may have been a request from a practitioner to say, 'What are the areas that I could work in that would satisfy the conditions based on them as well as local community?'

Senator PATRICK: The email says: 'We would rather put you somewhere else where you have the support of other GPs you could refer to for collaboration and advice. On that basis, we've come up with three alternative practices for you to consider.'

Mr Hallinan: It might just be worth exploring the notion of a remote placement and working in a remote location. I don't know the specifics of that issue, but each individual practitioner will have a different set of experiences and a different set of skills, and it might be the sort of thing or the sort of location where you might wish to place somebody who's got a particular set of experiences and seniority or a particular network that they can call on if they need to provide services.

Senator PATRICK: What you're saying is that it depends on the circumstances, and I appreciate that, but the fundamental line I'm trying to get to is what your expectations of the Rural Doctors Workforce Agency in terms of time frames for placements are. What expectations do you place on them either contractually or through indicating to them as their customer what is acceptable? Is a year acceptable?

Mr Hallinan: A year is not ideal. It will, again, always depend on the circumstance. The town may or may not be big enough to maintain a practice presence on a full-time basis. I'm not sure what location it is in those circumstances. Each individual case would be something that you'd need to look at on its own merits.

Senator PATRICK: Okay. I might ask you to provide on notice some details of what the issues are in respect of the Rural Doctors Workforce Agency finding a suitable doctor for the Kimba area.

Mr Hallinan: Okay.

Senator PATRICK: Also, to be clear on what I'm asking for you to provide for the committee: could you provide a list of the contracts; for each of the contracts, just the scope of work that's involved with those contracts; any KPIs that you place on the agency—and obviously I'm quite focused on time frames as to what you find acceptable—and the specifics of what is happening in Kimba. You said that document would lay out the plan, but what are the specifics of what's happening in Kimba—what the difficulty is—such that we can perhaps then further explore it?

Mr Hallinan: Certainly. Where contractual information might perhaps be a level above, we might also go directly to the agency and seek plans on that location if that's of assistance.

Senator PATRICK: Sure. I'll leave that to your judgement. Thank you.

CHAIR: Senator Storer.

Senator STORER: I'd like to ask questions on the national alcohol strategy. Australia's last National Alcohol Strategy ended almost eight years ago in 2011. Can I confirm that we are still without a national alcohol strategy?

Mr Boyley: You are correct. There is actual consultation happening with our state and territory counterparts on the formulation of a new strategy, but, yes, we are currently without one.

Senator STORER: Page 72 of the Health Portfolio budget statement has a table indicating the national direction regarding alcohol, tobacco and other drugs. Do you have that?

Mr Boyley: Yes.

Senator STORER: Under '2018-19 Estimated result', it notes:

Worked with states and territories, and other relevant agencies to finalise the next iteration of the National Alcohol Strategy
...

Under '2019-20 Target', there is no discussion of the National Alcohol Strategy. All specific mentions of the National Alcohol Strategy have been removed. So has the government given up on delivering the strategy?

Mr Boyley: No, the government hasn't. Having a look at those two boxes, the word 'COAG' would be shorthand for that process—the Council of Australian Governments process—to agree a revised strategy.

Senator STORER: That is in—

Mr Boyley: In the target measure at the bottom there, under '2019-20 Target,' it says, 'To be determined following COAG endorsement.'

Senator STORER: But that's to do with smoking.

Mr Boyley: Apologies.

Senator STORER: If you look at the table above—I don't have the number of it, sorry—it is in the box on the left.

Mr Boyley: I've got it. The middle column on the table above?

Senator STORER: Yes. The left box has the National Alcohol Strategy.

Mr Boyley: Correct, and the middle box doesn't, and you're asking if that means the national strategy is still afoot?

Senator STORER: Correct.

Mr Boyley: I can answer that, yes, it is. Minister Hunt has written to his state and territory counterparts in relation to the strategy moving forward. I can categorically—the position is that there is a strategy still being developed, and that it's still an intent of the government.

Senator STORER: Why would that not be in that box, then, if that's the case?

Mr Boyley: I haven't got an explanation as to why it wouldn't. I would suspect it's drafting that has been done, but it's not an intentional omission.

Senator Scullion: What I can confirm, Senator, is that we have \$268 million which is going to be provided over three years from 2019-20 to 2022. That is being provided through the PHNs to the providers of residential and non-residential withdrawal services. So that's specifically for people who are trying to move away from alcohol. But it also includes provision of funding to peak drug organisations and other national activities. But certainly I was just supporting—

Mr Boyley: I'm also able to advise that the Ministerial Drug and Alcohol Forum is considering a draft national alcohol strategy as we speak. So, it is afoot. It is a key document moving forward.

Senator STORER: Okay. In 2018, a round table was held with, amongst others, representatives of the alcohol industry. Since then, how often has the minister met with alcohol industry representatives and discussed the strategy?

Mr Boyley: I'd need to take that on notice. I don't have that information before me—if, in fact, the minister has at all.

Senator STORER: Okay, if you could take that on notice, please. Have representations on changes to the strategy been made by alcohol industry representatives?

Mr Boyley: I'd need to take the specifics on that on notice to give you a definitive answer. But consultation with groups outside of government is a normal part of the policy formulation process in matters like this. I'm happy to take on notice—

Senator STORER: Regarding alcohol industry representatives.

Mr Boyley: whether we have sought that explicitly. My suspicion is: no, we have not. But I would need to check whether we have had any unsolicited responses. My suspicion is we haven't, but I would like to confirm that for you.

Senator STORER: If you could. The following question is: have changes to the draft been made in response to representations by the alcohol industry?

Mr Boyley: That one I can answer. My understanding is: no, they have not. There is some additional information that I've just received as well with respect to the National Alcohol Strategy. The responses back from the states and territories are due on 30 June. We have got some responses back, but for the full responses, the deadline we've asked the states and territories to abide by is the end of the financial year this year.

Senator STORER: Can you confirm that key safeguards such as the alcohol industry not being eligible for membership of the reference group remain in the latest draft of the strategy?

Mr Boyley: If you give me 30 seconds, I'll have the answer for you. I'd rather confirm it for you now than take it on notice.

Senator STORER: Okay. I'll come back to that one. You've probably given me the answer on this one already. Conclusion and implementation of the strategy requires the wholehearted support of the states and territories. Have the states and territories been consulted and their input incorporated into the strategy? And the answer is?

Mr Boyley: Absolutely—extensively consulted and will continue to be as a core part of how we go about delivering this on the ground, noting that the Commonwealth is playing a coordinating role in this one as much as anything else. I'm also informed that, in relation to your earlier question on whether the reference group excludes explicitly industry representation: no, it does not explicitly exclude industry.

Senator STORER: So the alcohol industry not being eligible for membership of the reference group does—

Mr Boyley: There's no specific exclusion in that. That doesn't mean that they're specifically in either though. With respect to the future appearance of the strategy, I'm not able to comment on what that would look like after the states and territories look at it and the shaping process has gone through.

Senator STORER: During the consultation with the states and territories, a copy of the strategy has been sent to them for endorsement?

Mr Boyley: Yes. I've got a correction on a date I've just given as well. The responses from the states and territories were due on 30 March. We have responses from all but two states. The way that we sought that confirmation from them was sending the latest version of the draft strategy to each state and territory representative and asking for final feedback and any concerns that they have. We have responses from all but two. We're expecting the remaining responses shortly. And then we need to go about synergising that with that feedback back in and working through the next stages. So it's a lot earlier than I'd indicated. It is by 30 March.

Senator STORER: What's the time line for incorporation and a final document?

Mr Boyley: I haven't got that specific information. But we're working on that currently. It's not something that we're waiting on. We're already working on synergising the responses. There's no set time line been given, but we consider it a priority. And then we will refer it back to the Ministerial Drug and Alcohol Forum for them to make the decision. So, it's important to note that the Commonwealth is providing the service to pull the threads together from the states and territories and that we will then work with them to deliver the response back up to the forum of the ministers, for them to proceed with it from there.

Senator STORER: Okay. So, all but two?

Mr Boyley: All but two. And we have had contact with them and it's on its way. So, there's no-one not expected to—

Senator STORER: No refusal by anyone. I'd like to turn to the Whole-of-Government Drug Strategy. Could you clarify how much of the money for the Whole-of-Government Drug Strategy is new money and has not been re-allocated from other programs? How much money is there this year?

Mr Boyley: There has been an extension to the National Ice Action Strategy, with funding of \$153 million over two years, from 2021, announced at budget. That's an extension of the National Ice Action Strategy.

Senator STORER: The Whole-of-Government Drug Strategy, and you're referring to part of that?

Mr Boyley: Part of that is the National Ice Action Strategy. I'm going to read a number of measures that include information under there.

Senator STORER: I understand.

Mr Boyley: That measure ensures that people across Australia have access to specialist drug and alcohol services, support, research and information through the continuation of the existing National Ice Action Strategy activities. There is \$9.6 million over three years, commencing from 2018-19 financial year, to address gaps in the alcohol and other drugs workforce, including providing additional specialist services across regional and rural areas of Australia. There is \$4.3 million over four years from 2018-19 financial year to provide support for families and friends of those affected by drug and alcohol use.

Senator STORER: Are you using 2018-19 because it started last year?

Mr Boyley: Yes. So it's commencing—

Senator STORER: We're in 2019-20 now.

Mr Boyley: It's programs that are underway, and then new funding. So it's just indicating that they're a continuing measure. It's funds given for a measure that's continuing.

Senator STORER: So 4.3 for families?

Mr Boyley: 4.3 for four years.

Senator STORER: And you were talking and I interrupted you—that line item being for what?

Mr Boyley: Sorry, Senator. I missed that one.

Senator STORER: The \$4.3 million is for?

Mr Boyley: To provide support for family and friends of those affected by drug and alcohol use. That's the families component of it.

Senator STORER: Okay.

Mr Boyley: There is \$6 million over five years for a Salvation Army residential rehabilitation and detox centre in the Townsville region. There is \$520,000 over two years, from next financial year, for Healthy Options Australia, which is drug and alcohol community family support services in Rockhampton. There is \$3.9 million over five years for the Ozcare residential alcohol and drug rehabilitation centres in Mackay.

Senator STORER: So the budget document here, 'Whole-of-government drug strategy'—\$189.1 million from 2018-19 to 2022-23.

Mr Boyley: I'll just get that. I've got that page in my pack.

Senator STORER: I'm just trying to understand—

Ms Beauchamp: Senator, you mentioned whole of government. There are more details in budget paper 2 on page 118. That includes, of course, the Federal Police, Australian Criminal Intelligence Commission, Home Affairs and, indeed, us as a portfolio. So that itemises the \$337 million over five years from 2018-19. In 2018, there's a small proportion for the Department of Health. I'd have to ask Mr Boyley exactly what that might be used for, but it's only a very small expense.

Mr Boyley: That's predominantly for the work of the grants hub to build up aspects of the future programs.

Senator STORER: Okay. What I was seeking to understand was whether there was new money provided to the whole-of-government drug strategy in this budget.

Mr Boyley: And the answer is yes.

Senator STORER: The answer is yes?

Mr Boyley: Yes.

Senator STORER: And that's what you listed?

Ms Beauchamp: So some of it's a combination—and it's all considered in the budget process—a re-allocation of money from other places, unallocated moneys and the like. So, in a sense, there has been a combination of new and re-allocated money to provide for that \$337 million across government.

Senator STORER: Of the \$337 million, could you say what is new and what is re-allocation?

Ms Beauchamp: In terms of our portfolio, the cost is partially offset from re-allocated funding from within the department. I haven't got the details of that and I probably won't be able to provide you with the details of some of that budget-in-confidence information.

Senator STORER: That's across the portfolio, you said?

Ms Beauchamp: Yes. I can't speak on behalf of Home Affairs, the AFP or the Australian Criminal Intelligence Commission.

Senator STORER: But also the focus on the whole-of-government drug strategy can't be easily differentiated into what is new and what is re-allocated?

Ms Beauchamp: Budget paper 2 provides information, particularly as it relates to the Department of Health, on how that funding is being met.

Senator STORER: Could I perhaps ask that you take the following question on notice: could you clarify how much of the money for the whole-of-government drug strategy is new money and has not been re-allocated from other programs?

Ms Beauchamp: Sure.

Senator STORER: And, considering that alcohol is Australia's most extensive drug issue in both lives affected and cost, what proportion of that new money—if it's determined—has gone to alcohol services and prevention?

Mr Boyley: we're happy to take that as a subsidiary part of the first question.

Senator STORER: Thank you very much. Minister, I have a question for you.

Senator Scullion: Certainly.

Senator STORER: This is regarding my desire for more transparency in the meetings that ministers have with lobby groups. I put this to another senator, Senator Cormann, this morning. I'll put the same question to you. Could take on notice to provide a list of the lobby groups, be they in-house or third-party—in-house being government relations of a group—that you have met with, or let's say also perhaps therefore the health minister as well, from 1 January this year? I wish to know this in relation to developments towards the budget, and that's why I would ask it in this forum. If you could take that on notice?

Senator Scullion: Obviously, I'm not able to assist with this portfolio, but certainly I will take it on notice.

Senator STORER: I understand. Thank you.

CHAIR: We will go to Senator Siewert.

Senator SIEWERT: I want to go to the Perinatal Mental Health and Wellbeing Program. What will that money specifically fund, and how is it being allocated?

Ms Edwards: The Perinatal Mental Health and Wellbeing Program?

Senator SIEWERT: Yes.

Ms Edwards: This measure is \$26.3 over the forwards. But it's actually a higher amount over seven years.

Senator SIEWERT: Yes. That's why I was—

Ms Edwards: Yes, that's the first question, I'm sure. It's going to redesign the maternity peer support program to better support the mental health and wellbeing of Australians affected by perinatal mental illness or experiencing grief after the death of a child. The redesigned program will include dedicated grants rounds for perinatal mental health support, perinatal loss and bereavement peer support, perinatal mental health promotion and training, and other priorities as appropriate.

Senator SIEWERT: Thank you. How is the redesign going to happen, and over what time frame?

Ms Edwards: The funding commences in 2019-20, but only a very small amount. The bulk of the funding commences in 2020-21.

Senator SIEWERT: Yes.

Ms Edwards: So I imagine we'll be doing the preparatory—

Senator SIEWERT: The same sort of thing as the hub.

Ms Edwards: Yes. There's some more information. I'll just pull it up for you.

Ms Beauchamp: Chair, while Ms Edwards is doing that, I think I mentioned a figure to Senator Watt this morning on expiring grants for 2019-20. I gave an incorrect figure this morning. The correct figure is 6,632 expiring grants in 2019-20. The figure I gave in relation to 2018-19 was correct. I'm happy to table this just to confirm the numbers.

CHAIR: Thank you.

Ms Edwards: I have a little bit of additional information. We're going to improve a range of services to support health and wellbeing, as I mentioned. We're going to make sure that funded organisations provide culturally appropriate support and information for bereaved families. Obviously depending on who they are, it will cover perinatal mothers who are experiencing mental health, whether or not the baby lives. So that includes stillbirth situations and also ranging from acute psychosis that some women experience, through to mild and moderate. So it's really aimed at the whole gamut.

Senator SIEWERT: Okay, so is there—

Ms Edwards: I've got a bit more.

Senator SIEWERT: I beg your pardon, sorry.

Ms Edwards: There's funding for the Centre of Perinatal Excellence to deliver an online directory of accredited perinatal mental health specialists and disseminate consumer resources to support women, funding to the Parent-Infant Research Institute for the provision of perinatal depression online support—they're among the key issues.

Senator SIEWERT: Have I understood correctly that you haven't actually worked out the process you're going to use for the design?

Ms Edwards: Not expressly, no. We're keeping it very broad. We want to make sure we use the money as effectively as possible—it's long-term funding, which, of course, is helpful—and redesign it to make sure it better

covers the gamut. But, as I said, next year it's only \$400,000, so we're really looking to ramp it up for the following year.

Senator SIEWERT: That's really about the design process—

Ms Edwards: and consultation and making sure that we comply with clinical guidelines and so on.

Ms Beauchamp: The actual commissioning of the service will, I think, then happen in the following year through the PHNs.

Senator SIEWERT: So the idea is that it will go through the PHNs?

Ms Beauchamp: It will be done in partnership with the PHNs.

Senator SIEWERT: In partnership with them, not necessarily all through the PHNs?

Ms Beauchamp: Yes.

Senator SIEWERT: Okay. Thank you. In terms of the centre—where's that, sorry?

Ms Edwards: I'll have to take it on notice; I'm sorry. I don't have it.

Senator SIEWERT: Okay. Thank you. The issue around mental health—you talked about those who are in crisis or who have moderate, severe mental health issues. I understand some of the research that's coming out now, in terms of perinatal health, is that there's increasing evidence about a strong link between mental ill health and perinatal health. The program says 'wellbeing', so is there a preventative element in there as well? We talked about those expectant mothers who are already experiencing mental ill health, but is there a preventative focus there as well?

Ms Edwards: There could well be. We'll be focusing on what it is that we can do to best support women, in most instances, and families shortly after birth. I wouldn't anticipate that we'd be using this funding to go well back before that into the preventative side of things, but we'll obviously have to look at it properly across the scope—what it is in the lead-up to birth and so on. There are a lot of women who may have had mental health issues beforehand, unrelated to their pregnancy and birth, so we're certainly not going to look at it through a narrow lens; we're going to have a look at how we can best support these women.

Senator SIEWERT: I've got another question, not in 2.1. I don't know which area it belongs in, so I might just ask it anyway. I know Senator Watt has a few more questions in mental health. I don't know who's chair—Senator Smith or myself!

ACTING CHAIR (Senator Dean Smith): I always get confused about that as well, actually. I just assumed that it would be the government that would always chair it. I'm happy to chair. Senator Siewert.

Senator SIEWERT: I think it is in mental access and support services. I want to specifically ask about the WA urgent care centres budget measure. Is this the outcome I ask it in? I thought it was.

Ms Edwards: It's part of the primary care area. I may need another colleague to come and help me out. But what's the question?

Senator SIEWERT: I'm interested in how the decision was made about where to set up the urgent care centres?

Ms Edwards: This is the Western Australian—

Senator SIEWERT: For Western Australia. I'm being parochial now.

Ms Edwards: These are projects that were decided on in the budget process and announced in the budget on Tuesday. They're subject to the confidentiality of the budget process.

Senator SIEWERT: You can't tell me anything more about how they were selected? Was there a procurement process undertaken, or were these just captain's calls?

Ms Edwards: There's no procurement process I'm aware of; it was decided in the context of the budget.

Senator SIEWERT: So it was the government picking winners?

Ms Edwards: The government's making decisions about how to trial primary care in the community. Obviously that's something we really want to pursue—how we might provide services better outside of hospitals.

Senator SIEWERT: There may not have been a procurement process, but were any applications made or requests for funding for the centres made?

Ms Edwards: A proposal considered has been announced, and we'll be working with that other proponent, the state government and other groups in Western Australia about how we take it forward.

Senator SIEWERT: So there was a proposal put to government? Sorry, I'm not trying to verbal you. I heard you say 'proposal', so I just want to be clear.

Ms Edwards: There is a proposal. I'm not necessarily saying there is a document I could table or anything, but the organisation has been selected by the government to trial these urgent care centres in Western Australia, and we'll proceed from here.

Senator SIEWERT: Did this organisation—St John hospital, if I'm correct—put a proposal in? How did the government suddenly decide to put it with St John?

Ms Edwards: I would have to take it on notice to have a look what proposal we got from St John, if we have it. I don't know.

Senator SIEWERT: If you could take it on notice, that would be appreciated.

Ms Edwards: I will.

Senator SIEWERT: Thank you.

Senator WATT: There are just a couple of things from me. I just wanted to finish off the things Senator O'Neill was asking about before the lunch break. Sorry, I wasn't here when she was asking these, but I understand she's already asked to confirm where the centres will be located.

Ms Edwards: The adult walk-in centres?

Senator WATT: Whatever she was last asking about. Sorry.

Ms Edwards: We talked about that at some length. There is no decision yet as to where the centres are, other than in each state and territory.

Senator WATT: You've already answered how many will be metropolitan, rural and remote?

Ms Edwards: We said it's not determined at the moment.

Senator WATT: Do you have any information about how much each centre will cost?

Ms Beauchamp: I provided an indicative cost just before you came in. I'm just trying to get the page now on budget paper 2. There is a macro figure for the eight centres—now I'm just recalling it—of about \$114.5 million. It's on page 104. So you can probably get an average of that for the eight centres, if that's the macro figure. We have a good 12 months to design what should be in each of those centres. It will depend on the need, the availability of staffing, the opening hours and the like. So I don't think I could give you an average, as such, but that's something that we'd need to look at within that funding envelope of \$114.5 million.

Senator WATT: So the overall funding envelope is \$114-odd million?

Ms Beauchamp: For the eight.

Senator WATT: How many centres?

Ms Beauchamp: Eight. It's a trial of eight mental health centres.

Senator WATT: Is it as simple as dividing \$114 million by eight to get an average?

Ms Beauchamp: You could get an average, but I think that would not be as we design it for the next 12 months, because the funding doesn't begin until 2020-21. There will be unders and over for each of the centres, depending on the need, the availability of staff and the design for each area.

Senator WATT: What will the staffing mix and numbers be in each centre?

Ms Beauchamp: We haven't got that in detail. Obviously some of the things we thought should be included in that are psychiatric services, on-site counsellors, the availability of mental health nurses and the like—having a proper professional facility available.

Senator WATT: Have you thought about numbers of staff in each centre?

Ms Beauchamp: That will depend on the design that's going to happen over the next 12 months.

Senator WATT: Has any work been done on workforce modelling to staff these centres?

Ms Beauchamp: I don't think to the level of detail. As I said, this money doesn't roll out until 2021. In a sense, we'll be doing that with key stakeholders and providers over the next 12 months.

Senator WATT: Have you worked out what the opening hours would be for each centre?

Ms Edwards: We're aiming to have extended hours, and that could be anywhere between eight to 11, seven days a week. Again, the exact hours of each centre will depend on the design, the availability of the workforce, the need in the area and so on. But extended hours is one of the key aims of it in order to try to help people have somewhere to go other than an emergency department.

Senator WATT: So 8 am to 11 pm?

Ms Edwards: That would be our maximum range but, how exactly it falls in, we'll see.

Senator WATT: Have you done any work to estimate the number of people you expect will be accessing these centres by the end of the forward estimates?

Ms Beauchamp: No, we haven't. Senator O'Neill asked that specifically. I think that would be a very difficult number to ascertain given that we are going to be in the design process for next 12 months. Depending on the actual service for a particular location, it's going to be hard to define the number of people accessing it by the end of the forward estimates. I would anticipate that we would have to work that out as part of the contractual arrangements over the next 12 months.

Ms Edwards: We do know that in 2016-17 there were 276,944 mental health related ED presentations. A proportion of those would be people who would go a different facility if it were available, and there would also be a proportion of people in the community who didn't attend any service. We'll have to work over time and see which presentations should go to an emergency department and need that sort of acute care and which we could try to defer and also what the unmet need in the community is. That is a lot of the work that we'll do over the next year.

Senator WATT: Apologies if you've covered this already. So it is not intended that these centres will assist people needing acute mental health care?

Ms Edwards: What we're looking for is something short of people who need to be admitted immediately into very acute care, although there might be a proportion of people who need to be admitted into acute care—considering self-harm at the extreme end—but don't present to an emergency department. So it is also thinking about how we make an environment where people might actually make contact, which also means that we are leaving within the potential design mobile outreach for people who don't even want to present at the centre. We're really trying to design ways to catch that middle group—that is, the ones who are in hospital that shouldn't be or the ones who never really seek help—which are of course among those people adding to those terrible suicide statistics.

Senator WATT: Who did the department consult about this initiative?

Ms Edwards: We'd have to take it on notice. I understand that it's been developed in conjunction with commissioners of the Mental Health Commission, although I wasn't privy to those discussions. That is obviously going to be a key source of advice in how we do something specific in this area. But, other than that, we'll take it on notice.

Senator WATT: External NGOs, clinicians? Was there any consultation with them.

Ms Edwards: We'll take that on notice.

Senator WATT: Thanks. That's it from me.

Senator SIEWERT: I want to very quick go back to the question I was asking in terms of the centres in WA. Was the government aware that there are already some trials between the WA Department of Health, Wafa, the RACGP and AMA in WA?

Ms Edwards: I can say that I have today, in between giving evidence to you, been exchanging emails with my people about wanting to convene with exactly those stakeholders to make sure that what we're doing under this measure is complementary and integrated with what is happening at the state level. So that's on my list for Monday.

Senator SIEWERT: Did the government know about it at the time the decision was made to allocate the money to St John?

Ms Edwards: We are certainly aware of all of the various things that are happening across the country and we've been briefly regularly with what is happening with urgent care. I don't think I can go to the state of the knowledge of the government any more than that.

Senator SIEWERT: Was there discussion between either the department or the government—if you are aware of it—with that group that are currently involved in—

Ms Edwards: I'm not personally aware, but I could take on notice whether there were discussions.

Senator SIEWERT: Could you take that on notice?

Ms Edwards: Yes.

Senator SIEWERT: Thanks. Do we have more questions in that section, or do we need to talk about how we're going to rearrange a bit of time?

ACTING CHAIR: I think we might be done in outcome 2. That's a bold statement, but I think that's correct.

Senator WATT: Yes.

ACTING CHAIR: So why don't we close that off and discuss how we might proceed? Shall we have a short, private meeting just to be clear amongst ourselves, rather than subject officials to our—

Senator SIEWERT: Yes. We're just going to talk about how we spend the rest of our time.

ACTING CHAIR: We will just have a private meeting for five minutes and then come back.

Proceedings suspended from 14:39 to 14:45

Sport Australia

CHAIR: We now resume, and Senator Dean will give a bit of an update.

Senator DEAN SMITH: For the information of officials, we are going to proceed now with outcomes 3, 4 and 5, and it's our ambition to have them completed in the next hour. We can advise that outcome 4, which deals with housing in the Department of Social Services, will be discharged. We won't be calling on them in this estimates program. So we need to make the Department of Human Services aware that they might be called on earlier.

Senator WATT: Are we okay to move on to outcome 3, Sport?

Ms Beauchamp: Yes.

Senator WATT: Senator Farrell sends his apologies. I will do my best to impersonate him. I'm going to be doing a bit of impersonation over the course of the day. Senator Farrell has asked me to say that it's good to see some funding in the budget to underpin the Sport Plan. The first questions I've got are about the funding for Sport 2030, but I'd like to know a bit more about some of the measures in the budget papers. On page 92 of Budget Paper No. 2, there is a measure involving \$33 million over two years from 2019-20 to implement reforms as part of the government's response to the review of Australia's sports integrity. Are you familiar with that one?

Mr Boyley: Yes, I am.

Senator WATT: The explanatory memoranda for the bills so far introduced to the parliament to implement part of that response all claim no financial impact or no net cost to government. Could you outline to the committee what that \$33 million over two years will be for?

Mr Boyley: I'm just finding the right page so I can give you a concise answer.

Ms Beauchamp: It's primarily for setting up the governance arrangements for the new bodies mentioned in the legislation and the integrity measure that was announced previously.

Senator WATT: Is it partly to establish Sport Integrity Australia or the National Sports Tribunal?

Mr Boyley: Yes, it's to establish Sport Integrity Australia.

Senator WATT: And anything to strengthen ASADA?

Mr Boyley: It is intended that ASADA would come in as part of Sport Integrity Australia.

Senator WATT: So is that money entirely to establish Sport Integrity Australia or partly?

Ms Beauchamp: And the tribunal and the other things. It's for the whole package, particularly around the governance arrangements and the consolidation of activities, yes.

Senator WATT: How does that sit with the explanatory memoranda, which say that there won't be any financial impact or cost to government as a result of the creation of those bodies or what is being promoted in those bills?

Ms Beauchamp: The figure that's mentioned in the budget papers has been a provision provided for previously, but I think, in terms of the consolidation of activities and any machinery-of-government change, the expectation would be that that would be done on a cost-neutral basis.

Senator WATT: Will there be further bills to be introduced to the parliament relating to the establishment of these entities?

Mr Boyley: There's an additional bill in relation to the establishment of the tribunal, and there will be regulations and the like that will need to be introduced as well. What's been introduced is one of three or four instruments, I understand, that either are underway in the other house or need to be introduced to do so. One of those is the establishment of Sport Integrity Australia. The other one is around the tribunal, and there are some other amending components of legislation that need to be made in relation to other parts of legislation to just give effect to those occurring—the Privacy Act and the Freedom of Information Act among others.

Senator WATT: On page 93 of the budget paper, it provides for \$4.5 million over six years from 2018-19, including \$0.5 million in 2023-24 to develop a Sports Industry Growth Plan, fund sports scholarship and mentoring programs by the Sport Australia Hall of Fame and support the Australian Sports Foundation in philanthropic sport initiatives. Very briefly, could you explain the part of that measure that relates to a Sports Industry Growth Plan and also why there is \$0.5 million specifically profiled for 2023-24?

Mr Boyley: The Sports Industry Growth Plan is intended to leverage the existing growth centre plan or initiatives that are run out of the Department of Industry, Innovation and Science portfolio. We're going to liaise with that department to work out, effectively, a Sports Industry Growth Plan. That half-million dollars is to go towards some work that is needed to flesh that out. As for why it's in 2023-24, I will check my documents here.

Senator WATT: It just seemed a bit odd, so I pointed it out.

Mr Boyley: It does. My understanding from other papers was that it was actually next year, for 2018-19. There is half a million dollars that we're meeting out of internal reprofiling inside Health resources for this year to go towards some work with a specialist company to help us form that up in the growth centre space, but, for the 2023-24 component that's been pointed out there, I would need to take it on notice as to the exact intent of that funding and why it's out in that year.

Senator WATT: That's outside the forward estimates, isn't it?

Mr Boyley: Yes. I may find it in my folder whilst I sit here. If I do, I'll come forward, but I need to take that one on notice.

Senator WATT: Sure. Could you clarify when the Sporting Schools program is funded to under the measure on page 93? Is it the end of the calendar year 2020?

Ms Palmer: No, it's to the end of the year, so to the end of 2020.

Senator WATT: So it's not funded beyond the end of this calendar year?

Ms Palmer: Yes, beyond this calendar year to the end of next year.

Ms Beauchamp: The end of the 2020 calendar year.

Senator WATT: Okay. So that's \$41 million over two years? It's for two years from 2019-20, but it's actually 1½ years, in effect?

Ms Palmer: The current funding goes through to the end of this year, and then we have funding to go through to the end of next year.

Senator WATT: Anyone who has been paying close attention to the Wednesday morning soccer games on the Senate oval will know that I'm a big fan of the *Big Issue* Community Street Soccer Program—particularly because that was not when I broke my leg playing soccer on the Senate oval! In all seriousness, it's a great initiative supporting homeless people to take part in sport. I think they're off to the world championships some time soon, from memory.

Ms Palmer: Yes. It's a very exciting program.

Senator WATT: Yes. It wasn't very exciting when the team flogged us, the politicians, seven-nil or something like that. Can you quickly outline how the \$23.6 million for grants to strengthen social inclusion through sport will be allocated and how much of that funding is already allocated to the Community Street Soccer Program?

Mr Boyley: That measure features as part of a Department of Home Affairs initiative. We're a subpart of that.

Senator WATT: It's Home Affairs?

Mr Boyley: It was their budget measure, and we had a subpart of it. It was a social inclusion measure predominantly. We were looking to use as a way to engage isolated parts of our community, whether they're isolated through homelessness, they're isolated through being from other countries and having trouble engaging with Australian society or the community more broadly, they're disabled people or they're from any other area of disadvantage in our community. How that will be implemented is that there'll be an expansion of the *Big Issue* Community Street Soccer Program, which will see an increase in the weekly programs around Australia from 17 to 25. It's expected that will benefit an additional 900 people per year. That's the street soccer component.

Senator WATT: Do you know how many dollars we're talking about there?

