



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

SENATE

COMMUNITY AFFAIRS LEGISLATION COMMITTEE

Estimates

THURSDAY, 2 MARCH 2017

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SENATE

COMMUNITY AFFAIRS LEGISLATION COMMITTEE

Thursday, 2 March 2017

Members in attendance: Senators Carol Brown, Cameron, Dodson, Duniam, Griff, Kakoschke-Moore, Leyonhjelm, Lines, Paterson, Polley, Pratt, Reynolds, Rhiannon, Roberts, Siewert, Singh, Watt, Xenophon.

SOCIAL SERVICES PORTFOLIO

In Attendance

Senator Ryan, Special Minister of State, Minister Assisting the Prime Minister for Cabinet

Senator Seselja, Assistant Minister for Social Services and Multicultural Affairs

Department of Social Services

Executive

Mr Finn Pratt, Secretary

Ms Barbara Bennett, Deputy Secretary, Families and Communities

Ms Felicity Hand, Deputy Secretary, Disability and Housing

Mr Michael Lye, Deputy Secretary and Chief Operating Officer, Corporate Support

Ms Serena Wilson, Deputy Secretary, Social Security

Cross Outcomes

Mr Scott Dilley, Chief Financial Officer and Group Manager, Finance and Services

Mr Paul McBride, Group Manager, Welfare and Housing Reform

Mr Peter Qui, Group Manager, Information Management and Technology

Dr Tim Reddel, Group Manager, Policy Office

Ms Janean Richards, Chief Legal Counsel and Group Manager, Corporate Services

Mr Iain Scott, Group Manager, Program Office

Mrs Janet Stodulka, National Manager, Delivery Group

Ms Christine Bruce, Branch Manager, Program Relationships and Design

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

Mr Robert Stedman, Branch Manager, Program Systems Support

Ms Tracy Creech, Branch Manager, Selections and Establishment

Mr Richard Baumgart, Branch Manager, Program Strategy

Ms Sharon Bailey, Branch Manager, People

Ms Tracey Bell, Branch Manager, Communication Services

Mr Philip Brown, Branch Manager, Policy Strategy

Ms Tracey Carroll, Branch Manager, Budget Development

Mr David Dennis, Branch Manager, Policy Evidence

Mr Alan Grinsell-Jones, Branch Manager, Legal Services

Ms Tracy Hobden, Branch Manager, Financial Management and Procurement

Ms Jennifer Kay, Acting Branch Manager, Government and Executive Services

Mr Murray Kimber, Branch Manager, Investment Approach Taskforce

Ms Kathryn Mandla, Branch Manager, Policy Systems

Ms Jillian Moses, Branch Manager, Social Security Analytics

Ms Lyn Murphy, Branch Manager, Property, Security and Business Continuity

Mrs Carolyn Paterson, Branch Manager, Organisation Strategy Services

Mr Matthew Roper, Branch Manager, Assurance and Performance

Mr Stephen Sheehan, Branch Manager, Financial Accounting

Outcome 1

Mr Scott Dilley, Chief Finance Officer and Group Manager, Finance and Services

Ms Cath Halbert, Group Manager, Payments Policy

Mr Paul McBride, Group Manager, Welfare and Housing Reform

Mr Evan Lewis, Group Manager, Multicultural, Settlement Services and Communities

Ms Janean Richards, Chief Legal Counsel and Group Manager, Corporate Services

Ms Sharon Bailey, Branch Manager, People

Ms Tracey Bell, Branch Manager, Communication Services

Ms Yvette Sims, Branch Manager, Multicultural and Communities

Ms Tracey Carroll, Branch Manager, Budget Development

Ms Anita Davis, Acting Branch Manager, International and Means Test Policy

Mr Russell de Burgh, Branch Manager, Age, Pensions and Integrity

Mr Alan Grinsell-Jones, Branch Manager, Legal Services

Mr Matthew Hardy, Branch Manager, Family Payments and Child Support Policy

Ms Emma Kate McGuirk, Branch Manager, Work and Study Payments

Ms Mary McLarty, Branch Manager, Eligibility and Participation Policy

Mr Andrew Whitecross, Branch Manager, Rates and Means Testing Policy

Outcome 2

Dr Roslyn Baxter, Group Manager, Families

Mr Scott Dilley, Chief Finance Officer and Group Manager, Finance and Services

Mr Evan Lewis, Group Manager, Multicultural, Settlement Services and Communities

Ms Janean Richards, Chief Legal Counsel and Group Manager, Corporate Services

Ms Sharon Bailey, Branch Manager, People

Ms Tracey Bell, Branch Manager, Communication and Media

Ms Yvette Sims, Branch Manager, Multicultural and Communities

Mr Leo Kennedy, Branch Manager, Settlement Support

Mr Chris Mitchell, Acting Branch Manager, Settlement Policy

Ms Tracey Carroll, Branch Manager, Budget Development

Mr Alan Grinsell-Jones, Branch Manager, Legal Services

Mr Mathew Johnston, Branch Manager, Redress Taskforce

Ms Brooke Hartigan, Acting Branch Manager, Redress Taskforce

Mr Stephen Moger, Acting Branch Manager, Family Policy and Programs

Ms Lara Purdy, Branch Manager, Family Safety

Mr Tristan Reed, Branch Manager, Welfare Quarantining and Gambling

Mr Stewart Thomas, Branch Manager, Housing and Homelessness

Ms Kris Cala, Branch Manager, Children's Policy

Outcome 3

Mr Scott Dilley, Chief Finance Officer and Group Manager, Finance and Services

Mr John Riley, Acting Group Manager, Market Reform

Ms Helen McDevitt, Group Manager, Transition Oversight

Mr James Christian, Group Manager, Disability Employment and Carers

Ms Janean Richards, Chief Legal Counsel and Group Manager, Corporate Services

Ms Sharon Bailey, Branch Manager, People

Ms Tracey Bell, Branch Manager, Communication and Media

Ms Tracey Carroll, Branch Manager, Budget Development

Mr Alan Grinsell-Jones, Branch Manager, Legal Services

Ms Anne-Louise Dawes, Branch Manager, Supported Employment Policy, Access and Engagement

Ms Helen Board, Branch Manager, DES Assurance

Mr Peter Broadhead, Branch Manager, Disability Employment Services

Ms Nerida Hunter, Branch Manager, Financial Policy and Performance

Mr Ty Emerson, Branch Manager, National Disability Insurance Scheme Market Oversight

Ms Catherine Reid, Acting Branch Manager, Disability and Carer Policy

Mr Bruce Smith, Branch Manager, Market Regulation (Quality and Safeguards)

Ms Joanne Llewellyn, Acting Branch Manager, National Disability Insurance Scheme Program Transition

Mr James Kemp, Director, Supported Employment Policy, Access and Engagement

Outcome 4

Dr Roslyn Baxter, Group Manager, Families

Mr Scott Dilley, Chief Finance Officer and Group Manager, Finance and Services

Mr Paul McBride, Group Manager, Welfare and Housing Reform

Ms Janean Richards, Chief Legal Counsel and Group Manager, Corporate Services

Ms Sharon Bailey, Branch Manager, People

Ms Tracey Bell, Branch Manager, Communication and Media

Ms Tracey Carroll, Branch Manager, Budget Development

Mr Alan Grinsell-Jones, Branch Manager, Legal Services

Mr Stewart Thomas, Branch Manager, Housing and Homelessness

National Disability Insurance Agency

Mr David Bowen, Chief Executive Officer

Mr Steve Jennaway, Chief Financial Officer

Ms Stephanie Gunn, Acting Deputy Chief Executive Officer
Ms Louise Glanville, Deputy Chief Executive Officer, Stakeholder Relations
Ms Vicki Rundle, General Manager, Performance Improvement and Recovery Operations
Mr Grant Tidswell, Chief Operating Officer

Department of Human Services

Ms Kathryn Campbell CSC, Secretary

Outcome 1

Mr John Murphy, Deputy Secretary, Payments Reform Group
Mr Barry Jackson, Deputy Secretary, Service Delivery Operations Group
Ms Bridget Brill, General Manager, Channel Operations, Indigenous and Intensive Services Division
Mr Mark le Dieu, Acting General Manager, Face to Face Services Division
Ms Leanne Smith, Acting General Manager, Service Strategy and Transformation Division
Mr Bill Volkens, General Manager, Smart Centres Division
Ms Bruce Young, Acting General Manager, Child Support Smart Centres Division
Ms Malisa Golightly, Deputy Secretary, Integrity and Information Group
Ms Alison McCann, Acting General Manager, Customer Compliance Division
Mr Jim McMahan, General Manager, Customer Payment Services Division
Mr Jason McNamara, General Manager, Business Process Review Division
Mr Craig Storen, General Manager, Strategic Information and Redesign Division
Mr Mark Withnell, General Manager, Business Integrity Division
Assistant Commissioner Andrea Quinn, Taskforce Integrity Division
Mr George Thiveos, Acting Deputy Secretary, Program Design Group
Ms Janine Pitt, General Manager, Participation and Disability Division
Ms Melissa Ryan, General Manager, Older Australians Division
Ms Laura Gannon, National Manager, Disability Branch
Mr Dennis Mahony, National Manager, Families and Child Support Policy Branch
Ms Caroline Edwards, Deputy Secretary, Health and Aged Care Group
Ms Kirsty Faichney, General Manager, Health Programs Division
Ms Melissa McClusky, General Manager, Health Service Delivery Division
Ms Linda Young, Acting General Manager, Aged Care Division
Mr Jonathan Hutson, Deputy Secretary, Enabling Services Group
Ms Cathy Sear, General Manager, Communication Division
Ms Sue Kruse, General Manager, Whole of Government Coordination Division
Ms Annette Musolino, Chief Counsel, Legal Services Division
Mr Kim Terrell, Acting Deputy Secretary, Shared Services Group
Ms Kylie Crane, Acting General Manager, Portfolio Project Office

Mr Robert Higgins, General Manager, Corporate Operations Division
Mr Adrian Hudson, General Manager, People Services Division
Mr Neal Mason, General Manager, People Capability Division
Mr Gary Sterrenberg, Chief Information Officer
Mr Andrew Larkin, General Manager, Adelaide Delivery Centre
Mr Mark Jenkin, Chief Financial Officer

Committee met at 09:00

CHAIR (Senator Duniam): I declare open this meeting of the Community Affairs Legislation Committee on 2 March 2017. The Senate has referred to the committee the particulars of proposed additional expenditure for 2016-17 for the portfolios of health and social services, including human services. The committee may also examine the annual reports of the departments and agencies appearing before it. The committee is due to report to the Senate on 28 March 2017 and has fixed 21 April as the date for the return of answers to questions on notice. Senators are reminded that any written questions on notice should be provided to the committee secretariat by close of business 10 March 2017.

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

Any questions going to the operations or financial positions of the departments and agencies which are seeking funds in the estimates are relevant questions for the 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 a discretion to withhold details or explanations from the 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.

The extract read as follows—

Public interest immunity claims

That the Senate—

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

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

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

(1) If:

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

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

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

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

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

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

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

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

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

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

(13 May 2009 J.1941)

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

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 requirement of the 2009 order; witnesses are instead 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.

Department of Human Services

[09:03]

CHAIR: I welcome Senator the Hon. Scott Ryan, representing the Minister for Human Services, and officers of the Department of Human Services. Minister, would you like to make an opening statement?

Senator Ryan: No, but do officials have an opening statement?

Ms Campbell: Today, I would like to highlight some of the recent key work of the Department of Human Services and take this opportunity to explain the online compliance initiative, to clarify matters which may have been misconstrued and incorrectly reported. The department has made important progress in relation to the Welfare Payment Infrastructure Transformation program, the Farm Household Allowance, myGov, the Cashless Debit Card, domestic violence and our multicultural servicing strategy.

In relation to the Welfare Payment Infrastructure Transformation program, which is known as WPIT, the government has recently invested a further \$313.5 million net expenditure over four years to commence tranche 2, which has moved the program from planning into delivery. This work will begin by developing new welfare payment processes and services for students, revamping how \$3 billion in students payments are administered and delivered. In continuation from tranche 1, digital enhancements are being progressively rolled out to make online interactions quicker and easier.

In relation to the Farm Household Allowance, the department has been working closely with the Department of Agriculture and Water Resources to provide support to those affected by the dairy industry downturn. We have done this by engaging a Dairy Industry Liaison Officer to help dairy farmers access information on the various types of support available to them. We have provided additional resources to support Farm Household Allowance claims processing and the Farmer Assistance Hotline. We have also visited affected areas with the Australian government Mobile Service Centres.

The department has worked with the Digital Transformation Agency over the first half of the financial year to review the user experience and explore ways to further improve on the myGov service, leading to a single prototype. The department is also working with the Department of Social Services on the Cashless Debit Card Trial. The department has a supporting role in the trial, which includes referring participants to the card provider, Indue Ltd.

More generally, the department is actively assisting both staff and customers affected by the important issue of family and domestic violence. This includes providing access to support services and information on payments. Customers are proactively identified and assisted using the department's risk identification and referral model. This uses a targeted proactive approach to identify and respond to customers with family and domestic violence concerns. For example, at certain life events where domestic violence may be more likely, customers are proactively asked if they feel safe and, if appropriate, are offered a referral to an external specialist service provider or a departmental social worker. The department is currently exploring opportunities to replicate the risk identification and referral model in the

online channel. A specialist staff family and domestic violence contact officer network has also been established, providing a telephone based advice and support service for our staff.

In August 2016 the minister launched the department's *Multicultural servicing strategy 2016-19*. This strategy spans three years and is a public statement of the department's commitment to provide accessible high quality services to our culturally diverse customers and communities, particularly as we adopt new technology and move to the digital age. We are bringing our culturally diverse customers along on this journey. An important new action in the strategy is a multicultural awareness program—'multiculturalism: our stories'—which is delivered by our staff to our staff. Facilitators are from refugee or migrant backgrounds or have extensive experience in the multicultural space. The program is based on the sharing of stories in a conversational style so that we keep connected to the real challenges our customers face.

Turning to the online compliance initiative, ensuring the integrity of the welfare system is a key focus for the Australian government and for the Department of Human Services. The government considers that Australians expect the welfare payment system to be fair. This means that people should receive payments for which they are eligible—no more and no less. Data matching is not new; it is a longstanding approach used to detect potential noncompliance since the 1990s. It helps define potential overpayments by, for example, comparing a person's taxation records against income reported to the department. People have always been responsible for providing the department with correct information.

The introduction of a self-service digital solution for compliance interventions was announced as part of the 2015-16 budget measure, Strengthening the Integrity of Welfare Payments. In 2015-16 just under 105,000 manual assessments were initiated, with over 101,000 completed. Between July and December 2016 almost 220,000 assessments were initiated, with almost 168,000 completed. This measure did not commence in the weeks before Christmas. The measure concerns only people who have earned an income, not those who are wholly dependent on social welfare. Almost half of the cases described in public reports did not relate to the online compliance initiative. How we assess income and calculate debts has not changed. The data matching process identifies differences, which we ask people to check. No debt is raised until we have attempted to contact a person and give them the opportunity to explain differences.

Initial letters are not debt letters. The initial letter requests people to confirm employment and income details and to correct any inaccuracies. No assumptions about debt are made. A second letter is also sent to remind people of the need to engage. Only part of the process is online, and our staff are involved. The online process enables people to confirm their details in their own time without having to speak to us if they do not wish to. However, anyone with a query about the letters or using the online system can easily get in contact with us by calling the designated compliance phone number 1800086400, with minimal wait times.

People can also request a reassessment of a debt. There is no time limit for this, and if a person is not satisfied with the outcome of a reassessment, this can be progressed to a formal review. If they disagree with that then people can appeal. No error exists when differences are explained and no debt arises. In around 20 per cent of completed cases from July to December 2016 the difference was explained and the matter was settled. This shows that the system worked as was intended. Accordingly, around 80 per cent of assessments resulted in debts.

Currently, people have 28 days to confirm or update their information online, with a reminder sent at the 14-day mark. Even with this amount of time, our experience is that some people will not engage with our initial letters. Indeed, sometimes they do not engage with us until their payments are suspended or they receive a debt notice. For example, in 2016 we sent 260,000 reminder letters to Family Tax Benefit recipients who had not lodged a tax return. We still needed to raise 65,000 debt notices. Once the recipients engaged with us, almost a third of those were changed to \$0. By contrast, only 3.5 per cent of the 130,000 online compliance debts raised from July 2016 to January 2017 were later reduced to \$0.

As with all our systems and processes, the department is constantly refining how we operate. We piloted the new system with about a thousand people over two months in July and August of 2016, we used feedback to make a number of improvements and we have continued to refine the system since July 2016. One such refinement relates to former recipients. I acknowledge that some former welfare recipients may not have received their initial reminder letter, their debt assessment account payable letter, because we did not have their latest addresses recorded and they were not using myGov. The first they may have known about the issue was when contacted by a debt collection agency. The number of people in this category is around 6,600, not the hundreds of thousands reported in the media, which represents less than five per cent of assessments initiated. We now send both the initial and the first reminder letter by registered mail. If the letters are returned, we will conduct further address checking.

We have also provided more streamlined access to the online system, using a security code, with instructions provided in the initial letters. We have adjusted the design and layout of the online system to enhance readability and we now offer people the chance of using bank statements to enter net pay rather than gross pay. As bank statements are available for seven years, this will assist recipients in providing confirmation of income. We also offer to pause the debt recovery action while the department reviews the debt. Letters have been refined to encourage recipients to engage with the department sooner. Instructions about what the recipient needs to do are clearer, and the dedicated compliance number that I mentioned earlier, 1800086400, is in the initial letter.

We are also correcting the record. Section 202 of the Social Security (Administration) Act 1999 and section 162 of the A New Tax System (Family Assistance) (Administration) Act 1999 authorise the release of relevant information for the purpose of administering those acts. This allows us to correct the record when a person publicly makes claims that do not accord with our records. We have had this capacity for many years. Unfounded allegations unnecessarily undermine confidence in the department and the social welfare system. I would also note that the time spent dealing with unfounded allegations takes staff away from dealing with other claims.

Claims about the department's recent staff numbers are also misleading. It is normal to move staff as required to manage fluctuating priorities. Staff numbers have reduced from 2010 levels, and these reductions were due to the following reasons. There was a significant reduction in staff from 2009-10 levels, when Centrelink had been resourced to handle the expected increase in unemployment from the then global financial crisis. This occurred in 2010-11 and 2011-12. There were immediate efficiencies implemented upon integration of the department through the service delivery reform measure introduced in the 2011-12

budget, which culminated in ongoing annual savings of over \$200 million per annum. Savings were achieved through simplifying and automating online services, corporate integration and integrating business operations, amongst other things. The department has met regular annual cumulative efficiency dividends. It has also met the additional efficiency dividends that were applied in 2011-12, 2013-14 and 2014-15, which has resulted in the ongoing reduction of the department's funding of over \$300 million per annum.

In addition to these measures, during the 2012-13 MYEFO, the 2013-14 budget, the 2013-14 MYEFO and the 2015-16 budget, there has been a range of specific departmental and public sector efficiency measures applied to the program with ongoing annual savings of over \$60 million per annum. There were reductions in the average staff levels as a result of CRS Australia activity ceasing, and in 2015-16 350 ASL who were undertaking the health compliance function were transferred to the Department of Health as part of a machinery of government change.

Over 700 staff have been allocated to this compliance work and related measures since October 2014. Our compliance staff continue to provide valuable support to recipients in the process. Our staff are fully supported in their role of delivering services to the Australian community. All staff conducting the reviews received additional training. Over 900 staff undertook more than 8½ thousand hours of facilitated training and workshops in preparation for this measure. Staff also completed five key e-learning packages before they undertook the formal training. The department manages service delivery in face-to-face, telephony and processing. The volume of interactions are the same as would be usually expected at this time of year. In addition, we have seen no increase in customer aggression.

In closing, we are proud of the work that we do. Our 35,000 staff are dedicated to their work, which touches the lives of almost 24 million Australians. We respond to evolving government priorities, which means transforming our services and service channels to ensure government outlays are protected and government outcomes are achieved. We will continue to ensure our people have the capabilities, the understanding and the support they need to meet these challenges. Thank you.

CHAIR: Thank you, Secretary. Can I ask: would you be able to table a copy of that statement?

Ms Campbell: Yes, somebody has got one for you.

CHAIR: Excellent, thank you. I know committee members would be very keen to have a copy of that, so thank you very much. Before I proceed to questions, I will just indicate for committee members that we operate on goodwill here and have agreed to a program. I have had an indication from both the opposition and the Greens that we will treat the 12:30 changeover at the lunchbreak as a hard marker, so we will work towards meeting that. I will open with questions from Senator Watt.

Senator WATT: Thanks Ms Campbell and Senator Ryan for coming along today. Before we get into questions, can I just clarify one item Ms Campbell. I think, in your opening statement, one of the things you referred to was the healthy welfare card trials—

Ms Campbell: The cashless debit card.

Senator WATT: Sorry. If we have questions about that matter, should we be asking them in the DHS section?

Ms Campbell: You should ask them in the Department of Social Services section. In my opening statement I said that we were supporting the Department of Social Services in running that trial.

Senator WATT: Okay, so we should ask them this afternoon?

Ms Campbell: Yes.

Senator WATT: I am sure the Secretary of DSS will be very happy about that!

Ms Campbell: It is his turn!

Senator SIEWERT: If it is actually about the operations of the card itself, surely it is still you?

Ms Campbell: No, the operations of the—

Senator SIEWERT: You have nothing to do with anything about the card?

Ms Campbell: As I said in the statement, we do the referrals to Indue. If you want to ask questions about the referrals, they can be directed to us, Indue and DSS.

Senator WATT: Thank you. I would like to begin with a series of questions regarding what seems to have been a very serious disclosure of information over the last few days regarding an individual and their Centrelink entitlements. I have a copy of this if it is needed, but on 26 February 2017 Fairfax papers published an article in which Centrelink general manager Mr Hank Jongen commented on a client's information, including her history of claiming the family tax benefit and her relationship circumstances. Ms Campbell, I presume you are aware of those reports.

Ms Campbell: I am aware.

Senator WATT: Is Mr Jongen around today?

Ms Campbell: No.

Senator WATT: He is not?

Senator SIEWERT: Why?

Ms Campbell: I am happy to answer questions on this matter.

Senator WATT: What position does Mr Jongen hold?

Ms Campbell: Mr Jongen is the spokesman for the department.

Senator WATT: Who does he report to?

Ms Campbell: He reports to Mr Hutson, who is the Deputy Secretary of Enabling Services. Mr Hutson is available.

Senator WATT: It might be handy to get him up as well, if that is possible. Would we find that other people of a similar level to Mr Jongen are available today if we have questions for them?

Ms Campbell: Sometimes they are. Sometimes we continue to run the department while we appear at Senate estimates, so we try and work out those questions that are most likely to be asked. I am sure others will be able to answer those questions for you, including me.