Mr Boyley: That one is \$4 million over the forwards, so \$4 million every year from next financial year increase.

Senator WATT: Are you able to outline what the \$2 million for Get Skilled Access to provide support for schools and community hubs is about?

Ms Palmer: That program relates to a program that Dylan Alcott has been managing about getting young people involved in employment in schools and community settings.

Senator WATT: Turning to page 94, it states there that the cost of implementing Sport 2030 'measure will be partially met from existing resources and funding that has already been provided for by the government'. Could you please walk the committee through which measures under implementing Sport 2030 will be paid for from existing resources and funding already provided for.

Ms Palmer: Many of the activities that Sporting Australia delivers under our strategy, which is really closely aligned with Sport 2030—in actual fact all of our measures at Sport Australia are around supporting schools, around getting our community more active and around our industry development. Governance in particular is one that we invest a significant amount of resourcing from current appropriation.

Senator WATT: Just to be crystal clear, can you confirm that all of the \$54.1 million for high-performance grants to NSOs, the direct athlete support scheme and the Mental Health Referral Network is new funding?

Mr Conde: That is new funding, correct.

Senator WATT: All of that \$54.1 million?

Mr Conde: That's correct.

Senator WATT: Are you able to give a rough breakdown at this stage of how much of that \$54.1 million will go to each of the different subprograms?

Mr Conde: \$2 million will go to direct athlete support, so that's a 16 per cent increase on the current direct athlete support. About \$3.5 million is allocated to athlete wellbeing and engagement. The remainder is focused on athlete pathways. Those amounts are per year, in terms of the comparison to \$54 million.

Senator WATT: They'll be the same per year over four years?

Mr Conde: Over two years.

Senator WATT: Can you confirm that all of the \$150 million for female change rooms and community swimming facilities is new money, not covered by that disclaimer about existing resources?

Ms Palmer: Yes, I can confirm that is new money.

Senator WATT: Have you worked out a split between community swimming facilities and female change rooms?

Ms Palmer: No, we haven't.

Senator WATT: That's \$150 million over how many years?

Ms Beauchamp: That's over four years.

Senator WATT: Is it an even amount per year?

Ms Beauchamp: It's in Budget Paper No. 2 on page 92. It shows, through the Department of Infrastructure, Regional Development and Cities, it's \$20 million in 2019-20, \$40 million in the year 2020-21, \$40 million in 2021-22 and \$50 million in 2022-23.

Senator WATT: Okay.

Mr Boyley: Just in relation to the social inclusion funding that we were talking about earlier, we covered the \$4 million for the street soccer initiative. That's the figure of \$23.6 million listed on page 93 that you referred to earlier. The remaining \$19.6 million will be dealt with via program design. It's likely that some of that money will go to national sporting organisations to do subcomponents of their practices into the more community based grassroots initiatives to help with social inclusion, but that is still to be designed. I'm just confirming that that's the residual \$19.6 million.

Senator WATT: I think everyone was really excited by the recent AFLW grand final. I think it was a record-breaking crowd for that event at the final the other day. There was no Queensland team in it; that was the only problem.

Senator PATRICK: 53,034.

Senator WATT: That's right; you were there. We spoke while you were there. You fobbed me off. I understand that there was some funding announced for the Adelaide Crows football club by Senator Birmingham in Adelaide on the eve of that grand final, and I've been told that this funding is under the infrastructure portfolio

in the budget but that it didn't make the cut to be listed on page 126 of Budget Paper No. 2 because of printing deadlines. Is that correct?

Mr Boyley: That is correct. I can give you the details for that particular component. It was in a media release, I think, that went out as well.

Senator WATT: I think I've got the financial estimate here.

Mr Boyley: That is correct, though. So, while these booklets were at the printer, that was announced.

Senator PATRICK: If you want me to run interference on this, just let me know!

Senator GRIFF: That actually needed to be more!

Senator WATT: No, no. You'll like this; these are process questions. Was the Office for Sport, the Department of Health or Sport Australia consulted at any stage before the announcement of that funding?

Mr Boyley: I would need to take that on notice from a departmental perspective.

Senator WATT: So, from the point of view of the secretary of the department, the dep sec who oversees sport, and Sport Australia and the AIS, none of you are aware of any of your agencies being consulted before this announcement was made.

Ms Beauchamp: Officers within the portfolio may have been consulted. These organisations are being delivered through the Infrastructure, Regional Development and Cities portfolio as well. So I'd just have to take on notice who was consulted across government.

Senator WATT: Mr Boyley, you're the person within the Department of Health who oversees sport. When were you first aware that this decision had been made?

Mr Boyley: I'm very recent in this role. I was aware of it amongst conversations I had very close to the day it was announced, personally. But that's—

Senator WATT: Before the announcement?

Ms Beauchamp: Let's take it on notice.

Mr Boyley: I'd need to take it on notice. I'm not trying to dodge the question; I'm trying to place the dates in my head. It's been a pretty frantic week. I would need to take that on notice. But, as I say, and the secretary is correct, there are a number of other officials in the Office for Sport.

Senator WATT: Was any notification provided to the Office for Sport, the Health Department or Sport Australia before the announcement?

Mr Boyley: I'd need to take that on notice.

Senator WATT: That's it for that topic. I've now just got some questions about Community Sport Infrastructure grants. Have we still got the right people?

Ms Beauchamp: Yes.

Senator WATT: It is an obviously really important program to support grassroots sporting facilities. But you'd be aware there have been quite a lot of questions asked about—and raised in the media about—unelected Liberal and National candidates announcing grants under the program before elected members have even been notified that there has been a successful grant made in their electorate. Mr Boyley and Ms Beauchamp, you'd be aware there has been some of that publicity.

Ms Beauchamp: I have seen some of the commentary in the press.

Mr Boyley: Likewise.

Senator WATT: Senator Scullion, you'd be well aware of these. I think the Georgina Downer one was the most famous one, but there have been quite a number of them now, haven't there?

Senator Scullion: I think there have been an awful lot of them over a very long time. Since I've been here I think this has been part of the convention—

Senator WATT: Of candidates making announcements before they've been through—

Senator Scullion: Yes, I think so. We've had these sorts of questions over a long period of time, from both sides.

Senator WATT: Admittedly, you've been here a lot longer than me, but I don't remember candidates making announcements. Do you think they have?

Senator Scullion: Yes, they have.

Senator WATT: You'd be aware the Auditor-General is now investigating this program. There's an additional \$42.5 million outlined in the budget for this program, which takes the total to \$103.1 million. Is that correct?

Mr Boyley: Yes.

Senator WATT: That \$42.5 million extra was only announced last weekend, but it's in the budget for this financial year.

Ms Beauchamp: That's correct.

Ms Palmer: Yes.

Senator WATT: How much of that \$42.5 million, if any, is already allocated to specific approved grants? To be clear, even if they are not yet announced, are there grants already approved that will be funded by any proportion of that new amount?

Ms Palmer: Not as yet. You're right: it is a hugely successful program. We received over 2,000 applications for \$400 million worth of grants. We have processed all of those 2,000 grant applications and evaluated them against the criteria for eligibility. Just as we did with the second tranche of funding, we will look to the pool of applications that have already been made, but no process has taken place since the announcement.

Senator WATT: So the budget has provided an extra \$42.5 million?

Ms Palmer: Yes.

Senator WATT: But no grants have been approved?

Ms Palmer: Not to my knowledge, no.

Senator WATT: And no-one else here knows of grants being approved?

Mr Boyley: No. Sport Australia administers the grant program on this particular item. I'm certainly not aware of any that are outside that space. I haven't been party to any discussions about future funding.

Senator WATT: Okay. But there's not going to be an application process for this funding?

Ms Palmer: That hasn't been confirmed, but we would not anticipate that, because of the volume of applications who met the criteria. They were significant, and almost all 2,000 of those applications met the criteria.

Senator WATT: So it's likely that you'll give money to the people who missed out last time around?

Ms Palmer: It's likely, but I can't confirm that.

Senator WATT: Okay. When is it anticipated that the latest round of successful applicants will be notified and those projects announced?

Ms Palmer: Excuse me, Senator. Can I make a correction. Apologies. Actually, our recommendations for round 3 are currently with the minister for consideration.

Senator WATT: Okay. So you have made recommendations?

Ms Palmer: Yes. I'm sorry.

Senator WATT: When did that get provided to the minister?

Ms Palmer: On Monday.

Senator WATT: Quick moving!

Senator Scullion: A very efficient government.

Senator WATT: It's almost as if there's something looming that you'd need to make an announcement for.

Senator PATRICK: I'm hoping we're back in estimates next week.

Senator WATT: You would! Okay, so recommendations have been made to the minister. Were those recommendations for projects where applications had already been received?

Ms Palmer: Yes, that's right. That's correct.

Senator WATT: But you're not aware of when those projects will be announced? That's a matter for the minister now?

Ms Palmer: No. That is a matter for the minister.

Senator WATT: Do you anticipate that that money will be announced and allocated before caretaker provisions come into play?

Ms Beauchamp: We don't know when caretaker is.

Senator Scullion: It was a trick question!

Ms Beauchamp: And, of course, they'll be decisions for the minister.

Senator WATT: Yes. Are there any concerns within the department that this program is now being investigated by the Auditor-General over the allocation of money in the earlier round and the process for allocating that money, and now another big lump of \$42.5 million has been made available for allocation, presumably before an election, for a program that's under investigation by the Auditor-General?

Senator Scullion: I don't think we should take anything from that. The fact that it's under investigation means absolutely nothing.

Senator WATT: Well, it means there are some concerns about—

Senator Scullion: No, it was just referred by Mr Dreyfus for investigation.

Senator WATT: Yes.

Senator Scullion: Yes. Yankalilla Bowling Club is now at the centre of this process. The fundamentals are that I understand that Ms Sharkie herself actually knew before the announcement that Ms Downer made. Ms Downer is very closely associated with her electorate and no doubt with the sporting club, so we're not particularly concerned about that. On 9 March, Steve Georganas, the Labor member for Hindmarsh, turned up on Unley Oval in the electorate of Adelaide—not his electorate—to present a \$10,000 cheque under the program.

Senator WATT: Yes, but he's a member.

Senator Scullion: He's not the member for Adelaide. All I'm saying is that this has happened for a long time. I don't think you should assume that, because Mr Dreyfus has made an application, this is a reflection on this sporting program.

Senator WATT: Okay. So Sport Australia has provided the minister with recommendations as to which applications should be approved in this new round?

Ms Palmer: Yes.

Senator WATT: And, in the previous round, recommendations were made?

Ms Palmer: That's correct.

Senator WATT: Were all of the successful projects that have received funding to date projects that Sport Australia recommended?

Ms Palmer: The minister was the delegate. We provided recommendations to the minister. Due to the volume of applications, I can't give you an indication of what weren't approved—but, no, not all recommendations were taken forward.

Senator WATT: So Sport Australia recommended certain projects be funded, but not all of them were approved by the minister?

Ms Palmer: No, the minister was the delegate and was responsible for reviewing and considering those applications.

Senator WATT: How many projects that were recommended by Sport Australia did not get approved by the minister?

Ms Palmer: I don't have that information, but I can take that on notice.

Senator WATT: Okay. Do you remember it being closer to 10 or 50?

Ms Palmer: No, I can't recall. I'm sorry.

Senator WATT: Did the minister approve any projects that were not recommended for approval?

Ms Palmer: I really can't confirm that. Can I take it on notice?

Senator WATT: I noticed one of your colleagues was providing some information. Is it worth getting any of your colleagues who may have been a bit closer to it?

Ms Palmer: It might be, but I don't think so, no. The information that they provided me was around the round 3 recommendations.

Senator WATT: Yes. So what you're saying is that Sport Australia recommended projects.

Ms Palmer: Yes.

Senator WATT: Many of them no doubt were approved by the minister.

Ms Palmer: Yes.

Senator WATT: Some weren't.

Ms Palmer: Yes.

Senator WATT: But your recollection is that there weren't any additional projects approved by the minister that weren't recommended by Sport Australia.

Ms Palmer: That's right.

Senator WATT: Okay. Were any grants awarded to projects for which the grant recipient or project proponent did not submit an application?

Ms Palmer: Not to my knowledge, no.

Senator WATT: I'm aware of at least three local sporting clubs that were very surprised to be told that they'd received a grant that they'd never actually applied for. You haven't heard of this yourself?

Ms Palmer: No, I haven't.

Senator WATT: That would be a bit of a concern, wouldn't it, if clubs were getting grants under a program when they hadn't even made an application?

Ms Palmer: Yes, it would be.

Senator WATT: One example I'm very familiar with is that the Bayside football club in the electorate of Bonner was told by the sitting Liberal member, Mr Vasta, that they were getting a grant for more than \$500,000 when they hadn't applied for one. How is that even possible?

Ms Palmer: Can we take that on notice? We have now got an investigation by the ANAO. I'm sure all these issues will be covered, but I'll take that specific one on notice.

Senator WATT: Again, you're not aware of that?

Ms Palmer: No.

Senator WATT: Are you aware of that grant having now been approved?

Ms Palmer: No.

Senator WATT: Again, there's controversy around the actions of Ms Downer with that particular grant. Did Sport Australia recommend that the minister approve the grant application that had been made by the Yankalilla Bowling Club?

Ms Palmer: Yes, we did in round 1.

Senator WATT: Were there any discussions between the Minister for Sport or any other minister and Sport Australia about the Yankalilla Bowling Club prior to Sport Australia making that recommendation?

Ms Palmer: No.

Senator WATT: So that was an independent decision of Sport Australia?

Ms Palmer: Yes, that's right.

Senator WATT: Did Ms Downer make any written representations to Sport Australia in support of that grant application?

Ms Palmer: No.

Senator WATT: Is Sport Australia aware that Ms Downer was informed of the bowling club's successful grant application before the sitting MP?

Ms Palmer: No.

Senator Scullion: I think the assertion that Ms Downer was made aware of that beforehand is a matter of contention. The information I have, if that is the problem, is that Ms Sharkie was told before Ms Downer. Ms Downer's a member of the club, and it's assumed generally that either the club or someone from Ms Sharkie's office was informed, because certainly Ms Sharkie was informed first. In any event, they're subject to all these investigations.

Senator WATT: You mentioned that there were over 2,000 applications. Could you table a list of all of the applications that were made and received?

Ms Palmer: Not today, no.

Senator WATT: Yes, but you could take that on notice for us?

Ms Palmer: We'd need to check—

Ms Beauchamp: I think, as Ms Palmer has said, the minister is still making decisions about the third round, so it probably would be inappropriate to table the list of applications.

Senator WATT: Well, we can ask—I'm not asking—

Ms Beauchamp: I think we should wait until the process is completed before we look at that.

Senator WATT: Why can't you at least advise us of who's applied?

Ms Beauchamp: It's still under consideration by the government.

Ms Palmer: I think also that, because the National Audit Office is looking at the grants program, we'd need to speak to them as we go through this process.

Senator WATT: Well, I suspect we're going to find out about the successful applicants in the next few days, so could you take that on notice and come back to us. You'd be aware that there are a myriad of examples now of Liberal or National Party candidates going out and making announcements about these grants before local members have known. I can produce examples, but a Mr Matthew Fraser, the Nationals candidate for Richmond, made an announcement about the Mullumbimby Brunswick Valley Football Club before the local member knew. We've got Ms Sarah Richards, the Liberal candidate for Macquarie, making an announcement before the local member knew. We've got Mr Gavin Pearce, the Liberal candidate for Braddon, making an announcement before the local member knew. I could go on.

Senator Scullion: Again, when we look at specifics of that, we heard the same about the situation in Mayo, and it actually turns out that the leak came from either the office or the club. Particularly the Liberal and National members would be very closely associated with the clubs in their community. This sort of thing happens with a number of things. In fact, I've been very frustrated that alternative candidates in campaigns have found out things before I've been able to make the announcement. But those things sometimes happen, and I think it's of pretty small importance in the way of things.

Senator WATT: Just in the interests of time, I'm happy to leave sport there.

Senator PATRICK: I just want to go to the conversation we had at the last estimates in relation to Equestrian Australia, just to get perhaps an update and further information. I note that *The Advertiser* has named the person that you called 'the bystander' as Maggie Dawkins—

Ms Palmer: Can I correct that: she wasn't a bystander. In fact, she was not present when what she alleges happened happened. She heard that at second or third hand.

Senator PATRICK: Sure. It's relevant to the line of questioning I have. I've looked at your complaints policy and at the University of Queensland's complaint policy—I just picked some policies out at random—but also at the EA's policy for making complaints. Their policy states:

A complaint must be reported the EA CEO, to an EA Branch Executive Officer ... within fourteen (14) days of the incident occurring—

or it will not be considered. That contrasts with, say, the University of Queensland's policy, which I think is very good. It says a disclosure or formal report may be made by a complainant or a third-party reporter, and it goes on to say there are two sorts of disclosures: there's a disclosure which is a less formal option, where in essence you just seek support but may not want to pursue the matter, and then there's a formal process by which you make a complaint and then have it dealt with in a rather formal sense, probably involving officials and police, potentially. So have you had any further discussions with EA in respect of this matter?

Ms Palmer: Yes. As I indicated at the last estimates, our staff are supporting Equestrian Australia to update their policies in this area. In fact, there's a lot of work being done with sport in particular around the Redress Scheme and issues around abuse. Equestrian Australia are part of that process. I suspect all of the sport policies will be changed. It probably highlights, in particular, the need for a body such as Sport Integrity Australia to deal with some of these really complex issues in sport.

Senator PATRICK: So what Ms Dawkins has done might be very useful as a catalyst to some change?

Ms Palmer: Yes, absolutely.

Senator PATRICK: Have you been in dialogue with Ms Dawkins?

Ms Palmer: No, I haven't.

Senator PATRICK: I think at the last estimates you indicated that you had—

Ms Palmer: We had communicated with Ms Dawkins, yes.

Senator PATRICK: Are you still communicating with Ms Dawkins?

Ms Palmer: No.

Senator PATRICK: Is there any reason for that?

Ms Palmer: No.

Senator PATRICK: You've got sufficient information? She has written to you?

Ms Palmer: Yes, Ms Dawkins sent me an email.

Senator PATRICK: Have you responded to that?

Ms Palmer: Our team are addressing her correspondence.

Senator PATRICK: So she can expect a response to that at some stage?

Ms Palmer: Yes.

Senator PATRICK: Thank you. I think that wraps it up.

Senator WATT: I want to go to outcome 4. Earlier I was asking questions about MRI licences. How did we go with putting together those lists?

Ms Beauchamp: I said we'd address it during this session and see what we can and can't provide because I think some of the information you had sought is probably not available to the department.

Senator WATT: Okay. What have you managed to put together?

Ms Shakespeare: We are able to advise the locations the government has made a decision to provide MRI licences to. We can also provide advice on which of those now have deeds in place. We are unable to provide information about all MRI machines in Australia; we only have information about those which are Medicare eligible; we collect information through the payment of Medicare benefits. We can also give you total numbers of machines that are not Medicare eligible that we have become aware of through the application process to government for MRI licences last year. We can break that down to state and territory level but we think we are unable to go further than that and identify locations, because of the operation of the secrecy provisions in section 130 of the Health Insurance Act. But I haven't got definite advice on that yet; there just hasn't been enough time.

Senator WATT: So the lowest level of breakdown, so to speak, is by state or territory?

Ms Shakespeare: I think we can be fairly confident that we are able to give that to you without breaching any of the provisions to protect information that we collect for Medicare purposes under the Health Insurance Act.

Senator WATT: What you do have is a list of the location of every MRI machine in Australia that does have a Medicare licence attached to it.

Ms Shakespeare: Yes, and that's actually up on our website.

Senator WATT: But you don't know the locations of all the other MRI machines that might be out there?

Ms Shakespeare: That's right.

Senator WATT: And the only locations that you know of for MRI machines that don't have a licence are those where an application has now been made to seek a licence?

Ms Shakespeare: Yes, and have been unsuccessful.

Senator WATT: That have been unsuccessful to date. And there have been over 490 of those applications?

Ms Shakespeare: I think there were 493 applications.

Senator WATT: I'm happy to get whatever data you do have there—and I'm happy for you to table it, just to save time.

Ms Shakespeare: Given that there are 53 locations, it would probably save time if we table the locations that have now been given deeds or announced that they'll have Medicare eligibility.

Senator WATT: Yes.

Ms Shakespeare: Some of those are partial eligibility upgrades to full eligibility, so we can provide that on notice.

Senator WATT: Sorry, just before you do that: everything that you just referred to there is already in the public domain, isn't it?

Ms Shakespeare: No. I can give you the number of machines we are aware of where there is no Medicare eligibility from the application process. These are just high-level numbers because that's all I'm confident we're able to provide. We are aware that there are 95 operational machines without either partial or full eligibility following that round. That's in total. There are three in the ACT, 28 in New South Wales, one in the Northern

Territory, 22 in Queensland, seven in South Australia, two in Tasmania, 27 in Victoria and five in Western Australia. That won't be comprehensive. That's just those who applied and were eligible to apply under the criteria last year. Not every machine will have applied. There are other machines who were ineligible to apply because their owners already had Medicare eligible machines operating in similar locations.

Senator WATT: That total number sounds a lot less than 493, so what am I missing there?

Mr Weiss: I think most of that missing information will be applicants as part of the invitation to apply who at the time of application did not have an operational machine but, had they been successful through that process, would have then procured a machine.

Senator WATT: I see. So there is already on your website X number, whatever it is, of MRI machines with a licence.

Ms Shakespeare: Yes.

Senator WATT: Separate to those there are a number, which we don't know, of MRI machines out there that don't have a licence.

Ms Shakespeare: Yes.

Senator WATT: So, leaving aside the locations, we also don't know how many there are, do we?

Ms Shakespeare: Total MRI machines in Australia? No, that's not information that the department holds.

Senator WATT: The states and territories have no reason to have that either, have they?

Ms Shakespeare: We can check that. There may be some states and territories that can give us that information.

Senator WATT: If you could take that on notice. Leaving aside the ones that do have a licence, there's the unknown number of other machines out there. There were 490 applications made for a licence.

Mr Weiss: There were 493.

Senator WATT: But not all of the applicants already had an MRI machine. Is that what you're telling me?

Mr Weiss: Correct.

Senator WATT: But within that 493 were the people who did have an MRI machine that were seeking a licence; is that correct?

Ms Shakespeare: Yes, an operational machine that does not have Medicare eligibility.

Senator WATT: What was the total of those?

Ms Shakespeare: Ninety-five.

Senator WATT: So the other roughly 400 were applications from people who wanted an MRI Medicare licence but did not at that point have a machine.

Ms Shakespeare: Or they were successful in being given an MRI licence under this process.

Mr Weiss: Forty-three of those 493 were successful. There would have been other operators who were applying for an upgrade from partial Medicare eligibility to full Medicare eligibility who would also be captured within that 493 figure.

Senator WATT: You were saying that the information you have given hasn't previously been in the public domain. Can you explain again what that is?

Ms Shakespeare: That's I suppose the state and total breakdown of operational machines without Medicare eligibility that applied for it through the process but were unsuccessful.

Senator WATT: So there were 493 applications all up. How many were successful?

Mr Weiss: Forty-three.

Senator WATT: And then there are still another 95 applications that weren't successful?

Mr Weiss: Applications from people who had no Medicare eligibility at all, but had an operational machine.

Senator WATT: Yes, but had a machine.

Mr Weiss: Yes.

Senator WATT: And the remainder were people who didn't have—okay, I'm just trying to work through—there are a lot of numbers there—

Mr Weiss: There would be another segment who had an operational machine—it already had partial Medicare eligibility and they were seeking full eligibility as part of this process. And then there's the final group, who are

the ones who did not, at the time of application, have an operational machine, but intended, had they been successful, to have one.

Senator WATT: Let me just reflect on that and then I might have a couple more questions about the MRI licences. I've got a couple of other outcome 4 questions, but I'm happy for someone else to jump in if they want to.

Senator GRIFF: Whilst we're on MRI, at the Senate inquiry last year the government accepted the recommendations and also stated that they would have a clear, objective and transparent assessment criteria, with an equitable distribution of eligible machines across states and territories and regional areas to address areas of need wherever possible. The current criteria includes: where the unit will be located—obviously; whether the practice will bulk bill; socioeconomic area; size of catchment area; and proximity to nearest Medicare eligible MRI machine. Last year there were four additional MRI licences granted in SA. There is one in particular, to Sound Radiology Parkside, that seemed a little unusual, in the sense that Sound Radiology Parkside is located less than 10 minutes from at least five other fully licensed MRI machines and four partially licensed MRI machines, which seems to go against the equitable distribution policy agreed last year. Is there a reason why that particular practice was given that licence?

Ms Shakespeare: All of the decisions around the locations were decisions of government. They were based on advice from the department, which covered all of those issues that you mentioned before—the mandatory criteria. But beyond that I can't provide information.

Senator GRIFF: So, government made the decision on that particular licence? Yes?

Ms Shakespeare: Yes.

Senator GRIFF: That makes sense. What's interesting about that particular licence is that the CEO of Sound Radiology is also the vice-president of the South Australian Liberal Party, and it's a marginal seat. That seems to be a very interesting coincidence. My next question concerns one of the other MRI licences, which was granted to the Riverland General Hospital in Berri. Part of the criteria, which was mentioned earlier, is that applicants must demonstrate purchase of the MRI machine by 30 April 2019. As of yesterday, the state government has yet to purchase the MRI machine. What happens when you have a licence granted where the licence holder fails to meet conditions set by the department?

Ms Shakespeare: Usually, these operators will be given a period of time to purchase the machine and become compliant with the requirements under Medicare. A similar situation occurred with the Kalgoorlie MRI licence, which was announced last year. That's not operational. Neither is the one in Berri. There will be a period of time—

Senator GRIFF: What's the period of time that you'd give someone?

Ms Shakespeare: I think it can vary, but we would usually give people a couple of years to become compliant.

Senator GRIFF: Two years? Really? All right. Going back to the topic that I mentioned previously in relation to autism, can the department advise what the rate of autism diagnosis is after the age of 13?

Ms Shakespeare: We would have information on the MBS items which are used to treat people for autism, but I don't think we would have information from that administrative billing data that would indicate dates of diagnosis or age of diagnosis.

Senator GRIFF: Is there any policy rationale for capping the MBS payments for autism assessment and diagnosis to 13 years of age?

Ms Shakespeare: I'm sorry, I couldn't comment on that.

Senator GRIFF: Who would make that decision?

Ms Shakespeare: We'd probably seek advice from the professions involved if there was a proposal to cap.

Senator GRIFF: No, it currently is capped at age 13. I'm trying to arrive at why you've decided that payments will only be paid for autism up to the age of 13.

Ms Shakespeare: Perhaps we can look into the history of that item and provide that information to you on notice.

Senator GRIFF: Thank you.

Senator WATT: Sticking with outcome 4, I've got a couple of questions around GP visa changes. Everyone's looking at you, Professor Murphy. It's always good to get a little bit of action from Professor Murphy. One of the budget measures is better distribution of medical practitioners. Would you briefly explain the problem this measure is intending to fix.

Prof. Murphy: The problem this measure is intending to fix is that, in the past, about 70 per cent of the overseas trained doctors coming into Australia were going to metropolitan areas. This measure is to restrict, by a relatively small amount, the number going to metropolitan areas and focus overseas trained doctors to those areas where they're needed, particularly rural and regional areas.

Senator WATT: Is another way of putting it 'to address the oversupply of GPs in a particular area'?

Prof. Murphy: There is a relative oversupply in metropolitan areas and we've seen an unprecedented growth which is not justified on the service needs. So, by restricting the number of overseas doctors going to metropolitan areas, that reduces the rate of growth in Medicare expenditure there to realise for other GP purposes.

Senator WATT: Has there been any thought given to how you quantify what you consider to be a relative oversupply of GPs in a particular area?

Prof. Murphy: There has been a fair bit of work done. We've got ratios of GPs per 1,000 population in Australia now, which globally has one of the best ratios, at less than 1,000 population per GP, but it varies hugely from some rural and regional areas to some metropolitan areas that have very high ratios. There are obviously other factors such as socioeconomic circumstances, but it's pretty clear. That's the basis of the district of workforce shortage methodology, which looks at the ratio of GPs, and we're improving that model to be more sophisticated to look at GP catchment areas. There'll be a new version of that released later this year.

Senator WATT: What geographic areas do you consider that we do have a relative oversupply of GPs in?

Prof. Murphy: Large parts particularly of Melbourne and Sydney and some of Brisbane—those major metropolitan centres, though not all of those centres. There are some parts of those metropolitan areas that are still considered in relative shortage and we've got the measures to work out which parts are and are not.

Senator WATT: So there has been some work done and there's some sort of report or briefing around?

Prof. Murphy: There is existing this district of workforce shortage measure. This has been substantially revised in the budget last year. The heads-up tool was developed by the department to accurately map each GP catchment and look at the services in that catchment. That is better informing us to define those areas which are what we're going to call distribution priority areas for overseas trained doctors and to make sure that those areas that don't have a distribution need don't get them.

Senator WATT: You're probably aware of some media reports that suggest that the Department of the Prime Minister and Cabinet had some concerns about this measure. Was anything changed as a result of those concerns?

Prof. Murphy: Not to my knowledge, no.

Senator WATT: Were any additional details provided to PM&C after those reports emerged?

Mr Hallinan: I think that was a letter of transmittal from the Office of Best Practice Regulation that's referred to. We haven't had any further communications with OBPR since the acceptance of the regulatory impact assessment that they refer to.

Senator WATT: What about Prime Minister and Cabinet's concerns that the measure failed to examine the potential risks and costs 'including to the public hospital system if the measures exacerbate or fail to address shortages in regional areas'? How can you demonstrate that this measure won't cause an increase in costs to the public hospital system or make things worse in rural and regional areas?

Prof. Murphy: I think this measure is specifically designed to get more of these overseas trained doctors into those regional and rural areas. There is no limitation whatsoever on getting these doctors into rural and regional areas. In fact, the measure is designed to focus the requirement to get a visa so that people will largely go to the rural and regional areas rather than to the metropolitan areas. It's a specific affirmative action measure for non-metropolitan areas.

Mr Hallinan: And it explicitly excludes hospital based employment models.

Senator WATT: The measure extends the measure that was announced in the last budget. Is it right that the government will now grant 355 fewer visas to overseas trained doctors each year?

Prof. Murphy: Correct.

Senator WATT: That's 155 per year more than was planned under the previous measure, isn't it?

Prof. Murphy: Correct.

Senator WATT: What's the reason for that increase.

Prof. Murphy: The reason for that is largely, as I described earlier, this revised distribution model where we've got more data on the metropolitan areas and some of those—more than in the previous model—are now

seen to be in relative oversupply and in no need of those doctors, so that limits further the applicability of metropolitan areas getting these overseas trained doctors. We've also got early data that suggests that, even before the first tranche of this measure came into effect, there's been a drop-off in visa applications. The sector has got the message, I think, that we are now focusing very much on rural and regional areas, so we're very confident that the initial conservative 200 can be extended without any impact on service delivery.

Senator WATT: The savings you expect to generate are an additional \$296.3 million on top of the previous \$415.5 million?

Prof. Murphy: That is the additional redirection of that Medicare funding into other Medicare measures in the GP package. It's gone back into general practice for other measures that were announced in the budget.

Senator WATT: So that's a total of \$711 million that's been redirected, as I think you put it. It's true, though, that those savings will be achieved through a lower MBS spend? That's correct, isn't it?

Prof. Murphy: No, not a net lower spend, because some of those redirections are into MBS related activities in the general practice field.

Senator WATT: I think we've had this discussion previously, but the reality is that, to generate those savings, that must mean cutting or reducing services in one area to fund others.

Prof. Murphy: No, it doesn't mean cutting or reducing services at all. It means stopping the uncontrolled growth of new services in those areas that already have enough doctors. We're not cutting any services or any existing doctors; we are preventing doctors coming in that aren't needed and will generate additional growth. So the savings are from the projected forward estimates of growth; they are not a cut to any existing services whatsoever.

Senator WATT: Yes. I'm not accusing you or saying that the overall amount of funding will decrease, but if it's not increasing at the rate you were projecting then that's a reduction.

Prof. Murphy: It's a reduction in the projection, but it's a reduction that's been directed to other areas to promote quality general practice.

Senator WATT: There is only one other thing I was going to ask about in outcome 4, and I'm conscious Senator Griff has outcome 5 questions. We've got hearing services under outcome 4, and I just had a couple of questions about the future of Australian Hearing. Is that something to be asked here? I know Australian Hearing is actually in DHS, so should I wait for that?

Ms Beauchamp: Yes.

Senator WATT: Okay. That's it for me in outcomes 4 and 5. Actually, I just discovered one more thing, but you have a go.

Senator GRIFF: If I can come back first after the break, that would be—

Senator WATT: Is it okay if we just carry—

CHAIR: We are finishing at 3.45. That is in two minutes.

Senator WATT: If we can break at 3.50, in seven minutes, I suspect both Senator Griff and I can finish off what we were hoping to do in outcomes 4 and 5, if that's okay.

CHAIR: Yes, that's okay, or you can put the questions on notice.

Senator WATT: The only other thing I had here was special pricing arrangements under the PBS. Can someone briefly explain the status of current SPA, special pricing arrangement, criteria.

Ms Shakespeare: We have a set of special pricing arrangements criteria that are published on the PBS website. We have been following concerns raised, I think, by yourself, Senator, last year. We have been reviewing those criteria. We've had discussions. We've been consulting with medicines companies, in particular, through Medicines Australia. We provided a draft to them within the last couple of days and we haven't had a response back from them on that yet.

Senator WATT: So given the government is going to phase out rebate arrangements—that's confirmed by figure 2.4.1 in the budget statement—how will that impact patient access?

Ms Shakespeare: Special pricing arrangements are really meant to encourage patient access where a medicines company would be unable to bring a medicine to Australia at the efficient price as determined by the Pharmaceutical Benefits Advisory Committee because they're worried about the impact that will have if the efficient price was apparent to funders in other international jurisdictions. Special pricing arrangements are really about which medicines are eligible for hidden prices, so would be eligible for the new supply chain arrangements that we are working on introducing at the moment. It's not every medicine that is recommended for listing by the

PBAC that either requests or is given a special pricing arrangement. That's why we have criteria, because it does then does involve having a public price, which, at the moment, is paid through the supply chain for that medicine, and then rebates are paid back to the government to bring the price back from the public price to the efficient price that we've agreed to pay based on advice from the PBAC.

Senator WATT: Am I right that the pharmaceutical industry has raised some concerns that, in the absence of special pricing arrangements, patient access to innovative medicines will be severely compromised?

Ms Shakespeare: If we were not to have special pricing arrangements but nobody has proposed that.

Senator WATT: Do you know the graph I'm referring to?

Ms Shakespeare: Yes. That is really reflecting expenditure and revenue collected by the government. It doesn't mean there are no special pricing arrangements.

Senator WATT: But are they going to be reined in?

Ms Shakespeare: No. We will still continue to have medicines that have hidden prices; it is just that we will pay medicines companies directly the efficient price so it is not apparent to all the wholesalers and pharmacists in the supply chain what the efficient price is. It does mean we'll have to make changes to the price arrangements but it doesn't mean we don't have special pricing arrangements.

Senator WATT: That's it.

Senator GRIFF: I would like to very much congratulate the TGA on the medical devices action plan announced in recent days, which is absolutely fantastic. It contains elements that my office has been advocating for for some time. Can you advise what the status of the plan is? Has it been accepted in principle by government? I assume it has.

Prof. Kelly: Thank you for your question. I am the chief medical advisor, a few weeks into that role. In fact, today, the deputy secretary in charge of this and also the first assistant secretary in charge of medical devices are down in Melbourne discussing this very issue. The short answer to the question is, yes, it has been officially launched and is on the TGA website.

Senator GRIFF: Has there been a commitment to fund it?

Prof. Kelly: In terms of funding, this is an action plan which builds on the previous work that's been done and the review of how the TGA works specifically in relation to medical devices. It clearly outlines the three major areas—you have it in front of you there—we are going to be looking at, which is about making sure that those things that the TGA does well, which is looking at quality, safety and efficacy of products, is done in the best way possible. Recognising that there have been some issues in the past and currently in relation to medical devices, this is the key area of where we're concentrating.

Senator GRIFF: What actually drove the action plan? Was the international consortium of investigative journalists the final straw, if you like, that fell to make it happen?

Senator Scullion: It was all your advocacy.

Senator GRIFF: Thank you, that's all I needed to hear. I won't ask more questions in relation to that one.

CHAIR: You need to put the other questions on notice.

Senator GRIFF: I've only got a couple of minutes of other questions.

CHAIR: Yes, we are 3:50 now and you were meant to finish 3:45. See what you can do or put them on notice.

Senator WATT: I don't mind waiting a couple more minutes.

Senator GRIFF: I've got five items and they can come back to us on notice. But I would just like to hear your view—again, these can be on notice, obviously—on will the TGA be making it mandatory for all long-term implanted devices to be reclassified as class 3 devices? That is a discussions we have had in the past with Professor Skerritt. Will the TGA require all class 3 devices to have two years published independent peer reviewed data to confirm the safety and effectiveness? Will manufacturers and importers of class 3 devices be required to maintain a register of individual patients who are implanted so that, if there are any recall issues, the patient and the hospital can be notified, which isn't currently the case? Does the TGA intend to revise the event reporting system to make reporting of adverse events and device failure mandatory for manufacturers and importers and device use facilities? And the last one: is it TGA's intention to make technical material provided to it by the application process publicly available and searchable so clinicians in particular and researchers can evaluate claims made by manufacturers and importers? If we could have those on notice, that would be fantastic.

CHAIR: That concludes today's examination of the health portfolio. On behalf of the committee, I thank the minister and officers for their attendance. We will resume with the social services portfolio.

Proceedings suspended from 15:51 to 16:08

SOCIAL SERVICES PORTFOLIO

In Attendance

Senator Fifield, Minister for Communications and the Arts

Department of Social Services - Executive

Ms Kathryn Campbell AO, CSC, Secretary

Ms Margaret McKinnon, Chief Operating Officer

Mr Nathan Williamson, Deputy Secretary, Social Security

Ms Liz Hefren-Webb, Deputy Secretary, Families and Communities

Mr Michael Lye, Deputy Secretary, Disability and Carers

Department of Social Services - Cross Outcomes

Ms Margaret McKinnon, Chief Operating Officer

Mr Andrew Harvey, Chief Finance Officer and Group Manager, Finance

Mr Anthony Seebach, Chief Counsel and Group Manager, Governance, Legal and Assurance

Mr John Riley, Acting Group Manager, Corporate Services

Mrs Tracey Bell, Branch Manager, Communication Services

Mr Adrian Hudson, Group Manager, Strategy, Community Grants Hub

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

Ms Carolyn Paterson, Branch Manager, Grants Administration

Department of Social Services - Outcome 1, Social Security

Mr Nathan Williamson, Deputy Secretary, Social Security

Mr Shane Bennett, Group Manager, Payments Policy

Ms Emma Kate McGuirk, Branch Manager, Work and Study Payments

Ms Kath Paton, Branch Manager, Families and Pensions

Ms Vanessa Laphorne, Branch Manager, International Policy and Payment Support

Mr Brenton Philp, Group Manager, Welfare and Housing Policy

Mr Sidesh Naikar, Branch Manager, Housing Policy

Ms Mary McLarty, Branch Manager, Payment Structures

Dr Tim Reddel, Group Manager, Policy Office

Mr Phil Brown, Branch Manager, Policy Strategy and Investment

Ms Jillian Moses, Branch Manager, Policy Analysis and Reporting

Ms Margaret McKinnon, Chief Operating Officer

Mr Andrew Harvey, Chief Finance Officer and Group Manager, Finance

Mrs Tracey Bell, Branch Manager, Communication Services

Mr James Kemp, Acting Branch Manager, Payment Conditionality Design and Policy

Department of Social Services - Outcome 2, Families and Communities

Ms Liz Hefren-Webb, Deputy Secretary, Families and Communities

Ms Lisa Foreman, Group Manager, Families and Communities

Ms Lisa La Rance, Branch Manager, Financial Wellbeing

Mr Tristan Reed, Branch Manager, Families Policy

Ms Sarah Peascod, Branch Manager, Children's Policy

Ms Chantelle Stratford, Branch Manager, Family Safety

Mr Bruce Taloni, Group Manager, Redress and Reform

Ms Selena Patrick, Branch Manager, Welfare, Quarantining and Gambling

Ms Sharon Stuart, Branch Manager, Redress Policy and Legislation

Ms Tracy Creech, Branch Manager, Redress Implementation

Ms Teena Blewitt, Group Manager, Settlement Services
Ms Sharon Bailey, Branch Manager, Settlement Policy
Mr Leo Kennedy, Branch Manager, Settlement Support
Ms Sarah Guise, Branch Manager, Community Cohesion
Mr Nathan Williamson, Deputy Secretary, Social Security
Mr Shane Bennett, Group Manager, Payments Policy
Ms Kath Paton, Branch Manager, Families and Pensions
Dr Tim Reddel, Group Manager, Policy Office
Mr Phil Brown, Branch Manager, Policy Strategy and Investment

Department of Social Services - Outcome 2, Families and Communities - Continued

Ms Margaret McKinnon, Chief Operating Officer
Mr Andrew Harvey, Chief Finance Officer and Group Manager, Finance
Mrs Tracey Bell, Branch Manager, Communication Services
Ms Carolyn Paterson, Branch Manager, Grants Administration
Mr Adrian Hudson, Group Manager, Strategy, Community Grants Hub

Department of Social Services - Outcome 3, Disability and Carers

Mr Michael Lye, Deputy Secretary, Disability and Carers
Mr Andrew Whitecross, Group Manager, National Disability Insurance Scheme Market Reform
Mrs Anita Davis, Branch Manager, Quality and Safeguards Policy
Mr Yingsong Hu, Acting Branch Manager, National Disability Insurance Scheme Market Oversight
Ms Eliza Strapp, Branch Manager, Program Transition
Ms Flora Carapellucci, Group Manager, National Disability Insurance Scheme Mainstream Linkages
Mr Chris D'Souza, Acting Branch Manager, National Disability Insurance Scheme Mainstream Policy
Mr Peter Broadhead, Branch Manager National Disability Insurance Scheme Mainstream Interface
Ms Helen McDevitt, Group Manager, National Disability Insurance Scheme Transition Oversight
Dr Nerida Hunter, Branch Manager, National Disability Insurance Scheme Financial Policy and Performance
Mr George Sotiropoulos, Group Manager, Disability, Employment and Carers
Mr Christian Callisen, Branch Manager, Participation and Assurance
Mr Stephen Moger, Branch Manager, Disability and Carer Policy
Mr Stewart Thomas, Branch Manager, Disability Employment Services
Ms Margaret McKinnon, Chief Operating Officer
Mr Andrew Harvey, Chief Finance Officer and Group Manager, Finance
Mrs Tracey Bell, Branch Manager, Communication Services
Mr Adrian Hudson, Group Manager, Strategy, Community Grants Hub

National Disability Insurance Agency

Mr Robert De Luca, Chief Executive Officer
Mr Michael Francis, Deputy Chief Executive Officer, Participants and Planning Experience Group
Ms Vicki Rundle PSM, Deputy Chief Executive Officer, Government, Communications and Stakeholder Engagement Group
Mr Victor Walter, Deputy Chief Executive Officer, Corporate Services and Chief Finance Officer Group

Department of Social Services - Outcome 4, Housing

Mr Nathan Williamson, Deputy Secretary, Social Security
Mr Brenton Philp, Group Manager, Welfare and Housing Policy
Mr Sidesh Naikar, Branch Manager, Housing Policy
Dr Tim Reddel, Group Manager, Policy Office
Mr Phil Brown, Branch Manager, Policy Strategy and Investment

Ms Liz Hefren-Webb, Deputy Secretary, Families and Communities
Ms Lisa Foreman, Group Manager, Families and Communities
Mr Paul Menzies-McVey, Branch Manager, National Rental and Affordability Scheme Taskforce
Ms Lisa La Rance, Branch Manager, Financial Wellbeing
Ms Margaret McKinnon, Chief Operating Officer
Mr Andrew Harvey, Chief Finance Officer and Group Manager, Finance
Mrs Tracey Bell, Branch Manager, Communication Services

ACTING CHAIR (Senator Dean Smith): The committee will now commence its examination of the Social Services portfolio. I reiterate for the committee and officers the earlier statement of the chair 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.

I also briefly 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.

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)

ACTING CHAIR: The committee has fixed 24 May 2019 as the date for the return of responses to questions taken on notice. Officers are requested to keep opening statements brief or seek to incorporate longer statements into the *Hansard*.

Department of Social Services

[16:09]

ACTING CHAIR: I welcome Senator the Hon. Mitch Fifield, representing the ministers for the Social Services portfolio, and the secretary and officers of the Department of Social Services. Minister, do you wish to make an opening statement?

Senator Fifield: No, thank you.

ACTING CHAIR: Secretary, do you wish to make an opening statement?

Ms Campbell: No, Senator, but I do understand that when Mr Rob De Luca comes on for the National Disability Insurance Agency, he will wish to make a very short opening statement.

ACTING CHAIR: Great. We will proceed to questions.

Senator WATT: I have some questions for Mr DeLuca and the NDIA later, but I was hoping in cross-portfolio to ask some questions about the overall budget for the NDIS, which I think it's okay to do in cross-portfolio, given that it's a subset of the department's budget overall.

Ms Campbell: Yes, Senator. If it's just about the appropriation for the NDIS, we have the officers here at the table who will be able to assist.

Senator WATT: That's what I was thinking. There's no doubt someone within the department who's responsible for the budget appropriation overall, wherever it goes.

Ms Campbell: That is us, so we'll be able to answer those questions, Senator.

Senator WATT: It may be that we have to come back to Mr De Luca later on, but let's give it a go. You would have received a letter from me a day or two ago requesting a range of information.

Ms Campbell: We did, Senator.

Senator WATT: Do you have any of that available to table?

Ms Campbell: Senator, we have pieces of it for tabling. We had understood that you were going to ask the questions and to make sure that we had the information with us. Some of the material, I think, such as the advertising, might be available for tabling.

Senator WATT: The letter that I wrote you requested some information regarding the parameter variation regarding the NDIS. Do you have the specific information I sought in relation to that?

Ms Campbell: We have tabular information, which particularly relates to the states and territory contributions. We had not understood that you were expecting us to table that information when we arrived. We thought you were expecting us to come with it so that you would be able to question us.

Senator WATT: We can probably do that. Let's try and do some of that now. In relation to the \$1.6 billion NDIS parameter variation, which is outlined in the budget papers, are you able to advise the extent to which the slower-than-expected transition to the NDIS has reduced the number of people in each state and territory who will transition to the NDIS for each year of the forward estimates compared to the assumptions in last year's budget and the bilateral agreements with the states?

Ms Campbell: Yes, Senator, we have that information. I'll ask Mr Lye and Ms McDevitt to take you through that.

Ms McDevitt: In relation to the participant estimates, I'll just go through some of the detail. The December 2018 National Disability Insurance Agency quarterly report indicated that the NDIS was supporting 244,653 people with disability, which was 71,000 fewer participants compared to what we call the total bilateral estimates, which was 315,721. That's—

Senator WATT: Just before you go on, was the first number you gave me 244,563?

Ms McDevitt: It's 244,653. That was the actual number. The bilateral estimate for the end of December 2018 was 315,721, which was 77 per cent of the bilateral estimate. Given this lower intake of NDIS participants, the 2019-20 budget estimate was based on a revision of the estimated number of NDIS participants in 2018-19 and 2019-20, relative to the estimates at the 2018-19 Mid-Year Economic and Fiscal Outlook, or MYEFO. In the 2018-19 MYEFO, the participant estimates were 426,489 by the end of June 2019 and 457,663 by the end of June 2020. The 2019-20 budget estimate was that there will be 298,489 participants by the end of June 2019 and

455,198 by the end of June 2020. Then, in 2021, the number of participants is estimated to increase to around 470,000.

Senator WATT: When you say 2021, do you mean June 2021?

Ms McDevitt: During that year, yes. During the 2021 year, it will go up to 470,000, and then it will grow by general population growth. So, this means it's estimated—these are all estimates—that there'll be 128,000 fewer participants in 2018-19 and 2,465 fewer in 2019-20 relative to what the estimates were at MYEFO. This is what underpins that downward cost variation of the \$2.921 billion in 2019-20.

Senator WATT: Is that the end of those figures?

Ms McDevitt: In terms of the participant estimates, yes.

Senator WATT: Let me put this back to you in a different way, and tell me if I've got this wrong. You referred to the bilateral estimates. When were they developed?

Ms McDevitt: They were the estimates for the transition period, which commenced in 2016.

Senator WATT: So roughly 2016—

Ms McDevitt: Up until June this year for most states—not all.

Senator WATT: So, back then, it was estimated that there would be 315,721 people receiving NDIS packages by December 2018?

Ms McDevitt: Yes.

Senator WATT: In fact, there were 244,653?

Ms McDevitt: Correct.

Senator WATT: About 71,000 fewer than estimated?

Ms McDevitt: Yes.

Senator WATT: When MYEFO was released in December 2018, the expenditure estimates were based on an assumption that, by June 2019, 426,489 people would be receiving NDIS packages and that that would then rise to 457,663 by June 2020?

Ms McDevitt: Yes.

Senator WATT: Now that we've got to the 2019-20 budget, that's been revised down, and it's now expected that, by June 2019, there'll be 298,489 people receiving NDIS packages and it's expected to rise to 455,198 by June 2020 and then to 470,000 in 2021? Is that right?

Ms McDevitt: Yes. They're the revisions to the participant estimates that underpin how we determine the funding that we provision for.

Senator WATT: What confidence do you have that you're going to get to about another 150,000 packages by June 2020, given you haven't met the estimates up until now?

Ms McDevitt: Currently, there are over 250,000, so we're pretty confident of the 298,000 by the end of June this year. The issue is, we are very confident, and we work very closely with states and territories to determine arrangements, particularly under our full scheme agreements, where we've agreed that we need to reach that number in the next 12 months. In the agreements that we've signed, where necessary, we've made some provision where some of the state clients haven't transitioned that we'll go anywhere between six and 12 months to allow those extra people to come in. We work very closely with states as well as the NDIA to make sure the resources are deployed to do that. So it has always been a shared goal to reach the full number of expected, based on the original Productivity Commission estimates of the number of NDIS participants. As we move into 2019-20, there will be fewer existing Commonwealth and state system clients and it will be more new people coming in. And we've already got 78,000 new people that haven't been getting any supports from Commonwealth or state government programs before. It is true that experience to date shows that new people can be slower than expected to come in, but we have strategies in place in states with the NDIA to provide information to make sure people who think they're eligible will make an access request to the NDIA. Obviously access requests can be made reasonably quickly, and then it's often several months before they actually get onto a plan. So we have a pretty good level of confidence, but it is an estimate and we have to keep working together to get there.

Senator WATT: There was the estimate of 426,489 for June 2019, which came out in MYEFO a few months ago. I'm comparing that with what's now in the budget, which is 298,489. So, effectively the department has written down the expected number of participants by about 128,000—

Ms Campbell: That's correct.

Ms McDevitt: Yes, coming in this year.

Senator WATT: compared to December last year. That's a pretty dramatic writedown compared to four or five months ago?

Ms Campbell: I think these numbers better reflect the experience. We took the opportunity to go back and look at what had been written down in 2018-19, and there's a similar writedown there. We thought it was important to get these numbers correct.

Senator WATT: Why didn't you do it at any other time? At no other time have you've achieved the estimates that you expected.

Ms Campbell: We have written down the estimated number of participants at every budget update, I think, in the last year.

Ms McDevitt: We always want a provision for the number that should come in so we can make sure the funding is there and then we adjust depending on the actual numbers. During transition, all governments—Commonwealth and state and territory governments—have been making contributions based on the actual number of participants. That's been consistent throughout the transition period, but it's really important that all governments have provision—in other words, the funding is available—if we achieve. One of the significant things that we've all become aware of in recent months is—because in most jurisdictions we're coming to the end of the agreed transition period—that there are fewer state clients than estimated. In some cases, there are 20 per cent fewer state clients. There are people who might have records, and there has been a concerted effort from the states and the Commonwealth to make sure our clients can make contact with the NDIA. That sort of information has only been confirmed and clarified as we speak and in recent months. Efforts will continue to find out if there are people who've been getting services from governments in the past, so they're on the books; there are records, but, for example, who have been unable to be contacted or who've been double counted or who are no longer getting services and have out-of-date records. There are a whole lot of reasons like that.

Mr Lye: I think Mr De Luca probably intends to take you through, in some detail, the exercise that's gone on in terms of the actionable records and explain how we're in a better position now around that task. Mr De Luca wrote to state and territories early this year around this issue, and I think he intends to explain that process.

Senator WATT: Oaky. That would be good, when he gets here. Going back to the letter I sent you, I also asked for information on the extent of the decreased contributions from states and territories for each year of the forward estimates. Do you have that available?

Ms McDevitt: Yes.

Mr Lye: The implication of the estimates variation for almost all the elements of this, including Commonwealth programs, is in 2019-20.

Ms Campbell: It's only in 2019-20 because of the expectation that the numbers will increase by the end of 30 June 2020. The variation is in 2019-20.

Senator WATT: Okay. Can you give me those figures?

Mr Lye: Just in terms of the logic, I think Ms McDevitt talked to you about the \$2.921 billion in 2019-20, which is the gross estimates variation. We'll give you the split, but the state and territory contribution of that \$2.921 billion is \$0.948 billion. And then the balance is \$1.973 billion in Commonwealth contribution. Then we can give you the state splits, and then we can give you a couple of Commonwealth variables, which brings it down to the \$1.6 billion that was recorded in the budget.

Senator WATT: So, overall, the expected expenditure reduction for the NDIS is \$1.6 billion?

Ms Campbell: Net.

Mr Lye: That's the net variation.

Senator WATT: And that's over what period of time again?

Ms Campbell: Just the 2019-20 year.

Senator WATT: You're saying that—

Mr Lye: The gross variation is \$2.921 billion.

Senator WATT: Of which \$0.948 billion is from the states and territories?

Mr Lye: That is the reduced state and territory contribution.

Senator WATT: So the gross is \$2.921 billion. What do we need to take off that to get to the net?

Mr Lye: You take off \$0.948 billion.

Ms Campbell: It's worth noting that the states don't pay that because they are continuing to support clients who have not transitioned into the scheme.

Mr Lye: That's right.

Ms Campbell: So people are still getting supports, but it's not through the NDIS.

Mr Lye: And then, once you take off the state and territory amount, you're left with \$1.973 billion. Then you subtract from that \$266 million, which, like the state and territory contribution, is around supporting Commonwealth program clients who are yet to transition.

Senator WATT: Why does that need to be subtracted?

Mr Lye: Because, like the state clients who haven't come into the scheme as quickly, we're continuing to support them through existing Commonwealth programs.

Senator WATT: As opposed to the NDIS?

Ms McDevitt: So it will go to existing supports.

Ms Campbell: Existing providers.

Mr Lye: Then, with that \$266 million taken off the \$1.973 billion, you also then take off \$145 million. That's for NDIA operating costs.

Ms Campbell: That's predominantly because the NDIA had expected to have more people in earlier and the need for continued funding levels to make sure that they can get the people into the scheme.

Mr Lye: Once you take those two amounts off the Commonwealth amount of \$1.973 billion, you're left with the net variation, which is what was in the budget papers of \$1.562 billion. Ms McDevitt can take you through the state splits.

Senator WATT: I probably don't need that right now. Could you table that state-by-state breakdown, just to save us a little bit of time, if you've got that there?

Mr Lye: Yes.

Ms Campbell: I'm not sure we've got it in table form, because it's not all of them.

Ms McDevitt: It's just a few numbers.

Ms Campbell: It won't take long.

Senator WATT: Just hold that thought. We'll come back to that. On this \$2.921 billion gross reduction, is another way of putting that that the Commonwealth funding to the NDIS has reduced in gross terms by \$2.921 billion?

Ms Campbell: No.

Mr Lye: Commonwealth-state funding.

Senator WATT: So Commonwealth-state funding has been reduced by \$2.921 billion compared to what was expected and \$0.948 billion of that is from the states, and the reduced Commonwealth funding to the NDIS is \$1.973 billion, but you're saying that about \$400 million has still been spent by the Commonwealth in other programs?

Ms Campbell: Including the running costs of the agency.

Mr Lye: So probably you would say that a portion of the \$0.948 billion and then the \$400 million are being spent. A lot of those things are being spent supporting people with disability but in their existing systems rather than in the NDIS system because the transition is slower.

Senator WATT: So, acknowledging that Commonwealth funding is being spent in other ways or is not required because of reduced or lower-than-expected NDIA operating costs, the actual amount of reduced Commonwealth expenditure to the NDIS is \$1.973 billion—or, rounded up, \$2 billion?

Ms Campbell: I think it's \$1.9 billion minus \$145 million, because that's going to the NDIA.

Senator WATT: But isn't that the point—that it's not going to the NDIA, that it didn't need to be spent?

Mr Lye: No, it's going to the NDIA—operating costs.

Ms Campbell: In terms of the operations of the NDIA, it had been expected that there would be a larger number of people in the scheme by now, so there wouldn't have been as much need for planners doing the original meetings.

Senator WATT: I see. But, in fact, you're actually spending more money than you expected on planning?

Mr Lye: The profile is different.

Ms Campbell: The profile is different. They may have had some savings in previous years, but they will now need this money in the out years in order to continue to have that level of planning as we bring these additional people through.

Senator WATT: But if we're just looking at funding provided to the NDIS—again, acknowledging that some of this money will be going to the NDIA for planners and other things like that—there is a reduction of around \$2 billion compared to what was projected previously?

Ms Campbell: It's \$1.9 billion, and then you take away \$266 million from that, which will be for other Commonwealth support programs to pay for support to the people who are yet to transition into the NDIS.

Senator WATT: I understand that. But, again, if we're just looking at funding to the NDIS as opposed to funding to other programs and the NDIA, the funding to the NDIS is \$1.973 billion, or around about \$2 billion—

Ms McDevitt: For participant plans—that might be one way to say it. We fund the NDIS in different ways. There's participant plan funding, there's NDIA funding and then there's ILC funding.

Senator WATT: So, in round figures, it is \$2 billion less in expenditure to the NDIS compared to what had been projected previously?

Ms McDevitt: For participants, because it was a change in participants that—

Ms Campbell: and because the participants will access services from different Commonwealth programs. So the \$1.9 billion is not an accurate figure in that space because it doesn't take into the consideration the expenditure on the other programs.

Senator WATT: Speaking of the other programs, what Commonwealth programs are continuing?

Mr Lye: We can save you some time. We have two tables for the Commonwealth programs detailed in your letter, and also broken down by jurisdiction, which we can table to answer those questions. There's quite a lot of detail in them.

Senator WATT: Okay, why don't you do that.

Senator SIEWERT: Are you going to table that?

Mr Lye: Yes.

Ms Campbell: We can.

Senator WATT: Why don't we have a look at them and potentially come back and ask some questions about them? You referred to what you've done in previous years and the writedowns that have occurred. In previous years when you wrote down the number of expected participants, which then had an impact on expenditure, did you book the cost of other Commonwealth programs that people might be receiving under the NDIS—the underspending in those?

Ms Campbell: Yes, we have.

Senator WATT: You have?

Ms Campbell: We always have. I'm just looking for clarity—

Senator WATT: Is that right?

Ms Campbell: Yes.

Mr Lye: But in previous years what we did was adjust for actuals. So we haven't—

Senator WATT: In terms of your projections into the future, have you taken into account the likely use of other programs apart from the NDIS as well?

Ms Campbell: We have, generally.

Mr Lye: Yes.

Senator WATT: That probably answers one of the other things that was in my letter—that is, the Commonwealth programs with increased expenditure as a result of people transitioning to the NDIS more slowly than expected. That's what you just tabled now?

Ms Campbell: That's right.

Senator WATT: As I said, we might end up having some questions on that. In dollar figures, what has the overall NDIS underspend been in each year of the scheme's operation? I'm talking about comparing projected expenditure with actual expenditure.

Ms Campbell: We'll see what we've got. It's difficult to compare because we've been at different parts of transition along the way. We'll be able to give you 2018-19 and before—

Senator WATT: I accept that you've been at different points and that some states are online and some states aren't—that kind of thing—but presumably you can still look at what the underspend on the NDIS has been year on year.

Ms Campbell: We wouldn't call it an underspend; we would call it an estimates variation.

Senator WATT: Or a parameter variation?

Ms Campbell: A parameter variation or a variation. There is no underspend. For every participant in the scheme, there is the funding there.

Senator WATT: You've never gone over, though, have you?

Ms Campbell: The government has been clear: this is a demand-driven program, just like the age pension and Medicare.

Senator WATT: Sure.

Ms Campbell: The funding will be there as demand requires. We don't always talk about under or over; we talk about demand.

Senator WATT: Sure.

Mr Lye: We've got 2017-18 and 2018-19 to hand. In 2017-18, the total estimate variation—downward variation—was \$0.443 billion.

Senator WATT: Presumably that was the actual expenditure incurred—deducted from what?

Mr Lye: I can give you the number of times. There were two writedowns, two variations, in the 2017-18 year. At additional estimates there was a variation downwards of \$0.153 billion.

Senator SIEWERT: When was that, sorry?

Mr Lye: The 2017-18 additional estimates.

Senator WATT: That would have been February 2018, presumably?

Mr Lye: Yes.

Ms Campbell: Yes.

Mr Lye: At the 2018-19 budget there was a writedown of \$0.29 billion.

Senator WATT: At the 2018-19 budget?

Mr Lye: The total for 2017-18—

Ms Campbell: For the 2017-18 year.

Mr Lye: was \$0.443 billion. Last year, in 2018-19, there was a writedown of \$1.938 billion, and there was just over a billion dollars—\$1.003 billion—in the 2018-19 additional estimates and \$0.935 billion at the 2019-20 budget. So the variation for the last financial year was roughly similar to the one we've just done.

Ms Campbell: Projected for 2019-20.

Senator WATT: In reaching those figures, let's go back to 2017-18. When the 2018-19 budget was brought down around this time last year, it was found that the government had spent \$0.443 billion less in 2017-18 than had been projected.

Ms Campbell: It was expected at budget time 2018-19, which would have been 18 May, that it was likely that that would be the case for the 2017-18 year.

Senator WATT: What I'm trying to get to is: that was \$0.443 billion less than had been expected at what point—MYEFO?

Mr Lye: At the previous budget.

Ms Campbell: At budget 2017—

Senator WATT: At the previous budget. So when the 2017-18 budget was brought down, a particular amount was anticipated to be spent on the NDIS. When we got to the 2018-19 budget it turned out that it had cost \$0.443 billion less, or it was expected to by 30 June.

Ms Campbell: It was estimated. There were two adjustments. There was an adjustment at MYEFO 2017-18 and then there was a further adjustment at budget 2018-19 for the 2017-18 year.

Senator WATT: Similarly, the \$1.938 billion figure that you gave me was the—

Mr Lye: total downward variation for 2018-19.

Ms Campbell: This existing year. That's the current year that we're in.

Senator WATT: Hang on! That figure came from the 2018-19 budget.

Ms Campbell: Yes. There was an original estimate at the 2018-19 budget for what was likely to be spent in 2018-19. There was an adjustment at the additional estimates 2018-19, which was in February, and there was a further adjustment at budget 2019-20 for the 2018-19 year.

Senator WATT: Okay. And you add the two together?

Ms Campbell: Yes.