Senator WATT: Why, exactly, is Mr Jongen not here today?

Ms Campbell: Mr Jongen works part-time as well so I am not sure if he is working today. But I am happy to take your questions and see if I can answer them for you.

Senator WATT: Is Mr Jongen back at the office if he is not required to answer questions?

Ms Campbell: As the senior officer at the table I will attempt to answer your questions for you.

Senator WATT: I know that.

Ms Campbell: If I am unable to answer those questions I will ask some of the other officers here and we will see whether we can get the information for you.

Senator WATT: Did you suggest that Mr Jongen not attend today?

Ms Campbell: No, I did not.

Senator WATT: You have not suggested that to anyone in your department.

Ms Campbell: We have a large number of SES. We have a general practice of who comes to Senate estimates. Mr Jongen does not usually come to Senate estimates.

Senator WATT: And you did not really expect that we would want to ask any questions about this fairly controversial matter today.

Ms Campbell: I did expect you would, and I am ready to answer those questions for you.

Senator WATT: We might have to have a chat to Mr Jongen another day, I suppose.

Ms Campbell: I am very happy to answer your questions.

Senator WATT: It is just important to try to get to the bottom of what has happened here. There have obviously been a range of media reports and I do not exactly know what is right and what is wrong. Just for the sake of disclosure, I should disclose that I do know the individual that these media reports concern. She is someone I have known—not particularly well—for over 20 years. I have not been in contact with her since this occurred but I tweeted that I had some concerns about what had occurred. I just want to put that on the record.

Who provide that information to the journalist who wrote this story?

Mr Hutson: Information was provided to the journalist concerned, in *The Canberra Times*, by both the department's media team and the minister's office.

Senator WATT: On what date did the department provide that information to the journalist?

Mr Hutson: The department provided the response to the journalist on 22 February.

Senator WATT: What time of day was that?

Mr Hutson: It was 5.15.

Senator WATT: Pm?

Mr Hutson: Yes.

Senator WATT: What time did the minister's office provide that information to the journalist?

Mr Hutson: I do not have that information.

Senator WATT: Senator Ryan, do you have that information?

Senator Ryan: No, I do not. Obviously, it has not been my portfolio—the officials—

Senator WATT: Sure. So no-one in the department's media team—I have worked in ministers' offices. There is obviously a lot of interaction between ministers' offices and the

department's media team. There is no-one in your media team who knows when the minister's office provided that information to the journalist?

Mr Hutson: No.

Ms Campbell: We can take that on notice and ask the minister.

Senator WATT: Could we have an answer on that after the morning tea break, please?

Ms Campbell: We will take it on notice.

Senator WATT: That would take just one phone call. That is not a difficult matter.

CHAIR: They have said they will take it on notice.

Senator WATT: Mr Hutson, do you know whether the department provided that information to the journalist before the minister's office or did the department follow-up something the minister's office had said to the journalist or—

Mr Hutson: If I could, just briefly, take you through our normal process with regard to media—which was actually followed in this instance—what normally happens is that the media team receives questions, sometimes by phone and sometimes in writing. In this case, it was in writing from the journalist concerned. The media team then refers those to the business unit of the department for preparation of an appropriate response. The media team works with the business area to create an appropriate response. In some circumstances, additional clearances are required. In this case, Ms Musolino provide additional clearances from a legal perspective. The answer is then crafted and approved and then released by the media team.

Senator WATT: In the department.

Mr Hutson: In the department, yes. I should also say that before we make media statements of almost any sort we check those with the minister's office.

Senator WATT: Did that occur in this instance?

Mr Hutson: Yes.

Senator WATT: I think you described that chain as commencing when an inquiry is received by the department's media team.

Mr Hutson: That is right.

Senator WATT: Then those things happen. In this particular instance, are you saying that this report in the newspaper emanated from an inquiry from this journalist to the department, that he rang up seeking details about this particular individual?

Mr Hutson: That is the record we have, yes.

Senator WATT: When did that journalist first make contact with the department?

Mr Hutson: On 21 February.

Senator WATT: Do you have the time?

Mr Hutson: It was 10.51 am.

Senator WATT: The departmental media team received an inquiry from this particular journalist—Mr Malone—at 10.51 am on 21 February, and a response was ultimately provided to him at 5.15 pm on 22 February?

Mr Hutson: That is correct.

Senator WATT: No doubt there was interchange between then. When Mr Malone first contacted the department, what was the nature of his inquiry?

Mr Hutson: He provided to us a series of questions.

Senator WATT: Could you table those questions please.

Mr Hutson: I will take that on notice.

Senator WATT: Are you claiming public interest immunity on that?

CHAIR: He said he would take it on notice.

Senator WATT: But we are entitled—

Senator Ryan: Not when they take it on notice.

Senator WATT: Are we going to have this all day? If there are difficult questions, are we going to be told they will be taken on notice?

Senator Ryan: Senator Watt, having served on your side of the table for many years, the officials are allowed to take something on notice. That is not a claim of public interest immunity. The Senate can determine that when they provide an answer. Saying they are taking something on notice is a privilege they are allowed.

Senator WATT: I understand that. I sit on another committee, unfortunately, where questions on notice immediately lead to claims of public interest immunity, so I thought it was a good idea to clarify that at the beginning.

Senator Ryan: They might claim it later; I do not know.

Ms Campbell: We have just checked. We have the questions. I do not know whether they would be in a tabling format, but we could give you the nature of the questions.

Senator WATT: How long are they?

Mr Hutson: I am certainly happy to read you the questions, Senator. They are not very long.

Senator WATT: Okay. Could you do that.

Mr Hutson: The questions are: 'How long does it take on average for a telephone caller with a debt query to get through to someone at Centrelink? In recent months, what is the longest time a caller has had to wait? Is it true that, if a person goes to a Centrelink office, they will be redirected to a terminal and asked to try to solve the problem themselves? What if there is no specific box that relates to the client's complaint? Why is a de facto being chased for her partner's debt in the first place? Surely, Centrelink should be chasing the man himself. Isn't this a case of gross incompetence on Centrelink's part? Is it true that people have a three-minute window when they get to the Centrelink window, as stated by Ms Fox? Is there anything being done to make Centrelink more responsive to its clients' needs? Please do not hide behind the screen of privacy in relation to this matter. You can answer these questions in relation to a general inquiry.'

Senator WATT: Okay. Thank you. Would you arrange for a copy of that to be tabled, please.

Ms Campbell: We will get an extract of that done for you.

Senator WATT: Mr Hutson, do you have a copy of the response that was provided by the department?

Mr Hutson: I do.

Senator WATT: Is that in a form that can be tabled?

Mr Hutson: It is not, but we will get an extract.

Ms Campbell: We could give you the flavour of it. We could read it out.

Senator WATT: All I am really interested in is the aspects that relate to—I am not going to use her name—the individual's personal circumstances.

Mr Hutson: The part of the response that relates to the individual's personal circumstances is actually quite short.

Senator WATT: Could you read that out, please.

Mr Hutson: It says: 'It is important to note this case is not related to the online compliance system. The recipient's debt relates to family tax benefit. The experience described by the recipient could have been avoided if she had informed the department she had separated from her partner in a timely way and if she had lodged her tax returns in a timely way. These are both fundamental elements of the family tax benefit system, and it is a strong reminder that people who accept government payments are required to fulfil their obligations.'

The rest of the response goes to general matters and matters also raised in the journalist's questions.

Senator WATT: Do you consider that any of the information provided to that journalist constitutes protected information under the act?

Ms Musolino: Yes, that is protected information.

Senator WATT: That was protected information that was provided to that journalist?

Ms Musolino: Yes.

Senator WATT: We have got that straight.

Ms Musolino: It was protected information provided under an exception which permits the department to disclose that information.

Senator WATT: I will come to that.

Senator SIEWERT: Could you repeat that, please. I am having trouble hearing.

Ms Musolino: It was provided under the relevant provisions, which are 202 subsection (2) and 162 subsection (2) of the relevant—

Senator SIEWERT: Sorry?

Ms Musolino: The relevant sections are section 202 subsection (2) of the Social Security Administration Act 1999 and section 162 of the A New Tax System (Family Assistance) (Administration) Act 1999. They authorise the release of protected information in certain circumstances.

Senator WATT: I will come back to that point. It is going to take a little bit of time to work this through. Could you please table that response that the department provided to the journalist on 22 February, or an extract of that.

Ms Campbell: Yes, we will get that.

Senator WATT: Having worked in this sort of environment before, I know that, generally, a few drafts of these types of statements are prepared; people in the department get involved, often people in the minister's offices get involved. In this particular situation, were there a number of drafts of that statement prepared before it was ultimately released?

Mr Hutson: I expect so, but I do not have detail on that.

Senator WATT: Mr Jongen might know, I suppose.

Mr Hutson: No.

Ms Campbell: No. Ms Sear, who is here today, might be able to assist us. We will ask her to come to the table.

Senator WATT: Ms Sear, I take it you were involved in the preparation of the statement?

Ms Sear: Yes.

Senator WATT: You have heard what we have been talking about and you know the dates we are talking about and the responses, that kind of stuff?

Ms Sear: Yes.

Senator WATT: Do you know whether, in this particular instance, a number of drafts of that statement were prepared before it was ultimately released?

Ms Sear: It is usual to have a number of drafts go back and forth between the business areas and, in this instance, our colleagues in legal services.

Senator WATT: I understand what might be usual; I am asking about this particular situation. What occurred in the situation?

Ms Sear: I do not have the details of that.

Senator WATT: Is there anyone here who does?

Ms Sear: No.

Senator WATT: Could you find that out and come back to us.

Ms Sear: Certainly.

Ms Campbell: It is worth noting that every day we do a number of these inquiries at the same time. We are a very busy media space.

Senator WATT: I have no doubt. Ms Sear, do you know whether the minister's office had input into that final statement, at any point along the chain?

Ms Campbell: We will take that on notice and get the information, because Ms Sear has already said that she does not have that information at hand. We will get that information.

Senator WATT: No, what Ms Sear said is that she does not know how many drafts were prepared. I am asking a different question now. Do you know whether the minister's office had input into the wording of that final statement?

Ms Sear: I will have to take that on notice.

Senator WATT: So you do not know?

Ms Sear: No.

Senator WATT: But you said before that it often happens?

Ms Sear: Yes.

Senator WATT: So, the statement was provided to the journalist on 22 February at 5.15, but we have not heard back from anyone as to when the minister's office provided information?

Ms Campbell: We have taken that on notice.

Senator SIEWERT: Could you please take on notice how many estimates Mr Jongen has attended in the last three years.

Ms Campbell: We can. It might be worth clarifying that Mr Jongen was previously the general manager of the Community Engagement Division. Other people have now occupied that position; Ms Sear is now occupying that position. Mr Jongen has moved to a different role, which is spokesman for the department, rather than management of the Community Engagement Division.

Senator SIEWERT: I take your point. Since he has taken over that position, can you provide how many times he has—

Ms Campbell: We will.

Senator SIEWERT: Can I go back to section 202(2) and the decision to release the information. Was a public interest certificate secured?

Ms Musolino: No, Senator.

Senator SIEWERT: Why not?

Ms Musolino: It was not required.

Senator SIEWERT: Why?

Ms Musolino: Under sections 202 and 162—the sections I referenced earlier—the disclosure of protected information is permitted where it is for the purposes of the social security law. Correcting the record for the purposes of maintaining the integrity of the system and public confidence in the system is a purpose of the law.

Senator SIEWERT: Can you say that again? Public confidence and integrity of the system?

Ms Musolino: Disclosing protected information to respond to criticism raised in the media about the treatment of a particular individual is for the purposes of the relevant law.

Senator SIEWERT: You mentioned other words just then: public confidence and integrity.

Ms Musolino: As it is necessary to maintain public confidence in the administration of the law.

Senator SIEWERT: You mentioned integrity as well, and Ms Campbell mentioned it earlier as well.

Ms Musolino: They are all concepts that go to the purposes of the social security law.

Senator SIEWERT: There were errors in what was released or omissions in what was released so as to construct your version of somebody's personal details. How does that help with public confidence in the integrity of the system?

Mr Hutson: I do not quite understand your question. I come to a couple of things that were indeed said. The point which Ms Musolino has been quite firm with us all to make sure of is that the only information we are able to release is information which is specifically to correct the record. For example, information concerning an individual which has not been made otherwise public is not released, and has not been released in this circumstance either.

Senator SIEWERT: I am trying to be very careful so I do not drag the person involved in or put her under even more pressure. The way that you articulated the evidence you just said in terms of what was released about tax returns—there are questions over how you release what you released. It is clear that the point you were trying to make was it was as if the person involved had not submitted their tax return when clearly they had. You did not release a full one—not that I agree with the release. You issued information to generate a particular belief which was in fact false.

Mr Hutson: We released information in order to correct the record.

Senator SIEWERT: But you did not correct the record properly. If that is what you said—again, I will preface this and say I do not think the information should have been released—you did not correct it properly. I am sure you have read further information about this.

Mr Hutson: We have other information in respect of this matter; that is correct. But we only released information in order to correct the record on the statement—

Senator SIEWERT: So are you allowed to release your version of information?

Ms Campbell: We released information to correct the record at that point in time of what had been in the public domain.

Senator SIEWERT: No, you did not.

Ms Campbell: Senator, I do not understand your question. Which pieces are you alleging—

Senator SIEWERT: I am sure you have seen the rebuttal to what you released which makes it quite plain that you did not give a full report. If you are going to release something, at least do it properly. You did not increase public confidence in the integrity of the system when you released that information.

Ms Campbell: Which particular piece of information—

Senator SIEWERT: When you are talking about the tax returns.

Ms Campbell: We released information at that point in time and there has been further information provided since then. Is that correct, Mr Hutson?

Mr Hutson: Yes. I think it is important. We spoke about information the department has released and, as we have already indicated, the minister's office also released other information. We are going to get that information on notice.

Senator SIEWERT: The minister's office released above what you released?

Mr Hutson: Yes, that is right, Senator. In response to Senator Watt's questions, we made that statement earlier.

Senator SIEWERT: Can you go back to that point? What additional information? You gave that information to the minister as well?

Mr Hutson: Certainly, this information I have read into *Hansard* was provided to the minister's office. I understand that the minister's office also provided other information to Mr Malone.

Senator SIEWERT: Did you give that information to the minister?

Mr Hutson: There was certainly additional information provided to the minister's office with respect to this matter, yes.

Senator SIEWERT: Was there further discussion with you by the minister's office about the release of that information?

Mr Hutson: Yes.

Senator SIEWERT: So you were aware that additional information was going to be released?

Mr Hutson: Yes. Did the minister's office seek advice from you about the release of that additional information?

Mr Hutson: Yes.

Senator SIEWERT: Did he seek the legal advice on that?

Mr Hutson: Certainly part of that process did involve legal advice, yes.

Senator SIEWERT: So was a public interest certificate secured for that?

Mr Hutson: No. It was also—

Senator SIEWERT: So at no stage was a public interest certificate secured?

Mr Hutson: No. Public interest certificates are not required under section 202 of the legislation that Ms Musolino mentioned.

Senator SIEWERT: Under what sections of the act are they required then?

Ms Musolino: So section 208 is the public interest certificate grounds, but it was not relevant in this situation because it was released for the purposes of the social security law. There was no need to get a public interest certificate. It is a different mechanism. There are really two paths to releasing information—202 and 162 that I mentioned; that is one part, and that is if you are releasing for the purpose of the law. The other path is, if you are releasing it to a third party but it is not connected to the purpose of the law, so it might be a release, for example, to a law enforcement agency. There is a public interest ground to protect life, health, safety—whatever. That is a different mechanism, so there are two different paths.

Senator SIEWERT: In terms of the information that was released by the minister, did he come back to you to check the veracity of the information?

Mr Hutson: We do not know the totality of the information that would have been released. As I think I mentioned earlier, we said we would take that on notice. Certainly, there was checking of facts and so forth in the preparation of statements with respect to this case, yes.

Senator SIEWERT: So there was checking of the facts?

Mr Hutson: There was certainly checking of facts.

Senator SIEWERT: How many resources were used and how much time did it take for you to do your statement, provide the additional information to the minister and then check with the minister?

Ms Campbell: I think we would have to take that on notice to see what actual documents were put through—the emails and the like. We do not measure time in that way. We do not measure how many minutes. We are not like an accounting firm or a legal firm where we attribute time. It would be difficult for us to give you a reliable assessment of that.

Senator SIEWERT: There has been a large number of people who have raised concerns around the process and I am sure we will get do that—all in good time. How many instances have you provided information to the minister about customers who have complained?

Ms Campbell: We provide information to the minister all year round and to successive ministers when there is something in the media or it is brought to the minister's attention that there is a person who believes that they have been disadvantaged, are criticising or are unhappy. So that is a standard operating procedure for us to provide that information to the minister and his office so they are aware of the situation. So we do that every time a matter is raised.

Senator SIEWERT: How many times have you used section 202 to release that information?

Ms Musolino: To the minister?

Senator SIEWERT: To the minister—and I will come back to releasing it to the media.

Ms Campbell: I do not think section 202 applies to providing it to the minister—that is his responsibility.

Ms Musolino: It is within his responsibilities.

Senator SIEWERT: How many times has information been released by either you by the minister under section 202?

Ms Campbell: Is this in recent times or over many years? I do not know whether we have got that information with us, but you will see that we have many occasions—for example, when media outlets do stories alleging something, and we provide advice back when we are asked to provide comment on that.

Senator SIEWERT: How many times since the beginning of this financial year have you initiated it—and we have been down this road before when some of these stories have been initiated; for example, people on DSP? How many times since 1 July?

Ms Campbell: Can I just clarify that you are asking when the department has initiated something?

Senator SIEWERT: How many times has the department provided information that the minister has released under section 202?

Ms Campbell: We would need to take that one on notice and we would not be able to answer that today. We would have to do research on it.

Senator SIEWERT: I realise it is going to take a bit of work. Thank you. I understand what you have said in your statement about how this has been an ongoing process, but there is

no doubt that things escalated from—when did you start sending out the automated debt recovery notices?

Ms Campbell: In July 2016.

Senator SIEWERT: Can you provide on notice—you may not have it right now—the number that was sent out each month?

Ms Campbell: We can provide that.

Senator SIEWERT: Was it in December that people really started to get the notices?

Ms Campbell: No. People had been getting notices, because the process had commenced in July 2016. So people had been getting notices. They had been walking through the process. The media activity commenced in December—heightened in December—but this process had been ongoing since the middle of the year.

Senator SIEWERT: I understand that, which is why I want the details around how many you were sending out month by month.

Ms Campbell: We will get that for you, but we will not be able to do that today, probably.

Senator SIEWERT: Thank you. In terms of the release of privacy information under section 202, have you sought outside legal advice?

Ms Campbell: Outside of the department?

Senator SIEWERT: Yes.

Ms Campbell: We have sought advice from the Australian Government Solicitor at a point in time.

Senator SIEWERT: But you have not sought it from anybody else other than the Australian Government Solicitor?

Ms Campbell: No. We sought advice from the Australian Government Solicitor.

Senator SIEWERT: Did you seek that advice on this specific occasion?

Ms Campbell: We sought and have general advice and then we apply that advice on ongoing circumstances. We did not seek specific external advice on that circumstance.

Senator SIEWERT: Have you ever sought specific external advice on the release of information under section 202, where you were releasing it about an individual?

Ms Musolino: I can take that on notice, but we have general advice, which my in-house legal team relies on and applies day to day and provides legal advice about. But we can take on notice whether—if I understand the question—we have sought advice about the use of 202 on a particular case for disclosure. Is that right?

Senator SIEWERT: Yes. Thank you. According to my notes on your tabling comment, Ms Campbell, you make comment where what people have said does not accord with your records.

Ms Campbell: Yes.

Senator SIEWERT: What happens when your records are wrong?

Ms Campbell: That can be the case, but I think, in the instance that we had, they were our records—

Senator SIEWERT: I am not talking about this specific instance, although there is a question mark over that.

Ms Campbell: We release the information generally when people have made allegations about the department behaving in an incorrect manner, and we say, 'These are our records.' Often our records are wrong because the recipient has not provided us with the information in a timely manner, which is a requirement under the act.

Senator SIEWERT: I am saying when you make a mistake—and do not say you do not make mistakes.

Ms Campbell: We do make mistakes.

Senator SIEWERT: So what happens in the instance when you are saying that they do not accord with your records? You do not keep a record of how many errors you make, because you told me that in answer to a question on notice. It is all very well for you to say that it does not accord with your records. What happens when the records are wrong?

Ms Campbell: I think we are trying to work out why the records are wrong. If we make a mistake, we do go out and publicly say that we have made a mistake, and the minister in the parliament a couple of weeks ago outlined a case where we had made mistakes and accepted that we had, unfortunately, made this error and debts had been raised in error. But we also rely on information from the recipients, and, if the recipients do not provide us with that information and then go out and say, 'But this happened,' it is hard for us to know that, when they were required to actually provide it to us.

Senator SIEWERT: I have actually had many people contact my office saying, 'I have told Centrelink.' They have been able to tell me specifically when they have told people, and yet their records do not record that. I have heard that on multiple occasions. So do you check that before you release information?

Ms Campbell: We have the records as they stand. I am not sure how we can check to always know when the recipient has not told us something.

Senator SIEWERT: That is the problem with this process.

Ms Campbell: It is across the board. We rely on recipients telling us their information.

Senator SIEWERT: And they rely on your recording it properly.

Ms Campbell: We are pretty confident that sometimes people do not tell us information, and that is what often leads to debts. When people—

Senator SIEWERT: Sometimes you do not record the information.

Ms Campbell: And sometimes we make mistakes, and we accept that. But the premise that it is always our mistake and that the recipients—

Senator SIEWERT: I did not say that.

CHAIR: We will move to Senator Smith now.

Senator SMITH: Staying with the February article that Senator Watt began with this morning, if I understand your opening statement and your evidence, Secretary, you are of the view that the disclosure was authorised by the legislation.

Ms Campbell: I am.

Senator SMITH: What gives you that degree of confidence?

Ms Campbell: We have legal advice. Ms Musolino provided that legal advice. We reinforced it. This is something that we deal with pretty regularly when we have recipients in the public domain making claims that we do not think are founded. This is a regular conversation we have, so this is not just a one-off. We often talk about what legislative powers we have to correct the record. Mr Hutson's point about providing only enough information to correct the record is something that Ms Musolino is very clear on. So it is a regular debate. I am aware that this is supported by Australian Government Solicitor advice and it is something that is regularly part of our business.

Senator SMITH: Ms Musolino, excuse my ignorance—you are the chief legal officer in the department, aren't you?

Ms Musolino: Yes.

Senator SMITH: So it is your professional legal view that that disclosure happened in accordance with the law?