Senator WATT: I see. So, by additional estimates this year, February this year, it was expected that you'd be delivering \$1.003 billion less than you had predicted in the 2018-19 budget. Now that we've got to the 2019-20 budget, it turns out there's another \$0.935 billion that back in last year's budget you thought you'd spend this year and that has not been spent?

Ms Campbell: That is expected not to be spent this year.

Senator WATT: By the time you get to 30 June?

Ms Campbell: Yes.

Senator WATT: Right. And you don't have any figures before 2017-18?

Mr Lye: We could take that on notice.

Ms McDevitt: I would just note that in 2016-17 the funding went directly to the NDIA, so it was fully expended.

Ms Campbell: Because there have been changes in how the funding goes to the agency and how the state moneys come in, we, the department, only have the money back to 2017-18, because that's when the department received the appropriation. Prior to that moneys were paid—

Mr Lye: Directly.

Ms Campbell: Were they appropriated directly?

Ms McDevitt: Directly to the NDIA, yes.

Ms Campbell: They were appropriated directly to the agency.

Senator WATT: Does that mean that I should ask the NDIA about that later?

Ms Campbell: We could warn them but they may not have that data to hand. But we'll see what they can do.

Senator WATT: Someone must have access to budget papers going back—

Ms McDevitt: All of that funding was given to the NDIA and is retained within the NDIA.

Senator WATT: Yes, but if I'm looking to identify what was spent versus what was expected to be spent, someone knows that?

Ms Campbell: We'll ask the NDIA if they can see whether they'll have that information to hand; otherwise we'll take it on notice.

Senator WATT: Okay. I accept the point you're making that in previous years you have revised down expenditure on the NDIS compared to what was predicted.

Ms Campbell: Yes.

Senator WATT: That's been a common practice?

Ms Campbell: It has.

Senator WATT: But am I right that this is the first budget that has written down expected future expenditure?

Ms Campbell: It is, because we now have a better understanding of how people are moving into the scheme.

Mr Lye: As an appropriation matures, our ability to forecast becomes better with experience. Our job, I suppose, is to make sure our forecast is as accurate as possible. Now, with a couple of years of the appropriation, we can see with better foresight—

Ms Campbell: Better clarity.

Mr Lye: where we think it's going.

Ms Campbell: Mr De Luca will take you through some of the challenges around the data with the states and territories and the transition. We are much better aware of what the data's likely to tell us now. We know that

there may be an expectation that we're going to get 100 per cent of the people but that it might be lower because our experience of that has been lower over the last few years. We're better able to adjust the estimates in order to do that.

Ms McDevitt: Senator, may I note that there have been some upwards and downwards variations; they're not always downwards. The most significant one, of course, was with the change in WA delivery arrangements when they came into the national scheme. We had to do an upwards variation to account for WA.

Senator WATT: I'm not sure whether you've given me these figures already—and they're probably in the budget papers—but can you take me through the writedowns you're projecting for future years.

Ms Campbell: We're not predicting writedowns of the estimated downward variations. It has only been done predominantly in 2019-20. There may be some tiny, small—in fact, now that I've said there aren't any I think there might be \$20 million or something like that.

Senator WATT: Yes. I was thinking they were the figures.

Mr Lye: The difference by the time you get to the end of the financial year 2020 is a 2,000-participant difference.

Senator SIEWERT: Did you say 2,000?

Mr Lye: Two thousand, yes.

Ms Campbell: It's pretty small.

Senator WATT: So this is the first year that the expected expenditure on the NDIS has been written down for the coming year and a bit more in the year after that?

Ms Campbell: Only a very small—it's not material—bit more in 2020-21. That's because we now have a much greater understanding of how people are transitioning into the scheme.

Senator WATT: Was there any request or instruction from the minister, the Treasury or any other entity to make that change for this year's budget?

Ms Campbell: We're constantly working with the Department of Finance, predominantly on estimates variations right across the department and the portfolio. This was part of that normal process. We do it for the age pension, Newstart—all those demand-driven payments. It takes quite a lot of effort from the staff to work closely together. But that had been a continual process in the preparation.

Senator WATT: I am familiar, from previous estimates, with the fact that it is quite common to have parameter variations in age pensions, disability pensions and things like that. But this is the first time it has happened in a future-looking sense for the NDIS.

Ms Campbell: And that shows the maturing of the arrangement and the scheme.

Senator WATT: I understand what you're saying. And that's done in conjunction with Finance?

Ms Campbell: It is.

Senator WATT: Was it actually a request of Finance, in the end, that this change be made for the budget papers this year?

Ms Campbell: I think we've been working with them for some time on this. We had been saying, 'This is what we are seeing; this is the tendency with the numbers.' I think it has been an iterative process, as it is with all of these appropriations. It is an obligation of ours to make sure we have the most accurate estimates available to the parliament and the people of Australia. We've always continued to work along those lines of giving assurance on that level of estimates.

Senator WATT: In this collaborative work with Finance, is it you, Ms Campbell, who does this negotiation or is it one of your other officers?

Ms Campbell: No, they don't generally let me do it—sometimes I get to do it! There are different officers dealing with different programs probably most days. I see them when they get to an agreed position, so that I have an understanding of where we're at on an agreed position. That's across the full range of programs administered by the portfolio.

Senator WATT: Who is the main official within your department who handles these negotiations with Finance?

Ms Campbell: I think the officers at the table would have been involved in those negotiations as well.

Senator WATT: Is that right?

Mr Lye: Correct.

Senator WATT: Is this the way it works: you have an ongoing collaboration with Finance; you have gone along and said, 'This is what we're seeing happening'; and, in the end, Finance has said, 'Okay, you probably should adjust these figures in the budget papers'?

Mr Lye: The way I'd characterise it is that we do our very best to say, 'This is what we can see.' We look at all the different pieces of information that we've got at our disposal. What we're trying to do is produce an accurate forecast. We do 90 per cent of that work in formulating what we think the number should look like. On every appropriation which involves an estimate, there is always a conversation with Finance where we present our figuring. They have a look at that, and we generally reach a consensus on that.

Senator WATT: It's a significant departure from what you've done in the past.

Mr Lye: I wouldn't say the process is. I think the process is—

Senator WATT: No, not the process of collaboration but the decision to write down the projected expenditure in the future. That hasn't happened before.

Ms Campbell: With the NDIS appropriation, yes. But it happens with every other one of our programs.

Senator WATT: I understand that. But it's never happened with the NDIS before.

Ms Campbell: That's because this is only the second year, and the appropriation's been—

Senator WATT: And it's a maturing system. I hear what you say there.

Mr Lye: If we've got to put our name to an estimate, we've got to be able to substantiate the accuracy of that estimate. We have probably in the past erred on the side of a more conservative estimate; we write it down after the fact because we haven't had as much information as we might have liked—only a year of the appropriation. I think we're at a point now where we've got some degree of confidence that we can clearly see what will happen in the next 12 months. For us, it is about trying to get it, with all the facts we have, as accurate as possible.

Senator WATT: Sure. It sounds like the right approach. But, in the end, someone makes the decision to adopt this approach and to write down the expenditure in advance. What I'm getting at is: was that a decision of the Department of Social Services or was it a decision of Finance?

Ms Campbell: I authorised the estimates variation on this occasion.

Senator WATT: And that was at the request of the finance department?

Ms Campbell: We've just talked about how we do a consensus with all estimates variations. We look at our experience and the finance department look at what they're seeing. We have a very good and proper arrangement where it is a consensus, and we look at the numbers. But, given the numbers of 2018-19 and what had happened in 2018-19, none of us could say that we could leave the estimates unchanged.

Senator WATT: I understand.

Ms Campbell: I signed off on the estimates variations at the end of the day as the accountable authority.

Senator WATT: Effectively, then, the decision to adopt this approach and write down the expenditure in advance was a joint decision of your department and the finance department?

Ms Campbell: I think that would be the way to best categorise all estimates variations. We have the parameter variations, which come from the Treasury, which are generally economically driven. Then there'll be ones, like this one, that require judgement about what the experience has been to date, and the experience has been that we haven't seen the numbers coming into the NDIS that had been expected. We'll talk about some of the reasons for that a little bit later, particularly about data from the states and territories. We took that decision on this occasion.

Senator WATT: Do you have some figures on the number of people who will not be receiving NDIS packages—the number of projected participants in 2019-20 that was expected at the time of the 2018-19 budget?

Ms Campbell: So, at—

Senator WATT: Actually, that's the stuff you've given me already, isn't it?

Ms Campbell: Yes, I think I've given you that.

Senator WATT: Just to recap: you gave me the MYEFO figures before. You don't happen to have the 2018-19 figures at all, do you?

Ms Campbell: The 2018-19 budget?

Senator WATT: Yes.

Ms Campbell: For which year?

Senator WATT: What was the estimate back then for June 2019?

Ms McDevitt: At the 2018-19 budget?

Senator WATT: Yes.

Ms McDevitt: In the 2018-19 budget, the estimate for the number of participants up to 30 June 2019 was 429,825.

Senator WATT: When you got to the MYEFO last year, that was revised down slightly to 426,489?

Ms McDevitt: Yes.

Senator WATT: Now, at the time of the 2019-20 budget, it has been revised down to 298,489?

Ms McDevitt: Yes.

Senator WATT: Is another way of putting that, then, that this reduction of around 129,000 participants is what largely accounts for that \$1.6 billion reduction in projected expenditure?

Ms McDevitt: Yes.

Ms Campbell: Except for the \$1.6 billion net, because some of those will continue to be supported by the state—

Senator WATT: I accept they might be getting other types of support. But, looking at NDIS, back in last year's budget you thought there would be 429,825 people getting NDIS support, and now you think there will be 298,000. So that \$1.6 billion reduction is largely about that?

Ms Campbell: Yes.

Senator WATT: I think Ms McDevitt has already said that that's correct.

Ms McDevitt: It's the 2.91 that is the overall gross, and then that's netted off by—

Senator WATT: The other figures we talked about, yes. I've got other questions here but I've had a pretty fair run. Maybe someone else wants to have a go while I regroup.

Senator SIEWERT: You have been asking a whole lot of questions about money that I was going to ask—

Senator WATT: Could I slip in one, then, that follows on?

Senator SIEWERT: I was about to say 'but'!

Senator WATT: I've just got one that feeds off what I've just been asking, sorry.

Senator SIEWERT: Yeah, yeah, all right.

Senator WATT: The people who are receiving other types of support through other programs—do you have any figures for them?

Mr Whitecross: In Commonwealth programs, we're expecting there to be about 25,000 people who haven't transitioned.

Senator WATT: 25,000—

Mr Whitecross: Yes.

Senator WATT: who have not transitioned?

Mr Whitecross: Who have not transitioned and who we'll need to continue to support until they can be transitioned.

Senator WATT: So there are around 25,000 people—

Mr Whitecross: Yes. And these are estimates, obviously.

Senator WATT: sure—who are eligible for the NDIS?

Mr Whitecross: Who we estimate will be eligible for the NDIS. They haven't tested—

Senator WATT: Okay, but they're not yet getting it.

Mr Whitecross: They haven't tested their eligibility yet.

Senator WATT: Consequently, they're receiving other forms of Commonwealth funded support?

Mr Whitecross: They're in one or other of the existing Commonwealth programs; that's right.

Senator SIEWERT: Are you able to tell us which programs they are, and the numbers against the programs?

Mr Lye: Certainly, the programs are in those tables, but we might be able to provide you the—

Mr Whitecross: I think what we've got in the tables is the expenditure expected—

Mr Lye: In dollars.

Senator SIEWERT: Yes. That's what I understood, yes.

Mr Whitecross: I don't know whether I've got a breakdown of clients by program here. But—

Ms Campbell: We can see whether we can get that—

Mr Whitecross: we can see what we can get, yes.

Ms Campbell: while we're here this evening.

Senator SIEWERT: If you could, that would be great. Can I ask—if you've answered this and I missed it, just tell me to go and find it—about the average percentage of plan usage to date? Should I ask that here or should I ask—

Mr Lye: NDIA.

Senator SIEWERT: NDIA?

Ms Campbell: NDIA.

Senator SIEWERT: Okay.

Senator WATT: With that figure you just gave me of around 25,000, if we say that there are about 128,000 to 129,000 participants, fewer participants than projected—actually, hang on. So many figures! It's actually a touch over that. There are about 131,000 participants, fewer than expected in the 2018-19 budget, and I'm getting that from 429,825 minus 298,489. So there are around 131,000 or 132,000. About 25,000 of those people are receiving some other form of Commonwealth support?

Mr Whitecross: Yes, that's right, because there are also people in that number who would be being supported by the states, for example, and there would be people in that number who would be anticipated new clients who haven't yet come into the scheme. So those 25,000 are people who are existing clients of Commonwealth programs who have yet to test their eligibility and be given access to the NDIS.

Senator WATT: Yes. And the remaining 106,000-whatever-it-is aren't receiving any form of Commonwealth support?

Mr Whitecross: They're not existing Commonwealth program participants.

Ms Campbell: But those estimates will be state and territory programs.

Senator WATT: They may be receiving state or territory support, but they're not receiving Commonwealth support?

Mr Whitecross: Well, they're not receiving support from one of the transitioning programs. They may be receiving support through some other program run by the PHNs or something like that, but not the transitioning programs.

Senator SIEWERT: So this list doesn't include PIR or PhaMs or Day to Day Living?

Mr Whitecross: It does include PhaMs.

Senator SIEWERT: Not that I can see.

Mr Whitecross: PIR and Day to Day Living are—

Mr Lye: Department of Health.

Mr Whitecross: Department of Health programs.

Senator SIEWERT: Yes, all right. Sorry, that's a really important point.

Mr Lye: With PhaMs, I think the issue there is that, in the cut-over, they become part of the PHN process.

Senator SIEWERT: Yes, but they do have a transition.

Mr Whitecross: Down the bottom of table B, I think it is—

Mr Lye: A. Table A.

Mr Whitecross: there's a note—

Senator SIEWERT: Oh, okay. Yes.

Mr Whitecross: which says that there's \$40 million being provided to the Department of Health for PhaMs clients who have NDIS, and then there's also money in the Department of Health budget—\$121 million.

Senator SIEWERT: Yes. That's the stuff we talked about earlier with the department.

Mr Whitecross: Yes. That's the money for those programs. And then the other \$44 million is where money was allocated in the budget to extend the programs.

Senator SIEWERT: We talked about the extra \$121 million this morning. Does the 25,000 participants include the PhaMs ones?

Mr Whitecross: Yes. My understanding is that that includes PhaMs.

Senator SIEWERT: As well as the health ones?

Mr Whitecross: Yes.

Senator SIEWERT: This is DSS programs. Are there any other programs that aren't listed here that potentially are transitioned?

Mr Whitecross: There are two other health programs where some clients are transitioning. But they are not closing programs, they are continuing programs.

Senator SIEWERT: So they don't count in terms of—

Mr Whitecross: For example, some clients from the Hearing Services program will transition to the NDIS. But if they don't transition to the NDIS—the Hearing Services program is a continuing program, so they will still be supported.

Senator SIEWERT: Are they included in the 25,000?

Mr Whitecross: No.

Senator SIEWERT: They are separate—on top of?

Mr Whitecross: Of course, they are a continuing program. They are not in the estimate around the 25,000. The 25,000 are in these other programs that are meant to be closing.

Senator SIEWERT: Therefore, we don't have an idea of how many in hearing, for example, will transition?

Mr Whitecross: I think there is an estimate of how many will transition.

Senator SIEWERT: But it's on top of the 25,000?

Mr Whitecross: I believe so.

Senator SIEWERT: Could you take it on to provide that—and you said there was another program.

Mr Whitecross: Yes, there is another program. There is a level of cash assistance provided for incontinence aids. That program was also a continuing program. But if the person who is receiving that assistance becomes an NDIS participant the cost will be in their plan and we will discontinue the separate allowance at that point.

Senator SIEWERT: And the person is more than highly likely to be transitioning through another program.

Mr Whitecross: That's right. They won't be eligible for the NDIS just because they need incontinence aids; they will be transitioning because of some other disability, and this will just be a part of their package of supports.

Senator SIEWERT: Okay, I take that on board.

Mr Lye: The other program is mobility allowance. It won't be in that 25,000 because it is a continuing program. And that's with us.

Senator SIEWERT: Yes, we have been through all that—whether it was transitioning. But they wouldn't be transitioning because they are on the mobility program? It is basically in the same bucket as the incontinence aids.

Mr Lye: Yes.

Senator SIEWERT: Okay, I've got it—I think.

Senator McALLISTER: I want to ask a few questions about changes to the energy assistance payment.

Ms Campbell: Are we moving from cross-portfolio to outcome 1? I will get different people to the table if that is the case. Is it about the estimate, or is it about the policy?

Senator McALLISTER: It is really a process question, so it probably goes to you, Ms Campbell.

Ms Campbell: I will start, and I think some of my colleagues from outcome 1 will join me.

Senator McALLISTER: In other forums, including media forums as well as in other estimates hearings, it has essentially been established that there was a meeting between the Prime Minister, the Finance Minister and the Treasurer on two occasions on Tuesday night—once prior to cabinet and once after cabinet—where the potential change was discussed. Was Minister Fletcher present at those meetings?

Ms Campbell: Senator, I am unaware of whether Minister Fletcher was present at those meetings. I can take it on notice.

Senator McALLISTER: Minister, do you know?

Senator Fifield: I don't.

Senator McALLISTER: And was the department present at either of those meetings?

Ms Campbell: We were not present, Senator, no.

Senator McALLISTER: But it seems from the public statements from the Treasurer and some of the other evidence that, by the conclusion of those meetings, there was a decision taken to vary the legislation that would be taken into the parliament. Minister Cormann has explained that this was to effect speedy passage of the legislation. I'm just trying to understand how DSS became aware that a change was going to take place.

Ms Campbell: I will ask Mr Williamson to take you through that, Senator.

Mr Williamson: On budget night, we received a request from Minister Fletcher's office to commence preparing for legislative and costing changes, should a decision be taken.

Senator McALLISTER: What time was that?

Mr Williamson: It was around the time of the budget speech.

Senator McALLISTER: Before or after the budget speech, Mr Williamson?

Mr Williamson: My recollection is that it was during it.

Senator McALLISTER: During the budget speech? Was that one of the minister's staff? I imagine Minister Fletcher was in the chamber at that time.

Mr Williamson: Yes, it was one of the minister's staff.

Senator McALLISTER: So there was an indication that things were going to change and that you ought to do what exactly?

Mr Williamson: We received a request to prepare both legislative and costing work related to extending the energy assistance payment, but it was very clearly made out to us that a decision had not been made at that stage, but we were being given a heads-up to start that work.

Senator McALLISTER: To whom was that material to be provided?

Mr Williamson: Ultimately it was to be provided to Minister Fletcher's office. We would provide the legislative pack to support the changes—bills, explanatory memorandums et cetera—to the minister's office, and we would also work with the Department of Finance on the costing.

Senator McALLISTER: So you did provide that pack to the minister's office?

Mr Williamson: We provided that information to the minister's office once we'd received, I guess, confirmation that it was finally requested and that the change was being made.

Senator McALLISTER: When did that final confirmation come through, Mr Williamson?

Mr Williamson: My recollection is that we kept working on Tuesday night, I guess, and we received advice early on Wednesday morning that the policy approval had been given—policy authority for the change.

Senator McALLISTER: I see. So at that point in time you hadn't provided any briefing papers or information to the minister's office? You were still just working on it, waiting for confirmation?

Mr Williamson: No, as the night went on, we would have been providing drafts of explanatory memorandums and that sort of thing.

Senator McALLISTER: I'm sorry to be a pedant, but 'would have provided' is a kind of hypothetical idea.

Mr Williamson: We did.

Senator McALLISTER: You did?

Mr Williamson: Yes.

Senator McALLISTER: You received this first request during the budget speech: 'There's likely to be a change.' What was the nature of the change that you were asked to prepare for?

Mr Williamson: An extension of the energy assistance payment to further payments—Newstart and other allowances.

Senator McALLISTER: All of the payments that were finally included in the final legislation?

Mr Williamson: Yes, I believe so. I'd have to—

Senator McALLISTER: So you start working on that process during the budget speech, and you then provide material to the minister's office?

Mr Williamson: Yes.

Senator McALLISTER: Then there's a final confirmation the following day—

Mr Williamson: Yes.

Senator McALLISTER: about a decision to proceed.

Mr Williamson: Yes, policy authority has been given, and then we provide the final legislative package, as I said—the bills, explanatory memorandums et cetera.

Senator McALLISTER: The Department of the Prime Minister and Cabinet indicated—I think Dr Baxter said that the way she found out about this was that she was notified that they were shortly to receive a letter from DSS. Is that correct? DSS provided a letter to PM&C?

Mr Williamson: Yes. The normal process for policy approval is that the relevant minister, in this case Minister Fletcher, writes to the Prime Minister seeking authority.

Senator McALLISTER: When was that letter issued?

Mr Williamson: It was issued on budget night.

Senator McALLISTER: Around what time?

Mr Williamson: After the budget, certainly after the budget speech. I don't have the exact time. But into the evening, if I can put it that way.

Senator McALLISTER: Into the later evening?

Mr Williamson: Yes.

Senator McALLISTER: I understand. There must have been something of a scramble. So the request for a policy approval is issued on the Tuesday night, and then the approval is indicated to you on Wednesday morning, essentially?

Mr Williamson: That's correct.

Senator McALLISTER: In that same time frame, the Department of Finance indicated that they were working with you to develop costings?

Mr Williamson: Yes.

Senator McALLISTER: Was there a single costing developed, or were different options considered?

Mr Williamson: There was a single costing developed.

Senator McALLISTER: When was that finalised?

Mr Williamson: The costing? The costing was finalised on the Wednesday.

Senator SIEWERT: What time?

Mr Williamson: I would have to take the exact time on notice, but Wednesday morning.

Senator McALLISTER: Was it before or after the approval had been provided?

Mr Williamson: The finalisation of the costing occurred after. That's not unusual. Quite often, when there are legislative changes, a minister will write saying that a cost 'is in the order of'. So, as part of that work I discussed before, Senator, on the Tuesday night, as we were going through the process, we were able to provide, I'll say, an indicative cost. The policy approval is sought on the basis of that, and the policy approval is given—again, this is quite normal—on the basis that the final costs are to be settled between the Department of Finance and the relevant department; that is, us. My experience is that the Department of Finance never let you off lightly.

Senator McALLISTER: I think that's a universal experience. In relation to the drafting of the updated bill, was that handled by the department or by another department?

Mr Williamson: That was handled by the department and OPC as well, in combination—just a normal drafting process.

Senator McALLISTER: Was it the advice of the department not to include Newstart, youth allowance and other income support payments in the original measure?

Mr Williamson: The original measure went through the normal budget process. Consistent with past practice, I can't disclose the advice that went to deliberations of government.

Senator McALLISTER: Can you please provide to the committee the number of people who will receive the energy assistance payment under the new regime, the one that was passed, broken down by payment type?

Mr Williamson: I can do that. I don't know if I can do it right now, but if I could—

Senator McALLISTER: I wonder if you could do it over the course of the next couple of hours.

Mr Williamson: Yes, certainly. I can say to you that it is around five million.

Senator McALLISTER: In total?

Mr Williamson: In total. I will chase up a breakdown of that, if that's okay.

Senator McALLISTER: Yes, that would be appreciated. That's all I have on that subject, Chair.

Senator SIEWERT: I have a few questions just building on that. I know you said you can't tell us the nature of the advice. Did you include all the payments in any previous costing that you had done?

Mr Williamson: That goes to the deliberations of government; I'm sorry. We would only do that work in the context of the budget.

Senator SIEWERT: Have you ever prepared any information and done any costings on providing supplements to all income support recipients in the past?

Ms Campbell: We'd have to probably go back and review the budget documentation from the past and determine whether or not there's ever been—I can't recall one way or the other, so we would need to go and look at the budget documentation and see whether there's been supplementation provided to all recipients. I have a recollection that around the global financial crisis there may have been some of those supplements that were paid to all recipients, but I don't have those documents with me, Senator.

Senator SIEWERT: Okay, if you could, please. Could you please take on notice where there have been supplements of this nature, paid only to a certain group of income support recipients.

Ms Campbell: I think there was one back in 2017.

Mr Williamson: 2017-18.

Senator SIEWERT: Who was to that to?

Ms Campbell: Energy assistance payment.

Mr Williamson: The energy assistance payment went to aged pension, parenting payment—

Ms Campbell: My recollection is pension-like payments, disability support pension—not carer payments.

Mr Williamson: Carers wasn't in there.

Senator SIEWERT: When was that?

Mr Williamson: 2017-18 budget.

Senator SIEWERT: When the Treasurer made the announcement at—what time was it?—about twenty past seven on Wednesday morning on *AM*, was he aware of the costing?

Mr Williamson: The letter from Minister Fletcher seeking policy authority included, as I mentioned before, the indicative cost.

Senator SIEWERT: That was the Tuesday night letter?

Mr Williamson: Yes.

Senator McALLISTER: Was that the same cost as was provided subsequently on Wednesday?

Mr Williamson: It was the approximately \$365 million.

Senator SIEWERT: That was the cost in the letter?

Mr Williamson: Yes. Sorry, I just need to be careful about disclosing deliberations.

Senator McALLISTER: Well, it wasn't a deliberation of cabinet, was it.

Mr Williamson: I think the secretary mentioned before that I can't comment on the meetings. We weren't involved in any meetings.

Senator McALLISTER: No, but the decision wasn't taken by cabinet; it was taken by the Prime Minister.

Ms Campbell: We are unaware of the decision-making process.

Senator McALLISTER: Mr Williamson may not comment on decisions associated with the cabinet process, that's true, but there's no evidence that this was a cabinet process, so, if he is invoking that as a reason not to discuss it, it's probably not going to work.

Ms Campbell: It goes generally to the deliberations of government. It has been common practice to talk about advice being given but not the content of the advice.

Senator McALLISTER: It's interesting. I'm not sure that advice to government is reason enough not to respond in an estimates context, but let's deal with that if it comes up, shall we? We just had the Clerk confirm in the other room that it's not acceptable as a standalone excuse.

Ms Campbell: We have been trying to answer the questions as fulsomely as we can, but some of the questions went to what we know to be deliberations of cabinet, therefore we haven't been able to provide any more detail.

Senator SIEWERT: When would you have provided the previous advice to the minister around the payment that was announced in the budget? What is the timing of the advice you would have provided to government?

Ms Campbell: We provided extensive advice to government in the budget process, which has been running since before Christmas.

Senator SIEWERT: I'm aware of that. I'm trying to ascertain when you would have provided the advice on the other payments.

Ms Campbell: The other payments?

Senator SIEWERT: The payment going to the other income support recipients.

Ms Campbell: We'd have to take that on notice. I don't think we have a catalogue of every piece of advice we provided for the budget.

Senator SIEWERT: Take on notice when that final advice was provided. I'm not asking for what was in it.

Ms Campbell: We'll take that on notice.

Senator SIEWERT: Senator McAllister tried; I'll try again. Were you ever asked, prior to Tuesday night, to provide advice on the energy assistance payment to go to Newstart or youth allowance recipients?

Ms Campbell: I think that advice—Mr Williamson can correct me—would have been provided in the budget process, which was a cabinet process, therefore the contents of that advice are deliberations of government.

Senator SIEWERT: I asked: have you been asked to? I didn't ask whether you provided it or not.

Ms Campbell: Have we been asked to provide advice?

Senator SIEWERT: You just told me when you were asked to provide advice on Tuesday night. I'm asking when you were asked to provide advice on the other matters which you've taken on notice. I don't see why you can't answer whether you were asked to provide advice on Newstart.

Mr Williamson: All we can say is that we provided advice on the energy assistance payment during the budget process.

Senator SIEWERT: You told me you were asked about the Newstart advice specifically on Tuesday night. You can tell me when you were asked for that bit of advice but you can't tell me whether you were asked previously to provide information on it.

Mr Williamson: Can I clarify: I didn't say we were asked for advice. If I said that, it is incorrect. I said we were asked to commence a legislative process and a costing process to extend the energy assistance payment.

Senator SIEWERT: Have you ever been asked previously to start that same process on Newstart, youth allowance or any of the other payments that were subsequently included?

Senator Fifield: In what context? Are you saying as part of the budget?

Senator SIEWERT: This is part of the budget. It was just an extra part of the budget.

Senator Fifield: As Mr Williamson said before, the budget process, which is primarily conducted through the expenditure review committee of cabinet, is part of the cabinet process, therefore officers can't talk about that.

Senator SIEWERT: I suppose you didn't provide that advice, since you subsequently had to prepare the information for the government. I can assume you weren't previously asked, otherwise they would have had it.

Ms Campbell: Estimates costings are regularly redone because, as we have just been talking about, estimate variations change all the time. We regularly cost and recost, because there are different numbers for things. We can't make any statement about what has been done in the past being accurate in the future. We're trying to answer to the best of our ability.

Senator SIEWERT: Were you asked to recost any of the other payments on Tuesday night? When you were contacted and asked to do the recosting on Newstart and the new payment types that were subsequently announced, were you asked at the same time to recost the other payments that had already been announced?

Mr Williamson: There is no requirement to recost those that have been already announced, because they're in the budget. Do you mean, like, the age pension receiving the energy assistance payment?

Senator SIEWERT: The point I'm making is that, if you had provided advice on Newstart to the government previously, there would have been no point for them to come back—with all due respect, Ms Campbell, as you

have just articulated—because you would have provided it at exactly the same time, presumably, as the time you provided advice to government on the other payments.

Senator Fifield: I don't think Mr Williamson can be asked to comment on that. It's a commentary involving reverse engineering on your part.

Senator SIEWERT: I'm trying to find out how this decision was made and whether you provided advice in the first place. Where I'm coming from is I want to know why the government changed their minds.

Senator Fifield: Well, as has already been indicated, the decision was taken—

Senator SIEWERT: Because they were deliberately left out.

Senator Fifield: to ensure the smooth passage of the legislation through the parliament, which has occurred.

Senator SIEWERT: They were deliberately left out originally. That's what we're trying to establish. If I'm wrong, I'd like to know why Newstart and youth allowance and the other payments that were subsequently included were left out. Australia wants to know.

Senator Fifield: I think that the pertinent point is that the legislation has now passed through the parliament to give effect.

Senator McALLISTER: May I just ask a follow-up question. Ms Burney had circulated an amendment that proposed a change to eligibility for the payment. It wasn't formally circulated, but it was known that Labor intended to move in that way. Did the department have a copy of Ms Burney's amendment?

Mr Williamson: Not that I'm aware.

Senator McALLISTER: You never received a copy, Mr Williamson?

Mr Williamson: No. I can take it on notice if anyone else did, but I don't have a copy of that.

Senator McALLISTER: Ms Campbell, were you aware of that amendment?

Ms Campbell: I was unaware of that, Senator.

Senator SIEWERT: We were getting one drafted as well. Just to be complete, to make sure that you didn't have any awareness of ours, just in case they come back and say they didn't know, did you know about any amendments that were being drafted?

Mr Williamson: I did not receive a copy of any amendments. Senator Siewert, if it helps, just to go back, you asked about the energy assistance payment and who received that in the 2017-18 budget. The payments that were eligible were the aged pension, disability support pension, parenting payment single and veterans and their partners receiving qualifying payments under DVA.

Senator SIEWERT: Thank you.

Senator McALLISTER: Chair, I have no further questions in cross-portfolio matters, but Senator Watt may.

Senator WATT: Yes, we've got a couple more. It won't be too much longer, if it'd be okay for me to go on with that. Starting with the disability royal commission—again, I'm pretty confident that these are cross-portfolio matters—when was the department notified of the government's decision to establish a disability royal commission?

Ms Campbell: I'll just get officers from outcome 3 back to the table.

Senator WATT: Thanks. Sorry, we're just doing a bit of time-checking here. When was the department notified of the government's decision to establish a disability royal commission?

Mr Lye: We're just checking, Senator.

Mr Whitecross: It was 19 February.

Senator WATT: Who notified the department?

Mr Lye: We might have to take that on notice, Senator.

Senator WATT: You don't know, Mr Whitecross?

Mr Whitecross: No, sorry, I don't know whether we got that information from PM&C or from the minister's office. I don't have that.

Senator WATT: Had the department done any work on draft terms of reference or a consultation plan or costings before that time?

Mr Lye: I don't believe so, Senator.

Mr Whitecross: No.

Senator WATT: When was a decision made to start consultation on the draft terms of reference?

Mr Whitecross: The Prime Minister wrote to the Minister for Families and Social Services on 28 February requesting him to undertake consultation. That's when we were advised.

Senator WATT: That was the earliest. Did you say that letter was from the Prime Minister to your minister?

Mr Whitecross: Yes, that's right. But the Prime Minister had previously written to first ministers of states and territories seeking their support for—

Mr Lye: That formal correspondence would have formally kick-started the process of thinking about terms of reference and consultation processes.

Senator WATT: But you don't know when a decision was made to start consultation.

Mr Whitecross: All I know is when our minister was requested to do it, which was the 28th.

Senator WATT: Your department, being the department responsible for the administration of this royal commission—

Ms Campbell: Ah—

Senator WATT: No? That's PM&C.

Mr Lye: Correct.

Ms Campbell: It's PM&C and the Attorney-General's Department. We're the sort of subject matter experts.

Mr Whitecross: That's right.

Senator WATT: There's money provided in your budget, though, isn't there?

Ms Campbell: And we will provide support services to individuals who are giving evidence at the royal commission.

Senator WATT: There have been allocations made to DSS, the NDIA and the NDIS Quality and Safeguards Commission in relation to this royal commission. What is that money going to go towards?

Mr Whitecross: The money for NDIA and the NDIS Quality and Safeguards Commission is primarily just to support their participation in the royal commission process—responding to notices to provide information and that sort of thing. The money being provided to DSS is partly for that, but mostly it is to fund counselling support services for people who are affected by the royal commission process and to fund individual advocacy for people to participate in the royal commission process.

Senator WATT: Do you have figures for the amount that's being provided for counselling?

Mr Whitecross: Yes. It's \$75 million for the counselling supports.

Senator WATT: Who's being given that money? Which entity?

Mr Whitecross: That hasn't been determined yet. That's our estimate of what it's going to cost, but the money hasn't been allocated to anyone.

Senator WATT: So, overall, the government has allocated \$527.9 million over five years for this royal commission—

Mr Whitecross: Yes.

Senator WATT: some of which is going to your department and some of which is going to other places. Is that \$75 million figure within that \$527.9 million?

Mr Whitecross: Yes.

Senator WATT: But which agency will administer that hasn't been determined.

Mr Whitecross: Sorry, no. I misunderstood your question. The \$75 million that I referred to is being administered by the Department of Social Services, but it hasn't yet been determined which organisations will actually provide the counselling services.

Senator WATT: Yes, I understand.

Mr Whitecross: I thought that was the question you were asking.

Senator WATT: I understand. That \$75 million is part of the just short of \$120 million that your department has been given.

Mr Whitecross: Yes.

Senator WATT: How much has been provided for advocacy organisations?

Mr Whitecross: I'm just trying to find that breakdown.

Mr Lye: We can come back to you on this.

Mr Whitecross: I'm sure we've got it here.

Senator SIEWERT: Maybe give us a list of the different breakdowns. What do you reckon?

Senator WATT: Yes. If you're able to break down that \$527 million—what it's going towards and to which agency—that would be helpful.

Ms Campbell: Is that in Budget Paper No. 2?

Senator WATT: I think all we've got at the moment is how much each agency is getting but it doesn't tell us what it's being used for.

Ms Campbell: I don't know that we'll know the detail behind Attorney-General's and—

Senator WATT: No, I understand that. I'm only asking about things that I assume your department administers. I assume your department would be administering funding to advocacy organisations.

Mr Whitecross: That's right.

Ms Campbell: We'll see whether we can break that down a little more in the Department of Social Services one.

Senator WATT: You don't have that figure there now?

Ms Campbell: I don't have it at the moment, but we'll see whether we can break that down.

Mr Lye: The splits go by agency, including the agencies in our portfolio, but I think you're specifically after those two amounts for advocacy and support funding—is that right?

Senator WATT: Yes. We've got the counselling figure of \$75 million, and I suppose I'm after the figure for advocacy organisations as well.

Mr Whitecross: It's about \$28 million.

Senator WATT: About 28?

Mr Whitecross: I believe so.

Senator WATT: And that's going to DSS to administer?

Mr Whitecross: Yes.

Senator WATT: And that's within the around \$120 million that you've got overall?

Mr Whitecross: That's right, and about \$14 million has been allocated to the department for other costs that the department will incur around the royal commission process.

Senator WATT: Administering subpoenas and various things like that?

Mr Whitecross: Yes, that's right—legal services and that sort of thing.

Senator WATT: You mentioned advocacy support. Will that funding of \$28 million or so go to organisations to assist individuals—

Mr Whitecross: That's right.

Senator WATT: who wish to appear at the royal commission or make a submission?

Mr Whitecross: That's right, yes. I should say that the royal commission itself would normally provide some assistance to people appearing before the royal commission. So one of the things that we need to work out, once the commission's established and up and running, is what it is doing and what we need to fund. So I don't want to be overly precise about the exact split there because we need to work that out with the royal commission secretariat once it is established.

Senator WATT: Would you expect that any of that \$28 million going to advocacy, or for advocacy, will be provided to advocacy organisations so that they can themselves advocate on behalf of their membership or people affected?

Mr Whitecross: They've got other sources of funds, but the intention of this funding is to fund organisations that provide support to individuals to write their own submissions and to appear.

Mr Lye: We provide funding for individual advocacy, systemic advocacy and the DROs which provide national advocacy. We already give them standing capacity to do that, so this would be directed at the individual—

Senator WATT: So, if they wanted to make submissions of their own, they would need to use their existing resources to do that.

Mr Lye: We would see that as part of their normal business, yes.

Senator SIEWERT: But it potentially adds significantly to their existing workload. It's not as if they're sitting around waiting for more work. My experience with them is that they've always got work.

Mr Lye: They do.

Senator SIEWERT: So there will be an extra case load on those organisations.

Mr Lye: Sorry, case load—

Senator SIEWERT: It will be an extra workload on those organisations to participate, and their member organisations will expect them to be providing a level of support to them as well, for those peak organisations.

Mr Lye: They choose within the funding we provide to advocate on the issues they think are most important. This is obviously an important issue. It's an opportunity for them to advocate, so we would see that as part of their ordinary funding.

Senator SIEWERT: Have you spoken to them about the extra workload it will place on those organisations?

Mr Lye: We've talked to them in the course of the process to date, and I don't think we've had a specific conversation about that. We've had a conversation about individual advocacy and the need for support for individuals to participate in the royal commission.

Senator SIEWERT: I'm not knocking that for one second; it's just that I think some of those organisations already carry a very heavy workload. I understand this is something that you would regard as core business, but there is a whole lot of other core business they do. So, if you're not providing extra funding, what is it they have to drop to participate in this process?

That's how they look at it. That's how NGOs look at things. There are only so many resources to do so many things.

Senator WATT: I concur. I take it this extra funding that's going to go to advocacy organisations will be tied to specific work in relation to the royal commission.

Mr Whitecross: That would be our expectation, but obviously the details of those grant arrangements haven't been worked out.

Mr Lye: I think that the model that was used under the child abuse royal commission is one that we have in mind in the design of this. There was that interplay that Mr Whitecross talked about between how the commission wants to do its job and what we provide in terms of support through those organisations.

Senator WATT: Has it been determined which advocacy organisations will be eligible for this funding?

Mr Whitecross: No. We haven't done that work.

Senator WATT: Is it expected that it will be the existing disability representative organisations?

Mr Whitecross: I think we would expect that there are people already out with existing expertise in individual advocacy who would be in a good position to provide that support, but, obviously, we have to go through a grants process to allocate the funding once we've designed what it is that we want to fund.

Mr Lye: All the individual, systemic and DRO organisations who are funded within our program—the national disability advocacy program—would be well placed.

Senator WATT: You haven't yet decided who will be providing the counselling services.

Mr Whitecross: No.

Ms Campbell: It's pretty early on.

Senator WATT: There'll be some sort of tender process type thing?

Mr Whitecross: It would be the same thing. We would need to design that and then we would need to have a grants process to allocate the funds.

Ms Campbell: We'll be commencing work on that pretty quickly.

Senator WATT: What role will the NDIA and the NDIS Quality and Safeguards Commission have in the royal commission?

Mr Whitecross: We anticipate that, as people who are interacting with people with disability, they would potentially need to respond to requests for information or to provide evidence at hearings of the royal commission. As a result, they would need to have resources to do those things. That could be in relation to individual cases or it could be in relation to providing advice about systemic issues—for example, the quality and safeguards commission could be asked to provide about systemic issues. I don't want to get ahead of what the

royal commission decides it wants to ask about and what it wants to inquire into, but we would anticipate that because those two organisations are operating with people with disability they would need to be involved in the royal commission process.

Senator WATT: It's pretty significant money, especially to the NDIA. All-up, it's about \$28 million or so over three years. Presumably that is to do more than just provide some advice. Would it be for legal costs and things like that?

Ms Campbell: It would be the legal costs. We expect that if they were required to appear they would need to do research. If there were particular incidents or particular assertions or allegations made there would be a requirement to collect information, collect documents and legal instruments of that nature.

Senator WATT: The last thing I was going to ask about in cross-portfolio comes out of that letter I sent you about government advertising. Do you have figures there—

Ms Campbell: I'm hoping we've got something that we can table for you.

Senator WATT: What I asked for was the department's total expenditure on advertising information campaigns in the current financial year.

Ms Campbell: I'm hoping we can table that.

Senator WATT: Okay. Why don't we have a look at that. Can I just flag that it might be that cross-portfolio is probably the right place to ask about this, but I obviously need to have a bit of a look at that before I can work out my questions.

Ms Campbell: I think we'll be flexible tonight, Senator.

Senator WATT: Thank you. That is the end of cross-portfolio. The opposition has nothing for outcome 1.

Senator SIEWERT: I have some questions under outcome 1.

[17:45]

CHAIR: We will go to outcome 1, with questions from Senator Siewert.

Senator SIEWERT: I don't know which program this comes under. It is the further automation of the system for DHS.

Ms Campbell: The single touch payroll measure?

Senator SIEWERT: The single touch payroll and the measure that's saving \$2.1 billion.

Ms Campbell: Yes, we have officers here.

Senator SIEWERT: I realise the operation of that would go to DHS.

Ms Campbell: The detailed operation, but the broad objectives are a DSS responsibility because it's a policy decision.

Senator SIEWERT: That's what I figured. Could you just take us through how the \$2.1 billion worth of savings is achieved?

Mr Williamson: There are two main components to this measure. The first one is around a change in the way income support recipients are required to report their income. Under the current arrangements, an income support recipient who earns income is required to report on a fortnightly basis, and they have to estimate the income that they will earn. Under the new arrangements, we are moving to a system where it's the income they receive. So this will make it much easier for income support recipients, because what DHS will be interested in knowing is what the gross income was for the fortnight you were in on your pay slip.

Senator SIEWERT: I work for whoever, on an hourly basis—

Ms Campbell: Woolworths.

Senator SIEWERT: We'll use Woolworths, but, with the example I'm about to ask about, they may not be the right mob. I work odd hours; I don't actually receive my pay for two weeks, actually earned. Whereas you were doing estimates before for when you did work, now you could be not reporting your pay, for, say, a week or two.

Ms Campbell: It's a two-week period, and that's generally when most Australian businesses pay—on a fortnightly basis, at least.

Mr Williamson: But if the income support recipient's pay cycle for that work, wherever they are, didn't perfectly line up with the pay cycle for income support—

Senator SIEWERT: Yes, which is part of the problem now.

Mr Williamson: That's right. They would have to estimate how many hours, what they were getting paid et cetera. Under this, it will be the pay that you receive in that period.

Ms Campbell: They're trying to line it up. This is a really big improvement. This is a structural change.

Mr Williamson: So that's the first element.

Senator SIEWERT: It could be a big improvement; I'll leave the judgement till later.

Mr Williamson: The second element is that DHS will be able to use single touch payroll; that's the system the Australian Taxation Office is bringing in. It's moving to all businesses. There's a transition period. For those businesses who are reporting their payroll data to the Australian Taxation Office, the Department of Human Services will be able to say—I'll use me for an example—'Nathan Williamson is an income support recipient,' and they'll be able to take that data in real time. It will mean that the income support recipient won't have to, first of all, estimate and, second of all, go through the process of reporting in the same way. DHS will automatically get that information. Importantly—and DHS can take you through this later—the income support recipient will still know the income that's been reported and they will have the opportunity to confirm that income.

Senator SIEWERT: They'll confirm it by their normal reporting, or is there another element involved?

Mr Williamson: If they are digitally enabled, they might receive, through myGov or an SMS or an email, something saying, 'In the last fortnight it's been reported you earned \$100. Can you confirm?' and they can say yes or no if it matches up with their pay slip.

Senator SIEWERT: You're saying they don't have to enter the data?

Mr Williamson: That's correct.

Senator SIEWERT: Unless they want to. Is what you're saying that they don't have to report anymore?

Mr Williamson: I've got to be careful, because income needs to be reported to DHS; it still needs to exist.

Senator SIEWERT: That's why I'm confused.

Mr Williamson: But they don't have to go through that manual process of, first of all, trying to calculate it and report it themselves. DHS will have the income and they will be able to test that with the person.

Senator SIEWERT: Sorry, that's just confused me even more. When I said, 'So they don't have to report,' I meant their income is being reported by their employer?

Mr Williamson: Yes.

Senator SIEWERT: Or multiple employers. So they still have to go online and report their income, so you compare the two?

Ms Campbell: Would it be more accurate to say that they confirm the data?

Mr Williamson: Yes, they verify it.

Ms Campbell: They verify the data presented by their employer is what they think has actually happened.

Senator SIEWERT: So it's five o'clock on a Friday night. My pay is in my bank. I don't have to get online and report it until I get a text, or the app?

Mr Williamson: DHS will be able to tell you this—the actual mechanics—but, yes.

Senator SIEWERT: That's the sort of thing?

Mr Williamson: Yes, that's correct.

Ms Campbell: That's what we're trying to do—we're trying to improve it and streamline it for the recipient.

Senator SIEWERT: How many employers are already on the single touch payroll? I think the rollout date doesn't finish for a while.

Mr Williamson: It commenced on 1 July 2018 for businesses of over 20 people, I think. It's progressing over the next two years to eventually get to all businesses. Perhaps there might be very small ones that don't. But the Australian Taxation Office—

Senator SIEWERT: This is rolling out over the forwards, so you'll be rolling people onto this over the forwards?

Mr Williamson: Yes.

Senator SIEWERT: Thank you. How were the savings estimated or where are they coming from?

Mr Williamson: To try to keep it as simple as I can, we've looked at historical data through things like the random data sample survey, and we're able to determine in a year overpayments, underpayments, potentially

where payments should have been cancelled or suspended, and we use that information to determine that saving that's been generated. In the aggregate in the net, more people are overpaid than underpaid. Hence there's a saving. But the important thing here is that, through this new system, we would expect—and about 1.2 million people have to report income—that they won't run into those situations of accruing debts because the information will be real time and will be accurate.

Senator SIEWERT: As long as it's right.

Ms Campbell: And the recipient will have the opportunity to verify.

Senator SIEWERT: That's what I was going to ask next. If they don't verify—just say they miss the app or miss the message or whatever, what happens?

Ms Campbell: Human Services are going to have more detail on the actual operationalisation, how they're going to do that. It might be best to ask them.

Senator SIEWERT: I take the point. But is it your understanding that, if someone fails to verify, that accrues a demerit point?

Mr Williamson: No, I think that's a separate system; that would be my understanding, but we would need to confirm that.

Senator SIEWERT: If you don't report your income, what happens?

Mr Williamson: We need to take it on notice.

Ms Campbell: You don't get paid.

Senator SIEWERT: That's where I'm going to, Ms Campbell.

Ms Campbell: We will talk to Human Services. My assumption was that, if they didn't verify, it was assumed to be what was in the system provided by the tax office.

Senator SIEWERT: That's what you understand?

Ms Campbell: That's my understanding, but I could be wrong.

Senator SIEWERT: I want to know: if I don't verify, do I not get paid? That's what I want to know.

Mr Williamson: My understanding is the scenario the secretary just presented, but DHS will be able to confirm that.

Senator SIEWERT: Because, in theory, their payment has been reported by the employer.

Ms Campbell: Exactly.

Mr Williamson: Their income has been.

Ms Campbell: That was the original planning behind this measure. We're trying to streamline it for the recipients. So, we'll just get DHS to tell us how they're actually going to program that.

Senator SIEWERT: What happens to those people who aren't online and don't operate on mobile phones?

Ms Campbell: I think DHS will be able to tell you the exact numbers of people who already report their income online, and it's a significantly higher percentage. There are I think a small number of people who ring the call centre in order to report income. But, again, I think Human Services will be in a much better position to give you the numbers around that and how they plan on dealing with people who are not able to access the app or an online option.

Senator SIEWERT: Thank you. Where there's a discrepancy between what the employer has reported and when somebody gets the text or whatever through the app and it says, 'This is what we've got that you earned and paid', in your latest payslip, what is your understanding—

Mr Williamson: Our understanding is that in that circumstance the income support recipient will be presented with the income that's being reported and if they believe that that income is correct they will be able to contact DHS and discuss the discrepancy. But we would expect that that would happen in a very small number of cases, given that the data that's being used is coming directly from the payrolls of the businesses that are on single-touch payroll.

Senator SIEWERT: To find out where this is being used already, whether that's—accuracy—I'd have to ask the ATO.

Ms Campbell: I think that would probably be best to direct that to the ATO.

Senator SIEWERT: I presume that you looked at the accuracy when you were developing this measure.

Mr Williamson: Yes.

Ms Campbell: We've been developing this model for a long time. We've been looking at how we can best do this to best automate these processes and so relieve recipients of having to do this and get the more-accurate data.

Senator SIEWERT: I want to go back to if there's a discrepancy. I understand that with the phone call (a) it still takes a long time to get through to DHS and (b) if people are paid at the end of a particular day, particularly near the weekend, that could potentially make it difficult.

Ms Campbell: I think it would probably be best if those questions were asked of DHS.

Senator SIEWERT: I take the point. Thank you.

Senator McALLISTER: These questions relate to the letter sent by Senator Watt in terms of requests for information. I think they're in outcome 1. I'm looking for information about the \$1.4 billion parameter variation in income support for seniors.

Mr Williamson: The \$1.4 billion parameter variation over the four years to 2022-23 for income support for seniors represents a 0.7 reduction in the previously projected expenditure of \$207.5 billion. The parameter variation reflects the combined impact of three things: lower recipient numbers, with an average reduction of around \$7,000 a year; lower average rates of payment, with an average reduction of \$3 a fortnight; and then a downward adjustment due to indexation. As the secretary mentioned before, we get those parameters from the Treasury. The changes in the recipient numbers and payment rates have been influenced by a few things—the flow-on effect from previously announced government policies, including the rebalancing of the pension assets test and the increase to the aged pension qualifying age. We're also seeing a trend of increasing mature age participation in the workforce. In February 2019 Australians aged 65 and over had a workforce participation rate of 14.7 per cent. That compared to 11½ per cent in January 2014. We are also seeing an increase in asset values and returns, so when asset values and returns increase that will lower people's payments.

Senator McALLISTER: You provided average figures across the four-year period. What I would like to understand is, for example, the change in the projected number of recipients or the actual number of recipients expected in each of the forward years?

Mr Williamson: Sorry, we don't have the recipient numbers.

Mr Bennett: I can give you the recipient numbers that we have now, and, obviously, we have given you an average of what the forecast is to decrease, but we would have to take that on notice to fully answer that question.

Senator McALLISTER: Is the profile consistent or does it jump around?

Mr Bennett: I would have to take that one on notice.

Mr Williamson: To help, I think it is relatively consistent across the forwards. But we will take the exact numbers on notice, but my recollection is—

Senator McALLISTER: If you are able to provide the current projections for each of those years in terms of the number of recipients, that would be good.

Mr Williamson: Sure.

Senator McALLISTER: I thought Mr Bennett said he had those?

Mr Bennett: Sorry, Senator, I could give you what the current recipient numbers are.

Senator McALLISTER: Yes, that would be great.

Mr Bennett: As at 18 December 2,506,968.

Senator McALLISTER: But you can't tell me what they are estimated to be across the forwards?

Mr Bennett: That's why I said I—

Senator McALLISTER: One of the elements was lower rates of payment by an average of \$3 a fortnight.

Mr Williamson: Yes.

Senator McALLISTER: I am trying to understand, I guess, whether that works consistently across the forwards as well or whether it jumps around?

Mr Bennett: It seems to work consistently across the forwards.

Senator McALLISTER: What's the average rate of payment across each of those forward years?

Mr Williamson: We don't have the average rate of payment. We could give you the cumulative impact in each of the years of that average range of payment, if that helps?

Senator McALLISTER: Yes, that'd be good.

Mr Williamson: In 2019-2020 it's 65.3 million, in 2020-21 it's 66.6 million, in 2021-22 it's 67.7 million and in 2022-23 it's 69.2 million.

Senator McALLISTER: And those figures represent the change in the quantum of payments associated with the parameter variation?

Ms Campbell: The cumulative—

Mr Williamson: In each of the years, yes, what the adjustment was due to the change in average payment rate.

Senator McALLISTER: Terrific, that's very helpful. Thank you. It would be good to know this evening the numbers of people who are impacted broken down by those drivers that you describe.

Mr Williamson: When we're doing these estimates variations and projecting forward, it's not a person affected by one of those particular elements.

Senator McALLISTER: So it's a dynamic interaction.

Mr Williamson: It's the total population each year, and then we are saying it can be broken down into those elements.

Senator McALLISTER: You said you were going to have a bit of a look at the number of recipients. Is that something that could be provided this evening, Mr Bennett?

Mr Bennett: I would have to just look—I couldn't give you an indication of how quick or how long that is.

Ms Campbell: We could give you the cumulative dollars that that impacts on, couldn't we?

Mr Williamson: Yes.

Ms Campbell: So just as Mr Williamson has done on the average payment rates, we could do it on the recipient numbers.

Senator McALLISTER: That'd be great.

Mr Williamson: In 2019-20, the impact from recipient numbers is \$137 million. In 2020-21, it's \$140.6 million. In 2021-22, it's \$144.7 million. In 2022-23, it's \$149.2 million.

Senator McALLISTER: Thanks very much. That's probably all I will ask about that, at the moment, but thank you for the answers. I also want to ask about the expansion of the cashless debit card and some of the costings associated with that. This is the measure on page 157 of BP2.

Ms Campbell: That's in outcome 2.

Senator McALLISTER: I'm happy to wait until then to deal with it.

Senator SIEWERT: I do have a question about that, though, that I think is relevant to this section.

ACTING CHAIR: Do you have any other outcome 1 questions, because we may—

Senator McALLISTER: Perhaps I could just confirm with the department that the questions I wish to ask about the cashless debit card don't go to its operation; they really just go to some of the numbers.

Ms Campbell: The people who will be able to answer those are in outcome 2. They're here, so whenever the committee is ready to move to outcome 2—

Senator McALLISTER: If there's not going to be an impediment to me asking about that in outcome 2, I'm happy to wait until then.

Ms Campbell: I'm not sure outcome 1 is going—

Senator SIEWERT: Do you also have the sheet the department provides with numbers on it? There's a sheet the department provides every time now, in advance, so that—

Senator McALLISTER: We can stop doing this—

Senator SIEWERT: These are additional questions. Can I ask about payments? It's sort of related to the cashless debit card but it's more about the payments themselves, the types of payments we've got here—family tax benefit, income support payments, Newstart et cetera. In terms of transitioning from one way of payment to another, if the cashless card had stopped for all people receiving payments, people would not have stopped receiving payments, would they?

Ms Campbell: No, Senator.

Senator SIEWERT: Very clearly, no?

Ms Campbell: Very clearly, no.

Senator SIEWERT: Thanks.

CHAIR: Is that it?

Senator SIEWERT: That's it.

Senator DEAN SMITH: Was that the last of your questions?

Senator SIEWERT: That was the last of my questions there, because the others relate to outcome 2.

CHAIR: Senator McAllister, do you have any other questions for that outcome?

Senator McALLISTER: No.

[11:31]

CHAIR: We have questions now for outcome 2.

Senator McALLISTER: My first round of questions are about component 2.1.1, the civil society—

Ms Campbell: We'll just get some officers to the table who will be able to help you, Senator.

Ms Hefren-Webb: Yes, Senator.

Senator McALLISTER: How are you, Ms Hefren-Webb? It's nice to see you. I'll try to get through these quickly, because they're mostly about clarifying numbers rather than questions of the policy details. Have there been changes for the expenses in the 2019-20 and 2020-21 years for civil society?

Ms Hefren-Webb: There's a reduction in the allocation between 2018-19 and 2019-20 for civil society.

Senator McALLISTER: Yes. My calculation is comparing the additional estimates statements to the budget. There's a cut of \$452,000 from each of those years.

Ms Hefren-Webb: I was referring to year on year. I'm sorry, I don't have that information in front of me. I can try and confirm that for you, though.

Senator McALLISTER: That's okay—it's a question of mathematics. I'm reasonably confident that that's true between the additional estimates and now. Can you explain what that cut is for or how it comes about?

Ms Hefren-Webb: There may be officers who can come to the table, but my understanding is that that funds a number of fairly small projects and moves around between years. You can see that the funding goes back up again in 2021-22.

Ms Campbell: This is page 63 of the PBS.

Ms Hefren-Webb: I'm not aware of any specific decision. I think it might just be the way the profile is structured.

Senator McALLISTER: So your view is that this is not a decision of government?

Ms Hefren-Webb: I'll confirm that and come back to you.

Senator McALLISTER: What I'm struggling to understand is how it can have moved around so much between the additional estimates statements and now.

Ms Hefren-Webb: You'd be aware that within a particular outcome, such as outcome 2, there are sometimes reallocations between programs because of particular surges in need for a particular type of service, so it may be that it's occurred via a change between the different elements of outcome 2. I can't confirm that; I will check for you what that's about.

Senator McALLISTER: Maybe we'll move on and come back to that. I do want to understand what it is and what organisations are affected by this change.

Ms Campbell: I'm just looking at the additional estimates document, and I note your point. I think we probably would need to take that on notice, or at least have the dinner break to see whether we can find someone who understands—

Ms Hefren-Webb: Mr Brown has just come to the table. He may be able to respond.

Mr Brown: The civil society allocation supports, largely, a lot of the efforts of the Prime Minister's Community Business Partnership, so there's a range of different one-off projects that the civil society allocation supports over a period of time. This year they've had very small grant programs to support things like Justice Connect, which supports organisations who work a lot with volunteers by supporting them with legal advice and those kinds of things. There's a variety of different projects, and they're usually one-off. They've supported things like workplace giving—the kinds of projects that the Prime Minister's Community Business Partnership has been focused on over the past few years.

Ms Campbell: It's not paid to non-government organisations for the provision of services.

Mr Brown: By and large, it's things like research projects—things like that.

Ms Campbell: So we don't expect that there would be providers who thought they were getting money who are no longer getting funding.

Mr Brown: That's correct.

Senator McALLISTER: Has this been announced?

Ms Campbell: You can see on page 63 there is a wealth of these small program components. I think this civil society one is one that is just on whatever projects are likely to be going through. It is not as if there is a grant round or anything that is opened; it is one that works with government decisions. So I don't think so. I'm just trying to look across the entire outcome, the ons and offs and the like across this one. We will take it away and have a look at it but we don't expect there are going to be any entities who are expecting ongoing funding that will not be getting it.

Mr Brown: In terms the changes to the allocation, there's has been a reallocation of funding to a social impact investment measure, which is under outcome 1 over two years, so it is about 400,000 over that two-year period and that's for sector-readiness fund.

Senator McALLISTER: So over the course of two years, it is a reallocation.

Mr Brown: Yes. And I'm happy to explain the sector readiness fund, if that's helpful.

Senator McALLISTER: No, that's fine. I go then to the financial wellbeing and capability grants where, again, on page 63, there appears to be something like an 11 per cent increase in the funding allocation between additional estimates and now, in the next financial year, and then a 50 per cent increase in the allocation in the following financial year. What is that?

Ms Hefren-Webb: That component 4 of outcome 2.1 covers the financial counselling and emergency relief and related services. There is additional funding that was allocated for continuity funding for some services. You'll recall we discussed the grant round that occurred late last year and there was a decision by government to provide an additional 12 months of funding to a number of services as well as to the financial counselling help line. I also add that allocation also includes funding for elements of the cashless debit card so it does vary around that.

Senator McALLISTER: So the financial counselling and emergency relief extensions, the one-off extensions, have been announced. Have the cashless debit card elements been announced?

Ms Hefren-Webb: The funding for the cashless debit card for 2019-20 was announced in MYEFO.

Senator McALLISTER: Right. And what is it for?

Ms Hefren-Webb: What is the whole \$143 million for or what is the cashless debit card component for?

Senator McALLISTER: Specifically, what is the cashless debit card component for?

Ms Hefren-Webb: It is to continue the cashless debit card trials in Ceduna, East Kimberley and the Goldfields.

Senator McALLISTER: Sure, but doesn't it sit in the financial wellbeing and capability grant stream?

Ms Hefren-Webb: Some components of those costs do sit in that.

Senator McALLISTER: What components?

Ms Hefren-Webb: I might ask Mr Taloni to come to the table. But funding for some activities can't provide a cost, I believe, in that component so the funding we pay to Indue sits in there.

Senator McALLISTER: I see. I'm a bit confused about the answer that this was announced in MYEFO because the variation I'm considering is the difference between the figure that was available in the additional estimate statements and the budget now.

Ms Hefren-Webb: Sorry, the cashless debit card funding was announced in MYEFO. The transition funding for the financial counselling services and emergency relief was not announced in MYEFO; it was a decision taken subsequent to MYEFO.

Senator McALLISTER: Is it correct to say, then, that the additional \$14 million in 2019-20 and the additional \$46 million in 2020-21, when you compare this budget with the additional estimates figure, is exclusively for the financial counselling and emergency relief extensions?

Ms Hefren-Webb: The increase for 2019-20 would be related to continuity funding for the financial counselling emergency relief services. The increase in 2020-21 would have a component of that, but it would also include the funding for cashless debit card announced in the budget.

Senator McALLISTER: I see. So that's the Indue funding sitting in that financial year?

Ms Hefren-Webb: Yes.

Senator McALLISTER: Has the Indue funding always sat in that grant stream? It seems a funny place to put it, to be honest, because it's a service being procured by the department, whereas most of the other things being dealt with here look a little different to that.

Ms Hefren-Webb: Yes. In all of our components of outcome 2—you're right—the majority are grant type activities, but there are some components there that are procured. So it is a mix. It's all administered funds.

Ms Campbell: It's all articulated around function rather than how we do it. It's what we're trying to achieve with the outcome, which is financial wellbeing and literacy.

Senator McALLISTER: I'm not going to argue about where you put things in the budget.

Ms Campbell: We've got both books out. We're ready.

Senator McALLISTER: Would it be possible to get a breakdown in 2020-21 of the amount that is allocated to the Indue card?

Ms Campbell: Can we just check about the commercial-in-confidence nature? Is there a commercial-in-confidence nature in there? That's one of the reasons why we don't break it down, and in the measures description it had a star.

Senator McALLISTER: I did see that. All right. Has Ms Sylvan's review of financial counselling concluded? It has, hasn't it?

Ms Hefren-Webb: Yes, it's been provided to the minister.

Senator McALLISTER: Can you tell us who was consulted as part of that review?

Ms Hefren-Webb: I'll just get some other colleagues to the table, and they'll be able to answer that for you.

Ms Foreman: Your question was about who we consulted as part of the Sylvan review?