Ms Musolino: Yes.

Senator SMITH: Had the information appeared in the public domain previously?

Mr Hutson: Which specific information?

Ms Campbell: About this recipient?

Mr Hutson: In respect of this recipient, I think the first information which appeared was a series of articles which appeared in some newspapers which the recipient had written.

Senator SMITH: Authored?

Mr Hutson: Authored, yes.

Senator SMITH: So personally disclosed information?

Mr Hutson: Yes.

Senator SMITH: Right. The secretary, at the bottom of page 6 of her opening statement, talks about what section 202 of the Social Security (Administration) Act and section 162 of the A New Tax System (Family Assistance) (Administration) Act refer to. She said:

This allows us to correct the record when a person publicly makes claims that do not accord with our records.

So not only have they been personally disclosed by the recipient in the media, of his or her own volition; they were also wrong, which then allowed the department to publicly correct the record?

Mr Hutson: That is correct.

Senator SMITH: How serious were the allegations made in the articles that involved the personal disclosure?

Mr Hutson: The suggestions that were in the article that was written by the recipient go to the quality of the administration of the Social Security Act by the department. There was no doubt that the purpose of the article was to indicate that the recipient believed that our administration was deficient. I think the important point that I would make, however, is that in making a judgement about what information to release in response to the questions which we received from Mr Malone it was important that we made a judgement about what was an appropriate and proportionate response to the article which we had received.

Ms Campbell: Can I just add that sometimes articles like this scare other recipients. Other recipients think, 'I may have done something wrong,' or, 'Maybe I'm not doing the right thing,' and it concerns them. We then have an influx of people coming into offices who are concerned and believe that we might contact them in the manner which was articulated by this recipient in this case. So it is very important for us to confirm to the recipients that, as long as they are doing the right thing and they are meeting their obligations, they are satisfying the requirements of the act.

Senator SMITH: The chief legal officer of the department, on reviewing the law, came to a professional conclusion that disclosure was appropriate, legal.

Ms Musolino: Yes.

Senator SMITH: In addition to that, the material had already been personally disclosed by the recipient in media forums previous.

Mr Hutson: That is correct.

Senator SMITH: Finally, then, to follow Senator Siewert's point, when the section 202 and section 162 issues come into play, are they consciously recorded? Is there a formal process internally in the department where, if there is going to be a disclosure of someone's information, it has to go through a series of thresholds or a series of checks?

Ms Musolino: Yes, advice is sought from the legal team. In this case, it was me. I think on all but one occasion it was one of my general counsels. But advice is sought about whether—

Senator SMITH: I understand. The advice is sought at a very senior level in the legal division.

Ms Musolino: Yes.

Senator SMITH: How many times has section 202 and section 162 been used to defend or justify the public disclosure of information—if it is possible, not just since the beginning of the last financial year but in the period since 2007? Is that possible, or is it too onerous a task?

Ms Campbell: We could take it on notice and have a look.

Senator SMITH: If it is too onerous a task, I understand.

Ms Campbell: One of our challenges is that, of course, the Department of Human Services was formed in 2011. There were disparate agencies with different processes, legal teams and procedures, so it is bit tricky when we get into that.

Senator SMITH: Since 2011 might serve the purpose.

Ms Campbell: We will take it on notice.

Senator WATT: Just continuing with this matter about the disclosure of personal information, Ms Campbell, I just want to clarify something. I know we are still trying to find out what involvement the minister's office had in the statement and what information the minister's officer provided to the journalist, but are you also saying that you do not know what information the minister provided to the journalist?

Ms Campbell: We are taking that on notice. I do not personally have the information provided, because we do many of these every single day, so I do not track them. We have taken on notice that information.

Senator WATT: I understand that you have taken on notice what information was provided by the minister's office. What I am asking is whether you know what information was provided by the minister's office.

Ms Campbell: I do not personally know. The officers at the table have been asked to determine what that is.

Senator WATT: Do you know, Mr Hutson?

Mr Hutson: We do not have a complete set, no.

Senator WATT: So we do not have anyone who knows what information is available. That is fine. Just to recap, what we have clarified so far is that there is no dispute that the information that was provided to the journalist is protected information for the purposes of the act. You are saying that the disclosure was made under two sections and was justified under two sections of legislation, being section 202 of the Social Security Administration Act and section 162 of the A New Tax System (Family Assistance)(Administration) Act. That is correct?

Ms Musolino: To clarify, they are mirror sections.

Senator WATT: They are.

Ms Musolino: And the family tax benefit is 162, but they are the same.

Senator WATT: But they are the two sections?

Ms Musolino: Yes.

Senator WATT: And we have also clarified that no certificate was issued by the Secretary in relation to this particular disclosure.

Ms Campbell: Because no certificate was required under those sections of those acts.

CHAIR: I am sorry to interrupt the flow of questioning here. We have a couple of photographers present. I wanted to check with the committee and witnesses that they are comfortable to have their photographs taken. I remind the media that they will not take pictures of documents and things like that. Is everyone happy?

Ms Campbell: Yes.

CHAIR: There being no objection, I will allow that.

Senator WATT: Ms Musolino, I understand that you provide legal advice and, as you may know, I am a lawyer as well, so I tend to like looking at the wording of statutes. I would like to work through some of these sections with you. Do you have the legislation with you?

Ms Musolino: I have 202.

Senator WATT: That is the one I was going to take you to. Section 202 subsection (1) states:

A person may obtain protected information if the information is obtained for the purposes of:

And it sets out a number of purposes. This would relate, presumably, to the journalist, in this case, as someone who obtained the protected information.

Ms Musolino: We, the department, obtain the information from the recipient, and then we disclose it under 202 subsection (2).

Senator WATT: I will come to the disclosure point. What I am focusing on at the moment is the role of the journalist as someone who has obtained protected information. Which of those paragraphs essentially allows the journalist to obtain that protected information?

Ms Musolino: That is about us obtaining information.

Senator WATT: Where does it define a person as being the department?

Ms Musolino: By virtue of subsection (2), which allows us to disclose the protected information to a person; that is how the journalist obtains information.

Senator WATT: I am going to come to the point about disclosure. I hate to get overly technical, but I have not seen anything in this act that says that a person is defined to mean the department. My reading of that is that a person—any person—may obtain protected information for those purposes.

Ms Musolino: Yes.

Senator WATT: Am I wrong?

Ms Musolino: I do not want to get into too much of the semantics, but, to the extent the journalist has obtained the information, they are obtaining it because we are disclosing the information. We hold the information, they obtain it by our disclosure to them and that disclosure is permitted because it is for the purposes of the social security law. They receive it for the purposes of the social security law.

Senator WATT: Is a journalist covered by subsection (1), a journalist being a person?

Ms Musolino: I do not want to give legal advice on the hop. What I would say is that my construction of it is that subsection (1) is about the department obtaining information. How we disclose it and who we disclose it to is covered by subsection (2). The disclosure is permitted because it is permitted for a social security law purpose. I am not sure I can add to that.

Senator WATT: I cannot see any purpose listed here that this situation would be justified by—I am concerned that this journalist may have unwittingly committed an offence under the act in having obtained protected information for a purpose that is not justified by the act.

Ms Musolino: If we can disclose the information for the purposes of the social security law—that is, to maintain integrity, confidence and the things we talked about—the journalist can publish it for exactly the same purpose. It flows through that.

Senator WATT: I suppose that might be something that a court might have to arbitrate on, at some point. Moving to section 202(2), and this is the section that sets out the purposes that a person may disclose protected information, subsection (2) states—and I will only read out the relevant parts—that a person may disclose protected information to any person if a disclosure is made, and then, again, it sets out a number of purposes there that such a disclosure can be made for. Can you point me, specifically, to the purposes that are listed there that would justify this particular disclosure having been made?

Ms Musolino: Yes. Subsection (2)(d), 'for the purposes of the social security law'. It reads on, 'or the Dental Benefits Act', but that is the relevant portion for the purposes of the social security law.

Senator WATT: Now, you will see that, if you keep reading on, subsection (2B) sets out very clearly the purposes for which a person may disclose protected information. My reading of this is that section 202(2) says that a person may disclose the information to someone if that disclosure is made—and you say, for the purposes of the social security law—then subsection (2B) sets out what those purposes are for social security law.

Ms Musolino: My reading of that is this is in addition; (2B) is referenced in (2A) above. But this is not a limiting thing. This is in addition to the right we have under (2)(d) to use it for the purposes of social security law. 2A says:

A person engaged (whether as an employee or otherwise) by a service organisation may:

- (a) obtain protected information; or
- (b) make a record of protected information; or
- (c) disclose protected information to another person; or
- (d) otherwise use protected information;

if the person believes, on reasonable grounds, that the obtaining, recording, disclosure or use that is proposed to be made of the information by the person is reasonably necessary for one or more of the purposes specified in subsection (2B).

That is what you just took me to. It is not a limiting section. It is in addition to the section I referred to earlier.

Senator WATT: That might ultimately be a matter for a court to decide, but you would agree that there is nothing in subsection 2B, which sets out purposes for which disclosures are allowed? There is nothing in that subsection that justifies this particular release?

Ms Musolino: That section would not be relevant to this release.

Senator WATT: That is your view. I might have a different view. If my argument is right, there is nothing in that subsection which justifies this release?

Ms Campbell: Ms Musolino has said that she does not believe that that section is relevant, so I do not think hypotheticals are going to help us in this situation.

Senator WATT: Again, that might need to be something that a court determines. Given everything that you have said, I take it that section 208 of the act, which allows the secretary of the department to disclose information in certain circumstances, is not relevant to this case? It was not relied upon?

Ms Musolino: Correct.

Senator WATT: So it entirely relies on section 202, whether it was made for the purposes of the act. I know we are waiting on finding out what information the minister gave to the journalist and when he or his office gave it. Is there anything in the act that allows a minister or minister's office to provide protected information to someone?

Ms Musolino: Again, it is the same provision—a person, being the minister or the adviser or whoever, may disclose for the purposes of social security law.

Senator WATT: Can you again point out to me where social security law says that this is allowed?

Ms Musolino: There is an interpretation that is put on those words and we are guided by extraneous material. It might be useful at this point to point you to—

Senator WATT: That would be great.

Ms Musolino: There are the privacy principle guidelines issued by the Privacy Commissioner. APP 6 talks about examples where individuals can reasonably expect—and I do not know if you have access to that—their personal information to be disclosed for a secondary purpose. I will quote from section 6.22 of the guidelines: It expressly talks about a situation where:

- the individual makes adverse comments in the media about the way an APP entity has treated them. In these circumstances, it may be reasonable to expect that the entity may respond publicly to these comments in a way that reveals personal information specifically relevant to the issues that the individual has raised

That is footnoted to a decision of the Privacy Commissioner which involved a government agency disclosing to the media. It is the decision of *L v Commonwealth Agency*, 2010, Privacy Commissioner 14, 24 December 2010. That is one thing I would say about that. The other thing is that the view is that maintaining the integrity and confidence in the system is for the purposes of the social security law.

Senator WATT: Sorry, just bear with me while I work through my notes here.

Senator SMITH: Did I read correctly that the Privacy Commissioner was conducting an inquiry?

Mr Hutson: Not quite—what the Privacy Commissioner said in his evidence to Senate estimates earlier this week was that following the press reporting about this issue he was making general inquiries of the Department of Human Services but he was not launching at this stage an own-motion inquiry pursuant to his relevant legislation. He said in the inquiry that he would be writing to the Department of Human Services and seeking information, and indeed he has done that.

Senator SMITH: And you will then provide him information, and then what does he do with that? Does he write back to you with a view or with commentary? I am not quite sure what a general inquiry is as compared—

Mr Hutson: The reason I used the term 'general inquiry' was really to distinguish it from the legislative provision that he has under his act. His letter to us directly goes to a number of issues that he is interested in, and he asks for information and he asks for documentation and so forth. We are going to provide that to him in accordance with his request.

Senator SMITH: So after the estimates you might be able to explore that a little further?

Mr Hutson: Indeed.

Senator WATT: Ms Campbell, did you personally authorise the release of information by the minister?

Ms Campbell: As Ms Musolino said, section 202 does not require me to—

Senator WATT: Which does not apply here.

Ms Campbell: It does not apply here, so no I did not.

Senator WATT: So it really does rest on whether these disclosures were permitted for the purposes of social security law.

Ms Campbell: Our view is that it is under section 202.

Senator SIEWERT: Can I go back to the issue of maintaining integrity and confidence in the system for the purposes of the law. Do you have guidelines about what is seen as undermining the integrity and the confidence in the system for the purposes of the law, or do you have guidelines for interpreting that?

Ms Musolino: We have legal advice that gives us guidance on what those words mean.

Senator SIEWERT: Are you able to table that legal advice?

Ms Musolino: I will take it on notice.

Senator SIEWERT: Do you have it available?

Ms Musolino: I have, but I will take the question on notice so—

Senator SIEWERT: Can you take it on notice today and give it to us today?

Senator Ryan: I am not that familiar with this committee, but legal advice is one of those issues that is given much greater deliberation to and does have some protection. The official has taken it on notice; I think it is fair to allow that deliberation to occur—so no guarantees on time.

Senator SIEWERT: It could be next year.

Senator Ryan: We will try to fulfil all our obligations to answer questions on time; I am just saying that there are no guarantees about getting it today.

Senator SIEWERT: There is always next week. But you have not converted this legal advice into guidelines more broadly about what you think would be considered to undermine the integrity of and confidence in the system for the purposes of the law?

Ms Campbell: We do look at these issues on a case-by-case basis, and that is why, as Ms Musolino said, very senior legal people within the department consider them and work with both the media team and the service delivery area.

Senator SIEWERT: It worries me to hear you say you work with the media team—is this a matter of how media damaging it might be to you as an organisation rather than the law?

Ms Campbell: No, it is about whether or not the people of Australia are going to continue to have confidence—

Senator SIEWERT: Surely that applies to anybody who says anything about Centrelink—and believe me there are a lot of people saying a lot about Centrelink and the department.

Ms Campbell: When we look at each case, first of all, I ask: have we made a mistake? Is this something that we have done that is incorrect? Should we be in contact? We call it service recovery, where we go out to the individual and try and determine whether we are able to rectify their issues. We know that that sometimes happens. Our first instinct on every one of these occasions is to determine whether there has been a mistake, whether there are other circumstances. That is our first reaction.

We then look to determine whether or not someone has made a statement, the factual nature of it and whether we can resolve it. In this case, the recipient had made a number of claims which were unfounded. It was in the opinion of officers that this was likely to concern other individuals—that they may see this and think that they too had erred and not met their commitments—so that is why we felt it was appropriate to release the information, so that

people knew that it was important for them to file their tax returns and tell us about changes in their circumstances. In this case, our data said that that had not occurred and that is why we had been chasing debt.

Senator SIEWERT: Have you checked the veracity of what the minister said in addition to what you released?

Mr Hutson: There was some material which was provided to the minister's office in connection with this matter and, yes, the information that was provided was checked for veracity and was also checked for appropriateness of release in the context of section 202. As I said earlier to Senator Watt, we do not have a complete set of the information which was provided from the minister's office to the journalists.

Senator SIEWERT: And that goes to the heart of my next question. When you get that, will you check the veracity of the information that was sent to the minister's office?

Mr Hutson: Yes.

Senator SIEWERT: Given the circumstances that we are talking about and the corrections that were made by the person involved, have you subsequently issued any further statement?

Ms Campbell: This matter is under review is my understanding. The recipient is now providing additional information, and we are working with the recipient to review that information to determine whether the debt is in fact outstanding. We do find this with debt matters, that recipients, once they receive a debt notice, do come forward with more information. As I said in my opening statement, for example with the family tax benefits, every year we have a large number of people who we write to remind them that it is their obligation to file their tax returns; otherwise, they are likely to incur debt. Last year 265,000 did not do that. And then when we raised the debt notice, a third of all those cases came back and said: I did or I am going to and therefore had the debt extinguished. So we work with the recipients to get the material and then undertake a review. I think in this case, it is under review. We are receiving more information and we will now review that case.

Senator SIEWERT: Chair, there is additional information that I would like to pursue here. I think I will put some questions on notice because there are some specific points that I do not think are appropriate to discuss here but clearly go to some of the veracity of the information that was released.

CHAIR: Is that something that would be better dealt with in the Senate inquiry?

Senator SIEWERT: Yes because we can use the in confidence process about that particular matter. I go back to the comment you made not long ago, Ms Campbell, where you said—I have not written it down—every single day you are handling these types of matters and are providing advice to the minister.

Ms Campbell: Yes.

Senator SIEWERT: Does that mean that every single day you are providing to the minister information about people that have spoken out in public?

Ms Campbell: I do not know whether it is accurate to categorise it as 'spoken out in public'. We receive complaints on a regular basis, sometimes via public means, sometimes via members of parliament, sometimes via other secretaries so we then, if the minister is likely to

be required to respond, provide information to the minister about the case. So the minister wants to know whether we have appropriately administered our duties or if there is some deficiency we have identified.

Senator PRATT: Do you then need to make that information public?

Senator SIEWERT: That is where I was going. So under section 202, you are providing that information?

Ms Campbell: We are providing information and we are very clear that that information is for the minister's understanding and his duties in administering his responsibilities within the portfolio. We also then say that, if there were to be any public disclosure, we would consider that separately under section 202 of the act. So they are two separate processes.

Senator SIEWERT: So I am clear with the process, which part of the act are you using to provide information to the minister? That is just a standard practice?

Ms Campbell: He is the minister responsible for the department, so, yes, we do provide information to the minister.

Senator SIEWERT: So every single case if somebody complains or sends you a complaint?

Ms Campbell: Not every single case, but those which—

Senator SIEWERT: There is a determination for that?

Ms Campbell: We look at the ones that go to the minister. Many complaints come to me, so then I deal with them. If we sent them all up, we might be overwhelmed.

Senator SIEWERT: That is what I am asking. How do you determine what goes up? Certainly with the number of complaints I had, we would be keeping you busy for the whole time.

Ms Campbell: We deal very constructively with the complaints we receive. We are administering a very complex system. We are relying on individuals, recipients, to provide information to us for us to engage with them on a regular basis. There are many opportunities for information not to be provided to us and many misunderstandings, and we make mistakes, because we are a people organisation with 35,000 staff and sometimes we make mistakes, and we admit that.

Senator SIEWERT: You just do not count them.

Ms Campbell: Complaints are received by me, received by other officers here, received by our complaints line. The ones that are received by the minister are the ones where we provide information to him. That might be a direct complaint to him, it might be a complaint from another member of parliament or it might be a complaint that is aired in the media. They are generally the categories where we provide the information to the minister.

Senator SIEWERT: With every complaint that is aired in the media, is information provided to the minister?

Ms Campbell: I am not sure about every one. It depends. We get a wide variety of media sources. There are many regional newspapers where people complain about Centrelink. Sometimes it is not about Centrelink. Sometimes it is in an unrelated government entity, often

in a different layer of government. So we do determine whether or not there is veracity to some of those claims.

Senator SIEWERT: I want to go to the level of veracity and how you determine that, but where do you get these complaints in the media? Is it just the newspaper, is it social media, is it on TV?

Ms Campbell: I will ask Mr Hutson to go to where we get our media-monitoring sources from.

Mr Hutson: The answer is: yes, all of the above.

Senator SIEWERT: Social media as well?

Mr Hutson: Social media as well.

Senator SIEWERT: So let me be really clear about this. With anybody who makes a statement about their treatment with Centrelink, you have a look at it and decide whether you are going to report to the minister?

Ms Campbell: We look at it about service delivery. As I said before, it is about service recovery. My expectation is that, in running the department, it is expected of us that we will look at those complaints to see whether they are true.

Senator Ryan: Can I add, Senator, not being as familiar with this portfolio, but, like most Australians, having been on the other side of the counter as well and being familiar with the sheer numbers of people this department deals with, and as a minister in another area, I would hope my department would let me know about things. It may actually alert me to there being an issue that needed ministerial attention to address it or otherwise. I think that is entirely appropriate of the department to notify.

An honourable senator interjecting—

Senator Ryan: Senator Siewert's question was: do you tell the minister's office when someone is saying there is a problem? I think 'great work'—that is what you would expect. If they were not, you would be asking them questions about why they are not.

Senator SIEWERT: The point here is that if somebody were being helped, that is fine. But, in this instance and in other instances, is the minister going to keep releasing people's personal information?

Senator Ryan: You asked: does the department let the minister's office know? And you criticised the department letting the minister's office know when there was public comment about people having concerns.

Senator SIEWERT: Yes, and I want to go on to what happened then.

Senator Ryan: Well, go on to that. By all means that can be politically charged in the way you wish, but I would commend the department on notifying ministers' offices—all of them, across the government. I would hope my department did, and I know they do. That on its own I do not think is something worthy of criticism.

Senator SIEWERT: So you have confirmed that you look at all those forms of media. Can we go back again. Do you look at all of them and only provide certain information to the minister?

Mr Hutson: It depends very much on what the nature of the complaint would be. There would be a number of complaints that would be made, particularly in social media, which would be unidentifiable and, indeed, may be of a relatively minor nature. So the question as to whether or not we would need to (a) instigate service recovery depends upon the nature of the complaint—and whether or not that media commentary requires a conversation with the minister's office; again, it depends very much on the circumstances of the case. If there was a substantial article in a newspaper or a substantial article on broadcast media, that would be a lot more important in terms of how we would deal with it than—

Senator SIEWERT: If it was substantial—

Mr Hutson: Substantial in the sense that there was a serious complaint about the department's management of a particular case. And that happens quite a lot, as Ms Campbell said, and, frequently, we deal with that with service recovery. If there is an article in the morning paper in respect of a recipient who makes a claim that says that they have been badly done by by the department—whether or not they have been—we need to find out whether or not that is true. And we have a whole Service Recovery Team which is available to start taking action on that pretty much soon as we become aware of it.

Senator SIEWERT: What makes you decide when you release information to the public instead of just doing the service recovery and fixing it?

Mr Hutson: Senator, what we said was that, in this particular case, the instigation from our perspective was where a journalist asked us questions, and that is how we made the disclosure that we did.

Senator SIEWERT: So if any journalist ever asks you questions about somebody then you will release their information. Is that right?

Mr Hutson: No, Senator. If any journalist asks us questions about a matter, then we will take into account the circumstances of the case and make a decision about what we will release.

Senator SIEWERT: Can you take on notice how often that has happened in the last six months?

Ms Campbell: We will take that on notice, Senator.

Senator SIEWERT: And in each of those cases, do you then seek legal advice?

Ms Campbell: When we are releasing under section 202, yes; we do.

Senator SIEWERT: You always do, okay.

Senator SIEWERT: So for anything that you release, can I assume therefore that legal advice has been sought?

Ms Campbell: That is my understanding.

Ms Musolino: Senator, are you asking about when there is a release to the media?