Senator McALLISTER: Yes.

Ms Foreman: There were a large number of people who were consulted, ranging from financial institutions to not-for-profit organisations to various focus groups. We had a number of interviews and targeted surveys. I'm just getting a list.

Senator McALLISTER: Is it possible to obtain a list of the stakeholders who were consulted?

Ms Foreman: We can table that.

Senator McALLISTER: That would be excellent. Do we have any indication of when the government will release the review?

Ms Hefren-Webb: No, that's a decision for the minister.

CHAIR: Senator McAllister, given that we just have a few minutes to dinner break and there was a revised program, do you have questions for outcome 3?

Senator McALLISTER: No. Someone will have questions for outcome 3, certainly. I am just trying to get through my questions for outcome 2, which, if I just work very hard, could be completed by the dinner break.

CHAIR: All right. We have a revised program, and I think we asked some departments to be here after the dinner break. There was a revised program, and the departments and witnesses were asked to come accordingly.

Senator McALLISTER: Shall I continue?

CHAIR: Yes, you can continue.

Senator McALLISTER: How many DSS grant programs have grants that expire on 30 June this year?

Ms Foreman: This year, or next year?

Ms Hefren-Webb: I might just need to get someone from the Community Grants Hub, because there are some grants outside of outcome 2.

Ms Campbell: And you're looking for DSS, aren't you? You are looking right across the department for DSS. We will just get someone up to tell us which ones expire on 30 June 2019.

Senator McALLISTER: Sorry to do this, but can I just jump back to our particular thing about Financial Wellbeing and Capability. Have there been any changes in the last couple of days to the funding provided to Dawn House?

Ms Hefren-Webb: Not at this stage.

Senator McALLISTER: There has been no additional funding provided to Dawn House?

Ms Hefren-Webb: I know that there have been discussions but, at this stage, I am not aware of a decision around that.

Ms Campbell: We can take that on notice and see whether there has been a decision. If the officers at the table are aware, we can have a look during the break.

Senator McALLISTER: What has been the nature of the discussion?

Ms Hefren-Webb: As you know, Dawn House wasn't successful in the selection process. They did receive 12 months of transitional funding. They have discussed with the offices of Assistant Minister Landry and Minister Fletcher their concerns that they provide a particular service that they are worried isn't provided elsewhere within Darwin. That has been the nature of the discussions.

Senator McALLISTER: Are there any other organisations in these discussions?

Ms Hefren-Webb: This is a normal area of our business; organisations raise issues about concern over service gaps.

Senator McALLISTER: I'm not suggesting it's improper, I'm just trying to understand what is actually happening.

Ms Hefren-Webb: I wouldn't want to say that there are no other organisations; there is likely to be one or two at any one time.

Ms Campbell: Or more.

Senator McALLISTER: I don't mean to sound derogatory, but it is a one-off process to consider a particular service gap in that city?

Ms Hefren-Webb: And a particular issue that that service has raised, yes.

Senator McALLISTER: Can we now go back to the grants programs. How many grants programs have grants that expire on 30 June this year?

Ms McKinnon: There are 1,011 grants that are due to expire on 30 June 2019.

Senator McALLISTER: Have all of the recipients been notified about future funding arrangements?

Ms McKinnon: Yes, all of the recipients have now been informed.

Senator McALLISTER: For how many grant programs in that group of 1,011 has the minister rolled the funding over?

Ms McKinnon: I don't have that data cut that way; we'll try to do it over the dinner break.

Senator McALLISTER: Perhaps I can try it another way. Have there been formal grants processes to meet the service demand presently being met by those 1,011 grants? I'm trying to understand what will happen after 30 June, when all these things come to an end.

Ms Hefren-Webb: There are a few different groups in that list—for example, the services that support the Family Relationships Program that the Attorney-General's Department has policy responsibility for. We are in the final stages of a process with them. There are a large number that relate to Mr Lye's outcome 3, 'Disability and Carers', where there is a process and all the providers are aware and have been notified about continuation. There are some grants in that group that were in the nature of one-offs—research projects, particular communications campaigns and so forth—but all providers have been notified that the funding ceases and they were aware at the beginning that it was a one-off.

Senator McALLISTER: In the case of financial relationships and the programs for which Mr Lye is responsible, they're all being rolled over to ensure service continuity—accepting that there'll be variations in terms and—

Ms Hefren-Webb: Yes. I'm just not 100 per cent sure of exactly what stage each of those categories is up to. But there are processes in train to ensure that there's service continuity.

Ms Campbell: We do have some information. I'm just rapidly reading it. We'll regroup it and see whether we can get you some more details during the dinner break. But I think 116 of those grants were one-offs, and primarily project based—and then just the breakdown of the rest. I know there have been some recipients who have already been advised of an extension, and we'll see whether we can get you some better data during the break.

Senator McALLISTER: I want to ask one last thing, and it's on a different question, which is about the SACS supplementation funding. I'm aware that the supplementation funding was not intended to extend to new

programs that did not exist in February 2012. I am interested to understand which grant programs it applies to at the moment.

Ms Campbell: I think we would have to take that on notice, because that would be a really big job, trying to work out which ones it does and doesn't apply to.

Senator McALLISTER: Can I ask how many grant recipients?

Ms Campbell: We'll take that on notice.

Senator McALLISTER: And a list of the grant recipients.

Ms Campbell: We'll take that on notice. That's not something we have.

Senator McALLISTER: I recognise that it's a facility used by both Commonwealth agencies and state agencies. It may be that you have more granular data in the Commonwealth domain. If that was the answer, that would be useful.

Ms Campbell: We'll take that one on notice.

CHAIR: We will suspend and then reconvene with outcome 3.

Senator McALLISTER: I can't be certain that Senator Siewert doesn't have questions for outcome—

CHAIR: She doesn't—and any other questions, I think we've agreed, because of the new program, will go on notice. We are heading to outcome 3.

Senator McALLISTER: With respect, because I haven't been involved in the discussion around that—I'm not a formal member of the committee—I'm a little bit reluctant to agree. Do you mind if I consult my colleagues?

Senator DEAN SMITH: We'll be able to give you clear direction at 7.30.

CHAIR: Yes.

Proceedings suspended from 18:32 to 19:30

CHAIR: We will now reconvene.

Senator WATT: I have some questions about the Redress Scheme. How many applications is the scheme receiving each week and each month?

Ms Hefren-Webb: The scheme has received a total of approximately 3,300 applications. In terms of a monthly or weekly rate, I think it breaks down to around 100 per week.

Mr Taloni: We would have to take that on notice. We've got an overarching figure: as at 22 March there are 3,303 applications.

Senator WATT: So that's the number of applications received to date?

Mr Taloni: As at 22 March.

Senator WATT: When did applications start being received?

Ms Hefren-Webb: First of July.

Mr Taloni: It was open from 1 July. We'd have to double-check if the first one arrived on that date.

Senator WATT: So, on average, we could work out the number of weeks since then and work out a rough per-week figure. Are they increasing as time goes on?

Ms Hefren-Webb: My understanding is that there was a high initial rate. It dropped for a month or two over the Christmas period. It's recently climbed up a bit. I think there's a bit of variation.

Mr Taloni: But that is something we'd have to go away and analyse to see the movements across the period.

Senator WATT: How many applications to the scheme were received that have yet to be assigned to a decision-maker?

Ms Hefren-Webb: There are 766 applications that are currently on hold because they can't be progressed.

Ms Campbell: It's probably worth outlining the reasons why.

Ms Hefren-Webb: It's largely because the responsible institution isn't participating in the scheme. There are 115 applications that have been completed and the payment made. Ninety-two have been withdrawn. There are 33 where an offer has been made or is ready to be made. For 700 the recommendations are currently being prepared. There are 863 that are currently with institutions, and there are 733 being validated—that's where we check for completeness, proof of identity is established and we acknowledge the receipt of application et cetera.

Senator WATT: So if I were to add all those numbers up I would get to 3,303?

Mr Taloni: That's correct.

Senator WATT: You mentioned those 766 that are on hold, and I think you said it was largely because the institution isn't part of the scheme.

Mr Taloni: Correct.

Senator WATT: Do you have a number? How many are on hold for that reason?

Ms Hefren-Webb: I would imagine it's the vast majority, but I'm not sure we have a number.

Ms Creech: No, we haven't got a breakdown. There would be a very, very small number where the applicant, for example, may have asked that the application be held while they're making their own investigations perhaps. But the vast majority of those would relate to institutions not being in the scheme.

Senator WATT: How many institutions is the department currently assisting to finalise their participation with the scheme?

Ms Hefren-Webb: We are working with 58 institutions who are considering joining the scheme. There are 35 institutions that have been declared, and there are 104 that are currently onboarding.

Senator WATT: When you say 35 declared, they are in the scheme?

Ms Hefren-Webb: Correct.

Senator WATT: There are 104 onboarding, which means they've decided to join the scheme and that's being arranged?

Ms Hefren-Webb: Yes, correct.

Senator WATT: And you're working with another 58 institutions who are considering whether they'll join the scheme or not.

Ms Hefren-Webb: That's right.

Mr Taloni: That's correct.

Senator WATT: Is it possible to put a number on the number of institutions who aren't even at that point of considering joining?

Ms Hefren-Webb: There's an infinite number of institutions. As you know, we've previously published a list of institutions that were mentioned in the royal commission and have not yet joined. Some of those would be captured in that 58, as in we're working with them. Some wouldn't be actively engaged with us at the moment.

Senator WATT: How does the scheme decide which applications should be treated as urgent? What are the factors that are taken into account?

Ms Hefren-Webb: Essentially it relates to age, mental health issues, terminal illness—those sorts of matters.

Senator WATT: How many applications are currently classified as urgent?

Ms Hefren-Webb: I believe it's around 30 per cent.

Senator WATT: Have any applications been impacted by the provisions that require advice from the Attorney-General's Department due to the imposition of a prison sentence?

Ms Hefren-Webb: Yes.

Senator WATT: Do you know how many?

Ms Hefren-Webb: I believe we do have that figure. One hundred and ten applications relate to people who have serious criminal convictions, and 24 relate to people currently serving time in jail.

Senator WATT: Do you rely on people disclosing that in their application, or is there some checking process?

Ms Hefren-Webb: We ask people to disclose their criminal history and then we do a crosscheck with the ACIC.

Senator WATT: When they disclose?

Ms Hefren-Webb: Yes.

Senator WATT: But, if they don't disclose, there's no other checking process?

Ms Hefren-Webb: That's correct.

Senator WATT: Are the 24 applications from people who are currently in jail part of the 110 application from people with serious criminal convictions?

Mr Taloni: We believe so.

Senator WATT: So those 24 are people who are in jail, having been convicted of a serious criminal offence.

Mr Taloni: That's correct.

Senator WATT: Of all those 110, whether they're in jail or not, have any applications from those people been finalised?

Mr Taloni: No, but there are a number that are going through the process.

Senator WATT: Have any been rejected?

Mr Taloni: Not to my knowledge, no.

Senator WATT: How many offers of redress have been made to date? Sorry, you gave me that before—33.

Ms Hefren-Webb: No, sorry. There are 115 that have been accepted. There are another 33—

Senator WATT: Where an offer has been made.

Ms Hefren-Webb: Yes.

Senator WATT: So, 115 have been accepted and payment has been made. Of those 33 offers that have been made, how many have been rejected?

Ms Hefren-Webb: I am not aware that any have been rejected. I would just note that the applicants have six months to accept the offer. I am not aware—

Senator WATT: So we might not be at that point yet. So, no offers have been rejected up until now?

Mr Taloni: That is correct, yes.

Senator WATT: Have any offers been withdrawn?

Mr Taloni: Not that I am aware of; no.

Ms Hefren-Webb: We haven't withdrawn offers. Some people have withdrawn applications.

Senator WATT: Yes. Have any offers been made that are now past the six-month period?

Mr Taloni: No.

Senator WATT: What average work is the scheme currently undertaking to assist potential applicants to learn about the scheme? Just briefly.

Ms Hefren-Webb: Yes. We communicate with support services across Australia, who support people who were in institutions as children, through our funded services. There is information on Centrelink and myGov et cetera types of services. We have given talks and so forth. We are still working through broader communication activity.

Senator WATT: Have any offers been deducted by an indexed amount of a previous payment?

Ms Hefren-Webb: Yes.

Senator WATT: How many?

Mr Taloni: I don't think we have that with us, Senator. We would have to take that on notice.

Senator WATT: Do you know what the average amount by which the offer has been reduced is?

Ms Campbell: I suspect we are going to have to take that on notice.

Senator WATT: Maybe if you can tell me the number, the range, the average. That's good. That's it for Redress. One other topic in outcome 2 is the domestic and family violence action plan. The good news is that we covered most of our outcome 3 matters earlier, so I'm not anticipating that is going to take an awfully long time.

Ms Campbell: We do have the NDIA.

Senator WATT: Yes, thanks. What fourth action plan initiatives are new, and what are existing or previously funded?

Ms Stratford: There are 19 new initiatives and 10 existing initiatives across the Commonwealth investment.

Senator WATT: Nineteen new and 10 existing?

Ms Stratford: That's right. For the Department of Social Services, there are 17 initiatives that we are implementing as part of the plan: 10 being new and seven existing.

Senator WATT: I don't suppose you have a list of the initiatives that are being implemented by DSS?

Ms Stratford: Yes, I can run through that.

Senator WATT: Do you want to table just to save us some time, if you have a list there?

Ms Stratford: I would have to create a separate list.

Senator WATT: Okay. You had better run through it then.

Ms Stratford: For the Department of Social Services, the national prevention hub is a new initiative. The prevention and outreach activities is a new initiative. The sexual violence campaign and resources is a new initiative. Continuing the national Stop it at the Start campaign is an existing initiative. There are community-led strategies to prevent domestic violence and sexual assault; that is a new initiative. The Changing for Good program through MensLine Australia is an existing initiative. A continuation of The Line campaign run by Our Watch is an existing initiative. The expansion of specialist family violence services is a new initiative. The university module to train future workforce is a new initiative. The continuation of funding for DV-alert is an existing initiative. The accredited training for sexual violence response is a new initiative. Investment in the continuation of the evidence base is new funding, because those initiatives are largely project based; so that is new. There is investment in the Support for Trafficked People Program, which is an existing initiative. And there is the national standards for sexual assault responses, which is new. 1800RESPECT funding is existing. And then there are two components of the housing package: the keeping them safe in their home, which is existing; and the safe places emergency accommodation funding, which is new.

Senator WATT: The budget papers advised that the package was partially funded under existing government resources. How much of that in total was existing?

Ms Stratford: For the Department of Social Services?

Senator WATT: Yes.

Ms Stratford: It was \$13.4 million. That was made up of base funding for the programs that are continuing—DV-alert, Support for Trafficked People Program and Keeping Women Safe in Their Home.

Ms Hefren-Webb: So there is \$250.1 million in new funding.

Senator WATT: I'm not sure if you answered this question just then, but what programs are funding this existing funding?

Ms Stratford: The existing funding has come from within national initiatives.

Senator WATT: Such as?

Ms Stratford: There is a national initiatives program, and it was existing base funding for those programs.

Senator WATT: So there was a general allocation for national initiatives as opposed to certain national initiatives?

Ms Stratford: That's right.

Ms Hefren-Webb: It was the three that Ms Stratford read out: \$8.2 million for DV-alert; \$2.3 million for Support for Trafficked People; and \$3 million for Keeping Women Safe in Their Home. That funding was existing; the balance is new.

Senator WATT: So they were the programs from which money was—

Ms Hefren-Webb: There was already money in the forwards against those three initiatives. The package includes that funding and \$250 million of new funding.

Senator WATT: So there were no offsets to existing programs to pay for any of the new programs?

Ms Hefren-Webb: No; it was added on to.

Senator WATT: And no funding was reallocated from existing programs to these new ones?

Ms Hefren-Webb: No.

Senator WATT: Has any funding been formally or informally committed or promised in advance of the 1 July 2019 start date?

Ms Stratford: Yes. We are working now to commit funding for things that have a 1 July start. Letters were issued today. That is for activities where we would expect continuity of service to be important. That includes funding to Our WATCH; to the Red Cross, for the Support for Trafficked People Program; and to Lifeline, for DV-alert and Keeping Women Safe in Their Home.

Senator WATT: Are you able to say how much has been committed or promised for these programs in advance of 1 July?

Ms Stratford: It's not legally committed; we've made offers. The total is \$69.778 million.

Senator WATT: What process was there to determine those?

Ms Stratford: It is a mix. Some are ad hoc non-competitive processes to pre-existing providers and some are variations to their existing agreements.

Ms Hefren-Webb: But they are all existing providers.

Ms Stratford: That's right.

Senator WATT: I just need to step into another committee briefly. Senator O'Neill is kindly going to tag team.

Senator O'NEILL: I'm just trying to figure out where we are up to in this. Who do I have before me?

Ms Campbell: If you just ask, one of us will try to answer.

Senator O'NEILL: This is a question about ATSI initiatives.

Ms Hefren-Webb: Under the fourth action plan for domestic violence?

Senator O'NEILL: Yes, it is a related question to the line of questioning that has been undertaken by Senator Watt. How will the \$35 million be allocated under the 'Prevent and reduce violence against ATSI women and children'? That is the first bit.

Ms Stratford: That's a measure that is managed by the Department of the Prime Minister and Cabinet. The Indigenous Affairs Group will determine the appropriation and the consultation and the planning around that funding.

Senator O'NEILL: So you can't answer that question about the \$35 million because it's not your department. Is that correct?

Ms Hefren-Webb: Correct.

Senator O'NEILL: Are there any new initiatives under that frame, the fourth action initiative, that you do have responsibility for?

Ms Stratford: Yes. I just provided a list of those to the committee.

Senator O'NEILL: Are there any other ATSI related initiatives that are going to be implemented by DSS?

Ms Stratford: Yes, there are. There is a range of activities that we're implementing where we have designed the programs to focus on the cohorts in greatest need. We would expect, in the granting process, to seek applications from organisations that work with Aboriginal and Torres Strait Islander people as well as organisations that work closely with them for disability and women from culturally and linguistically diverse backgrounds and those of diverse sexuality and gender, where we know that people experience greater rates of violence or greater complexity in their experience of violence. There are prevention grants that we will put out later in the year. There is \$9.5 million. That will go through an open process where organisations can bid for that funding. Similarly, we've put \$5 million into 1800RESPECT specifically for projects to focus on increasing access to the service. One of the projects that's been funded is to focus on access for people from WA and the Northern Territory where we see statistically lower levels of take-up of the 1800RESPECT service. In part of that project we'll be doing some research and working in those communities to see what changes need to be made to the service so that people can get greater access and support. We would expect to have a strong focus around Aboriginal and Torres Strait people in that. Similarly, we funded \$26.2 million—

Senator O'NEILL: Could I just ask you for the dollar amount for the WA and NT initiative you were just describing?

Ms Stratford: It's \$5 million in total for projects. I don't have a breakdown of the individual projects.

Senator O'NEILL: You said prevention has \$9.5 million—

Ms Stratford: That's right.

Senator O'NEILL: That's a separate amount?

Ms Stratford: Yes.

Senator O'NEILL: Then you said 1800RESPECT—that's \$5 million.

Ms Stratford: Just in project funding.

Senator O'NEILL: So not entirely for 1800RESPECT?

Ms Stratford: 1800RESPECT has received \$64 million in funding to enable an increased number of contacts and calls into the service. That will buy 575,000 contacts. But we know from the data that we want to improve the service offer in Western Australia and the Northern Territory, so we've funded separately a project to look at how we do that.

Senator O'NEILL: For me to be clear, regarding 1800RESPECT, \$5 billion is allocated to WA and the NT?

Ms Hefren-Webb: No, Senator. The \$5 million is for projects that will increase access to 1800RESPECT for vulnerable groups. It includes some funding specifically for that project, but it also includes funding for some other groups that also have lower take-up, for 1800RESPECT.

Senator O'NEILL: How many other groups?

Ms Stratford: Again, through the process of discussing the scope of the service provider, we would look at women with disability, where there's already been quite an investment to make improvements to the service to date—whether there is any further expanded service offer we can put there. What's the experience of women from culturally and linguistically diverse backgrounds in accessing the service and of people who have diverse sexuality and gender?

Senator O'NEILL: Regarding the projects that you've just been talking about that are ATSI related initiatives implemented by DSS, which ones are new and which ones are existing?

Ms Stratford: They're all new—the ones I've just discussed.

Senator O'NEILL: With regard to existing ones, are there any that are having their funding discontinued?

Ms Stratford: No.

Senator O'NEILL: So all those that exist continue with funding.

Ms Stratford: We will go through a process. For example, DV Alert—we're going through a process of varying their funding now. They offer services for organisations that work with Aboriginal and Torres Strait Islander people to recognise and respond to domestic and family violence and sexual assault. We're expanding that training. They also have some specialist men's training. That will be extended through the process, through the variation that we're doing now. Then, for other programs, like the prevention grants, we would expect that, where organisations under the third action plan have been funded for projects, this would be an opportunity for them to apply, in that open process, to make bids for new projects. We can't determine what the scope of those projects will be until such time as we run the grants process.

Senator O'NEILL: How much is cultural safety, knowledge and ownership of the programs, its design and implementation by First Nations people a criteria for enabling these sorts of grants in funding?

Ms Stratford: The grant opportunity guidelines that would determine that have not yet been finalised, but, certainly, we heard through our consultations the need for a strong voice of the victim, of the community, of the representative group who will be receiving funding, to be core to the design of that funding. So, whether that funding is for Aboriginal and Torres Strait Islander people or other groups, we would expect to see a demonstration from any grant recipients that they can meet the needs of those groups and work closely with those groups and have expertise to demonstrate that they should be receiving the funding to deliver the services.

Senator O'NEILL: I'm sure, Ms Stratford, that you'd be aware of the gap between the community's experience of successful tenderers under a competitive process and the claims that they make to you in Canberra in comparison to the evidence that we receive on country when we leave this place. If you're aware of that—you're nodding, so I assume that means, yes, you are aware of that gap—what are you doing to—

Ms Hefren-Webb: I might just add to this. All of our grants require that people demonstrate their ability to work in a culturally safe manner and appropriately, but I completely take your point that there is concern by many Aboriginal and Torres Strait Islander stakeholders that non-Aboriginal organisations who might claim that they do that don't do it as well as they could. We've got strategies in place, including an Indigenous grants policy which aims to ensure that, for grants that will have a significant impact on Aboriginal and Torres Strait Islander communities, Aboriginal organisations are encouraged and supported to apply. We've got consultation processes with Aboriginal communities that we operate throughout all of our policy areas. This is an issue which goes beyond this particular topic. It's an issue that we're very conscious of, and we're very—

Senator O'NEILL: Because there's a bit of a cultural collision, really, isn't there, in the way in which knowledge and leadership and the practice of doing work in community varies within the First Nations across different contexts? And that powerful knowledge doesn't always intersect with the linear, paper based processes of a large organisation that can fill in forms and get through the Canberra cold and the Canberra challenge of getting money.

Ms Hefren-Webb: Absolutely, Senator. That is feedback we've received from communities and Aboriginal and Torres Strait Islander organisations frequently.

Senator O'NEILL: You're indicating a knowledge of the problem. What sociological research have you been commissioning to make sure that you're actually providing an answer to the challenge?

Ms Hefren-Webb: I might on notice provide some more information about our Indigenous grants policy, which aims to overcome some of those issues. It might give you a sense of what we're trying to do.

Senator O'NEILL: With regard to your expanded emergency accommodation, could you tell me what the policy objective is for this initiative?

Ms Hefren-Webb: I'll ask our housing representatives.

Mr Philp: The policy objective of the initiative is to build up to 450 new or expanded emergency accommodation facilities for women and children escaping domestic and family violence.

Senator O'NEILL: Just to be clear, that was up to 450—

Mr Philp: That's correct.

Senator O'NEILL: new ones?

Mr Philp: New or expanded.

Senator O'NEILL: How many new and how many expanded?

Mr Philp: We don't know at this stage.

Senator O'NEILL: Have you got ballpark figures for that?

Mr Philp: What might be helpful—and this might pre-empt one of the other questions—is that, at this stage, we've done a series of consultations around the country. We know that \$60.4 million will be spent as part of the program. We're in the design phase at this stage, and it will be going to a grant round in the second half of this year. So decisions as to placement, numbers and things like that will come out as part of the design process.

Senator O'NEILL: Do you have information that will allow you to discern how much you need to create new sites rather than expand existing sites? That must have fed into your budget around the \$60.4 million.

Mr Philp: When we were looking at the budget number and the concept of 450 newly expanded sites we were looking at an average cost of build of about \$260,000 per premises. Which, extrapolated, gives you approximately 450 new expanded sites. The design in this program is that a competitive grant around will be run and applicants will be encouraged to bring forward matched funding from states, territories, philanthropy, land and the like. So what we do get for the \$60.4 million as part of the program will vary depending on what applicants are able to bring to the table as part of that matched funding.

Senator O'NEILL: Okay, thank you for that. Will any of the grants funding be committed in advance of 1 July 2019, which I understand is the start date?

Mr Philp: Our intention is that the applications for grants will open in the second half of this year, after 1 July 2019.

Senator O'NEILL: So we shouldn't expect any announcements about these being rolled out between now and 1 July?

Mr Philp: That's my understanding.

Senator O'NEILL: I think that's been the understanding of a few other committees, but a few things have been rolling out a little ahead of schedule without applications having been put in. Is that likely to happen in this case?

Ms Campbell: Senator, I think Mr Philp has indicated the planning that's occurring within the department for this grant round.

Senator O'NEILL: So the grants process will not commence, clearly, until 1 July?

Ms Campbell: Senator, that's the plan—to run a grant round in the second half of this year.

Senator O'NEILL: Has the government started to identify the locations of the new buildings?

Mr Philp: The government will identify the priority locations based on the analysis of unmet need, following agreement on the final grant design.

Senator O'NEILL: Is the analysis of unmet need yet discerned?

Ms Campbell: That work is continuing at this time.

Mr Philp: Is that yet to be discerned, Senator?

Senator O'NEILL: It is yet to be discerned?

Mr Philp: Correct.

Senator O'NEILL: That work hasn't been done? The analysis has not been done?

Mr Philp: That's right.

Ms Campbell: It hasn't been finalised, no.

Senator O'NEILL: So some work has been done?

Ms Hefren-Webb: Senator, there is literature about needs of women and children fleeing domestic violence and lack of access in certain locations, but exact analysis about what is the highest need hasn't been finalised.

Senator O'NEILL: So, on the basis of that, it would be very difficult for you to make any recommendations to government?

Ms Hefren-Webb: The intention is to follow the processes outlined by Mr Philp.

Senator O'NEILL: You have answered the average cost per new facility. That's the \$260,000 per premises.

Mr Philp: That was the basis for the modelling of the funding. The average cost will vary because it's a competitive process. The average cost will be dependent upon what the grant applicants are able to bring to the table as part of matched funding, whether it be through states and territories or others.

Senator O'NEILL: I understand the amplification power of having partners to put their money in, but if you're upgrading or building new, I know, depending on how old the building is, upgrade can cost an awful lot of money or it can cost a lot less, depending on what resources are there. Have you got any ballpark figures around the difference between new and upgrade? Or are you just uniform, 450 units at \$260,000?

Ms Campbell: I think the numbers the officers have talked about were used for the costing, to indicate. We appreciate the parameters you have just outlined—that things can be different—and that will be of that grant process. We haven't set benchmarks about how much it will cost to upgrade different facilities, because it will depend on where they are and, as you said, the age. So we don't have that material. That will form a part of our thinking when we're finalising the grant guidelines and asking people to come and tell us what they can do with this money.

Senator O'NEILL: When that reality lands, with the claim of 450, it could be very much fewer than 450, depending on what you actually find when this detailed analysis is finalised.

Ms Campbell: These are the best estimates that we are using at this time.

Senator O'NEILL: The best estimates for what—the best estimates to give us the highest number of 450 or the best estimates to give us an accurate indication?

Ms Campbell: As part of the budget process, we use the best data we have, and that's what we've used on this occasion.

Senator O'NEILL: What organisations and/or agencies will provide the recurrent operational and support services for each of these new facilities? The money we've been discussing is capital one-off funding, isn't it?

Mr Philp: One of the grant design principles that are being considered as part of the program is that capital funding should only go to applicants who can bring forward a sustainable service model that will deliver those services.

[20:12]

CHAIR: We will move onto outcome 3. I believe there is an opening statement.

Ms Campbell: Yes.

Mr De Luca: I'd like to take this opportunity to provide some brief remarks in relation to how the NDIS is rolling out for participants. The NDIS has grown from approximately 30,000 participants after a three-year trial period ending 30 June 2016 to now more than 250,000 participants, an increase of more than 700 per cent in just 2½ years. Approximately 78,000 of those participants, almost one in three, are receiving supports and services for the very first time. The provider market has grown from around 3,500 registered providers in June 2016 to more than 19,000 in December 2018, an increase of over 450 per cent. As at 31 December 2018, over 45 per cent of these providers were sole traders or individuals. The NDIA has grown its workforce from approximately 2,300 at the start of transition to now over 10,000, an increase of over 330 per cent. This is an unprecedented scale in the disability sector in Australia and, for the most part, is delivering life-changing results for over a quarter of a million Australians with a disability. At the same time that this significant growth is being delivered, we're seeing strong participant satisfaction results. Between 83 and 88 per cent of participants rated their experience with the NDIS as good or very good during transition.

Almost three years into the full scheme rollout of the NDIS, all states and territories have entered the scheme on time and as scheduled. Western Australia will be fully available on 1 July 2019, as scheduled. Despite this, the number of participants entering the NDIS is lower than originally estimated by the Productivity Commission. The

original Productivity Commission figures were always estimates, based on data provided by states, territories and the Commonwealth. Through experience we have learnt that the data provided by jurisdictions and the Commonwealth represented their very best estimates, but the consistency and the quality of this data has varied. Despite best efforts to reach Australians who may be eligible for the scheme, there are still some people who remain difficult to contact.

During transition, the bilateral estimate across the states and territories, excluding trial, was 377,000 to 30 June 2019. The number of actionable records received by the NDIA was 278,000, leaving a difference of 99,000 records. These 99,000 records include duplicates, deceased individuals or information that did not allow the NDIA to identify or contact individuals. I can reassure the committee and the community that for every participant with an actionable record the NDIA is on track to bring these people into the scheme as planned. In addition, we continue to bring in a large number of new participants who have never before received funding. Further, we will continue to work with community organisations and states and territories to contact eligible people.

It's our experience that in some locations where the NDIS has fully matured, the number of participants entering has, over time, reach the original estimates. We are also seeing, at more mature sites, that as participants grow in confidence their use of the NDIS planned funding increases. Experience shows that participants, on average, use 50 per cent of their funding in the first plan, which increases to 74 per cent by the fourth plan. This is to be expected in such a large-scale shift from block funding to assist them centre on participant choice and control.

We continue to manage the scheme and agency within budget. Our expenditure aligns with the growth of participants and is primarily directed to our staff and partner costs, which represents around 60 per cent of total agency expenditure, while contractors and consultants represent less than 20 per cent. We are growing our workforce capability at the same time and reducing reliance on consultants, with a decrease of over 50 per cent in consultant spend in the last 12 months.

While we know that many people have had a positive experience with the NDIS and their lives have proved since joining the scheme, we are also absolutely committed to making the necessary adjustments and improvements in the NDIS for those who have not had a positive experience. I'd like to reassure the committee that we are absolutely committed to supporting participants to enter and access the NDIS as quickly as possible. There is no backlog of access requests preventing people entering the NDIS. The median wait time for access in the December 2018 quarter was two days, after receiving an approved plan it was 120 days and for a planned review it was 34 days.

We recognise that for some participants the time frames are slower than they should be, and we are taking a number of actions to address this. This includes streamlining the process to get assistive technology funding and plans, increasing resourcing and training for our partners and planners, whilst working with local organisations to grow more vibrant and innovative markets, including in rural and remote locations.

The agency remains committed to working closely with the sector to deliver on the NDIS vision, including the Independent Advisory Council participant reference group and Industry Reference Group. I'd like to thank the committee for their ongoing support for the scheme and people with disability, their families and carers. I look forward to your questions.

Senator WATT: Thank you for that. I want to take a couple of things out of the opening statement. I think you said you consider the scheme to be on time and on schedule.

Mr De Luca: Opening across the regions across Australia, in line with the bilateral agreements, in terms of availability.

Senator WATT: But the provision of services is not on time or on schedule, is it?

Mr De Luca: When you refer to 'provision of services', are you referring to providers or—

Senator WATT: No, about participants receiving the support that they're supposed to be getting.

Mr De Luca: When you say 'on time', the process we go through is first eligibility to access the scheme.

Senator WATT: But by now—we were given the figures earlier tonight. Only a few months ago, at MYEFO, it was expected that there would be 426,489 people receiving packages, and now we know that it's more likely to be 298,489. So you can't really argue that the scheme is on time and on schedule, at least for participants.

Mr De Luca: As I alluded to, if you want to go to our opening statement, if we think about obviously the transition period, which the bilateral agreements were based on—there weren't bilateral agreements during the trial period—for the period ending 30 June 2019, in a few months time, and there's still one more year after that

for Western Australia, the bilateral estimate is 377,000, for the transition period to 30 June 2019. For the actionable records we've received, it's 278,000. So, there's a difference of 99,000 records compared with the bilateral estimates.

Senator WATT: Are you able to assure us that every person in South Australia and New South Wales is now in the scheme, as they are supposed to be?

Mr De Luca: When you say 'as they are supposed to be'—as per the bilateral estimates, or versus actionable records?

Senator WATT: Bilateral estimates.

Mr De Luca: No. And the reason for that is that we don't have certain records.

Senator WATT: So, you're waiting on the states and territories for those, are you?

Mr De Luca: To give you an example, if I pick New South Wales, the state transition was completed on 30 June last year. One for the financial year which finishes on 30 June this year included the Commonwealth and new as part of the bilateral agreements—so, not just the state data but also the Commonwealth data and new data. So, if we think about New South Wales, as at the end of this financial the bilateral estimate is 128,846. Then we think about the trial. During the trial for New South Wales we had 9,609. We have actionable records of 96,234. When you add the actionable records plus the trial, you get to 105,843. So, there's a difference of 23,003 in New South Wales of bilaterals versus the actionable records and who we've got in the scheme and trial. We expect that if we complete all the actionable records at 30 June this year then 82.1 per cent of the New South Wales bilateral will be achieved.

Senator WATT: You also made the point in your opening statement that there are some people who remain difficult to contact. And I accept that you may very well be trying, but it is the NDIA's responsibility to get everyone in the scheme, isn't it?

Mr De Luca: It's our objective and our obligation to try to get eligible participants into the scheme.

Senator WATT: Yes. So, what is it that's holding you back from doing that? Is it that communication strategies aren't working?

Mr De Luca: It's a number of issues. Firstly, you've got a large cohort where the data's not right, such as the wrong contact details—the participant no longer lives there or is deceased—or they've chosen not to join the scheme, which is always an option as well, or they actually do not qualify, such as if they are over 65 or are not Australian residents or do not have significant disability. Then there is a cohort that are challenging to locate. They could be in Indigenous and rural communities. They could be people with disability who have mental health conditions, who are very difficult to find. So, we work with states and territories, with departments within the states and territories, with departments of health, and with providers to try to get data from providers who have previously provided services to them. We also work with some not-for-profit organisations that help in trying to locate them. So, we've got a range of activities to try to locate people who are hard to find.

Senator WATT: Problems around data, access, records, paperwork—can you understand that that's pretty dispiriting for people who should be eligible for these services and are missing out, leaving aside the people who've actually been contacted, made their applications and are still waiting?

Mr De Luca: I come back to the opening statement. If they are found eligible, our access decisions—the median time is two days in the last quarter. So, if they've applied to have access to the scheme and provided the appropriate records, our median time frame is two days.

Senator WATT: When you say 'for access', what does that mean?

Mr De Luca: Somebody contacts the agency or contacts one of our partners, if they're children—they could be parents on behalf of children—and lodges an access request form, and the supporting material, to see whether they're eligible for the scheme.

Senator WATT: And then the median wait time for receiving an approved plan, as of December 2018, was 120 days?

Mr De Luca: No. Once they've been found eligible for the scheme—they've been given confirmation that they are eligible for the scheme—it's 120 days from that point until they've got the approved plan.

Senator WATT: So it's two days for access?

Mr De Luca: Yes.

Senator WATT: Then there's a period of time to determine their eligibility?

Mr De Luca: Yes.

Senator WATT: And it's from that point that the 120 days run?

Mr De Luca: They make an application. We consider that application and make sure all the information is appropriate. If not, we go back and ask for further information or clarification. Once we've got the relevant information, we make a decision, and that generally takes two days. Once they've then been advised that they are eligible for the scheme, we start the process of planning—that is, arranging time to have a preplanning conversation, advising them of a booklet they can complete to start to identify the goals and objectives that they want to achieve, starting to look at whether they want family members, carers or providers to join in the discussions in terms of those meetings, and providing the relevant information. Then a preplanning meeting is held. A whole new pathway has a preplanning meeting. We go through what's called a guided planning process with the person to understand their goals and objectives. We validate that—make sure we've got all the right information—and explain in further detail how the scheme works. Once that's done, either our local area coordinators, if they've had that meeting, or our planners—or both—will then take all that information and work through it to start to develop what the plan will look like for that individual.

Senator WATT: At what point in all those various steps does this 120-day median run—at the end of that?

Mr De Luca: Yes. The 120 is at the end of that period. We haven't got to the end of it. Then there is a plan that is developed, which is provided to the participant—it's an approved plan—and then, at that point in time, the median time frame is 120 days.

Mr Francis: It's 102 days.

Mr De Luca: Sorry, 102 days.

Senator WATT: It's 102, not 120?

Mr Francis: The average is 120; the median is 102.

Mr De Luca: Sorry; the average is 120; the median is 102—apologies.

Senator WATT: That's okay. But the median wait time for access is two days, and that's really about putting in a form.

Mr De Luca: Yes. Basically, it's what's called an access request form: 'Are you an Australian citizen? Are you under the age of 65? Have you got a significant impairment?'

Senator WATT: Do you have a figure for the median or average time for those intermediate steps between access having occurred and this 120-day period?

Mr De Luca: No, I don't. It's something that we're working on, as part of the pathway, to build into our system so we can look at each of the steps in the process. That data is captured in an unstructured manner in our comments, unfortunately. It is something we are working on in our CRM so we can see each of the steps in the process.

Senator WATT: Do you have a KPI or a target or anything like that for time frames for the approval of plans?

Mr De Luca: No, there isn't. There's some work that's going on. As part of the pathway reform work, we're looking at what the appropriate time frames are. We've done some time and motion studies, as part of the pathway, to help inform that. One of the JSC recommendations was to have specific time frames built into it. There are some time frames built into contractual arrangements with our local area coordinators. The act has 21 days for access decisions—making our access decisions within 21 days is explicit; it's in the act—but there are no other time frames that are documented anywhere. So we're working through that to set those time frames.

Senator WATT: But the bottom line is that, on average, people are waiting 120 days, or around four months, for a plan. Do you consider that to be an acceptable amount of time?

Mr De Luca: We certainly feel that it should be shorter, and that's work we're doing on it. There are many reasons why the time frames can take that long. It's getting access to information from the participants; it's the coordination of meetings between participants and the family members, carers and, sometimes, providers they want at meetings. There are lots of influencing factors that we're trying to work through to see how we make it as efficient as possible. We generally would see that, over time, at review. If you go to reviews, in the opening statements, that's 34 days. So, once they've been through that first planning process, you've captured a lot of that information, you have a better understanding of their goals and objectives, and then really the review should be validating your progress on your goals and objectives, and the time frames should be shorter, which they are. Again, we're doing some work on what the right time frame is.

Senator WATT: Do you keep track of the length of time on average that it takes between a plan being approved and someone actually receiving services?

Mr De Luca: Yes. If you go to the quarterly report—you may not have that—

Senator WATT: I don't have that. Sorry.

Mr De Luca: That's okay. I'll just try to find the activation days. Our latest quarterly report is the December 2018 report. What we've got—what we produce in the information—is brackets between zero and 50, between 50 and 75, and greater than 75, in terms of utilisation. Then we've also got how long it takes to start to activate, which is utilising it. In the last quarter, 54 per cent of participants activated their plans in the first 30 days. Then another 70 per cent activated in between 30 and 59 days, and then seven per cent activated in between 60 and 89 days, so that's three months. So, overall, 78 per cent activated in the first three months. Again, we're finding generally that, as participants get used to their plans and start to have arrangements with providers, activation becomes quicker. But, when participants have previously been in the system which was block funded and have never had to make decisions themselves, the first plan generally takes longer for them to put into practice.

Senator WATT: So 78 per cent are within what time frame?

Mr De Luca: Within 90 days—within three months.

Senator WATT: Okay. So about 22 per cent—let's say a quarter—of people are outside three months.

Mr De Luca: The first three months, yes.

Senator WATT: What did we say? We're expecting, by June 2019, about 300,000 participants?

Mr De Luca: If we are able to complete all the actionable records that we have, by 30 June we think we're in the vicinity of about 300,000 to 310,000.

Senator WATT: So about 25 per cent of those 300,000—let's say close to 80,000 people—are waiting more than three months to receive services after, on average, waiting three months to get a plan. Then add the period of time between them first putting a form in and getting a plan.

Mr De Luca: Yes. There are two things. The first thing is that this is for payments that we make out from providers which are not in-kind arrangements. As part of the bilateral agreements with the states and territories, there were many services that continued provision of services from government organisations, which are provided in kind. Those have just continued, so the participant doesn't need to manage the activation of those. So there is a slight nuance here: there will be certain participants—in many cases in accommodation—who are continuing to get services from previous state or territory systems. So they're not getting those services; that is the first thing. The second is that there will be mainstream and community services that participants could be continuing to receive as well, which they are not paying for or are getting through other state systems. With registered providers that we provide payments for—either the participant self-manages or we pay—and that are not in-kind arrangements, these numbers are correct. Your point is that generally their first plan takes some time to put into action. That could be for many reasons. They may be working with a support coordinator, a family member or a carer to identify and go and get quotes from different providers and test the market to see who they want to provide them with services and arrange times for those services to be delivered—therapy or other things. It takes a little bit of time to put that into practice. Experience shows, though, as I said, that, once they've been through that first year and are having their second review, it is much shorter.

Senator WATT: I suppose I worry, and even this conversation makes me worry, that there always seems to be a focus on data, processes and KPIs where you have them, rather than a really people-centred approach that acknowledges the emotion involved here and treating people decently. Where does that find a place?

Mr De Luca: I'd certainly disagree with that. I may be coming across—which is giving you data, but based on certain questions. I think the only way we can get to the root cause of what issues have been in the system in a process of this scale is to really understand what those processes look like and understand the metrics, the information, to help inform what we need to do. This is the data that tells us we're doing a hell of a lot to try to reduce those things. So, for the pathway program of work that we're rolling out, one of the areas, which we've discussed here previously, is that we have piloted a plan implementation meeting, which we've started to now roll out. Once the participants got the plan, it was actually sitting down with them, with their family members, with their coordinator, with a carer if necessary and saying, 'Now, how do we put this into practice quickly for you so you're starting to achieve the goals and objectives you want?' We've recognised that for a participant in the scheme it is a significant change from where they were previously, in block funding, where they used to just receive things. Choice and control are fantastic in terms of all the benefits, but are challenges from a change management perspective. How do we help participants bring this to life? We're doing a lot around that as well.

We're doing a lot around working with providers as well in terms of how we start to support the growth of the provider market. Recently the Department of Social Services released some 'make' market data out to the market, which basically breaks down the country by region to show where the opportunities are for providers, where the needs are, based on types of services that participants need, to actually help attract the right provision of services.

Ms Rundle: I wouldn't mind adding something to that. I just wanted to pick up on your comment about the lack of empathy—I know you didn't say it quite like that. I think our record shows that everything that we have done in the pathways work: all of the participant reference groups, the provider reference groups, the huge number of stakeholders—I have a list here I could give you right now or later that shows you that our intent is to try to understand where we can improve.

Senator WATT: I accept that. I think the problem is that despite all of that we all have to concede that there is a substantial number of people out there who are eligible for this assistance who aren't getting it, through no fault of their own. My office is contacted by them every day, as are the offices of every other member of parliament I'm sure. So, there is some blockage in the system that is holding this up.

Mr De Luca: Firstly, if there is an element of awareness for people about the scheme. There is more work that we are doing around that—significant work. Community connectors, which Mr Francis was talking about, in regional remote communities, Indigenous communities. We have recognised that the message about the scheme has not been getting out in the way that it needs to be. And so working with local organisations on the ground, who have the relationships, the trust in those communities, to explain about the NDIS in the right manner and the right language for them is one of the things that we have been focusing on.

Senator WATT: From the earlier conversation we had today—I know that you weren't here—it doesn't seem that lack of resources is an impediment here. There has been a significant underspend, compared to what has been budgeted for. Is it partly about the staffing cap? If the staffing cap were lifted, would that enable you to employ more people to get some of these plans done, or do whatever needs to be done to get people the services they deserve?

Mr De Luca: Firstly, generally if we look at the underspend from the scheme, there are obviously three programs: there are the agency costs; there are the ILC grants; and there are the scheme cost, which is the majority. The largest part of the underspend in the scheme cost is because there are fewer people in the scheme, first and foremost, and the second is to your point earlier, which is that the utilisation levels are not to the level that they should be.

Ms Campbell: But what we talked about this morning was purely participant numbers.

Senator WATT: Yes. I think we are on common ground—that the primary reason for, I think, the \$1.6 billion net underspend, compared to what was expected to be spent, is because people who it was anticipated would be getting services aren't getting those services. So, something is going wrong that is leading people to not get the services they are entitled to.

Mr De Luca: I can differentiate into two groups. There's the first, for which, as I alluded to in my opening statement, with all the best intent, the quality of the records and the information that we've been provided with don't match with the bilateral estimates. So there's a difference there, because people are no longer with us, there were duplications in the records based on what was provided many years ago to the Productivity Commission versus what they are now or there are other reasons. So there is just a proportion that, let's just say, don't exist. There is a second proportion, which you're alluding to, which is those who are eligible for the scheme and who either have not yet approached us or we haven't found yet. To that point, there is a lot more that we are doing and can be doing—

Senator WATT: Isn't there's another group, which is the people who have been found, have made applications and are still waiting for what they are entitled to?

Mr De Luca: No. Firstly, are they in the scheme—as in: have they been given access?

Senator WATT: I'm assuming they have, because it's a two-day wait.

Mr De Luca: But what you're saying is that they're in the scheme, they've been given access, but they haven't got their funding yet, because it takes 102 days to 120 days. Yes, that's right, but that's a timing process which, as alluded to, reduces over time once you get through that first plan process.

Senator WATT: I am conscious of time, so I'll need to move on from that general point. Am I right: I'm the only one with questions for the remainder of the night?

CHAIR: You have the remainder of the night, but we have got till nine pm. We need to—

Senator WATT: Yes, I understand. Did the pricing review that you commissioned from McKinsey recommend the pricing increases which were recently announced?

Mr De Luca: The independent pricing review from McKinsey made 25 recommendations. Within their recommendations, they made recommendations around price limits for therapy, which we recently announced—but different to what the recommendations were. From a timing perspective, the independent pricing review was released to the market in March last year, in 2018. In April 2018, a month later, we came out with a plan of how we were implementing it. In that we said there was more work to be done on a number of recommendations to better understand them.

Senator WATT: Can I just pull you up there?

Mr De Luca: Yes.

Senator WATT: One example was that the government recently announced a 15 per cent price rise for attendant care. Was that type of price rise recommended by the McKinsey review?

Mr De Luca: The amount, no. But recommendation 7 had: add price tiers that account for complexity of support. So there was a recommendation of the tiering to be considered, but the work in terms of what those amounts were is what we've been working through subsequent to the IPR recommendations.

Senator WATT: Would it be fair to say that the price rises that were announced recently by the government are significantly higher than what was recommended by McKinsey?

Mr De Luca: The price rises for the attendant care, yes. In terms of the therapy, it's a little mixed because it's basically three different tierings for different types of therapists. But with the attendant care, yes.

Senator WATT: Were there any other prices where it has been announced that there would be price rises in the order of 15 per cent?

Mr De Luca: Sorry, Senator?

Senator WATT: Apart from attendant care, were there other services that have now attracted a price rise in the order of 15 per cent or, say, above 10 per cent?

Mr De Luca: I can't give you an answer on that. I'm happy to look into it. If we think through the 25 recommendations that were made from the independent pricing review, 20 were implemented either fully or in part by 1 July last year. The other five of those are the ones that we've been doing work on. A couple of those included looking at: at what point in time would the market be ready for deregulation? This was always going to take longer.

Senator WATT: I'm running out of time. When was the decision to make these price rises made?

Mr De Luca: The work was commenced late last year. With the therapy, we announced to the market that we were conducting the work with a certain group of providers in December through to March.

Senator WATT: What I am focusing on is the decision to increase prices, such as the decision to increase—

Mr De Luca: The actual approval for the decisions, yes.

Senator WATT: When was that made?

Mr De Luca: Last Thursday at our board meeting, I think it was.

Senator WATT: Was there any request or direction from any minister's office about the need for price rises?

Mr De Luca: With respect to these two areas?

Senator WATT: Yes.

Mr De Luca: No.

Senator WATT: I think there has been some media reporting that has suggested that this has emanated as a result of a direction from the Prime Minister's office. Is that correct?

Mr De Luca: There has been media commentary on that but no, not to my knowledge. I have not been advised or requested, nor has our board.

Senator WATT: There hasn't been a request or a direction from your own minister's office?

Mr De Luca: No.

Senator WATT: Or from the department?

Mr De Luca: No.

Senator WATT: So it was 100 per cent a decision of the NDIA board?

Mr De Luca: Yes.

Ms Campbell: And this work, as Mr De Luca has said, has been underway for some time.

Senator WATT: At what point were these price rises put into the budget process, including the calculation which led us to have this \$1.6 billion underspend?

Ms Campbell: I'll answer that, because it's the appropriation to the department. Because this work had been underway—it's about how much of the plans were used. We knew that the prices were increasing. That had always been factored in; that was not changed. The \$1.6 billion estimates variation did not include the prices. These price increases had always been expected to come, so they were in the baseline.

Senator WATT: But you wouldn't have been able to factor in, for instance, a 15 per cent increase for attendant care, would you?

Ms Campbell: We have a look right across the packages at how much they are costing and what their usage rates are. That's worked out and put into the estimates, into the long run. When the changes came through with package rates and usage, it was assessed that there was no need to change those estimates in the out-years.

Senator WATT: Have any large providers told you they will leave the NDIS because of pricing pressure?

Mr De Luca: We've had ongoing dialogue with providers ever since I've been here—and before my time, I'm sure—about pricing. There have been providers who have chosen to leave the market.

Senator WATT: Do you know how many?

Mr De Luca: I can give you that answer. As at 31 December last year, there have been 360 provider registrations revoked. Of those, 88 were voluntary revocations due to changes that the businesses made; they may have chosen to pull out of certain parts of their business. We've had 39 revocations due to compliance, where we've taken action, and 189 for other reasons, which could be voluntary revocation. We can't tell you how many of those are due to pricing or profitability but that's a sense of the numbers. It's 1.6 per cent of total registered providers—so a small number.

Senator WATT: In the remaining time, I will have questions about other aspects—probably more for DSS about disabilities. We'll see how we go for time; I may be able to squeeze in a couple more NDIA things. I've got a few questions about the Integrated Carer Support Service regional delivery partner program. Have we got the right people?

Ms Campbell: Yes.

Senator WATT: I understand the latest budget included an \$84.3 million funding boost for new carer services being rolled out to 2.7 million carers. Have agreements with successful tenderers been signed yet?

Mr Lye: For the regional delivery partners?

Senator WATT: Yes.

Mr Lye: No.

Senator WATT: When is it anticipated that a decision will be made there?

Mr Moger: We're just going through the process of assessing those applications at this point in time. We expect contracts to be signed around the middle of the year.

Senator WATT: Right, the middle of the year. Is this something that is requiring recommendations to a minister for a minister to approve or is this purely a departmental decision?

Ms Campbell: In any grant arrangements, it is open to the minister to decide to make the decisions on those processes or to leave it to the department.

Senator WATT: Have recommendations been made to a minister at this point?

Ms Campbell: No.

Senator WATT: Is it anticipated there will be a decision made mid-year?

Ms Campbell: At this time, yes.

Senator WATT: Does that mean no funding has yet been allocated to any of the regional delivery partners because there aren't any to allocate the money to?

Ms Campbell: That's correct.

Senator WATT: The \$84.3 million allocated in the budget, was that included? Was that up for grabs as part of this RDP tender process?

Mr Moger: No, it wasn't.

Senator WATT: So how is that additional funding going to be allocated across the 16 RDPs?

Mr Moger: We will allocate it using the same methodology for attributing the money that was offered through the grants round so it will be based on carer population and regional loadings. We will negotiate that with the successful providers directly. This is new money.

Senator WATT: There was already a bucket of funding available to be allocated to 16 RDPs—

Ms Campbell: Yes.

Senator WATT: who have not yet been chosen?

Ms Campbell: That's correct.

Senator WATT: But they will be. Now there is a new bucket of funding which will be distributed among those 16 once they are chosen?

Mr Moger: Essentially the new bucket is for services like provision of dollars for emergency respite. It will provide additional packages of support that will go out to people in a particular area. If you think about it, you will have a core funding for a RDP to operate. They will have dollars at their disposal to offer instances of care. There are more of those on offer as a result of the budget measure.

Senator WATT: This additional funding, the \$84.3 million, is that just for services delivered by RDPs or will some, for instance, be used for online services?

Mr Moger: It's just for RDPs.

Senator WATT: Are you able provide a breakdown of that \$84.3 billion that has been announced? For instance, how much is for respite? How much is for young carers' respite? That kind of thing.

Mr Moger: Yes.

Senator WATT: I am running short of time. Do you have that in a form that can be tabled?

Mr Moger: Yes, we can—

Ms Campbell: Not by the look of it, no.

Mr Moger: It has some scribbles on it so we could print it.

Senator WATT: How long would it take you to read out?

Mr Moger: Not long.

Ms Campbell: Quickly.

Senator WATT: Go for it.

Mr Moger: Have you got any more carer questions?

Senator WATT: I do. Why don't we come back to that if we have time; otherwise take it on notice.

Mr Moger: Yes, we will take it on notice.

Senator WATT: You haven't worked out how much funding is going to each of the 16 RDPs, have you?

Ms Campbell: No.

Senator WATT: Are you able to itemise the full funding for the ICSS, Integrated Carer Support Service, across the forward estimates, taking into account the additional funding for 2019-20?

Mr Moger: Yes, we can. Just the allocations for the ICSS, including the new money for 2018-19 was \$18.8 million; 19-20, \$125.6 million.

Senator WATT: Does this include this new money?

Mr Moger: Yes, that's correct. In 2020-21, it is \$134.2 million; 2021-22, \$143.3 million; and 2022-23, \$146.7 million.

Senator WATT: And do those figures include implementation costs?

Mr Moger: They do.

Senator WATT: Is it possible to say how much of each of those amounts are implementation costs?

Mr Moger: I am not sure. We might have to take it on notice.

Senator WATT: Is it likely there will be a communication strategy for the ICSS?

Mr Moger: There is. Our communication activity has been under way for a while now. It's been focused particularly on the RDP grants round. We have had a series of webinars and other public information via our website. We are turning our attention now to activities aimed carers to inform them about the changes.

Senator WATT: That communication strategy is underway, even though the successful tenderers haven't been chosen yet.

Mr Moger: Some activities have taken place. We have a website that gives regular updates on the reforms—but that activity will ramp up as that grant round is finalised. We'll communicate more with carers and then right through to transition in September and November.

Senator WATT: There'll be online, printed material—

Mr Lye: There's Carer Gateway as well. Obviously, that's a key way in which people access supports or services or knowledge of services. The latest figures we've got are 2017-18 figures: 441,311 people accessed the gateway. That is a substantial increase on the previous financial year, from 345,000.

Senator WATT: I haven't seen any of the material for this communication strategy. Does it include things like a minister's message and that sort of stuff, or is it just pretty straight, factual?

Mr Moger: The primary measure has been through our website. It has regular updates. We send out email updates through our networks, for example. We keep that regularly updated.. People can subscribe to the website.

Senator WATT: If I want to look at what it looks like, I can just go to the website.

Mr Moger: Absolutely.

Senator WATT: When do the contracts with disability representative organisation end? Is it correct that they end on 30 June 2020?

Mr Callisen: Yes, that's correct.

Senator WATT: Has any funding been allocated for DROs in the forward estimates?

Mr Callisen: Yes.

Senator WATT: Can you tell me how much has been provided in each year of the forward estimates?

Mr Callisen: I don't have the breakdown with me across the forward estimates. However, the current allocation to DROs is \$2.125 million per annum, and I believe that remains consistent on an ongoing program.

Senator WATT: So there's \$2.125 million in the 2018-19 budget for DROs.

Mr Callisen: That is correct.

Senator WATT: The same amount in the 2019-20 budget.

Mr Callisen: I believe so. It's in the order of that. The actual figure may be slightly different.

Senator WATT: Is there any level of indexation at all?

Mr Callisen: I believe the appropriation is indexed.

Senator WATT: Do you know whether that amount or an amount similar to it is allocated in this year's budget for next financial year?

Mr Lye: The current funding runs to 2020, at which point there's the opportunity to extend funding or to run a competitive process. I suppose there's a notional allocation there. It's up to government—

Senator WATT: That's what I'm trying to get to. I accept that you might revisit which organisations get funding after 30 June 2020, but there is the same amount of funding available in the budget beyond that point to be used for DROs.

Mr Lye: Correct.

Ms Campbell: Yes.

Senator WATT: So for each year of the forward estimates an amount like that with some level of indexation is in place.

Ms Campbell: Yes.

Senator WATT: Of the remaining 380 questions I've been given, why don't I choose one or two in the one minute I've got.

CHAIR: Senator, it's nine—

Senator WATT: Yeah, let's say it's nine o'clock. That'll do us!

CHAIR: So can you put them on notice or something.

Senator WATT: We're going to be back next week anyway, aren't we, Minister? You don't need to be furiously approving as many things as you are. You've got another week.

Senator Fifield: I always make good use of estimates time.

Senator WATT: Lots of grants to get out the door! Okay, thanks.

CHAIR: That concludes today's examination of the Department of Social Services. On behalf of the committee, I thank the officers of the department for their attendance and the minister.

Proceedings suspended from 20:59 to 21:16

Department of Human Services

CHAIR: The committee will now commence its examination of the Department of Human Services. I reiterate for the committee and officers my earlier statement 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. I also briefly 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.

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)

CHAIR: The committee has fixed 24 May 2019 as the date for the return of responses to questions taken on notice. Officers are requested to keep opening statements brief or to seek to incorporate longer statements into *Hansard*. Minister, do you wish to make an opening statement?

Senator Fifield: No, other than to say that it's fabulous to be here. Thank you, Chair.

Senator WATT: Can you stop misleading the Senate!

CHAIR: Thank you. Secretary, do you wish to make an opening statement?

Ms Leon: No, I don't.

CHAIR: Senator Watt, over to you.

Senator WATT: Thanks for coming. I know you've been waiting a little while to get on, so apologies for the delay in getting to DHS. It's everyone's aspiration to get out of here before 11 o'clock, so let's see how we go. One thing might shorten the time. You would have seen that we wrote a letter to you seeking a range of data. Are you in a position to table any of that data?

Ms Leon: Yes, we do have the material that you asked for. I'm happy to table it.

Senator WATT: Do you know whether it's all of the material I asked for?

Ms Leon: Yes, it is.

Senator WATT: Great. Can I get you to table that? I'll have a look at it. Depending what it says, I may then have some questions. Thanks. Wow, that's a lot shorter than I was expecting. That covers the latest processing times for a range of things; the number of applications that have waited over 26 weeks; the latest telephony average waiting times; the number of calls that waited over 30 minutes for certain things; the average waiting times; how many debts have been waived or reduced to zero; and advertising expenditure—all of that?

Ms Leon: It covers all of that, except that in relation to advertising expenditure there are I think four questions and the answer to all of those is: we haven't had any advertising or information campaigns, so for all of those questions the answer was nil.

Senator WATT: So there are no advertising campaigns or information campaign ads relating to Centrelink at all?

Ms Leon: No.

Senator WATT: Right. Well, that's good. I'll have a look at that when it gets tabled.

Australian Hearing

[21:19]

Senator WATT: Australian Hearing sits within DHS.

Ms Leon: Yes.

Senator WATT: In its response to the *Still waiting to be heard report* the government did not rule out privatising Australian Hearing. This is probably a question for the minister. Minister, is it the government's intention to privatise Australian Hearing?

Senator Fifield: It's probably a question best for Ms Lyon, as I'm not a portfolio minister in Human Services or Social Services; I'm merely representing here at the table. I'm certainly not aware of any proposition.

Senator WATT: Ms Leon, how would you describe the government's position?

Ms Leon: There has been no decision taken to privatise Australian Hearing.

Senator WATT: Equally, it hasn't been ruled out, has it?

Mr Creech: This question was put forward in October last year to the Department of Health, who I think provided an initial answer and then took it on notice. They provided an answer to a QWON recently. I direct you to SQ18-001057. It says:

The Government made the decision in 2017 to retain full ownership and control of Australian Hearing.

Senator WATT: And that position hasn't changed?

Ms Leon: That's right.

Senator WATT: Has the government proposed a competitive tender for the operation of Australian Hearing in 2020?

Mr Creech: Not that I'm aware of.

Senator WATT: And there's been no discussion about plans to do so.

Mr Creech: No.

Senator WATT: I have no further questions for Australian Hearing.

Department of Human Services

[21:21]

Senator WATT: My next questions relate to IT issues involving the child support agency. You'd be aware that the child support agency has had a pretty troubled IT system in place for a number of years now. I think in 2013 the agency introduced a new system called Pluto to replace its ageing system known as Cuba. There's been a lot of money spent and there have been lots of reviews. How many reviews of this system, the change process and other elements of this IT area have Deloitte completed and how many are they currently working on?

Ms Bridger: Deloitte undertook one review. It was extended. So it was essentially one review that was extended.

Senator WATT: Is it still underway?

Ms Bridger: No.

Senator WATT: Do you know when it was completed?

Ms Bridger: I don't have the exact date that it was completed. It commenced in early 2018. It took some months to undertake the first stage of the review. The extension was for another series of months. I would need to take on notice exactly when it concluded.

Senator WATT: Have any other reviews of the system been undertaken other than the one by Deloitte?

Ms Bridger: On the Pluto system, no.

Senator WATT: What about the change process and other elements of the IT systems that the agency is using? I don't know the answer to that; I'm genuinely interested about whether there have been.

Ms Leon: There haven't been other external reviews, but, obviously, internally, we took some decisions after the Deloitte review, which we are implementing.

Senator WATT: But the Deloitte one is the only external review?

Ms Leon: That's correct.

Senator WATT: What was the cost of that review?

Ms Leon: It was \$1.09 million.

Senator WATT: Does that include the extension?

Ms Leon: Correct.

Senator WATT: Is the process to replace the Cuba IT system now complete?

Ms Leon: The Cuba IT system is still in use and we have deferred decisions about its replacement for the time being.

Senator WATT: The Pluto system has never actually been implemented?

Ms Leon: The Pluto system has been implemented, and the Pluto system is being used for all new applications under child support and the Cuba system is being, by and large, used for existing clients.

Senator WATT: What complications does it cause either staff at the agency or members of the public who have dealings with the agency to have two different systems?