Senator SIEWERT: Yes, particularly—as in this instance—if you are going to be releasing people's personal details.

Ms Musolino: Yes. It is part of the standard practice to come through Legal.

Senator SIEWERT: Is that every time?

Ms Musolino: That is the process.

Ms Campbell: That is my understanding; that is my direction: that it goes through there.

Senator SIEWERT: But where people's personal details are released, more than that goes to the minister—or rather, when you are giving information to the minister, not all of that is released to the media. Is that correct?

Ms Campbell: No, Senator, because—as Ms Musolino pointed out—it is the minimum required to correct the record.

Senator SIEWERT: I am sorry, I have phrased it badly. I apologise. Of the number of issues which you report on to the minister—on people's personal circumstances—not all of those would then progress to release to the media.

Ms Campbell: No, Senator. This is the normal operations of the department, and so—as Minister Ryan said—ministers are, of course, interested—in what is happening, whether there is a broader policy issue, whether there is a systems issue—to determine what is actually happening. So we do that in that context; I speak with the minister regularly about particular cases to determine whether we have systematic issues or whether there is a policy issue that is driving this, and the like. That is about running the operations of the department.

Senator SIEWERT: In relation to your answer to one of my questions on notice about the numbers of errors from the agency: when I asked for how many, you said that that is not recorded.

Ms Campbell: Was this an answer to a question on notice at the last hearings, Senator?

Senator SIEWERT: Could you also answer: how often do you report to the minister about errors that the department has made?

Ms Campbell: We will take that on notice, Senator. But on occasions where there is a case that comes forward, we very clearly tell the minister when we have made an error—so it is not something we hide.

Senator SIEWERT: I am wanting to understand: does the minister know the number of errors that have resulted in overpayments or mistakes for customers?

Ms Campbell: We will take that, Senator.

CHAIR: We will suspend for morning tea.

Proceedings suspended from 10:30 to 10:47

Senator REYNOLDS: Secretary, it is lovely to see you again. It is good to be back on the committee.

Ms Campbell: Thank you, Senator.

Senator REYNOLDS: I want to change tack slightly, and ask about myGov and myGov mobile. Every time I come here, I love hearing about the progress that this particular app is making. Can you update us: since the last estimates, what new capabilities have been delivered for myGov?

Ms Campbell: While I start talking, someone who knows much more about this is coming to the table! With myGov, we have been really listening closely to recipients and people who are using myGov to see what would make their lives easier and be able to stay connected digitally. We have implemented a number of those initiatives, which Mr Sterrenberg, our CIO, will be able to take us through.

Mr Sterrenberg: Just to give you some information around myGov and myGov performance over the last couple of months: in January, we had 11.1 million customers who are now registered with myGov; 7½ million of those are using the two-factor authentication. We have, on average, about 6,400 new accounts every day, and almost 250,000 people sign in to myGov every day—myGov is obviously, as the committee knows, not just for the Department of Human Services; it also supports other member agencies. And almost 50 per cent of those who are members have more than one account. One of the big facilities or capabilities of myGov is the use of electronic mail, and from March 2014 to date we have actually had 175 million mail messages stored within the myGov mail account. One of the big-ticket items, if you would, is that we had peak log-ins of around 663,000 log-ins on one day. So clearly, myGov has matured to the point that most Australians are choosing to use it in their efforts to use our onlines. In the last couple of months, based on feedback we have had from citizens as part of our ongoing efforts to improve our services, we initiated a series of activities which were designed to improve the usage of myGov. They will be released in the next couple of months, and it is all about the improvement of the flow of the screens and obviously the usability. They will be released I believe sometime towards the end of March.

Senator REYNOLDS: What are the benefits then for the department? The benefits for users and your 1.1 million customers—

Mr Sterrenberg: Eleven point one million.

Senator REYNOLDS: Sorry, 11.1 million—a slight difference! So what are the back-end benefits for the department?

Mr Sterrenberg: The main one is security.

Ms Campbell: And the other one is being able to get to people when they change their physical address.

Senator REYNOLDS: So anyone who is registered on myGov can actually go through and change details in there directly?

Ms Campbell: They can change their details, but something that we have really seen as we have dealt with some of the media around the debt is that many people physically move and do not update their details with the department and therefore their mail goes to that old address, they do not see it and they are surprised later on when we may discover that there is some money owing or something like that. If we were able to get people onto myGov—generally people are better at updating their phone numbers or email address—that would make it much easier for us to get correspondence and in contact with citizens.

Senator REYNOLDS: Rather than sending something out in the mail, do you use that to get correspondence to clients?

Mr Sterrenberg: Yes.

Senator REYNOLDS: Which means, if they have moved or it goes astray in the post, then you know that they have it?

Mr Sterrenberg: Yes, and a significant number of letters are sent via myGov every year. It is around 500,000 pieces of documentation, so it is a significant channel for us to get information out to our citizens.

Senator REYNOLDS: When I was last here at estimates we were talking about going mobile on smart devices. How is that progressing or has it progressed?

Mr Sterrenberg: It has progressed and it is on our forward road map for delivery in the next couple of months.

Ms Campbell: It is worth mentioning that we are working very closely with the Digital Transformation Agency, who are taking the lead in the Prime Minister's portfolio on delivering on digital initiatives. We are working very closely with them on the user experience and on getting this product out.

Senator REYNOLDS: How are you measuring feedback and client satisfaction?

Mr Sterrenberg: There is a facility on the site to provide online feedback, but a lot of the stuff we do nowadays is citizen based testing. It is one of the initiatives that we took on board over the last year, whereby we bring actual users in and use our design centres to get feedback from them. It is also part of the DTA initiatives in terms of getting our systems to be more citizen-centric.

Senator REYNOLDS: Congratulations. I would like to turn to domestic violence now. What is your department doing as part of the government's response to family and domestic violence?

Ms Campbell: We launched a strategy called 'enough', and that was both for recipients who came into our offices and making sure that we have procedures in place—and I will get some of the officers to talk about that—and for our staff. We have 35,000 staff right across Australia. We have put in place a number of measures so that staff feel more comfortable. We have raised awareness of the matter and we have champions. Ms Brill and Mr Jackson will—

Senator REYNOLDS: So this is internally within your department? So any staff who may have been subject to domestic violence—

Ms Campbell: They are able to reach out. First of all, we have tried to raise awareness to make sure that everyone is aware of it and aware that people could be in the workplace who are subject to domestic violence, which could, therefore, be impacting. So we have a raised awareness first and some other measures. So that is for the staff. We are also very focused on the recipients and claimants who come into the offices and may be at a point in life where we are very careful to ask questions to make sure that they feel safe and we are putting in place appropriate referrals to assist them in that, should they be subject to domestic violence. I might ask Mr Jackson or Ms Brill to go through some of those activities that we put in place.

Mr Jackson: I am also a family and domestic violence champion within the department. My particular focus is on internal, looking after our staff as opposed to our customers. But I will talk a little bit about both.

Certainly, if I deal initially with our staff, the reality is that a lot of people in our organisation—it is a large organisation—have a backstory; things are going on in their lives that we do not necessarily know about. What we are doing is creating a very comfortable environment for people to feel comfortable to come out and talk about these issues. We are also training our staff to identify when someone is behaving in a way that could be indicating this—such as staying late at work when they never used to, taking private phone calls when they never used to and other sorts of signs—and making our staff comfortable to recognise

this. Since we have done that, we have had a significant increase in the number of people who have accessed our internal helpline.

Again, on the outside of it, we have our staff that work on a day-to-day basis with customers recognising that there are particular points in some of our recipients' stages that they may be more vulnerable. We have a set of questions that we do ask: are you or is someone you know aware of a situation where this is occurring? This is often a trigger that allows people to start talking about it. Our social worker network can then be brought in to help with them, to do a range of things: to identify crisis payments, to arrange for referrals to 1800RESPECT through to safe housing. We have situations where we can do crisis payments to change people's locks, to get them urgent accommodation and things like that.

We have also done a lot of work around our websites. When someone is going through one of the websites, there can be a very short question that can take them directly to a site. It is equally important to also have a very quick exit. Someone might hear someone coming up behind them and might not necessarily want to be seen looking at this particular site, so we have a very quick exit arrangement on our sites that allows them to take them out. Again, it is just one of these things: people think, 'I'm not quite comfortable', and it takes them right out of the site, which is a great initiative.

Ms Brill: As has been outlined, we have a very clear family domestic violence strategy now in place within the department that serves both our staff and our customer base. Within that strategy, our social work services play a crucial role in supporting not only our staff but also our vulnerable customers with highly complex needs. The social workers give priority, with this as part of the strategy, to customers presenting at risk, young people—customers experiencing no support for firsthand issues around family and domestic violence.

With regard to the social workers' contribution in the last year, in 2016 social workers contributed to helping staff and customers by providing family and domestic violence training to around 20,000 of our department service delivery staff as well as direct support and interventions for people affected by family and domestic violence. The success of the family and domestic violence strategy, including the training, was recognised last year in the Prime Minister's Awards for Excellence in public sector management. In 2016 social workers received approximately 67,000 referrals for customers with family and domestic violence issues.

Senator REYNOLDS: Was that individuals?

Ms Brill: That is correct. It is an increase of 13,000 from the previous year, which reflects some of the hard work that we have been doing in not only working with our customers but also training our staff. From that, around 18,000 crisis payments were granted to people experiencing family and domestic violence.

Mr Jackson: There is also a crossover arrangement with our multicultural servicing officers where we do joint sessions. Recently one of our multicultural service officers teamed up with some of the family and domestic violence officers and ran a session amongst the Karen, Burmese, Karenni and Chin communities to talk about FDV, what it actually means in Australia and how some of the different cultural changeovers may include behaviour that we find unacceptable. We need to explain that and work that through, and equally make these

people aware of, should they experience this, how they can access the various amenities that are available where normally it might not have been there.

Senator REYNOLDS: Congratulations!

Senator PRATT: I have been following the issues regarding privacy, and I want some clarity around the minister's capacity to release information. You have described it as also attributable to section 202(2)—is that right?

Ms Musolino: Yes.

Senator PRATT: So that enables him to release the information for the purposes of correcting the record?

Ms Musolino: Yes, for the purposes of the social security law, which includes correcting the record for the purpose of maintaining public confidence.

Senator PRATT: And is that the same part of the act on which you rely to release information?

Ms Musolino: Yes.

Senator PRATT: So he is, therefore, not obliged, as far as you understand it, to make inquiries with people like the Privacy Commissioner before releasing that information?

Ms Musolino: It is not a requirement of section 202 to make inquiries with the Privacy Commissioner. There is that reference to the privacy principles that I raised earlier. Section—hang on, I will just find it. There is a section in the privacy principles that actually goes to the release of information. I am not sure if you were in the room when I spoke about it earlier.

Senator PRATT: I was doing my best to follow the logic. I am seeking some clarity around that. So that is only for the purposes of correcting the record, or is the minister broadly empowered to release personal information more generally?

Ms Musolino: It is for the purposes of the social security law.

Senator PRATT: Not the purpose of correcting the record?

Ms Musolino: If the disclosure is for the purposes of the social security law, then it can be disclosed. Correcting the record to maintain public confidence in the system is related to the purpose—

Senator PRATT: Is the purpose of the act, so it could not be a more general provision. So the fact that I am a social security consumer, for example, does not make it pertinent to the social security law more generally? It has to relate to a specific part of the act, for example correcting the record?

Ms Campbell: So the provisions on which we rely are about the administration of the social security law, and the interpretation is 'ensure the operation of that law'. That is why the information was disclosed in this case. Your example of someone just being a recipient is not necessarily—202 would not cover disclosure in that case, but section 208 might if there was a public interest reason in which case there would be a certificate of why that disclosure was necessary.

Senator PRATT: And only the minister can access the provisions under 208? So the minister can access provisions under both 202 and 208?

Ms Campbell: Under section 208 it is the secretary who makes that determination. Examples of that have been when we have disclosed information to police forces for public order or if there was some requirement. In that case, section 202 is a more general clause about disclosing it for the operation of the law.

Senator PRATT: And the minister can only release that information under that part of the act, not the other parts of the act?

Ms Campbell: I think if the secretary signed off on the disclosure form, that information could be released by the minister then as well.

Ms Musolino: Yes, so if there was a certificate.

Ms Campbell: If there was a certificate of public interest disclosure.

Senator SIEWERT: I am going to go to the overpayment, which is what I was talking about, as it relates to this. I am sure you have found the question on notice, as I have now.

Ms Campbell: I have it here.

Senator SIEWERT: It is question on notice 47(HS48) where you say:

The department does not currently capture the portion of overpayments raised as a result of system or administrative error.

Ms Campbell: That relates to our ICT system. When a debt is raised, our more mature ICT system does not give us the provision to actually track, so we cannot go and do a search of all debts that were raised and determine which were for administrative error and which were from the recipient not updating their details or what the actual purpose was. If we have an individual case, we are able to go into the system, look at the record and determine what actually happened, but we do not have the ability to search on all debts to determine what they were attributed to.

Senator SIEWERT: So at this stage you cannot tell us how many of the debts are as a result of administrative error.

Ms Campbell: The only way to do that would be to search through the records of the hundreds of thousands of debts raised every year, so no, we cannot. WPIT, the new IT system, will give us an opportunity to build a system that will capture some of those reasons.

Senator SIEWERT: So, when you raise a debt for an overpayment, you do not look at whether there was an error there.

Ms Campbell: We do look—

Senator SIEWERT: Well, you should be able to tell us that, then.

Ms Campbell: We can for individual cases. I had thought that this question asked for the table broken down by payment types. I had understood this question to be for all payment types and all errors. I am sure someone is going to get me a number, but there are many, many of those. To work that out, we would have to go through each and every record. The system does not capture why the debt was raised, and I had interpreted this question as you asking why each and every debt had been raised. With an individual, we are able to go back to that individual's records and determine it.

Senator SIEWERT: I am going back to your answer, which was:

The department does not currently capture the portion of overpayments raised as a result of system or administrative error.

Ms Campbell: That is correct.

Senator SIEWERT: So you do not know.

Ms Campbell: We know for an individual, because we can go in and read that individual's records, but you asked, and we have answered that we cannot capture the portion of overpayments. So I had interpreted that as: of all the debts that are raised, what portion were attributed to administrative error, what portion were attributed to someone not giving us—

Senator SIEWERT: So you cannot tell us.

Ms Campbell: No, I cannot, because we are about to get the numbers of how many debts were raised and, in order to do that, we would need to go and open every single record of every debt raised to determine it, and we are seeing that we cannot do that in a timely fashion.

Senator SIEWERT: So we still do not know, of those percentages of debts that have been raised as overpayments, what was caused by error.

Ms Campbell: No, we do not actually have the figure. We could do a sample if you like and work out how many of a sample were raised by error. That is a way of doing it, and that might be something we could take on notice—doing a sample. But we know that often errors are raised, anecdotally, from people who have not updated their details.

Senator SIEWERT: I understand what you just said, and I understand that you said that last time. Yes, I appreciate that there may be some, but there are also, from what I am told, some that have updated their details; in fact, on a number of occasions people have told me that. But it does not get away from the fact that, aside from people that have not updated their details for whatever reason, some of the overpayment have resulted from system or administrative errors, and you cannot tell me how many.

Ms Campbell: What I am proposing is that we do a sample. I am just trying to work out how many debts we—

Ms Golightly: Last year we raised 2.4 million debts in one year alone.

Ms Campbell: So it would be very difficult to go through those 2.4 million debts to do that. So what I am proposing is that we do a sample of those debts and use a sampling methodology to determine what proportion they are and what proportion is because the recipient has not updated their details.

I would also note that, yes, recipients do update their details but often not in a timely enough fashion. If they have employment and they do not tell us for a week, that may lead to them being overpaid because they have not told us quickly enough in order to stop that next payment going to them.

Senator SIEWERT: I would appreciate it. You can you tell me all the examples of people that have made mistakes, but I am interested in the mistakes that Centrelink has made.

Ms Campbell: We have proposed to do a sample and take that on notice.

Senator SIEWERT: Yes, thank you, and that would be very much appreciated. I know there is another opportunity next week to pursue some of these specific issues, so I will be doing that. The reason I went there in the first place in this particular section when we were dealing with the privacy issues then was when you provide the information to the minister.

Does that presumably then provide the opportunity for you to identify where there is an error that has occurred through Centrelink?

Ms Campbell: Yes.

Senator SIEWERT: I understand what you are saying about had it affecting an individual timeliness, but it is where Centrelink has provided an error.

Ms Campbell: And there was an example on the parliament in the House of Representatives—

Senator SIEWERT: Yes. We went through it.

Ms Campbell: where the minister very clearly articulated where we had made mistakes and what that mistake had led to.

Senator SIEWERT: You have already taken on notice to give me the information on how many you have provided to the minister. Could you also take on notice how many of those have been an error by the department?

Ms Campbell: Again, we would probably use a sampling methodology over a period of time. We will take that on notice.

Senator SIEWERT: Thank you. I have a lot of other questions that do not relate to the privacy issue, because we do get another opportunity to pursue those.

Senator PRATT: Because we are behind time, I am just trying to reprioritise questions.

CHAIR: No, we are on time.

Senator SIEWERT: While you are checking that, can I ask some questions on notice. I do not think we will have time now, but I would like the information for next week. How many people have been issued a discrepancy notice from July until February under the online compliance intervention program?

Ms Campbell: Can you be very clear about what you mean by 'discrepancy notice'? Is that an accounts payable debt letter?

Senator SIEWERT: I am coming to the debt. This is the first letter.

Ms Campbell: So that is not a discrepancy; that is asking someone to clarify the differences between the tax office and the Centrelink.

Senator SIEWERT: I stand corrected. How many of those have been issued, month by month, from July 2016? How many have been issued with a debt notice for the same period—per month for that period of time? Could you then break that down into how many people have been issued a discrepancy notice under the program that have had no further action taken once they have updated their information?

Ms Campbell: Yes.

Senator SIEWERT: And how many people have been issued a discrepancy notice have had to provide supporting documentation? How many people have been issued a debt notice under the program that have had to provide supporting documentation? Could you please provide a breakdown of how many people have been issued with a discrepancy notice from Centrelink that have had no contact with Centrelink—those who have not responded, in other words?

Ms Campbell: This is the initial letter alerting them to the fact that there is a difference and that we have not then had any contact?

Senator SIEWERT: Yes. Then how many you have found, in fact, have no debt? How many people have had the debt reduced? How many people have had it increased, month by month? How many people have been waived? Could you also provide information around the debt notices that have had a 10 per cent recovery fee applied and how many people have had it waived?

Ms Campbell: Can I just clarify: you want that on notice for this committee, but you would like us to have that information available next week?

Senator SIEWERT: Yes. Is that doable?

Ms Campbell: I think that is probably doable. I will just check on the month-by-month stuff.

Senator SIEWERT: I am seeing some nodding behind you.

Senator PRATT: I have some questions regarding Centrelink waiting times on the phone. Is the published wait time the time a person is waiting for a staff member to answer the call—the first person they speak to?

Mr Jackson: The waiting time is the time for the call to be answered and made contact with an operator.

Senator PRATT: If that person is then put back on hold, is that wait time recommenced? Is it added to the original time? It is re-commenced? Or is it not assessed at all?

Mr Jackson: It becomes a transferred renew line. It becomes a new inquiry and, as such, the clock would start again. But we do warn transferees whenever we can to ensure there is a minimal wait time associated with that.

Senator PRATT: Where in the statistics is that transfer time reflected?

Mr Jackson: It becomes a new call coming into the system.

Senator PRATT: So it is a duplicate call in your records? It is treated as a separate record, is it?

Mr Jackson: It is not a duplicate call.

Senator PRATT: No.

Mr Jackson: But it is a separate call because it could be transferred to a separate inquiry line. So the statistics get registered against that particular line.

Senator PRATT: So you do not add the two times together as an illustration of the total time that someone has been on the phone?

Ms Campbell: Our attempt is to answer those calls when the operator first gets it, but sometimes we find that recipients might ring the student line—

Senator PRATT: I have done it myself.

Ms Campbell: So they may ring the student line and then need to be transferred to the family tax benefit line, or something like that. We do try to resolve customers' inquiries at the very first place that they engage with us. As Mr Jackson said, we try to do warm hand-offs,

particularly for people who are in distress or are vulnerable customers who may be confused by it, and pass them to the next line. We put in a new telephony system in recent times and we are working through that telephony system to get better data, to get better ways of routing calls and to get better use of interactive IVR—which stands for something.

Senator PRATT: But essentially you are saying that the wait time is recommenced?

Ms Campbell: If we do a transfer. In those occasions the wait times are recommenced. But we work very hard to make sure that we do not do that. But there are some people who, for example, might ring the debt line—which they think has a smaller wait time—and hope to get answers to more complex questions. The officers who are answering those phones—because we have skill-tagged them to those phones—are not able to answer those questions and then they need to be referred on to elsewhere.

Senator PRATT: So, if the call came in on the correct line and you have referred it to someone else because the person answering the call did not have the expertise to answer it, are they still treated as two separate wait times?

Mr Jackson: If they have come in on the correct line and their inquiry related to what that line specialised in, it would be unusual for the operator not to be able to handle all of the questions.

Senator PRATT: That is certainly not my experience from calling about my childcare rebate.

Ms Campbell: We are happy to—

Senator PRATT: I am not asking these questions in a personal context, but that is surprising to me. Is that referred to as triaging? What do you call that?

Ms Campbell: As I said earlier, first call resolution is our goal—trying to get people into the right queue. That is why we give recipients who are ringing up options about which queue to go to, and get them to tell us what their query is about so that they can go to the queue with the appropriate staff who are qualified to answer those calls. Then, when we get there, it is our goal to have first-call resolution.

Mr Jackson: That is correct.

Senator PRATT: How many abandoned calls are not answered because people have given up?

Ms Campbell: This is always a tricky one for us, with abandoned calls, because sometimes the caller can receive the information they are looking for from the interactive voice—we have a number of recordings giving people information, and they are able to get that information. We have not yet been able to determine what is a 'bad' abandon, for want of a better description, or a 'good' abandon in that they have been able to receive their information.

Senator PRATT: Could you perhaps take on notice how many transfers are made and what the waiting time is when people have called the right line and are being transferred within that area?

Ms Campbell: It is very difficult for us to be able to say 'called the right line', because that would require us to capture—

Senator PRATT: Well, people who are transferred within the same unit rather than to a different—for example, if I called the Families line, and I am transferred to someone else within Families. I want to know whether you are adding the wait times together in that instance.

Mr Jackson: We can take that on notice.

Senator PRATT: Thank you. I know Senator Watt has got some further questions.

CHAIR: Senator Reynolds had a quick follow-up.

Senator WATT: I was thinking I might use the rest of Senator Pratt's time, but if you have not got long, that is okay.

CHAIR: Just a follow-up on that.