Ms Bridger: From a customer perspective, there are no complications. The new system, Pluto, is the new front end for online transactions. All of our customers that use our child support online system now use Pluto, and that actually brought about some new functionality for those customers.

Senator WATT: Starting from when?

Ms Bridger: All child support customers have been moved from an online perspective to Pluto. If you were an existing customer from years ago and you're using the online services available for child support, it's all through Pluto.

Senator WATT: But Cuba is used for—

Ms Bridger: For all the back-end calculations. All of the screens that customers see are all now housed on the new system, but, from the perspective of calculations of payments, that's all undertaken in Cuba.

Senator WATT: For every customer?

Ms Bridger: Correct.

Senator WATT: So it's not as if Cuba is used back of house for people who were dealing with the agency up until a certain point and then Pluto started getting used back of house? It's Cuba back of house and Pluto front of house?

Ms Bridger: Correct.

Senator WATT: For everyone dealing with the agency?

Ms Bridger: Correct.

Senator WATT: What complications does it cause staff to be needing to use two different systems?

Ms Bridger: With regard to the use of Pluto, the functions that it's used are for new applications, and there are a specific cohort within our child support smart centres that undertake that work. They predominantly do their work in Pluto, but, once a customer has progressed through that new application process, and they have essentially stabilised and become part of the broader child support cohort, they would be dealt with by the child support service delivery staff more broadly, and they operate in Cuba.

Senator WATT: Would it be the department's preference to move to one system?

Ms Leon: I think that will depend. Before we were to make any further decisions about the future of the child support IT system, there'd need to be a fresh examination of customer and staff experience needs and the capabilities of the IT. We don't have that process on foot. The arrangements that Ms Bridger outlined are working effectively and efficiently, and at the moment there is no pressing need to take fresh decisions about the Cuba system.

Senator WATT: But, when Pluto started being introduced in 2013, the intention was to replace Cuba in its entirety, wasn't it?

Ms Leon: Yes.

Senator WATT: In short, why has that not been possible?

Ms Leon: I think we have gone through this at some earlier estimates. When we got into the child support modernisation process, you might recall we originally had private sector partners working with us on that. It soon became apparent that the rebuild would be more complicated than had been envisaged, given the complexity of the rules in the child support system. Over time, the decision was taken to instead bring Cuba up to modern standards and to keep it operating. It's a system that still works and we have now made good use of the Pluto front end because it is a more easy to use and intuitive interface for customers to use, and we are using it, as Ms Bridger outlined, for new entrants to the scheme that the staff use as well.

Senator WATT: Okay. How much progress has been made since the point that this transition was at in 2016? Are there any particular milestones that have been achieved since that point? The reason I'm focusing on 2016 is I understand that was when the plan to fully roll out Pluto and replace Cuba was paused.

Ms Bridger: There is the milestone of changing the online experience for customers. That commenced towards the back end of 2017. It took us some months to transition all customers across to the new online. There are some 600,000 customers that now use that online service. There is the milestone where we stabilised and worked through which staff and who would use the new application process for child support. Those would be the two key milestones. There were efficiencies made in faster processing et cetera, but I don't think they would be considered large milestones.

Senator WATT: There are no plans at this point to fully replace the Cuba system. You're saying that's dependent on another review.

Ms Leon: That would be dependent on future decisions.

Senator WATT: If additional funds could be brought forward, could the process be completed sooner or is it not just a matter of funds being available?

Ms Leon: It's not just a matter of funds; although, obviously, that would be part of it.

Senator WATT: Okay. As you mentioned, we have talked about this in previous estimates. I think in the budget estimates last May we asked some questions about this, particularly about how much money has been spent in addition to the \$102.3 million budgeted to replace Cuba. Ms Leon, I understand that what you said at the time was that there hadn't been any additional budget over and above what was within the department's existing budget and that the department was now just using BAU funds.

Ms Leon: That's right. Business as usual.

Senator WATT: Can the department please provide the dollar figure spent on the IT system to maintain the system in its current state, including the cost of dealing with any issues such as outages or the cost to continue to make small steps towards progressing the replacement?

Ms Leon: We would have to take that on notice.

Senator WATT: You don't have any figures along those lines with you?

Ms Leon: This would just be to give you an idea of the dimensions, but the business-as-usual ICT funding for the child support system is in the vicinity of \$6 million or \$7 million per annum, which is just for the normal maintenance and minor fixes and improvements.

Senator WATT: How much money has been spent in addition to the \$102.3 million that was budgeted to replace Cuba?

Ms Leon: I think we answered this in a question on notice a few estimates ago.

Senator WATT: Is there an undated figure?

Ms Leon: As at 30 June 2018, the ICT cost on top of the original estimates was \$33.4 million.

Senator WATT: Is it likely that figure will have increased again?

Ms Leon: We won't be allocating any additional child support modernisation funds, but the amount that will continue to be spent year on year just for normal maintenance will be in the vicinity of \$6 million to \$7 million.

Senator WATT: Could I get an updated figure on notice?

Ms Leon: Yes.

Senator WATT: How much has been spent on the agency's IT system from the department's business-as-usual budget, which I understand is \$4.8 billion?

Ms Leon: The business-as-usual ICT funding is that figure I mentioned—between \$6 million and \$7 million per year. When you say how much has been spent, do you mean over a particular period?

Senator WATT: You probably answered it. So that \$6 million to \$7 million per year in ongoing maintenance comes from the department's business-as-usual budget?

Ms Leon: That's right.

Senator WATT: It was paused in 2016, so since then we've been talking about two to three years at \$6 million to \$7 million per year?

Ms Leon: Yes, although, if we had replaced it, we would still have had an ongoing maintenance budget for the new system. So it wouldn't have removed the need for ongoing, business-as-usual funding of the child support IT system.

Senator WATT: How much has been allocated over the forward estimates for the agency's IT system?

Ms Leon: We don't allocate over the forward estimates down to divisional level and group level in the department. The forward estimates for the department are available in the budget papers, but they're not broken down by group. We allocate that each year, depending on the rhythm and operations of the department.

Senator WATT: Would it be reasonable to assume that this \$6 million to \$7 million per year figure will continue over each year in the forward estimates?

Ms Leon: In that vicinity, yes—just for child support, not for all of our IT.

Senator WATT: So you're probably looking at \$25 million to \$28 million over the forward estimates?

Ms Leon: Yes, although we haven't allocated that to any particular program as yet.

Senator WATT: No. But it's likely that that will be incurred.

Ms Leon: It's just that historically that is about the amount we have spent on the child support IT system.

Senator WATT: Given the significant process issues, budget blowouts and missed deadlines in this project, how does DHS plan to manage another IT program like Single Touch Payroll?

Ms Leon: Single Touch Payroll is not anything like replacing our existing IT system. Single Touch Payroll is a program where we will match with the Australian Taxation Office in relation to the data that's been reported to them by the payroll systems of employers. The way Single Touch Payroll works is that, instead of employers having to fill in forms to report on how much tax they've paid their staff, the software through which they pay their staff will have the capability to automatically upload salary and taxation information from employers' payroll systems to the ATO, and we will have a data link with the ATO so that the same data about what people

who are wage earners and also customers of the department for welfare purposes have been paid will be provided to us directly from the ATO. It doesn't involve us replacing our legacy IT systems.

Senator WATT: Sure. But it's still a significant IT rollout, isn't it?

Ms Leon: We have a very significant IT shop.

Senator WATT: Is there some sort of risk management program in place?

Ms Leon: Every project that we operate has a risk management plan.

Senator WATT: Okay. By the way, could I get you to table the Deloitte review that was conducted in relation to the Cuba system?

Ms Leon: I think we have dealt with that in questions on notice before, but I'll take it on notice and go back to see what the status of that is.

Senator WATT: You think you've dealt with it by providing a copy?

Ms Leon: No, I think we've dealt with it by not providing a copy.

Senator WATT: Yes, that's what I feared. Is there any reason you wouldn't table it?

Ms Leon: I think what we have said before is that the report is still under consideration while we are implementing its recommendations.

Senator WATT: When did you say it was handed down?

Ms Leon: I think Ms Bridger took on notice as to when it was completed.

Senator WATT: Seriously, many months have gone by since the report was delivered, whenever it actually was.

Ms Leon: We'll take it on notice and see if there is still any impediment to providing it to you.

Senator WATT: The budget papers have also allocated, I think, only about \$1 million to facilitate the implementation and adoption of e-invoicing in Australia. What is that million dollars for in terms of Human Services's role? I almost got you!

Mr Jenkin: DHS's role in implementing the broader agenda around e-invoicing is really to provide the access point for Commonwealth government agencies to enable all of us to be receivers of electronic invoices from business. We're not responsible for implementing the entire initiative. As you know, it's a fairly broad one that will involve significant investment across the private sector as well. But, because we've actually put one in place for ourselves and we've actually trialled that with the new standards, it was felt that we could expand that capacity. So that \$1 million will help us to now build on what we've got for DHS to enable other Commonwealth agencies to come on board and use us as the access point as they are ready to receive electronic invoices. So we are only the access point; we're not providing a broader service than that.

Senator WATT: Okay. The budget papers also show that DHS is getting \$7.2 million to administer GovPass digital ID. What will that money be used for?

Ms Leon: The minister announced last year the trusted digital identity framework, which will enable people to establish a digital ID and to enable that to be managed through a federated system such that you can prove your activity at one Commonwealth government agency—say, DHS or the ATO—and then have that identity validated when you wish to receive services from another Commonwealth entity. What we are providing is the exchange in the middle of that process so that your identity documentation wouldn't need to be transferred to the second agency; rather, the first agency would be connected via the exchange, which DHS will provide, so that your identity can be verified by the second agency. So that money is for us to build and operate the exchange.

Senator WATT: So the money will be used to employ human beings to design a system?

Ms Leon: Certainly, significant parts of that money will be for IT staff. There may be other capital costs in that as well.

Senator WATT: Actually, I understand the budget papers show that there's going to be \$9.1 million in capital funding.

Ms Leon: Yes. Capital—that's right.

Senator WATT: So that's separate from the \$7.2 million?

Mr Jenkin: That's the capital component of the same measure.

Senator WATT: Yes.

Ms Leon: Yes. But it is IT capital, by and large, yes.

Senator WATT: Yes. That will be the cost of the system.

Ms Leon: That's right. The next part of that project, yes.

Senator WATT: Yes. Have any contracts relating to this new funding been put out to tender yet?

Mr Jenkin: I'm not aware that it has been yet, but I can't say for sure. We'll probably have to confirm that.

Senator WATT: Do you know when it's anticipated that tenders will be issued?

Ms Leon: I don't know if there will need to be tenders. We may conduct the work ourselves.

Senator WATT: Oh, okay. So you won't necessarily outsource it?

Ms Leon: We may not necessarily. I'm happy to take on notice whether there will be external tenders, but we may manage the project ourselves, whether it's with APS staff or with ICT contractors.

Senator WATT: Righto. You might remember at the last estimates I asked some questions about a letter that I think your department essentially mailed out that was co-signed by Mr Frydenberg. I was pretty concerned because he signed it off as the deputy leader of the Liberal Party, and I asked some questions about the appropriateness of that. I think, from memory, what you said to me was that DHS's role was simply, literally, that of a postbox—

Ms Leon: Yes.

Senator WATT: and it didn't design the content of that. I understand a legal opinion has been sought to ensure that that action was not in breach of various rules. Is that correct? I think there's been some reporting of this legal opinion.

Ms Leon: I'm not aware of it. I didn't seek a legal opinion. The content of the letter was a matter for the Department of Health.

Senator WATT: So your department, at least, has not sought a legal opinion on whether that letter was in breach of government guidelines?

Ms Leon: Not that I'm aware of.

Senator WATT: Has your department seen any legal opinion on this, whether it was one sought by another part of government or by the Liberal Party?

Ms Leon: Not that I'm aware of, no.

Senator WATT: Since we've asked these questions, has your department changed its processes around the distribution of mail to ensure that there's not a repeat of the naming of political parties in mail that you're posting out for government?

Ms Leon: I outlined at last estimates that the content of letters that we send on behalf of other departments is a matter for those other departments. It's not the role of DHS to check or second-guess or overrule what another department has asked us to mail out, so I don't think there were any processes that we had to change. The department that was responsible for that letter, I think, has revised the letter to remove the phrase about which you were asking questions, so it may be that they have overhauled their processes.

Senator WATT: If your department is effectively the central mailing house for letters going out to the public from other parts of government, don't you think it would be wise to have a vetting process in place? I'm not saying you need to go through and correct every spelling mistake in a letter or anything like that, but, for something that is potentially putting a letter in breach of departmental government guidelines, don't you think it's a good idea to have some process in place to check that, especially in the run-up to an election?

Ms Leon: The risk of doing that is that it does blur the accountability for the letter. If the departments for which we are the postbox have responsibility for a letter and we start checking it and giving them advice about what to put into it or what not to put into it then there is a risk that it will start to become unclear who is actually responsible for the letter being correct and appropriate. Since the relevant secretaries of the departments that produce the letter are currently clear that that is their accountability, I'd be reluctant to start saying that we're going to check some things in the content of the letter, whereas other things are still going to be their responsibility. I think there would be a bit of a risk of blurred and perhaps unclear accountability if we were to go down that path.

Senator WATT: So there's been no particular action taken by your department to prevent any repeats of this such that we might see large mail-outs naming the Liberal Party, the National Party, the coalition—

Ms Leon: I think we've all had our awareness raised by the events relating to that letter. Although we haven't instituted procedures, it's possible people would be alert to an occurrence like that and would draw it to the attention of the relevant other department for them to make a decision about.

Senator WATT: Minister, do you know whether there's been any reminder or advice issued to ministers and departments about the need to comply with government guidelines in the run-up to the election?

Senator Fifield: No.

Senator WATT: You're not aware?

Senator Fifield: I'm not aware.

Ms Leon: There certainly has been guidance issued to all Public Service departments in preparation for the impending election, just to remind us of the caretaker conventions.

ACTING CHAIR: I do remember the former secretary David Tune making a very revealing comment about the actions of a former Labor minister, Mark Dreyfus, when it came to observing caretaker conventions and advertising campaigns at the end of one estimates. That's a comment, not a question, Minister.

Senator WATT: There you go! Some advantages of corporate memory, Senator Smith. My next batch of questions is about debt recovery. To date, how many debts have been raised through the online compliance initiative?

Mr Storen: From 1 July 2016 to 31 March 2019, there were 500,146.

Senator WATT: 500, 146. And that was for what period?

Mr Storen: From 1 July 2016 to 31 March 2019.

Senator WATT: Right. I think I remember us talking about this last time—that there was a sort of terminology. 'Debt raised' is where you say there is a debt, but that doesn't necessarily mean it's conclusive that there is a debt. Is that right?

Mr Storen: At the end of a review process, the department has arrived at a decision that there is a debt, based on the best evidence available, and we issue a debt notice, but all customers have the right to ask us to reassess, particularly if they have more evidence and information to bring.

Senator WATT: What percentage of these debts have been challenged?

Mr Storen: I'm unsure of how to address the term 'challenged'. In the information that was tabled earlier tonight, we provided the information that, of the 500,146 debts, at 31 March the number of debts that were reduced to a non-zero amount was 40,012, which is about eight per cent of the 500,146, and the number of debts reduced to zero was 20,051, which is approximately four per cent of the 500,146. So you can add those up to being 12 per cent of the 500,146.

You might also like to note that the Ombudsman tabled a report earlier this week, and there is some narrative in there about the percentage of debts that have changed subsequently, through a reassessment process. The Ombudsman reports that, in the earlier period up until their initial report, it was about 16 per cent. That was from July 2016 to May 2017. Subsequent to May 2017, it's dropped down to eight per cent.

We would also point out that we changed our digital platform from the original OCI platform to EIC in February 2017. We've closely looked at the reviews that have been initiated under the new EIC platform—so, from February 2017. The reviews that have been completed in that platform have about a one per cent rate of being reduced to zero and a four per cent rate of being reduced to non-zero.

Senator WATT: Do you have any updated figures on how many, and the percentage, of these debts have been reduced when they've been challenged, or for other reasons?

Ms Leon: I think it's important to recognise that it doesn't mean they were just challenged and then we reviewed them and decided that we'd got it wrong. Usually the reason that debts are reduced, whether to zero or to non-zero, is that the customer provides us with additional information so that we can recalculate the debt. That's information about what they earned and when they were working. We always will recalculate the debt if we are provided with better information.

Senator WATT: For whatever reason, do you have any figures on the number of debts that have been reduced?

Ms Leon: That's in the material that we tabled today.

Senator WATT: Okay. How many of those debts have been completely cleared?

Ms Leon: That's also in that material that's been tabled, so you'll have that there. That was—

Senator WATT: 15,721.

Ms Leon: That is for the period that I think you asked for—1 July 2016 to 31 December 2018. They are the figures that we've tabled.

Senator WATT: It appears that there are people watching us, on Friday night.

Ms Leon: The figures that Mr Storen provided are just for a slightly longer time frame—that is, up until the end of March.

Senator WATT: Yes, I understand that. From the information you've tabled tonight, from 1 July 2016 to 31 December 2018 there have been 34,458 debts reduced to an amount above zero.

Ms Leon: That's right.

Senator WATT: That's about 34½ thousand. Debts reduced to zero, 15,721. Debts waived and/or written off permanently, 27,361. I see from your footnotes that waived or written off might be because it is so small that it's not cost-effective to pursue or there has been an administrative error, or there might be a permanent right-off where the recipient is deceased or has been declared bankrupt.

Ms Harfield: There's actually a significant number of reasons why we might waive or write off a debt. Some of those might be temporary, because somebody's in an emergency or in a disaster area that has been declared. Obviously, we would want to pause any recovery action in relation to that. But it also could relate to a customer's particular circumstances—a domestic situation in reaction to vulnerability around domestic violence and those types of issues. So there is a very long list of the sorts of reasons we might decide to write off or waive a debt.

Ms Leon: That applies to debts across the board, not just debts arising as a result of the income-matching measures.

Senator WATT: But we're getting close to 100,000 debts that have been waived, written off or reduced, whether it be to zero or to another amount.

Ms Leon: I do want to emphasise the point that I made at the beginning, which is that all of those ones that are reduced—not ones that have been waived or written off, which might be because the amount is too small to pursue or the customer's deceased or any of the other special circumstances—debts that are reduced after they've been issued, are almost always because the customer then provides us with information that enables us to recalculate it. It's not that there's any failure or mistake in the calculation that has gone on that has led to the debt. It's that, up until that point, the customer hasn't provided us with all the information. Once they do, we are in a better position to calculate what the right amount of the debt is.

Senator WATT: How many debts that have been raised through the online compliance initiative use some sort of averaging algorithm?

Mr Storen: We've attempted to answer that question on notice previously. We can't tell, particularly because the apportionment of data across earnings periods could be done by the customer online, who may actively apportion it themselves. It could be done with a compliance officer on the phone with a customer, or it could be done by a compliance officer due to a non-responsive customer. The system itself does not have a data item to enable us to tell you the proportion that has been done using that method.

Senator WATT: My recollection from the inquiry we did into this was that one of the core problems that was generating the complaints and the incorrect assertions of debts was that some form of averaging of people's income was occurring which was not recognising that they might be on full-time hours one month and getting 10 hours a week the next. So you don't actually know how many of these debts have been raised because of the use of some sort of averaging algorithm.

Ms Leon: There isn't a field that collects that data to say when it has been done by averaging. We certainly encourage customers to provide us with information about when they actually worked and how much they actually earned so that we won't need to average. Given the number of these debts that were raised incorrectly because of the averaging, you don't think there needs to be some—

Ms Leon: I don't have any reason to believe that the numbers that we've given you correlate with the use of averaging. This is all debts where the person has then provided us with more information that has led us to recalculate the debt. I don't think there is any reason to believe that those numbers only relate to cases where averaging has been used.

Senator WATT: Does that mean you also don't have any figures on the number of debts raised after the use of an averaging algorithm that have then been reduced or cleared?

Ms Leon: No, Senator.

Senator WATT: What's the current figure for the debt owed to the government in Centrelink debts?

Ms Leon: Arising from this initiative or overall?

Senator WATT: To compare apples with apples, it was reported that this figure had hit a billion dollars in around April this year. I'm not sure whether that was OCI or a broader figure.

Ms Leon: We can get you the figures of how much we've raised. In the income matching measure, we have raised about \$1.5 billion in debt.

Senator WATT: Again, 'raised'—that's sort of the beginning of the process.

Ms Leon: That's right.

Senator WATT: It could then be challenged, it could be reduced, but that's the amount that the department has asserted is owed?

Ms Leon: The \$1.5 billion is not the initial assertion. Initially people receive a letter where we say there's a discrepancy between what they've declared to us and what the ATO has told us they've earned. It's only at the end of the process of getting information from the customer that a debt is raised. So the debt that's raised is at that point, not at the beginning, and that's over the whole program. Officers at the table probably have the exact amount, but \$1.5 billion has been raised.

Senator WATT: Do you keep track of the rate at which that is increasing?

Mr McNamara: We track this every week.

Senator WATT: Can you put some figures around that, then?

Mr McNamara: In terms of?

Senator WATT: How much it's increasing by? Is it \$100 million a week, is it—

Mr McNamara: Yes, I can probably put some figures around that for you. Broadly, we're talking about 6,000 or so reviews a week.

Mr Storen: My quick maths gives me about \$10 million to \$12 million per week.

Senator WATT: So about \$10 million to \$12 million per week is raised, meaning—

Mr Storen: The review is finalised.

Senator WATT: The review is finalised and then they're asked to repay?

Mr Storen: We've reached a conclusion. Correct.

Senator WATT: But there is still the opportunity for people to challenge that, isn't there?

Ms Leon: Yes.

Senator WATT: That doesn't mean you've collected \$1.5 billion.

Ms Leon: No. As at 31 December, we had collected about a third of that, about \$0.5 billion, and another \$0.5 billion was under repayment arrangements, which is—

Senator WATT: Sorry—that was as at when?

Ms Leon: That's as at 31 December.

Senator WATT: I think we got those figures last time, from memory.

Ms Leon: That's right.

Senator WATT: What is the number of debts that have been raised this financial year?

Ms Leon: Under this measure?

Senator WATT: Yes.

Mr McNamara: This financial year, to date, we've completed 292,000 reviews and raised around \$560 million and recovered—

Senator WATT: That's for the financial year until?

Mr McNamara: Until last week. And we've recovered just over \$200 million.

Senator WATT: I refer to the report of the Senate inquiry we did into robo-debt and the recommendations that were made. One of the things that we found was that the department had taken what we termed a 'guilty until proven innocent' approach. Have there been any changes made of the department's processes in light of that to alter how it approaches debtors?

Ms Leon: We wouldn't agree, Senator—

Senator WATT: No, I didn't think you would.

Ms Leon: that we had taken a guilty-until-proven-innocent approach. We give our customers an opportunity to explain the discrepancy that we have identified between the income they have reported and the income provided by the ATO. I think it's fair to say that that opportunity has been made easier by updates to our online portal and by increasing the availability and responsiveness of the telephone service by which people who have received a letter from us can contact us to work through what their income actually was.

Senator WATT: Is Mr Hanlon—the General Manager, Information, Debt and Appeals—here?

Ms Musolino: He's no longer in that role.

Senator WATT: Okay. He's still within the department, though?

Ms Musolino: No, he's not. He has left the department. I think he went to Agriculture.

Senator WATT: What I'm told is that, in April this year, Mr Hanlon visited a number of debt sections of the department and told workers there that there would be five years of flat-out work available within this part of the department, given the workload in chasing debts. Is that news to you?

Ms Leon: We are funded across the forward estimates for this measure, and we are funded at a level consistent with what we are currently running at, which is about 1,000 staff a year.

Mr Storen: Senator, it might also be in the context of the total debt management function of the department, which is quite a lot larger than the income data matching effort. The total debt book is a \$3 billion to \$4 billion amount across all the department's programs. The debt function focuses on the collection of debts across that, which is more than what we're talking about here.

Senator WATT: Is it true that the department has now ended a number of employment contracts in the debt recovery sections?

Ms Leon: It's a very large workforce, and so non-ongoing contracts would be coming to an end all the time.

Senator WATT: Some of those people aren't being retained?

Ms Leon: That's always the case with non-ongoing contracts, and so it wouldn't surprise me at all if there have also been some non-ongoing debt contracts in that area; it's quite possible that they've come to an end.

Senator WATT: Has the overall number of people employed to do this debt collection work been reduced?

Ms Leon: The overall number of people working in debt raising and recovery hasn't been reduced, but some of those people are labour hire now.

Senator WATT: So the same number of people but some are labour hire rather than direct employees?

Ms Leon: It's not the same number of people. In relation to the income data matching that we're talking about, that is 1,000 more people.

Senator WATT: That's it for debt recovery. You will all be pleased to know that I have only one other set of questions regarding Centrepay. Are you able to advise how many rent-to-buy scheme providers are currently receiving payments directly from Centrelink through the Centrepay system?

Mr Matthews: I think we have tabled a QON in response to consumer leases. I think we said there were approximately 192 consumer lease businesses registered for Centrepay. Some may be registered but not necessarily active in Centrepay and getting deductions. I don't have that figure with me tonight.

Senator WATT: Are you saying that you have already provided a list of those 192?

Mr Matthews: It was a QON. I think we provided a question on notice that had quite a bit of a breakdown about Centrepay in terms of the number of consumer lease businesses, the amount over the last 10 years that had been directed towards consumer lease business and those sorts of things.

Senator WATT: Is it a full list of all of those providers?

Mr Matthews: It's not a list of the providers. We've listed the number and the amount of money. I don't think we provided a list of the businesses. That could be provided.

Senator WATT: Could I get a copy of that, please?

Mr Matthews: Sure. We can take that on notice. I obviously don't have it with me.

Senator WATT: Sure. Are you able to provide the total dollar value of deductions from Centrepay for the January 2018 to June 2018 period?

Mr Matthews: I don't think I have that figure with me for that particular period, but the annual figure for Centrepay overall is close to \$2.5 billion.

Senator WATT: \$2.5 billion?

Mr Matthews: Yes. Quite a significant amount of money flows through Centrepay. So it would probably be about half of that. Again, I can get you an exact number on notice.

Senator WATT: Yes; if you could. But we're probably talking about \$1.2 billion or \$1.3 billion.

Mr Matthews: That's for all Centrepay. That is not for consumer leases; that's for all Centrepay.

Senator WATT: I must admit that I am not sure what the significance of January 2018 to June 2018 is, but I'm sure there is some. Are you able to provide information about the average number of customers per month for that same period?

Mr Matthews: I can say that, in any given month, we have about 640,000 customers using Centrepay. That would be a rough proximate.

Senator WATT: Wow! Are they unique customers?

Mr Matthews: Yes.

Senator WATT: Do you have any figures about the average number of deductions per month?

Mr Matthews: Deductions per month? Yes, I do actually. Average number of Centrepay deductions per month is about 2,174,456.

Senator WATT: Sorry. Could you give me that figure again?

Mr Matthews: It is 2,174,456.

Senator WATT: Deductions per month?

Mr Matthews: Yes. It's an average, so it will obviously vary from time to time. But that gives you an order of magnitude.

Senator WATT: Was that a dollar figure or the number of deductions?

Mr Matthews: That's the number of deductions.

Senator WATT: I know I was asking about January 2018 to June 2018, but could you give me the most up-to-date figures that you have for things like the total value of deductions, which you said was approximately \$2½ billion per month? Ignore the request about—

Mr Matthews: That's per year; not a month.

Senator WATT: Sorry; per year. So let's get the most up-to-date figures you have rather than January 2018 to June 2018.

Mr Matthews: Yes. I can actually give you the total value of Centrepay deductions from 1 July 2018 to 30 December 2018.

Senator WATT: Let's go with that.

Mr Matthews: That's about \$1,318,908, 239.

Senator WATT: Do you have any figures there for that period for the number of customers per month or the number of deductions?

Mr Matthews: Yes. That's approximately 640,000.

Senator WATT: That was from what period?

Mr Matthews: That's for the same period—from July 2018 to December 2018.

Senator WATT: Do you know what the average interest rate charged for products by rent-to-buy companies is?

Mr Matthews: No; we do not know that, Senator. We're not party to those arrangements. That would be between the business and the consumer.

Senator WATT: But you're aware there is some concern about the level of interest rates?

Mr Matthews: Absolutely.

Senator WATT: There's never been any consideration about the government at least monitoring this, if not doing more, given you're involved?

Mr Matthews: There was a Senate inquiry around this. Centrepay effectively is a service for customers to ensure they can meet their obligations. We're not necessarily a party between the person and the organisation. In the same way, we don't check that for rent or any other deductions we do. So we're not involved at that level. Generally the way they are regulated and monitored is through the wider consumer regulation framework.

Obviously the debate is about the regulatory settings for where those consumer lease businesses exist. That is the way they are regulated at the moment through ASIC, the ACCC and those types of bodies.

Ms Leon: We do provide information on our website to help Centrepay customers assess the value of what they are entering into with these contracts. We have a 'managing your money' section of our website that gives people information and refers them to the ASIC 'rent to buy' calculator so they can work out, 'If I enter into this rent-to-buy scheme, how much will it cost me for the appliance by the time I have paid it off?' and make an informed decision. We also provide on the website examples of other ways they could purchase it if they decide that rent to buy is not very good value.

Mr Matthews: I would also add that we work reasonably closely with ASIC and the regulators. If we get complaints or issues around that, we'll work actively to pass them on to the regulators.

Senator WATT: You'd be aware there have been instances where someone on Centrelink payments used Centrepay and ended up paying about \$8,000 for a fridge because of the interest rates and admin fees charged.

Ms Leon: We're aware people can end up paying much more than face value. That's why we include information on our website to help people make an informed decision about whether they will use this method of acquiring the appliance.

Senator WATT: If Centrelink is effectively facilitating these arrangements, you don't think you have some greater responsibility to either suggest action within government or take action yourselves to ensure people are not being ripped off?

Ms Leon: As Mr Matthews has said, the responsibility for regulating consumer leases rests with ASIC and the regulatory bodies. It's not only Centrelink customers who might be paying a lot more than the face value of an appliance; that could be occurring for any person in Australia who uses these methods of buying appliances, so that belongs with the regulatory bodies in the financial portfolios.

Mr Matthews: For example, it is one of our terms and conditions that they cannot charge a higher price for a Centrepay consumer than they would otherwise.

Senator WATT: No, I'd be horrified if they did, but the reality is that we're talking about vulnerable people who don't have a lot of money and are more open to being exploited through these schemes.

Mr Matthews: It's not a function of Centrepay; that's an issue of the wider regulatory scene.

Senator WATT: How much does it cost to implement this Centrepay scheme?

Mr Matthews: I don't have the exact cost with me. We charge businesses for deductions, so it tends to run on a fee recovery basis. There is a fee per transaction for the businesses but it's free for the customer. The businesses fund us per deduction, and that is what runs the scheme. It's not a figure that I brought with me tonight.

Senator WATT: I'm having a very quick look over the information you tabled on processing and wait times for telephony. I know in past estimates you've had comparative figures. Are we looking at a downward trend?

Ms Leon: We can give you the page that we usually give you.

Senator WATT: Have you got that handy?

Ms Leon: Yes.

Senator WATT: I know it's getting late. Why don't I get you to table that.

Ms Leon: I can say that there is a downward trend in busy signals. We have about a 40 per cent reduction in busy signals this year compared to the same time last year. We are driving wait times down considerably on all of our main business lines as well.

Senator WATT: I might get you to table that. Let's call it a night.

ACTING CHAIR: There being no other questions from senators, that concludes today's examination of the Department of Human Services in the Social Services portfolio. On behalf of the committee I thank the minister and officers of the department for their attendance, and Hansard, broadcasting and the secretariat staff. Senators are reminded that written questions on notice should be provided to the secretariat by 18 April 2019. Officers are reminded that answers to questions taken on notice should be returned to the committee by 30 May 2019.

Committee adjourned at 22:19