Senator REYNOLDS: It is literally one question: on phone calls and wait times, are you experiencing, like the rest of us, robocalls, and, if you are experiencing them, what is the impact of these calls?

Ms Campbell: We might see whether we can get the CIO back to the table, but we are receiving automated calls. Our systems do detect when we are receiving automated calls, and we do have protections in place when we receive too many of those; when we think it could be a denial-of-service attack. We actually do then exclude those numbers that are trying to 'ping', for want of a better term—I am sure Mr Sterrenberg has got a better term—but we do have mechanisms to make sure that we are not receiving a denial-of-service attack.

Mr Jackson: There is a proliferation of apps you can buy on the App Store that allows this autodialling to occur. We are aware that a lot of our calls come through as a result of that, and that causes us a lot of concern, which Mr Sterrenberg—

Senator REYNOLDS: Are these apps there to do denial-of-service, or are they there to—

Mr Jackson: They are the more nefarious ones,

Ms Campbell: There are apps that allow redial of numbers.

Mr Sterrenberg: The difficulty we have is that it has got the same attack vector as the cyberthreat or the hacker that does the brute-force attack. They set the automatic redialling that just blasts our exchange. We do have them occasionally and like most large companies, we have defensive mechanisms to pick those up and exclude them to protect the rest of the channel.

Senator REYNOLDS: Thank you.

CHAIR: Senator Watt, you have got 10 minutes remaining.

Senator WATT: Can I return to the disclosure of protected information. I apologise—I had another commitment that I had to leave for—but have we received yet a copy of the minister's statement that he provided?

Ms Campbell: We will just see whether Mr Hutson is available to come to the table.

Mr Hutson: I am sorry, which question were you asking?

Senator WATT: Two things: have you been able to find out the time that the minister's office provided that protected information to the journalist?

Senator Ryan: I think we said we would take that on notice, and I will take it on notice. Given that you are asking the minister's office, it is probably not appropriate to ask the officials.

Senator WATT: I very much accept that you do have a certain period of time within which you can answer questions on notice—

Senator Ryan: There is also the separation, I think. It is appropriate that that question be put to the minister's office not the officials.

Senator WATT: I accept that there is a period of time to answer questions on notice, but it is also the past practice of these committees, as I understand, that simple matters that can be answered with a quick phone call can be responded to quickly.

Senator Ryan: I think it would be fair to describe that past practice as 'occasionally intermittent'. It is a sitting day. We are going until lunchtime. We will see what we can do, but there are no guarantees.

Senator WATT: It might be a little bit difficult if we are not going to get that information until lunchtime, and then we do not have that—

Senator Ryan: I did not say you are going to get it at lunchtime. We can be belligerent about this, Senator Watt.

Senator WATT: I am not being belligerent.

Senator Ryan: The question has been taken on notice. I am not giving a guarantee about its provision today. I am not in a position—

Senator WATT: If you want to see belligerence, I am happy to give belligerence.

Senator Ryan: I did not say you would get it at lunch time. All I am saying is that we are taking it on notice—

Senator WATT: I understand that.

Senator Ryan: and I cannot provide a guarantee for an office that is not me.

CHAIR: The other thing that I would point out to senators is that we do have the Senate inquiry starting next week, so we do have another opportunity to revisit some of these issues.

Senator WATT: My concern is that if we do get that information in the lunch break, we in good faith agreed to a hard mark-up of this session ending at 12.30 and will not have an opportunity.

Senator Ryan: I do not mean to be literal. I have taken it on notice. I am not in a position—if it was my office, maybe, but I am not in a position to provide the committee with a guarantee other than compliance with the Senate rules. I am being honest.

CHAIR: The minister has taken that request in good faith and best endeavours will be made.

Senator WATT: To clarify where we have got to, there is not debate that this is protected information that was handed over. You say that you were allowed to do so, the department was allowed to do so and the minister was allowed to do because of section 202 of the Social Security Act and section 162 of the new tax system act, which are basically identical. You say that the reason that was permitted is that those disclosures were made for the purposes of

social security law, and because it happened there there was no need for the secretary to issue a certificate, which has guidelines attached to it. Correct me if I am getting any of this wrong.

Ms Campbell: That is consistent with our evidence today.

Senator WATT: Going one step further, when I ask you how you can say that this disclosure was made for the purposes of the social security law, you rely on the Privacy Principles. Or have I missed something there?

Ms Campbell: We said that our interpretation is to the administration of social security law to ensure confidence in the system, and we also point to the Privacy Principles, which give a specific example of where it may be appropriate.

Senator WATT: Where in the act does it say that social security law includes maintaining confidence in the system?

Ms Campbell: I did not say that it was in the act. I said that we had interpreted the act to be that. We had talked about the legal advice we had received earlier. I did not say that.

Senator WATT: You received legal advice specifically on that point, that—

Ms Musolino: that the social security law purpose covers maintaining confidence in the integrity of the system.

Senator WATT: You talked about the extraneous material. Is that partly in reliance on the Privacy Principles? Or is that a separate issue?

Ms Musolino: It is a separate issue. It is to provide context that there are multiple paths where information can be released. We rely on that provision because it is an express power. But additionally, it is worth noting the Privacy Principles contemplate expressly that where a person puts their information in the public domain an agency can respond and disclose whatever information it needs to to correct the record on that issue.

Senator WATT: Turning to the disclosures that the minister or his office made, do we know whether it was the minister or his office?

Ms Campbell: I think the minister at the table has said he has taken those issues on notice.

Senator WATT: I am just trying to work out what we know. Did the department provide any legal advice to the minister or his office prior to him making that disclosure?

Mr Hutson: In the context, did we provide to the minister's office a formal legal advice? The answer is no. Did we provide advice to the minister's office that this issue had been considered by the legal division and that clearance had been given appropriately? The answer is yes.

Senator WATT: So you told him effectively that you had legal advice that said this was okay, but you did not give him or his office a copy of the advice.

Mr Hutson: Yes, that is right.

Senator WATT: Is there some reference in the Privacy Principles or elsewhere that requires this sort of disclosure to be a proportional response?

Mr Hutson: I am not sure that it is actually in the Privacy Principles. I used the word 'proportional' response this morning. I think that was an appropriate word to use in the circumstances of this particular case. It mirrors the sort of words that the Privacy Commissioner used in his evidence to the other committee earlier this week.

Senator WATT: Okay. So it is your view that the minister's disclosure to this journalist was a proportional response to the information that had been put in the public domain.

Mr Hutson: I did not say that. I said that at that stage we did not—and I still do not—have a complete set of all of the information which was provided by the minister's office to the journalist. In terms of our response and the material which we prepared, yes I believe that to be proportional.

Senator WATT: So you consider that the department's response to the journalist was a proportionate response?

Mr Hutson: And the material we prepared for the minister's office was a proportionate response.

Ms Campbell: I understand that we do have that material that is able to be tabled now. Is that correct?

Mr Hutson: I have some material which is available to be tabled.

Senator SIEWERT: Which material is that?

Ms Campbell: The departmental response that we talked about earlier this morning.

Senator WATT: If you could table that, that would be great.

Mr Hutson: What I have for the committee is the requests that we had received from the journalist, which you asked for this morning. I think I referred to the fact that we started this exercise with a series of questions from the journalist. I also have the response which we provided, which I read in part to the committee earlier today. We have that ready for tabling right now.

Senator WATT: If we could look at that, that would be great.

Mr Hutson: In the version of that response that we have tabled we have deleted the name of the recipient. But it notes that. You will see a blank.

Senator WATT: Again, Mr Hutson, your view is that that information that was provided by the department was a proportionate response to the information that was in the public domain?

Mr Hutson: That is right.

Senator WATT: Is it your view that the information that the minister or his office provided to the journalist was a proportionate response?

Mr Hutson: I do not know that because I do not have that information.

Senator WATT: In relation to the information that the minister or his office passed on to the journalist, did we establish whether that information had been cleared with your department?

Mr Hutson: Certainly some of it had been, and we obtained legal clearance and the usual clearances that we do.

Senator WATT: But some of it had not been?

Mr Hutson: I do not know, because again I do not have a complete set of all the information that was provided.

Senator WATT: So the minister's office cleared some of the information and possibly more with the department before providing it. Are you aware of any instances when this minister or his office has provided protected information to a journalist without clearing that with the department?

Ms Campbell: I am not aware of that, no.

Senator WATT: One of the other stories that have been in the media recently on this topic was on 26 January 2017. It was an article in *The Australian*.

Mr Hutson: Is that in respect of this particular recipient?

Senator WATT: No, it is a different person. There was a person who I think had received youth allowance and had been pursued by part of the Centrelink fail—that is the unkind way of looking at it. Then information was clearly provided to *The Australian* to rebut what this person had claimed. It was deeply personal information about money that they owed and their personal circumstances. I think there is another one in there as well. Did that information get provided to that journalist by the department or the minister's office?

Mr Hutson: I do not have that information available, but I will take that on notice.

Senator WATT: Does Ms Golightly know?

Ms Golightly: We did not provide that information to the journalist in relation to *The Australian* article on 26 January.

Senator WATT: This is the article 'Debt scare backfires on Labor', by Simon Benson. That is the one I am talking about.

Ms Golightly: Yes. In fact, that information was not through our media team.

Senator WATT: So the department did not provide that information to the journalist in this instance?

Ms Golightly: No.

Senator PRATT: Did it provide that information to the minister?

Ms Golightly: We have provided information to the minister on a number of cases, yes.

Senator WATT: On this specific occasion?

Senator Ryan: In other committees we normally ask if we could photocopy the article, just so that we are not inadvertently misleading anyone. I do not want to have them in a difficult position. There have been a few articles—

CHAIR: It was remiss of me. That is a very good point.

Senator WATT: Without going into detail about this particular person—and in fact there might be more than one in this article—if that information was not provided to the journalist by the department, it can only have come from the minister or his office. Is that correct?

Ms Campbell: Individuals do put their own information out there. I am not sure in this case, but I do not think that we could conclude that only we and the minister's office put information out there. Sometimes individuals put their own information out there.

Senator WATT: So you are saying that one possibility—

Ms Campbell: No, I am not saying that. I am just saying that the assumption that only we or the minister's office put information in the media is not totally correct, because individuals often put their own information out.

Senator WATT: But, for that to follow in this particular case, what you are trying to tell us is that this individual has decided to go out and blow themselves up in the media.

Ms Campbell: Sometimes they do that, yes. I am not saying that was done in this case, but sometimes individuals put their own information out there.

Senator WATT: So people ring up a journalist and say: 'You know what? I have rorted Centrelink and I would like you to put this on page 1 of *The Australian* newspaper.'

Ms Campbell: There was an article recently where someone was criticising us for recovering money from them, even though they accepted that they had not paid it all back—well, they had paid some of it back—and how unfair it was of us to come looking for that money. They acknowledged that they had not paid it back, so, yes, sometimes individuals do.

Senator WATT: Righto. I have just about wrapped up for now, but there was nothing from the department to Mr Benson about this incident. I think we are going to need to take on notice what contact the minister or his office had, what information he provided to this journalist, any statements, any verbal discussions and the exact timing of when that occurred.

Ms Campbell: We will take that on notice.

Senator WATT: One last question on this particular thing.

CHAIR: Very last.

Senator WATT: Very last. Did the department provide advice to the minister or his office before that information was passed on to a journalist?

Ms Campbell: We have taken on notice what information was passed on. We need, as part of that process, to determine what advice was provided. Because we do not know, we cannot say what we did or did not provide advice on.

Senator WATT: You can find out, though, what advice was provided by the department to the minister's office about this case.

Ms Campbell: We can take that on notice. There are many cases, I think, in this article.

Senator WATT: There are not a lot that end up on page 1 of *The Australian*.

Senator SIEWERT: Just to clarify, you must keep records of the advice that you provide to the minister, surely.

Ms Campbell: We do.

Senator SIEWERT: Okay. So, although you are saying there are many cases that you provide advice on, if you kept those records you will be able to find the information in this particular case.

Ms Campbell: And that is what we have said: we will take on notice what advice we provided on these cases.

Senator SIEWERT: Thank you. Can I very quickly go back to the issue of which section of the act you used to provide this information and the minister used to release it. When was the decision made that you would do it under section 202 rather than 208?

Ms Musolino: It is a longstanding provision. It is not a new or particularly contentious interpretation. It has been the department's understanding of the legal position for some time.

Senator SIEWERT: So you were always using section 202.

Ms Musolino: We have always had the capacity to use 202(2) and 162(2).

Senator SIEWERT: I want to go to the issue of missed calls, answered calls et cetera, please. But I do just want to quickly go to the issue around the malicious—sorry, I do not have the terminology properly in my head yet. It is when there is a deliberate attack—

Ms Campbell: A denial-of-service attack.

Senator SIEWERT: A denial-of-service attack. Was I correct in understanding that you said it is hard to tell the difference between that and the app?

Ms Campbell: Mr Sterrenberg will join me, and he will be able to give you the technical details on that, but my understanding is that, depending on how often the same number is actually ringing, it may activate our system's defences because it could be interpreted as a denial-of-service attack.

Senator SIEWERT: Is it just through the app that that happens? I know people keep ringing and they are trying to get through—not through an app but just hitting redial so they can get through?

Ms Campbell: I do not think that it would be redial, but Mr Sterrenberg will take us through it.

Mr Sterrenberg: No, it is not predials, but it is when there is a lot of activity which auto-generates the calls quickly. In that situation our defences pick it up.

Senator SIEWERT: Do you mean if that was the app or whether it was a denial—

Mr Sterrenberg: No, even telephone calls. We had a situation the other day, which was not a malicious attempt, where there was a setting on a particular IP address which generated 450,000 hits to our system. We are reasonably sophisticated enough to pick up those differences.

Senator SIEWERT: So that was an attack?

Mr Sterrenberg: No, it was a mistake made by a particular person in terms of the way they set up their dialling.

Senator SIEWERT: Trying to get back in contact with you, is that what you are saying?

Mr Sterrenberg: Yes.

Ms Campbell: If you are asking whether someone who just redials would be interpreted as a denial-of-service attack, that would not be the case.

Senator SIEWERT: Okay. I understand that. If someone is using these apps, what you are saying is—and I have got to say I have never seen these apps—

Senator Ryan: Neither have I.

Senator SIEWERT: What you are saying is, sometimes that app could be interpreted to be that way.

Mr Sterrenberg: Some of them do. Some of them are not sophisticated enough to do proper redialling like one of the big providers. There are, for example, some online apps that

are meant to do what they refer to as 'quality checks' and they send what is known as a 'ping' and it just continues to hit your channel. In those cases we whitelist those, because obviously they are detrimental to the rest of the calls in the channel.

Senator SIEWERT: Thank you for clarifying that. Can I go through how many missed calls there have been in this financial year to date?

Ms Campbell: Missed calls that have received an engaged signal?

Senator SIEWERT: Can I get a total of calls that have received an engaged signal and calls that have not got through to the point of engaged and answered calls? Then we will go to the individual lines.

Ms Brill: I can report that, as of 31 January 2017 for this financial year, we had approximately 28 million busy signals.

Senator SIEWERT: How many did not get through to the busy signal?

Mr Jackson: Abandoned calls?

Senator SIEWERT: What people are saying is that sometimes they are not even getting a busy signal.

Ms Campbell: What do they get then?

Senator SIEWERT: It just does not get through. It just does not engage.

Ms Brill: Don't they all get the busy signal?

Senator SIEWERT: No, there are some people who are saying they do not even get the busy signal.

Ms Campbell: So what do they hear? I am just trying to understand.

Senator SIEWERT: Nothing.

Senator Ryan: I asked these questions yesterday. I have not heard of examples of people not getting the noise that says they cannot get through. I appreciate there is that. Then there are the abandoned calls waiting in the queue. I have not heard of substantial examples of that. Off the top of my head, that would be a network issue.

Ms Campbell: Yes. Mr Jackson just alerted me to the fact that maybe that is when we have the multiple redial and so we might just have to find out whether that might be the denial.

Senator SIEWERT: Okay. If you could check that—

Ms Campbell: We will check that, because this is evolving.

Mr Jackson: That is my understanding, but we will take it on notice.

Senator SIEWERT: In that case, just to clarify: do the 28 million calls not include those denied service attacks?

Ms Campbell: I do not know. I think we will have to check. I suspect the 450,000 Mr Sterrenberg just talked about may be in that 28 million.

Senator SIEWERT: Could you clarify that? I understand the issue around the denial-of-service attack, but there are people who are hitting redial and hitting redial, and, in fact, probably using the apps, because they are just so frustrated they cannot get through. I would like clarification.

Ms Campbell: We will clarify that.

Senator SIEWERT: So you are saying that if nothing is happening it could be because the system is thinking that they are doing that—could you clarify that?

Ms Campbell: We will check that.

Senator SIEWERT: Thank you.

Ms Campbell: And sometimes there are outages by our provider as well, so we need to work that out.

Senator SIEWERT: If you could provide further information on notice on that. What about abandoned calls?

Mr Jackson: We are dealing with the social security and welfare line here. The number of abandoned calls in the year to date is 4,118,686.

Senator SIEWERT: I am making sure that I am being clear here: is the overarching 28 million for all lines?

Ms Campbell: They are for the social welfare—

Mr Jackson: All social welfare lines.

Senator SIEWERT: All social welfare lines?

Ms Campbell: Would it be better to describe them as Centrelink lines? Would that help versus child support and Medicare?

Senator SIEWERT: Yes. That is perfect. So these are all the Centrelink lines?

Mr Jackson: Yes.

Senator SIEWERT: I am going to run out of time, so could you provide on notice the same details for the child support lines and the Medicare lines? Were abandoned calls on all the Centrelink calls the 4 million figure you just mentioned?

Mr Jackson: Yes, that was 4,118,686.

Senator SIEWERT: Do you have a list you could table now that actually breaks that down into the individual lines?

Mr Jackson: It has all my scrawl all over it, so unfortunately not. But we can break it up on a per line basis for you.

Ms Campbell: Are you looking for the families line and those for older Australians and job seekers and those sorts of things?

Mr Jackson: We can do that.

Senator SIEWERT: Yes. Because we know there are differences in busy times. And what is the average?

Ms Campbell: I think we do have the average wait times for those.

Mr Jackson: The average speed of answer across the Centrelink lines at the moment—

Senator SIEWERT: Is that the same as wait times?

Mr Jackson: Yes. It is 14 minutes and 10 seconds, against the target of 16 minutes.

Senator SIEWERT: Can you give me the breakdown for each of these against the target?

Mr Jackson: Yes, we can do that.

Senator SIEWERT: What was the wait time on the debt line?

Ms Campbell: There is more than one debt line. The debt line we have been talking about this morning is a few seconds. I am just looking for someone who has a more up-to-date figure, but the last time I looked it was about 5 to 10 seconds.

Senator SIEWERT: What are the other debt lines?

Ms Campbell: We do not seem to have that readily available.

Senator SIEWERT: Could you provide that on notice against the other debt lines?

Ms Campbell: Yes.

Senator SIEWERT: I want to go back to the issue Senator Reynolds was just touching on in terms of the crisis payments that were made and how quickly they are made. How quickly are they processed and paid once somebody contacts you about it?

Ms Brill: Crisis payments are obviously a high priority. They are determined working in conjunction with social workers and are dealt with as immediately as possible.

Senator SIEWERT: Are we talking one or two days?

Ms Brill: Yes. Normally it is done face-to-face and normally it is on the day. Where it is not on the phone, we move as quickly as we can.

Senator SIEWERT: Could you provide on notice what the definition of crisis is and where exceptional payments are made? Does that make sense?

Ms Brill: We are happy to provide those categories, yes.

Senator SIEWERT: Could you provide the difference between the categories and whether the exceptional circumstances payments are made as quickly as the crisis payments?

Ms Brill: Yes.

Senator SIEWERT: Are they the same time frames, or different?

Ms Brill: I think you are probably referring to urgent and crisis payments. They are different, and I am happy to provide that on notice.

Senator SIEWERT: If you could that would be appreciated. Are the urgent payments longer?

Ms Brill: It depends on our workload on the day, but we prioritise the crisis payments, and the urgent payments are normally done within a day or two as well.

Senator SIEWERT: I have a question around Medicare. Is it going to confuse you too much to go there?

Ms Campbell: We can do whatever you like.

Senator SIEWERT: I have a number I will put on notice, but I want to ask a question. I have had a number of complaints recently about people trying to register a new baby for Medicare.

Senator Ryan: I have been through that recently, or, I should say, my wife has.

Senator SIEWERT: I hope she did not find it as difficult as some of the people who have contacted me about this. How easy is it to register a newborn for Medicare? I have had a couple of constituents recently contact me about this, so it raised a red flag.

Ms Edwards: I might hand over to my colleague, Ms McClusky, for the details of the process. But we should say that registration of a newborn is one of the few processes remaining in Medicare that you have to do face-to-face. Although, in particular urgent or extreme circumstances, we make arrangements. But, generally speaking, it requires attendance at a service centre, with particular documents. There is a form to be filled out, and if all of the material is there at the first attendance, the enrolment can be completed on the spot. And although it takes some time for a card to be issued from the time of the enrolment being completed, a number is issued. In most cases, a person is added to a card, and services can be received on the basis of that addition from the time of the completion of the registration. The card itself takes several weeks to be posted, but it is effective immediately. The thing that sometimes causes delay is if there is some sort of information lacking from the material provided. It might be those sorts of instances you are talking of.

Senator SIEWERT: The operative issue here is that you have to do it in person. You cannot do it online.

Ms Campbell: We did a trial last year with the Digital Transformation Agency and the Gold Coast hospital, looking at doing the registration of the babies while they are in hospital, to minimise some of the difficulty. We call it 'natural connected'. It is trying to make sure that when everybody is there we can try to address some of those issues. We have done it as a trial in one hospital and we are looking to see whether there is the ability to do it more broadly, so that we can streamline this process so it does not become too onerous. Ms Edwards might be able to talk about that trial.

Ms Edwards: That is exactly right. At the Gold Coast hospital there was a trial, at which, effectively, the newborn's parents would allow the hospital, with consent, to record the details and auto-populate the form. In those instances, those parents, and there were 2,726 of them, were not required to attend. We are looking at how we might scale or introduce that into different hospitals, going forward. The secretary is absolutely right. I should qualify my answer. In that number of cases, we have been moving ahead—and that is one of our key priorities—to move the registration of newborns to a more user-friendly and electronic format, and it is a work in progress.

Senator WATT: I want to go back to where we were. Have you had a chance now to look at that article?

Ms Campbell: Yes.

Senator WATT: Thank you.

Ms Campbell: We have had a look at that information and note that it is generic information which does not identify actual recipients.

Senator WATT: So?

Ms Campbell: No-one's name is used.

Senator WATT: I accept that it was not the responsibility of the minister, his office or the department that these people went into the public domain about their circumstances. But are you saying that even though it is very easy to identify who we are talking about, given their previous media appearances, it is okay for the minister or his office to put this personal information out into the public domain because their names were not revealed?

Ms Golightly: Because we do not know who they are, we cannot say they were in the media previously or not. They are de-identified.

Senator WATT: So, one claimant, seized upon by Labor after being championed in a television program as a victim, was discovered to have been claiming the youth allowance while not studying and failed to declare income from several jobs, leading to a debt to the taxpayer of almost \$12,000. I cannot remember that gentleman's name, but I seem to remember it was a young guy—obviously, if he was getting youth allowance—and I am pretty sure he did a media conference with Anthony Albanese. Everyone knows that.

Ms Campbell: There were many media articles and conversations in that period—

Senator WATT: I agree that there have been many people complaining about your systems. I do agree with you there.

Senator PRATT: That is not the question. You are saying you cannot identify these people, but you can.

Ms Golightly: I should just clarify: I thought you were referring to the other cases in the article, where they are simply identified as welfare recipients A, B, C and D. My apologies.

Senator WATT: That is right. There is even more detail on the other page of the document we are looking at. So you accept that it is pretty easy to identify who we are talking about with the youth allowance claim?

Ms Campbell: No, I do not accept that.

Senator WATT: Ms Golightly just said that with the other ones it is not as clear because they are just identified as welfare recipients—whatever the letters were.

Ms Campbell: Is there a name with the youth allowance recipient?

Senator WATT: I am not saying there is. But you had to be living under a rock to not know who that was.

Ms Campbell: I am always surprised that not everyone follows this as closely as we do. So I do not think it is accurate to say that everyone would be able to make those connections.

Senator WATT: I take it we have not found out whether that information definitely came from the minister or his office. We know it did not come from the department.

Ms Campbell: Are we talking about this—

Senator WATT: Yes.

Ms Campbell: We have taken it on notice.

Senator WATT: My recollection is that after this report came out it proved to be that some of that information that had been provided to the media turned out to be incorrect itself. There was a claim made, someone rebutted it, and it turned out actually that the person was right in the first place.

Ms Campbell: When you say 'rebutted', there are many claims made and there are many claims made that do not accord with our records. Then, the person making the claim might then update our records as a consequence and then say they were wrong. We were not wrong at that point in time. The recipient of the payment had not updated their records. They subsequently updated their records, which allows a review to be undertaken, and maybe a

change in an outcome. But the bottom line is that at certain points in time those are our records as they stand.

Senator WATT: You know very well who I am talking about here, don't you? You just talked about 'that recipient updating their records'.

Ms Campbell: I don't, actually, because there is a lot of them. Recipients do this a lot.

Senator WATT: How do you know that?

Ms Campbell: Because I watch case after case come through my email—

Senator WATT: But how do you know this one did?

Ms Campbell: I gave an example. I watch case after case of people writing to me saying, 'You did not do this,' and then they update their record and it comes up with a different outcome. It is a very complex system.

Senator WATT: Sure.

Ms Campbell: I accept that recipients often get confused about what they are required to update, and then they make claims, and we work with them to resolve those issues.

Senator WATT: Going back to where we were, we have established that none of this information was provided to the journalist by departmental sources?

Mr Hutson: Some of the information referred to in the article we are looking at actually is from departmental sources. For example, on page 2 it talks about us posting rebuttals on our website. Clearly, that does come from a departmental source.

Senator WATT: But regarding the information of our welfare recipients A, B, C and D, how much their income was and what their debt was, none of that was provided by the department to the journalist?

Mr Hutson: Not directly, no.

Senator WATT: Ms Campbell, I think we have established that there are two theories. One is that it came from the minister or his office and the other is that it came from the self-destructive recipient, who decides to blow themselves up on the grassy knoll?

Ms Campbell: No, but I did not say that. I said that on occasions people put their own information in the public domain. I did not say it specifically in this case. You said that the only way they would get it would be from the department or the minister and I clarified that sometimes—

Senator WATT: The grassy knoll theory.

Ms Campbell: Sometimes, as we have been discussing broadly this morning, recipients put their own information into the public domain. Sometimes they do it in order to highlight difficulties and sometimes we have made mistakes and we work through that in the service recovery method. But I do not think it is fair to say that the only two ways that information gets into the public domain is through us or the minister's office.

Senator WATT: Someone really should do something about that grassy knoll. It has caused a lot of pain over the years. You have taken on notice whether that information was provided to the journalist by the minister or his office and when that occurred, if it did occur, and we do not have an answer on that yet.

Ms Campbell: We have taken it on notice.

Senator WATT: I accept that the names of those individuals were not published. Does anyone at the table know whether the names of those individuals were provided to this journalist?

Ms Campbell: We have just gone through the fact that, at the table, we do not have the information of how the information was provided to the journalist. We will not be able to then go into more detail about what was provided to journalists when we do not have—

Senator PRATT: Could you disclose what information was provided to the minister?

Senator WATT: That is what I was coming to next. You will take on notice whether names were provided as well?

Ms Campbell: We will take that on notice.

Senator WATT: Turning to the department's involvement: the information that was revealed—whoever did it—was collated by the department?

Ms Campbell: It is our normal practice—

Senator WATT: I am not interested in that. I am interested in this particular case.

Ms Campbell: In the case of individuals, who were in the media in January making claims, the information that we held on our records was collated and provided to the minister's office.

Senator WATT: In this case?

Senator Ryan: Senator Watt, I know you have asserted, and the secretary has said otherwise, that the officials and you are talking about an unnamed individual case. The secretary has not conceded that. It is fair to ask them about what was provided, but with respect to that article they cannot attest to something that they have said is not identified.

Senator WATT: Before we get to who it was provided to, did the department collate that information?

Ms Campbell: The department collated information of the media cases in January.

Senator WATT: That would have included these cases?

Senator Ryan: Again, you are assuming that they are agreeing with you that those cases are identified. The officials have said they are not. I do not think that is—

Senator WATT: You do not know for sure whether this particular information was collated by the department?

Ms Campbell: We collated all the media information that was received in January.

Senator PRATT: And all personal information about those recipients to match that media information?

Ms Campbell: In order for the minister to be informed about how we have managed a case, when something is prominently in the media, we do provide the minister with that information.

Senator PRATT: The personal information that correlated with each of the examples in the media?

Ms Campbell: The personal information in relation to the cases that were raised. We would do that whether it was in the media or a complaint from another member of parliament.

We would provide that information to the minister, so he was aware of what had actually happened.

Senator WATT: We know that the information got to the minister's office. When we were talking about the other disclosure, the more recent one involving a single mother, the department essentially verbally advised the minister that it had legal advice. It did not provide the legal advice saying it was okay to disclose that—

Ms Campbell: Under section 202?

Senator WATT: Yes.

Ms Campbell: Yes.

Senator WATT: In this case, did the department provide legal advice to the minister, or his office, about whether this disclosure was permitted under that section?

Ms Campbell: These are de-identified disclosures.

Senator WATT: We are debating that but—

Ms Campbell: My position is that these are de-identified disclosures.

Senator WATT: Okay, thank you for that. Does that mean that the department in this particular case did not provide legal advice to the minister or his office about whether this disclosure was permitted under the act, because your view is that it is not protected information, I suppose is what you are saying.

Senator Ryan: I suppose also that would rely upon the officials conceding that the particular cases, which we come back circular to, are identified, and they have said otherwise.

Senator WATT: If they were not identified then no advice needed to be given.

Senator Ryan: You constantly come back to this article and talk about advice provided on those cases. The officials have said that the media cases and advice were provided to the minister's office, if I am correct. You are seeking to narrow that down to advice about an article that they are saying they cannot provide advice on, because it was not identified. Questions that flow from the assumption that you are talking about the information contained in that article are not questions the officials are able to answer.

Senator PRATT: Whether it requires an authority under 202—

Senator Ryan: That is a hypothetical question whether information like that would be required, and officials are not required to answer hypothetical questions.

Senator PRATT: No, it is not a hypothetical.

Senator WATT: Ms Campbell, we have established that you provided the protected information about media cases in general—

Ms Campbell: About complaint cases that may have been in the media.

Senator WATT: Yes, complaint cases—they have been in the media—to the minister's office. We have not quite established whether information on these particular cases was provided to the minister's office, but you will take that on notice.

Ms Campbell: We will take it on notice.

Senator Ryan: With the provisos offered earlier.

Ms Campbell: With the provisos that we do not know who they are.

Senator WATT: Keep running that! When that information was provided to the minister's office about the complaint cases, as you call them, did the department know that that information would be forwarded to the media?

Senator Ryan: I don't think they can predict the future at any point in time.

Senator WATT: So the department did not know when it provided that information—

Senator Ryan: I think this is a case where it is appropriate that you be particularly specific about your question, because 'Upon the provision advice, did I know what someone else was going to do with it?' is particularly broad and any answer could be misleading. One's knowledge could change over time, one's knowledge could be partial and some of it could be provided because there are a number of cases under different circumstances.

Senator PRATT: Did the minister's de-identify that information? You would have forwarded the name and all the information about those particular cases.

Ms Campbell: We have taken on notice what the minister's office did and we have referred that to the minister. As we said earlier, with all complaint cases, we provide the information to the minister's office whether they come from the media, whether they come from other members of parliament. Sometimes when they come to the minister, we are both copied in on complaint emails. We provide the information so that the minister is aware of what has happened, what has occurred, which is the normal operations of the department and the Social Security Act. So that is our practise to provide that.

Senator WATT: So when you provide that information as your usual practise, is there an understanding between the minister or his office and the department that that information might find itself in the media?

Ms Campbell: I cannot speak on what the minister's understanding is.

Senator WATT: What about yours?

Ms Campbell: My understanding is that we are very clear about the section 202 provisions about releasing private information.

Senator PRATT: So you would expect that 202 provision to have been met before it is released?

Ms Campbell: That there is a reason for releasing it; yes, that is my expectation.

Senator WATT: Okay. You have made it sound like this is not an unusual occurrence. I cannot remember how long Minister Tudge has been in the role. It is probably 12 or 18 months—something like that.

Ms Campbell: 12 months.

Senator WATT: This provision of information that concerns public cases happens on an ad hoc basis or is it a monthly thing?

Ms Campbell: Every day.

Senator WATT: How early in Minister Tudge's role was his office advised that every one of these pieces of protected information provided to his office is able to be disclosed in the media? Returning to that earlier case, I think you said that his office was told informally that the department had legal advice that said that it was okay to disclose this because of section

202. I am trying to establish whether that advice was provided to the minister on this occasion or beforehand.

Ms Campbell: Can we take on notice what we provided in the incoming minister brief to Minister Tudge about those provisions.

CHAIR: Minister, did you have something to add?

Senator Ryan: I have lots of information. I have made it before lunchtime.

Senator WATT: Good work.

Senator Ryan: On the morning of 21 February 2017, Paul Malone made inquiries with the Department of Human Services and the office of the Minister for Human Services regarding a customer's case. The minister's office then sought information from the department. The following morning on 22 February at 11.29 am, the minister's office responded to Paul Malone with answers to his inquiries that had been cleared for public release by senior legal officers of the department. Two further quotes were provided to Paul Malone by the minister's office at 4:17 pm that day. The department also responded to Paul Malone that same day. All of the information provided to Paul Malone by the minister's office about the customer was cleared by senior legal officers of the department.

Senator WATT: What that tells us is that on the disclosure, despite both the department and the minister's office receiving the request from the journalist at around the same time—the morning of 21 February—it was actually the minister's office that initially provided the information to the journalist at 11:29 am and the department got back to him at 5:15 pm. These are the facts.

Senator Ryan: I have not checked the detailed notes you have. I am just giving you the information.

Senator WATT: You mentioned that advice had informally been provided to the minister's office, and that this disclosure was legal under section 202. When was that advice provided?

Ms Campbell: I am not sure we would say 'informal'. I think we would say that the legal advice per se was not provided but that for the policy advice we had legal advice.

Senator WATT: When was that provided?

Mr Hutson: There were a number of pieces of information regarding this matter that were provided to the minister's office. I do not know that I have the actual time when they were provided to the minister's office. I certainly have the dates.

Senator WATT: The critical point here is whether it was before 11:29 am.

Mr Hutson: I will take that no notice.

Senator PRATT: There is also a question regarding your data sharing with the ATO. Are you releasing the information that the ATO gave you that did not originate with you, and did you therefore seek their cooperation as well?

CHAIR: We might come back to that, because we are now moving on to Senator Smith.

Senator SMITH: I want to go to an article that appeared on 26 January in *The Australian* entitled 'Centrelink debt scare backfires on Labor'. There are some revealing comments in that

story. I think the most revealing comment is from the Labor member for Barton when she admitted, 'We can't guarantee that in every case they'—how shall we refer to them—

Ms Campbell: The recipient.

Senator SMITH: Meaning the recipients 'are innocent'. So an admission by the Labor member for Barton that with information they might make available to the media and others that they cannot guarantee that the recipients might actually be 'innocent'. I want to refer to a couple of cases in particular, and, Secretary, perhaps you can give us an update in terms of what transpired. Earlier this year on the Leon Byner show on FIVEaa in Adelaide, a story was aired with regard to someone who is currently on a DSP and who has had a debt raised against her. Are you familiar with that case?

Ms Golightly: I was not sure that the person's name was on air. There were a number of callers that day.

Ms Campbell: I think we can probably answer in more generic terms.

Senator SMITH: Yes, great.

Ms Golightly: I think there is certainly quite a bit of evidence that a number of cases that go to various media outlets are not anything to do with the online compliance system and are more to do with either the manual interventions that we undertake or, indeed, completely different debt matters altogether that arise out of our normal business as usual activities. That certainly has been a theme through all of the media cases.

Senator SMITH: Things might find their way to the media and the way that they might be portrayed in the media is not an accurate portrayal of the issue or the actual circumstance of the recipient.

Ms Golightly: That is correct.

Senator SMITH: I will go to one closer to home. In January, both *The West Australian* and *The Daily Telegraph* published articles about a Mrs R, who said that she was mortified when she received a debt notice from Centrelink. Can you explain in a generic sense what might have happened in this case?

Ms Golightly: I am just trying to locate—I am not sure I have a Mrs R.

Ms Campbell: I am not sure of the case, but I might start talking about the generic process while Ms Golightly looks for cases. We did discover that—

Senator SMITH: I have just been told that I have one minute. You can take this on notice: a generic explanation about why people might be misrepresented with regard to debt issues. There were allegations, for example, that appeared in one story about people being visited by debt collectors but not being aware that they had a debt.

Ms Campbell: That is one of the refinements that we have made. We did discover that there were a very small proportion of people who were former recipients where we did not have their latest contact details, where they may not have received the succession of first letter, reminder letter, debt letter—

Senator SMITH: Why would someone not receive the first letter, second letter, reminder letter?

Ms Campbell: Because we do not have their latest postal address.

Senator SMITH: So people shift location, change post office boxes, and they do not update their records.

Senator SIEWERT: Or, as we have already heard, they may have left the system.

Senator SMITH: This is my 30 seconds. Have we finished, Chair?

CHAIR: Yes, we have. I am sorry.

Senator GRIFF: The majority of what I have I will actually put on notice, given the time. I have a few questions that I would like to ask in relation to the Child Dental Benefits Schedule program promotion. Has the department notified families that the cap has been raised from \$700 to \$1,000?

Ms Campbell: I will just get the officer who knows about this. I did see the questioning yesterday in the Health hearings, where we were talking about letters. The question is: have we notified families of the change from \$700 to \$1,000?

Ms Edwards: Not at this stage. We have not commenced those letters. We had commenced sending letters in relation to the previous limit. That was ceased upon the change of approach, and we are now planning for letters to be sent to all the parents or the eligible children, in the case of older teenagers.

Senator GRIFF: And how many of those would there be?

Ms Edwards: There were about 1.4 million letters to eligible people. I am not sure; perhaps they might cover more than one child in some of those letters, but there were 1.4 million letters.

Senator GRIFF: They are all going out in letters? They are not just going to be on myGov?

Ms Edwards: They will either go as paper letters or via myGov, depending on whether someone is registered for myGov.

Ms Campbell: On myGov, you actually get the letter; it is just electronic.

Senator GRIFF: If you are going to receive a letter via myGov, the criteria for that is that you have registered at some time on myGov—

Ms Edwards: Yes.

Senator GRIFF: even though you may be inactive and you may not have accessed it in the last year or two?

Ms Campbell: When a letter goes into someone's myGov account, we send either a text message or an email to the phone number or the email that they have given us so that people are alerted to the fact that they have mail.

Senator GRIFF: The Chief Medical Officer's *Report on the third review of the Dental Benefits Act 2008* found that the program was very poorly promoted. Looking at the most recent letters that you have sent out versus the previous ones, they are not as clearly laid out—which came out in the reports. Do you draft these internally or do you have someone else look at them?

Ms Campbell: We work with the Department of Health on these letters, about the messages that are to be delivered, and we continue to refine our letters.

Senator GRIFF: The 2015 and 2016 letters actually contain less information than the initial 2014 letter. It cuts out a lot of useful information as to how to access the service, the process, what to expect and so on.

Ms Campbell: We are constantly challenged by letters because we put in information and people tell us there is too much and they cannot read it, so could we simplify it. Then we simplify it and, unfortunately, then other people think that there is not enough information. We can continue to work with the health department on refining those letters.

CHAIR: Thank you, Senator Griff.

Senator GRIFF: I have a number of questions on notice.

Senator SIEWERT: In January you made the comment that you provided information to the minister. Was that about all the cases that had been in the media up until and during January?

Ms Campbell: My recollection is that that was a very busy period and we were providing comprehensive information to the minister during that period about those cases.

Senator SIEWERT: You acknowledged earlier this morning that you do look at social media. Could you confirm whether that included people commenting on social media?

Ms Campbell: We will look at that. I suspect we would not have gotten every social media, because I do not know that it is possible to grab all of them. We were looking for those with lots of profile. We can look at those.

Senator SIEWERT: You did look at social media?

Ms Campbell: Yes, we do look at social media.

Senator SIEWERT: Thank you. When we were going through the most recent case, the one that we have just been talking about, the one in February, something was unclear to me in your answer. The minister said he had gotten legal advice from the senior departmental legal team. Was he saying that about his specific comments? Did you provide advice on his specific comments, or was it just about the information that you provided to the minister?

Mr Hutson: To clarify, when this matter first arose, there was advice provided which went into more detail, including material which would not be appropriate to put into the public domain but which was necessary to explain to the minister how we would have dealt with this particular case and, in a sort of generic sense, what we were doing with a large number of cases. We did that in order to provide advice to the minister. In this specific case, there were a couple of other pieces of information, and we were asked whether or not this information could be put into the public domain. The information that we provided was quite specific and contained within the requirements of section 202 in terms of correcting the record—so on that piece of information, yes, and on those provisions to the minister's office, yes, Ms Musolino or someone else senior in the legal division did provide advice about whether or not they could be released in the public domain.

Senator SIEWERT: Can I be clear? All the information that the minister released—all of it—was run past the legal team?

Ms Campbell: I think we would need to take that one on notice because that is a different question to the one that Mr Hutson just answered. Mr Hutson described what we provided and the legal advice. We will take that on notice with the minister.

Senator SIEWERT: If you could, that would be good. You can interpret what we were told earlier in different ways. I want to be clear about how to interpret it. In relation to the details that I asked for before about the missed calls and that you took on notice, could I have that by next week so that we have it for the inquiry next week?

Ms Campbell: Yes, I think we should be able to do that. I think Mr Jackson said he had material.

Senator SIEWERT: Yes. I am just conscious of time and the need to get as much done as I can. I want to now go to a separate matter, because I am going to run out of time. I may be asking in the wrong place. Do you deal with the process for assessment of people for the disability support pension?

Ms Campbell: We do disability support pension assessments.

Senator SIEWERT: I am asking in the right place.

Ms Campbell: Yes, it is just different people.

Senator SIEWERT: How many times can a person apply for the DSP? Is there a limit on the number?

Ms Campbell: No, there is not a limit on how many times someone can apply for the DSP.

Senator SIEWERT: Okay. Thank you.

Ms Campbell: That is why we reassess repeatedly. The officers coming to the table will be able to provide more detail. When a claimant applies and it is found they would need to have been subject to a program of support for at least 18 months, if they then reapply within the 18 months, we might redirect them to the fact that they had already been assessed as needing a program of support for 18 months.

Senator SIEWERT: I have one last one. I will put more on notice. It is about medical exemptions. How many times can a person on a DSP have a medical exemption? Is there a limit?

Ms Campbell: Is this a person on DSP—

Senator SIEWERT: This is about DSP but also Newstart.

Ms Campbell: Are you asking: if they are on Newstart and they have partial capacity for work—

Senator SIEWERT: Yes.

Ms Campbell: how often can they have a medical exemption?

Senator SIEWERT: I am looking at people on DSP who have gone onto Newstart, and there is an issue going on there.

Ms Pitt: If somebody is on Newstart and they have a medical condition and they are seeking an exemption from their mutual obligations, then, depending on what their medical certificate says in terms of whether they have a temporary condition or whether they have an ongoing partial capacity, we will look at that information and then work through.

Senator SIEWERT: What I was after was: is there a limit on the number of times you can get an exemption?

Ms Pitt: There is a limit to the length of the exemption—

Senator SIEWERT: I understand that, but I mean the number of times.

Ms Campbell: We will take it on notice. I do not think there is, but clearly if we saw someone constantly coming back with medical certificates then that would alert us to the fact that there was something happening, and we would need to look at that in more detail.

Senator WATT: Okay, so we have now established that, in relation to this particular incident about the reports in *The Canberra Times*, that information was provided to the journalist by the minister or his office before it was provided by the department. I have just been trying to check the statements the minister has made on this, and I was sure I had seen that he had told parliament that the information was provided to the journalist by Centrelink. Is that correct?

Senator Ryan: I am guessing you have *Hansard* in front of you—

Senator WATT: Yes. I am just trying to track that down.

Senator Ryan: but I do not. And I think a statement, an observation, of what was said or not is for others to make, given that I am not in that chamber.

Senator WATT: Okay. I might just keep reviewing this while Senator Pratt poses another question, but I hope to come back to this before 12:30.

Senator PRATT: Well, the ATO has quite strict privacy regulations, but you have released the ATO's information in this case. Did you check whether your legislative capacity to release private information covers the information you have matched with the ATO?

Ms Campbell: I will ask Ms Musolino to give more detail, but the requirement to lodge a tax return is part of the family tax act as well, which is what we have been doing. So, it is about legislation rather than who owns it.

Ms Musolino: If the department has lawfully received information from the tax office it becomes part of our information, and then we need to see whether we have a lawful basis to then disclose that information. And I am aware that the tax office also will go out and correct the record in the same way with its protected information, although I am afraid I cannot refer you to any legislation.

Senator PRATT: So, you do not need to consult with the ATO to release that information, even if the person you released that information about is unaware that the information they provided you differs from the information that the tax office holds?

Ms Musolino: The department has to have a lawful basis to collect the information. Once we collect it, and collect it from various sources, it becomes part of the protected information, and then the test becomes whether we have a lawful basis to use and disclose et cetera.

Senator PRATT: Which is irrespective of whether the information you are releasing is known to the person it applies to.

Ms Campbell: I am a bit confused by that question. I did not understand it.

Senator PRATT: Well, it seems to me that in some of these cases a person's understanding of their circumstances is different to your understanding and the ATO's understanding.

Ms Campbell: That is correct. And we seek to clarify that.

Senator WATT: In the time available, I have not been able to confirm this, but if I am right that the minister has told either parliament or the media that this information was given to the journalist by Centrelink or by his department, then that is a lie, isn't it?

Ms Campbell: We confirmed that we did provide the information.

Senator WATT: But the clear implication is that that information was given by—

Senator Ryan: You are not going to get away with throwing that line onto *Hansard*. That is an assertion by you, one that clearly I do not agree with. And there are other places for you to make unfounded accusations. This is a place to ask questions.

Senator WATT: So, any implication by the minister that it was Centrelink or his department who first provided that information to a journalist—if that is what he has done—

Senator Ryan: That is different from what you just said, I might say. You inserted a word in that—

Senator WATT: So, any implication from the minister, if he has indeed done this, that Centrelink or the department released that information before he did or his office did, is a lie.

CHAIR: Senator Watt—

Senator Ryan: I am not sure, Chair: we can continue this after lunch.

CHAIR: Yes. We will be concluding our consideration of the Department of Human Services now. At this point I would like to thank the minister and officers. And thank you to all the graduates who rotated in and out and I am sure had a good day.

Proceedings suspended from 12:30 to 13:33

Department of Social Services

CHAIR: I now welcome back Senator Scott Ryan, representing the Minister for Social Services, and officers of the Department of Social Services and the National Disability Insurance Agency. Minister, would you like to make an opening statement?

Senator Ryan: No.

CHAIR: We are going to proceed directly to questions on outcome 4. We are not going to be doing cross-portfolio.

Mr Pratt: Chair, are we going to come back to the cross-portfolio at some stage?

CHAIR: My understanding is no. I have not been advised of any questions in that area, so it sounds like we will go directly to housing and proceed through the outcomes.

Senator CAMERON: You do not have to run away so quickly.

CHAIR: That is part of a plan, because then we cannot go back. So my understanding is we will proceed through the outcomes, and hopefully that will save us a bit of time.

Senator CAMERON: Mr Pratt, in relation to the report in *The Australian* on 10 February that the government is set to axe the NAHA, what discussions have DHS had with state and territory government officials in relation to the future of the NAHA special-purpose payment?

Mr Pratt: In a moment I will ask Mr McBride to be specific about this, but we have over quite a few years been talking with the states and territories about possible enhancements or changes to the NAHA and how we, from the Commonwealth's point of view, might get greater specificity and transparency about how the funds that are provided through NAHA are

going for the purposes of the agreement. This has been a longstanding discussion between states and territories and the Commonwealth. I will ask Mr McBride to talk about more specific, recent discussions.

Mr McBride: In terms of actual face-to-face meeting since last estimates between housing and homelessness senior officials, there was one on 10 February. There is another meeting today and tomorrow. In between there have been a number of teleconferences. They were on 10 November, 13 December and 28 February.

Senator CAMERON: Are there minutes of those meetings?

Mr McBride: They are generally not minuted. At the end of them, tasks are assigned to bring papers back and then those papers prompt the next discussion.

Senator CAMERON: Are there any file notes in relation to the meetings?

Mr McBride: There are the papers that happen because of those meetings. They are developing as the process goes on. They would roughly constitute file notes.

Senator CAMERON: When you say that there are papers that evolve as things go on, are they file notes?

Mr McBride: For example, in your questions on notice last time you asked what things were being discussed. We gave you a list that mentioned things such as rezoning, future purposes of the NAHA, housing and homelessness reform options and Disability Insurance Scheme interactions. Normally a jurisdiction is tasked with developing a paper that is then discussed at the subsequent meeting.

Senator CAMERON: Are these papers available?

Mr McBride: They are not publicly available.

Senator CAMERON: Could you provide them on notice to the Senate?

Mr McBride: I suspect we can, yes.

Senator CAMERON: It would be good if you could provide those to us. Has the department been provided with a view on the government's intentions in relation to NAHA?

Mr McBride: Minister Seselja and other ministers have made comments publicly on the perceived failings of the NAHA, and so it is that context that has led us to meet with the states and territories to confirm the apparent shortcomings of the NAHA and then start working towards what a future NAHA could look like.

Senator CAMERON: Mr Pratt mentioned enhancement, changes and specificity. Is it still on the table that there might be something completely different?

Mr McBride: 'Enhancement' covers a pretty broad range of things. It is more what that enhancement could look like—what are the areas that the states are advancing on their own? Each of the states are in very different circumstances in their—

Senator CAMERON: 'Enhancement' to me is when you have a dirty car and you clean it—that is enhancement. If you change the car that is not an enhancement, is it?

Mr Pratt: Government has not taken any decisions in this area. 'Enhancement' can be interpreted in this context as cleaning and improving. It is also potentially open to government to look at completely different arrangements with the states and territories. So that is not off the cards, I guess.

Senator CAMERON: So scrapping NAHA is not off the cards?

Mr Pratt: Well, doing something quite different. To the extent that that would happen, that would have to be done in close consultation with the state and territory governments.

Senator CAMERON: What is the department's view in relation to the Commonwealth being able to unilaterally terminate?

Mr McBride: Treasury, who have responsibility for the appropriate legislation, undertook to take that on notice yesterday, so it is probably better that they get back to you.

Senator CAMERON: You watched that, did you?

Mr McBride: I did. There are aspects within the agreement which the Commonwealth can change—for example, the distribution of the given pool of funds amongst the states can be done by disallowable instrument and the indexation of the agreement can also be done by disallowable instrument. Beyond that the broader agreement can certainly be altered with the agreement of COAG. As to what steps we would have to take to make any unilateral change, I think we best wait for advice of the Treasury.

Senator CAMERON: So the government can make a decision, say, in Western Australia to reduce the distribution of funds—

Mr McBride: Within a given pool of funds the government, through a disallowable instrument, could reallocate the funding pool.

Senator CAMERON: Yes, and on indexation it could say, 'Western Australia, you are getting less'?

Mr McBride: I do not think they can differentiate between the states on indexation but they can change the indexation across the overall pool of funds.

Senator CAMERON: Do you need to take this on notice? I found it quite bizarre that Treasury had to take it on notice. I thought that might have been because they were a bit diverted in numbers in not reading agreements, but you are actually the main person in the context of the identity. It is DSS's agreement.

Mr McBride: It is a little bit of a shared responsibility arrangement in that we have policy responsibility for the NAHA, Treasury pay the money and Treasury were responsible for putting the legislation for all of the financial agreements with the states before the parliament, so the legislation is notionally theirs but it was developed collaboratively with us.

Senator CAMERON: So are you saying to me that you do not know whether you can unilaterally—

Mr McBride: I am saying that I think that, given Treasury primarily have responsibility for it—

Senator CAMERON: No, I am asking for your opinion, not Treasury's. I thought Treasury were quite disingenuous yesterday in the context that they were basically saying that they do not understand this agreement. You are one of the main groups in this agreement. What is your understanding about it?

Mr McBride: There is the NAHA and then the specific purpose payment that actually pays the money out. That is legislated and my understanding is—and I am happy to be corrected by Treasury when they return on notice—that that can be changed only by

legislation. Whether the conditions under which the NAHA operates can only be done by legislation is contestable and that is something we are working through at the moment.

Senator CAMERON: I assume you heard the evidence yesterday.

Mr McBride: Yes, Senator.

Senator CAMERON: I asked questions in relation to the rental stress benchmark. Do you also agree that there are issues within the NAHA which are basically factors that cannot be influenced by the states?

Mr McBride: Housing responsibility is spread across the Commonwealth, state and local governments. Each of those three jurisdictions does things that impact on the housing market, so no single jurisdiction is singularly responsible.

Senator CAMERON: Yes. You are not responsible for it, but the Commonwealth can make certain decisions that can affect housing stress; isn't that correct?

Mr McBride: Absolutely.

Senator CAMERON: I raised some issues yesterday. The historically low rate of wage growth can affect housing stress. If people are not getting wage rises and inflation is going up—

Mr McBride: How much of that is the Commonwealth's responsibility and how much is the broader operation of the market is a moot point.

Senator CAMERON: Sure. But is that something that can affect it?

Mr McBride: Yes.

Senator CAMERON: What about the penalty rate cuts to 700,000 low-paid workers? That would increase housing stress, wouldn't it?

Mr McBride: The measure of housing stress is kind of an indicator. It looks at the bottom two quintiles of earnings and says, 'If you are in those bottom two quintiles, do you pay more than 30 per cent of your household income on rent?' So, if you are looking at those people who are potentially impacted by the penalty rate changes, you have to ask whether they are in those bottom two quintiles.

Senator CAMERON: You know that predominately they would be.

Mr McBride: And also—and I guess this is also a moot point—whether the change in penalty rates leads to them having less income or whether they get more hours and their income is more or less equivalent.

Senator CAMERON: So you are in the camp that you can cut the penalty rates and you might just get more hours?

Mr McBride: I am not in a camp, Senator; I am just saying that they are things that you would have to have a view on before you could decide whether that decision exacerbated rental stress.

Senator CAMERON: So you are saying that they will be okay if they just work longer hours and take the penalty rate cut?

Mr McBride: I am not saying that they are okay. As I said before, the measure of rental stress is a little bit arbitrary. It says if you are in the bottom two quintiles and you pay 29 per cent of your income you are not in rental stress and if you pay 30 per cent you are. It is not

meant to be a measure of an individual's rental stress; it is an aggregate indicator that gives us a view as to whether the system—

Senator CAMERON: But all these issues going go to making the aggregate, don't they? Given that you have raised this issue of working longer hours, the commission in its decision said that it would increase hardship. That is the decision of the commission. The commission has said, 'This will increase hardship.' So, if low socioeconomic families are experiencing an increase in their hardship, surely that will have a kick-on effect on rental stress?

Mr McBride: If their income goes down and their rent stays the same, will they be paying more rent as a proportion of their income? Yes, they will.

Senator CAMERON: Will that increase hardship?

Mr McBride: It depends on where they are. If you accept the white-line test of housing stress—

Senator CAMERON: I think the test they will look at is what is in the wallet at the end of the week.

Mr McBride: You started this by asking about housing stress. If you measure it by the indicator of housing stress, then you would have to know where they are in terms of the quintile.

Senator CAMERON: For this discussion, let's assume that they are in the lower quintile.

Mr McBride: The bottom two quintiles?

Senator CAMERON: Yes.

Mr McBride: And they are paying more than 30 per cent?

Senator CAMERON: Yes.

Mr McBride: By that indicator, they are in housing stress already.

Senator CAMERON: Yes, but this would exacerbate it, would it not?

Mr McBride: They would be paying more rent as a percentage of their income.

Senator CAMERON: So this would exacerbate it.

Mr McBride: Everything else being held equal.

Senator CAMERON: It would exacerbate rental stress.

Mr McBride: Everything else being held equal, they would be paying more rent as a proportion of their income than they were previously.

Mr Pratt: Without wanting to be argumentative—and like Mr McBride, I am not in any camp—I am aware that some people would argue that that decision may result in more people being employed. If that were to be the case, presumably that would have a counterbalancing impact on any rental stress they may be enduring.

Senator CAMERON: So what is the argument you are making—that some people might commit to lower paid jobs and that will balance those who are getting put into hardship? That is what the commission said.

Mr Pratt: No. I am not actually making that argument; I am just pointing out that some might.

Senator CAMERON: Well, I am not sure why you engaged in this then.

Mr Pratt: The other thing I was going to suggest is that we are slightly outside of our area of expertise when we are getting into workplace relations debates, and I think we need to be careful that we do not intrude on the responsibilities of other portfolios.

Senator CAMERON: The point I am making is that there are a number of factors that are outside the capacity of the states to deal with and they are Commonwealth decisions that could impact on housing stress. Nobody argues that point, do they?

Mr McBride: No, we would not argue that.

Senator CAMERON: What are the implications for the states and territories of the \$44 million a year cut from the Commonwealth's contribution to NPAH in the 2014-15 budget?

Mr Pratt: Sorry?

Senator CAMERON: There was a \$44 million cut in that terrible 2014-15 budget. What are the implications?

Mr Pratt: From memory, that cut affected the capital contribution that the Commonwealth previously made through the NPAH.

Senator CAMERON: Would that make it more difficult for the states to meet benchmarks?

Mr Pratt: It would have meant that they had fewer resources to apply to capital.

Senator CAMERON: So it is another Commonwealth decision that has an implication for their capacity?

Mr Pratt: Certainly, Commonwealth decisions on the amount of money it gives to the states under these agreements, whether they go up or down, will always have an impact on the states' capacity to do something, yes.

Senator CAMERON: Has the short duration of the NPAH agreements made it easier or more difficult for the NAHA performance benchmarks to be met by the states?

Mr Pratt: I think that would be—

Senator Seselja: NAHA is not short term. If you bring in NAHA and NPAH, NPAH, as you know, has been funded for another year.

Senator CAMERON: NPAH has been going from year to year under your—

Senator Seselja: Yes, but NAHA is an ongoing—

Senator CAMERON: Well, let's do NPAH—

Senator Seselja: Sure, but you mentioned the NAHA performance agreements, and so I am just clarifying—

Senator CAMERON: But they are both linked.

Senator Seselja: Well, they are associated, but they are separate.

Senator CAMERON: They are linked.

Senator Seselja: They do similar things. But could I just make the point that, as you are well aware, NAHA is by far the bulk of that money, and that is an ongoing agreement. If we want to discuss NAHA, in the way that it was designed it has been a significant failure. I assume that is why you were going to some of those performance indicators—

Senator CAMERON: So it has been a significant failure?

Senator Seselja: Indeed. It was poorly designed by a Labor government.

Senator PRATT: Funding for women's refuges and domestic violence refuges is not a failure. I hardly think—

CHAIR: Order! Senator Cameron has the call.

Senator Seselja: It has not achieved what it was meant to achieve, because it was poorly designed.

CHAIR: Order!

Senator CAMERON: But, Senator Seselja, do you argue that the issues I have raised, that are Commonwealth issues, do not have an impact and that it is all the states' fault?

Senator Seselja: I argue that the states have primary responsibility when it comes to housing policy. I would argue that there is a range of factors and, even outside of discussions around NPAH and NAHA, the states have responsibility for the planning regimes, land release and a range of factors, and also for how much they invest and how effectively they invest the money that is given to them by the Commonwealth under these various agreements.

Senator CAMERON: But you do not argue that the Commonwealth is party to the agreement and that the Commonwealth can make decisions that make it tougher for the states to comply?

Senator Seselja: You talk about the agreement: the agreement that was put in place by the former Labor government did not really require anything of the states. That is the fundamental flaw in the agreement. That is a significant reason why we have seen so many of those indicators go backwards. So, effectively, during the life of the agreement the Commonwealth has handed out around \$9 billion and in designing that agreement it did not actually ask for the states to do extra. In fact, there are all sorts of indicators where the states in some cases are doing less. So that is a fundamental flaw in the agreement.

Senator CAMERON: But there are issues, and I will ask you again: do you agree with my proposition, that has been agreed to by the department, that there are issues—in what the Commonwealth does—that influence the agreement?

Senator Seselja: That influence the agreement? The agreement is an agreement that was signed up to a number of years ago under a former government. Clearly, the former Labor government, when it signed the agreement, had influence over what was in that agreement. I am putting it to you that it was not a very well-framed agreement and that if you are going to spend \$1.3 billion a year in perpetuity, in addition to a range of other Commonwealth spends, that you should make sure that you ask the states to show that they are going to deliver additional affordable housing so that some of those targets could be met. Now, those targets have not been met; they have gone backwards significantly. You have asked me: does the Commonwealth have the ability to influence the agreement? Well, it did when it sat down with the states and, of course, there have been some questions that you have put to Mr McBride as to how we might influence it in the future.

Senator CAMERON: Yes, and I am happy with his responses. They are consistent with our view. Can I now move to the bond aggregator task force? What is the role of DSS in the work of the task force?

Mr McBride: The task force was established through the MYEFO process. We and Treasury will be on the working group underpinning it. Treasury will predominantly be looking at the financial market aspects of the bond aggregator while we will be looking at the impacts on the community housing sector, where it is directed primarily.

Senator CAMERON: When did you commence work?

Mr McBride: I guess it is a continuation of the Affordable Housing Working Group that has been going on for last year. That has now been reconstituted. I think we have only had a meeting as to how our role in the newly constituted Affordable Housing Working Group will evolve. Treasury are going through a process to set up the steering committee. I think they have had an RFQ for someone to come in to advise on the financial market aspects of the process.

Senator CAMERON: Okay. Obviously, Treasury are doing financials. What are you doing? You are—

Mr McBride: Our predominant interest is in the community housing sector, which the bond aggregator is principally designed to fund and grow. We have broad responsibility for that sector and how it operates.

Senator CAMERON: Have you provided any advice to the task force—formal advice?

Mr McBride: I said the task force has not been set up yet.

Senator CAMERON: It has not been set up. But you said that the Affordable Housing Working Group had been—

Mr McBride: It has been reconstituted. I think we have met once to work out how that reconstituted Affordable Housing Working Group will then feed into the task force, once it is properly established.

Senator CAMERON: So the housing working group has met once?

Mr McBride: Yes.

Senator CAMERON: And then the housing working group has now become the task force?

Mr McBride: It will feed into the task force.

Senator CAMERON: Oh, feed into the task force.

Mr McBride: Yes. And it will support the task force.

Senator CAMERON: So you are on both the housing working group and the task force?

Mr McBride: No, the task force will be three independent people, I think.

Senator CAMERON: Three independent people? Just tell me a bit about the task force and how it is going to operate.

Mr McBride: Treasury have set it up, and I do not have that level of detail in front of me. But my understanding is that it will be three pre-eminent people who will be appointed by the government. The Affordable Housing Working Group will do the work that feeds into that task force that will determine the scope and viability of the bond aggregator for that sector.

Senator CAMERON: Are you in constant discussion with Treasury on this?

Mr McBride: Absolutely.

Senator CAMERON: When will these three pre-eminent people be appointed?

Mr McBride: That, I could not tell you.

Senator CAMERON: You cannot tell me. Minister, do you know?

Senator Seselja: No, I think that is a matter for the Treasurer.

Mr McBride: I think it is imminent.

Senator CAMERON: Imminent—okay. Have you been asked to provide any funding or resources for this task force?

Mr McBride: We have been asked to provide a secondee to the task force.

Senator CAMERON: How many secondees?

Mr McBride: One.

Senator CAMERON: You have not decided who that is?

Mr McBride: Internally, we have. The person has not been announced yet.

Ms Wilson: We have undertaken the expression-of-interest process within the department, and we have not yet identified publicly who that person will be.

Senator CAMERON: But you have identified who it is?

Ms Wilson: Yes.

Mr McBride: Yes.

Senator CAMERON: Well, who is it?

Mr McBride: That person has not been told yet.

Ms Wilson: We have not concluded the process of telling the participants in the expression of interest, but we have made a decision only—

Senator CAMERON: How many expressions of interest did you get internally?

Mr McBride: It was fewer than half a dozen.

Senator CAMERON: Five, four, three, two, one?

Mr McBride: I think it was three or four, but I would need to check.

Senator CAMERON: Three or four. You are an economist, aren't you?

Mr McBride: Possibly, Senator! You say that as if it is a good thing!

Senator CAMERON: Yes. Has there been a time set for this task force to report back?

Mr McBride: Midyear.

Senator CAMERON: Okay. So you are not going to be on the actual task force; you are just going to be supporting the task force by one?

Mr McBride: No, we have given Treasury a secondee, because most of the work will be done in Treasury, but there will be meetings, agendas and papers that we will write within the department that we will then contribute to that working group process.

Senator CAMERON: How did you determine who the secondee would be? What were the parameters of the secondee's role?

Ms Wilson: We usually look for somebody who has good analytical and writing skills, can understand the subject matter, is a good team player, has good connections back in the

department and knows who to contact for information, understands the structure of the department and responsibilities, and can play a constructive role in the exercise. They are the sorts of general things that we look for for a secondee.

Senator CAMERON: What about specific things?

Mr McBride: An understanding of the housing market was one of the specifics.

Senator CAMERON: Is it only an economist, then, who can do this?

Mr McBride: Not at all.

Senator CAMERON: I will be interested to see who goes on it. I want to now go to the issue of data on affordable housing. In answer to questions on notice from supplementary estimates last October, the department said that it does not produce estimates of the shortages of affordable rental housing across Australia. Does anyone produce those estimates?

Mr McBride: Not as a regular published document. There are academic groups and other housing umbrella groups that may from time to time publish information, but I am not aware of any organisations—

Senator CAMERON: But no-one in government?

Mr McBride: No.

Senator CAMERON: Isn't it seen as being important to understand the economic and social implications of these issues?

Mr McBride: It is. One of the things we are exploring in any revised data, NAHA, is better dataflow because the data on housing more generally is not that good. It would be tremendous if we had the data that allowed us to do that level of analysis, but the data is noticeably lacking at the moment.

Senator CAMERON: When was the last time any estimates were produced?

Mr McBride: From a government perspective, I suspect it was during the Housing Supply Council process.

Senator CAMERON: The last I can find is about 2012.

Mr McBride: That would be about right.

Senator CAMERON: You said it would be good if you could get that data.

Mr McBride: Yes, Senator.

Senator CAMERON: Were you consulted about the decision to terminate the National Housing Supply Council?

Mr McBride: I was not in the role at the time.

Senator CAMERON: Mr Pratt, was the department consulted before that decision was made?

Mr Pratt: I am just checking with my colleague. That was in 2014. My recollection—and I am happy to correct this on record—is that was a government decision which was done in combination with reforms to a variety of ministerial councils with COAG.

Mr McBride: The conversations we have been having with the states is that a lot of them have access to that data. We just need to find a better way of aggregating it and sharing it, and there is the need for a housing supply council to do that work for us.

Senator CAMERON: So the government does not have any. How are you informing yourselves on the scale of the shortage of affordable rental housing, the adequacy of land supply and the capacity of the construction industry to meet new housing demand?

Mr McBride: There are things like rental stress indicators and housing affordability indicators. We get data on how many houses are built. We get data on how many applications for housing are processed. So there is enough data to give you insight as to the operation of the broader housing market and how that impacts on the people seeking below-market rent housing, but it is a level of data that can certainly be improved.

Senator CAMERON: So the level of the data can be improved?

Mr McBride: Absolutely.

Senator CAMERON: If you do not have access to that data, if this data is not available, how can the industry make decisions about the need for their capacity to build houses into the future?

Mr McBride: I guess the industry has to make assessments, as any commercial organisation has to do, as to the demand and where it—

Senator CAMERON: Without any national government data?

Mr McBride: There are indicators, like stress indicators. There is data on approvals. Each of the states understands their population growth number; and, if you have a population growth number, you can generally map that against housing growth, and you know that as your population goes up your demand for housing will go up. So there are other indicators there—

Senator CAMERON: So you are flying blind a bit.

Mr McBride: I am saying the data can be improved but there is enough there to give you an indicator to see where the housing sector is going.

Senator CAMERON: Okay. Can I just move to another issue. I am aware of the time. Is the department aware of a homelessness task force, partly involving all levels of government, established by Shoalhaven City Council to tackle increasing rates of homelessness in the council area?

Mr McBride: I am not aware of that.

Senator CAMERON: You are not aware of it.

Mr McBride: I will call on my colleagues regarding homelessness.

Mr Thomas: Sorry, your question again?

Senator CAMERON: Is the department aware of a homelessness task force, apparently involving all levels of government, apparently involving Shoalhaven City Council, to tackle increasing rates of homelessness in the council area?

Mr Thomas: I would have to take that on notice. I am aware of recent correspondence from some councils; but whether that forms part of it, I would need to confirm.

Senator CAMERON: I would not think you would be getting too many requests to be part of a task force; would you?

Mr Thomas: I cannot recall any requests to be on a task force.

Senator CAMERON: So you have had no requests to be on a task force. Right?

Mr Thomas: From the Shoalhaven?

Senator CAMERON: From the Shoalhaven. So the department has not got any involvement with any task force in Shoalhaven?

Mr Thomas: No.

Senator CAMERON: Okay. Was the department requested by the council to be involved?

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

Senator CAMERON: Do not you think you would remember if that was the case?

Mr Thomas: I would hazard a guess, but to be absolutely sure I will take it on notice.

Senator CAMERON: But on balance once you are not aware?

Mr Thomas: I am not aware.

Ms Bennett: We have not seen a request come through but, as Mr Thomas has said, we will just double-check. I would have thought it would have come through at quite a senior level, but it has not.

Senator CAMERON: Okay. Has the department received any correspondence from Mrs Sudmalis, the member for Gilmore, in relation to this issue, the task force?

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

Mr Pratt: Senator, I think the answer to this is: 'not to our knowledge'—at least the people at this table.

Ms Bennett: Not to our knowledge.

Mr Pratt: I certainly have no memory or knowledge of any requests of that sort, and quite often a request of that sort would come to me as the secretary of the department—

Senator CAMERON: Are you aware of the controversy around this issue?

Mr Pratt: No, I am not.

Senator CAMERON: Ms Bennett, you are?

Ms Bennett: I have seen the media reporting about the use of the showground, about some town council meetings about it, and about how, in fact, it is mainly not only council members but I think there have been some New South Wales state government officials who have attended those town council meetings. My reading of it, through press and listening, is that there has been no approach to the Commonwealth or our department on those issues.

Mr Pratt: To correct my previous answer to that: I too have seen the media reports.

Senator CAMERON: So you have been alerted to it in the media, but you have had no correspondence or—to your knowledge—from the council or from the member for Gilmore. Okay. Thanks. Can I now go to the housing and homelessness senior officers network. You told me in an answer to question on notice SQ16000444, that the last meeting of the homelessness senior officers network was 21 October 2016. Have there been any meetings since then?

Mr McBride: I think I gave you the answer to that earlier. There was a face-to-face meeting on 10 February; there is one going on as we speak, which will extend into tomorrow; and then there have been three teleconferences in that time.

Senator CAMERON: Is that the same where you said—are there the same people that were involved?

Mr McBride: It used to be called 'chief executives'; now it is called 'senior officers'. So it is the same group.

Senator CAMERON: So what issues were discussed in that last meeting?

Mr McBride: The last face-to-face meeting was on Friday that the article appeared in *The Australian*, so it was a week focused on the future directions of the NAHA and also the future directions for homelessness. Those were the two topics.

Senator CAMERON: Were there any file notes or minutes of that meeting?

Mr McBride: As I said before, they are generally not minuted or file-noted. It is just a conversation, and then, to the extent that it needs further exploration, people are tasked with developing papers.

Senator CAMERON: You are dealing with issues that involve billions of dollars and nobody takes a file note and nobody takes a minute? Are you serious?

Mr McBride: We take notes ourselves, as do the state jurisdictions, but what we are trying to do is explore if we are going to—

Senator CAMERON: It is not about what you are trying to do; it is about minutes and keeping the Senate apprised of what is happening. So you took notes, did you?

Mr Pratt: Senator, I think I can provide a little bit of context if I can mention again what the minister said before. Constitutionally, housing is a responsibility of the states and territories. Certainly, the Commonwealth has an important role to play in that, but we do not convene that get-together. That currently is convened by the South Australian government—from memory, it rotates between different governments. The Commonwealth does not convene it; it does not support it.

Senator CAMERON: Yes, but your officers do not go there and come back and, when you say, 'Tell me what happened,' they do not go, 'I forget. I didn't take any notes. I didn't minute it. I didn't do a file note.' That does not happen; does it?

Mr Pratt: No. They never tell me they forget.

Senator CAMERON: So where are these file notes? Can you provide the file notes or the extracts from your notes so we can understand what has been happening or who attended?

Mr Pratt: Can we take on notice what we can give you coming out of those meetings?

Senator CAMERON: Of course. Thanks. One of the issues that were discussed was the nature of inclusionary zoning. I was advised of that the last time we spoke. Can you provide any clarity on the discussions on inclusionary zoning?

Mr McBride: That is testing my memory a little bit. I think that discussion was—

Senator CAMERON: Do you want to find your notes?

Mr McBride: I did not bring them with me, sadly. Inclusionary zoning can cover many things and people interpret them differently. Is it the way you zone a new piece of land so that you get mixed development? Is it a subsidised—

Senator CAMERON: I do not want a definition of inclusionary zoning.

Mr McBride: That was the nature of the discussion.

Senator CAMERON: Did you discuss inclusionary zoning, no matter what the nature of the discussion, what the nature of that inclusionary zoning—did you discuss it, and what did you discuss?

Mr McBride: We did discuss it, and what we discussed was the varying degrees of understanding as to what that definition—

Senator CAMERON: That is fine. That is good.

Mr McBride: of inclusionary zoning meant, and then a brief discussion around which state is pursuing it and in what form.

Senator CAMERON: Did you reach a consensus on what it meant?

Mr McBride: It is interpreted differently. So, no.

Senator CAMERON: So does the Commonwealth believe they should be involved in any definition of inclusionary zoning?

Mr McBride: The concept of inclusionary zoning is to get people into—

Senator CAMERON: I am not asking for what the concept is. I am asking: does the Commonwealth have a view as to what inclusionary zoning should be defined as?

Mr McBride: I think we are more interested in what inclusionary zoning will produce, and it is one way of getting submarket rents to people who need it. So how you define it—I think we are happy to take quite a practical approach, and then it could mean any number of things, with the broad objective of getting people into submarket renting.

Senator CAMERON: I think some years ago there was an audit undertaken about surplus government land. Was there any discussion about using surplus government land for inclusionary zoning?

Mr McBride: I think, as part of the conversation with the states and indeed amongst the Commonwealth, there is always the idea that, to the extent that we can free up surplus land, it should be applied to better purposes, and one of those purposes is housing. So it has come up, yes.

Senator CAMERON: I think the last time this was looked at was well over a decade ago.

Mr McBride: I think—and am happy to be proven wrong—Finance have an ongoing role in looking at the way the Commonwealth uses its land.

Senator CAMERON: So do they discuss this with you in relation to your responsibility on housing?

Mr McBride: There are broader Commonwealth processes to discuss how we advance the housing agenda, and Finance have been part of that discussion.

Senator CAMERON: Would you like to take on notice to see whether you can provide me with any details about what the thinking is within your department—

Mr McBride: I think that is a question you would have to ask the Department of Finance. They have responsibility for that.

Senator CAMERON: So the Department of Finance—what section of the Department of Finance? You know the problem. I come here and you say, 'Finance.' I go to Finance and they go, 'No, not us. Go somewhere else.' We have all experienced that, I think with unanimity around the table on that problem. So I will just try and pin you down: who do I speak to on inclusion of—

Mr McBride: I would have to take that on notice or find out what—

Senator CAMERON: Okay.

CHAIR: Do you have much more?

Senator CAMERON: I have just two questions, thank you. Social housing rent setting—what issues are the Commonwealth involved in on social housing rent setting?

Mr McBride: To the extent that the NAHA at least partially funds public housing, we are interested in the way the various states set rents settings for public housing. To the extent that the community housing sector is potentially a growth model for the low market rents, the way they set housing—and it is a balance between giving people those sub-market rents, but making sure this sector is viable—this is something that we will be interested in as part of the bond aggregator process, to make sure that that balance is the right one.

Ms Wilson: I am also aware that IPART has kicked off an inquiry into rent setting practices for social housing.

Senator CAMERON: Do you have a view on that New South Wales IPART investigation—what the implications might be for Commonwealth Rent Assistance?

Ms Wilson: We do not know what the outcomes are as yet, so—

Senator CAMERON: If they move more housing to social housing, that has got quite an impact, hasn't it?

Ms Wilson: To community housing—yes.

Senator CAMERON: They moved, I think, about 50,000 homes last year from public to social.

Ms Wilson: As I understand it, that practice started in about 2009-2010, and was, in fact, considered to have a number of advantages over classic public housing models of—

Senator CAMERON: It has one advantage for the states, and that is that they have to pay less, and it has a disadvantage for the Commonwealth in that the Commonwealth, through CRA, have to pay more.

Ms Wilson: There are certainly CRA flow-ons, but some of the advantages go to tenancy management and support, which community housing associations have a fairly good track record on—issues like maintenance, more responsiveness to a smaller tenancy base and the like.

Senator CAMERON: That is not your problem.

Ms Wilson: Well, to the extent that people end up being evicted and become part of the homeless population for not paying their rent, then it is a collective problem.

Senator CAMERON: But the economic issue is CRA. So whose responsibility is Commonwealth Rent Assistance? Is it you guys?.

Ms Wilson: Yes, it is us.

Senator CAMERON: Since this government came to power, what is the increase in CRA over that period? Is that available?

Ms Wilson: Yes, I note that the biggest driver of CRA expenditure—there are two big drivers of CRA expenditure. One is the payments themselves that people are eligible for and, therefore, being carried as CRA entitlement. So, for example, after the GFC, the numbers of people on DSS payments who were then entitled to CRA went up. The other significant driver is actually private rental costs. And they are the most significant drivers, as I understand it, of CRA expenditure.

Mr McBride: The stock transfer—there were about 30,000 dwellings transferred from 1995 to 2015, and that represents about \$100 million increased CRA exposure. The CRA from 2005—sorry; I do not have it back to 1995—was \$2.8 billion, and it is now, in 2015-16, \$4.3 billion.

Senator CAMERON: There has been some argument that this is unsustainable into the future. Is that your view?

Mr McBride: As Ms Wilson said, in 2009 they set a soft target of 35 per cent. If we are going to go much beyond that, then that would be part of the discussions we had with the states as to whether the NAHA needs to be adjusted to take into account that cost transfer. It may be that it does not, but that would be part of the negotiation process, I would imagine.

Senator CAMERON: I just note this argument that supply will fix all these problems. Actually, some of the housing forecasts say that, in the year ended September 2016, there were 229,000 dwellings that commenced construction, and that has eased from the peak of 231,000. Is that a concern for the Commonwealth?

Mr McBride: That is actually a step up. For a long time, we averaged about 160,000 and did not depart much from that. The last few years have actually showed quite—

Senator CAMERON: It is a step up but it is not going to meet the demand, is it?

Mr McBride: There will still be pressures within the housing market, as the Treasury secretary said yesterday. The housing market is a different beast depending on what state you look at. I think in certain jurisdictions there will still be demand in excess of supply.

Senator CAMERON: I have seen figures of something like over half a million homes short.

Mr McBride: I think broader housing supply is a question for Treasury. I guess what we are focused on, particularly in the community housing sector, is making sure that there is an affordable housing stock and the right people get into that stock, and that is where we see the bond aggregator playing a key role.

Senator CAMERON: So you see the bond aggregator as important? The bond aggregator has been in place in the UK for some years, and they argue that was because of the shortage of public housing stock, and I think they have got mid-20 per cent and, in Scotland, somewhere over 30 per cent. If we take public and social housing, we are about 4½.

Mr McBride: That is correct.

Senator CAMERON: So we have a huge deficiency in that area. Do you think the bond aggregator will fix all of that?

Mr McBride: Whether we aspire to get to 20 or 30 per cent is a bit of a moot point. What the bond aggregator will potentially do is provide a viable growth model for that sector, and at the moment we have public housing shrinking. If we are concerned about having an affordable housing stock and making sure that the people that need it most get into that stock, then it would be a positive step in that direction.

Senator CAMERON: It will be one step but not sufficient to deal with the whole problem.

Mr McBride: I think one of the reasons why we have CRA is that we recognise that and there will always need to be a subsidy for those people in the private rental market.

Senator CAMERON: Thank you and thanks, Chair.

CHAIR: Thank you very much Senator Cameron. Senator Rhiannon.

Senator RHIANNON: I will just pick up on some of these issues. I want to start with the Commonwealth Rent Assistance. How does it compare with the NAHA expenditure?

Mr McBride: Commonwealth Rent Assistance is about \$4.5 billion, whereas NAHA is about \$1.3 billion.

Senator RHIANNON: In terms of prescribing the level of rent that public tenants pay—I am just trying to understand how this could play out—let us say you had a single pensioner in public housing; how would the change play out for them?

Mr McBride: It would depend on what change you would envisage.

Senator RHIANNON: With the CRA, if you put the people in public housing into the current rental market and then provided them assistance. Firstly, that has been considered, hasn't it?

Mr McBride: I think that has been mooted from Henry reviews and other reviews. I am not suggesting that it is part of the current government's consideration or not, but in those models you would move them from where they pay a percentage of their income—and that varies from state to state—as their rent to somewhere where they pay a discount to what the market rent would be. What that discount will be will vary, but they will get Commonwealth rent assistance. So it could well be that they are in exactly the same position financially, it is just that the subsidy is paid through the person rather than to the state.

Senator RHIANNON: So you are saying the pensioner could be not worse off? It would be the same situation?

Mr McBride: It would depend on how discounted those market rents are in whatever form of housing they go to.

Senator RHIANNON: Say that the pensioner was not worse off, what is the cost to the government? Is it more costly? Has that modelling been done?

Mr McBride: It would be largely neutral. For example, if you paid everyone who is currently in public housing CRA, it would cost—and this is very, very rough—about \$1.5 billion, which is more or less what we pay for the NAHA at the moment.

Senator RHIANNON: I wanted to move onto NAHA. What we are losing is those services that go directly to homeless people, if there was that change.

Mr McBride: Part of the current NAHA funding when was it constructed through from homelessness funding—I am sure Dr Baxter can help me out here—is about \$250 million.

Dr Baxter: \$275 million.

Mr McBride: The Commonwealth's contribution to that, if you spent all of the NAHA on rent assistance, you would obviously—

Senator RHIANNON: You would lose out that way. I wanted to just clarify where the government is at with NAHA. Is it correct that NAHA will be scrapped or will it be reformed?

Mr Pratt: I have answered that question already. No decisions have been taken by government in this area. We have been talking with the states and territories about potential enhancements into the future, but it is not impossible. The government may choose to look at the NAHA being done in a very different way, in consultation with the states and territories.

Senator RHIANNON: Is the deadline for that decision the budget or is there some other deadline that you are working to?

Mr Pratt: There is no deadline, as far as I am aware.

Senator RHIANNON: As far as you are aware? Does that mean that you could take it on notice?

Senator Seselja: If I could just add to that, NAHA is an ongoing funding arrangement. There is no deadline, as such. On any decisions that are taken, obviously the budget is always a focus for key decisions like this, but there is no formal deadline like that. If no decision is taken about NAHA, NAHA will go on its current form until a decision to reform it or otherwise is taken.

Senator RHIANNON: In its current form, with maybe reforms coming down the track. Is that a fair summary?

Senator Seselja: Well, I have certainly indicated that I would like to see improvements to it, absolutely. Fundamentally, that will be a decision for government. But from my perspective, if you were sitting down and starting NAHA now, you certainly would not design it in the way that it was designed several years ago.

Senator RHIANNON: On that precise issue, considering the federal government has known for a long time and lamented the problems, why hasn't it acted and take it up with the states to sort this out?

Senator Seselja: We cannot act unilaterally, as far as I can tell. There was some discussion earlier—I think you were out of the room—in terms of the bits of NAHA where there might be some Commonwealth discretion, but there is certainly a question mark over our ability to do certain things with NAHA without either the agreement of parliament or the agreement of the states and territories.

Senator RHIANNON: To be fair, all my question was was: why has it not been taken up earlier? It was not about acting unilaterally; it was actually about, considering that you have been lamenting it for a long time, why it has not been taken up earlier. If you do not want an answer it, fair enough.

Senator Seselja: I can only speak for myself, having come into the portfolio in July. Looking at examining the form of NAHA has been a priority for me since taking that portfolio.

Senator RHIANNON: In terms of possible directions for NAHA, I think it was the Treasurer who was suggesting a government-backed aggregate bond financing model. Is that one of the reforms on the table or has that been crossed off now?

Senator Seselja: Certainly, the bond aggregator is very much on the table. One of the key recommendations coming out of the Affordable Housing Working Group was to progress that. That is obviously being looked at. I might ask one of the officials in terms of NAHA. It is a slightly separate process from any reforms of NAHA, although of course they would be potentially complementary.

Senator RHIANNON: Could I just clarify before I leave the minister: were you saying that NAHA could continue and the housing bond aggregate could be set up parallel to it?

Senator Seselja: That would be my impression, but I might ask Mr McBride—

Senator RHIANNON: That is what I am also trying to clarify: is it 'instead of' or 'as well as'?

Mr McBride: The bond aggregator is being looked at in isolation. At the moment, we are looking at the community housing sector and Treasury have started a process to look at that sector in more detail to test its financial viability and whether it would be able to support a bond aggregator. If it can do that on current settings, then it will. In the first report of the affordable housing group, there was a question of whether it was financially viable enough to sustain a bond aggregator. It was not, there is possibly a role for the NAHA in—

Mr Pratt: I think, as the minister said, clearly if the government was to take a decision to go with the bond aggregator model, that would be helpful in terms of complementing any enhancements to the NAHA. They could proceed in parallel or jointly.

Senator RHIANNON: However it goes, do you recognise—or is it part of the mix of how you are approaching this—that such a bond would require the establishment of a specialist financing intermediary?

Mr McBride: Yes.

Senator RHIANNON: What form would that intermediary take?

Mr McBride: That is the process that the task force we were talking about earlier is currently exploring. In very basic terms, it would go to the community housing providers who were interested in growing their portfolio. It would look at what financing needs they had rather than them going individually to a bank and saying, 'I need a loan,' they would bundle all of them up or aggregate them and then go to the market and sell that as a bond.

Senator RHIANNON: With the intermediary, are you looking at the three choices—which is what I often read about—in that it could be a government entity, a not-for-profit entity or private sector entity? Are they the choices or is that not how you are looking at it?

Mr McBride: Certainly, those will be three of the ones we consider. Whether it goes beyond that is the process that the task force will consider over the next six months.

Senator RHIANNON: When you say beyond, are you talking about other options? If so, what are they?

Mr McBride: They have not been contemplated yet, but I am not closing off the possibility that they will be.

Senator RHIANNON: Right, so there are others.

Mr McBride: Not that I am aware of, but I am open to the idea that someone may come up with a better idea.

Senator RHIANNON: Just moving onto your Affordable Housing Working Group issues paper that came out in January 2016, I just wanted to clarify about the process that is going on with that, as to whether that has closed now or is it still ongoing?

Mr McBride: That was considered by the finance ministers' meeting. From that, they have decided that, of those models examined, the bond aggregator was the preferred one that was more likely to reach the goals that that report examined. So the Affordable Housing Working Group has been reconstituted to support the task force that will examine the bond aggregator.

Senator RHIANNON: That was model 1. You have knocked out all those other models?

Mr McBride: The task force's focus will be on the bond aggregator. Whether we explore those other things separately is open, but the task force and the Affordable Housing Working Group will now specifically look at the bond aggregator.

Senator RHIANNON: When you say 'to open', is that to open who makes a decision?

Mr McBride: Ultimately, it is the Treasurer and the government. But as I said before, the other three are not being actively pursued.

Senator RHIANNON: I suppose when I say 'who makes that decision', it is who brings it back onto the table. It sounds like it has slipped off the table. Who brings it back onto the table?

Mr McBride: At the moment, our focus is on the bond aggregator.

Mr Pratt: I do not think I would characterise other options as having slipped off the table. It is just that they are not the focus at the moment. Government is looking, with the states and territories, at a large array of possible mechanisms and measures to improve our affordable housing in Australia. It is not impossible that some of these ideas could come back even if the priority is on the bond aggregator.

Senator RHIANNON: I really was not trying to misrepresent it. I was literally trying to understand it. Is what you are saying that the housing trusts, the housing cooperatives and the impact investing models, including social impact bonds, are all still active but maybe not as prominent as the bond aggregator is?

Mr Pratt: I think, as Mr McBride mentioned, essentially we are not focusing on those at this time, but it is not impossible that they could come back as a priority down the track.

Mr McBride: Certainly, the work of the Affordable Housing Working Group on the task force is not focusing on those. Social impact bond is something that broadly the Commonwealth is still examining.

Senator RHIANNON: Considering the bond aggregator is obviously more prominent, can you give us a summary of what your thinking is on it, what problems you have identified having gone through this process and where it is going?

Ms Wilson: The task force has really been set up to do that, as I understand it. As evidence was given earlier to Senator Cameron, the government will appointment three independent people to constitute the task force who will work through the issues around designing and implementing a bond aggregator, including the sort of financial market and financial viability issues. We in DSS and the Treasury will support the work of that task force. As I understand it, so will the states and territories who are part of the Affordable Housing Working Group. But it is the task force that will have that sort of day-to-day deliberations and then advise government on the outcome of their exploration.

Senator RHIANNON: Minister, do you regard housing is a human right?

Senator Seselja: I certainly think that if people do not have shelter then it is very difficult to live a dignified life. I think that food and shelter are the basics of human existence, so we want to see everyone have a house, absolutely.

Senator RHIANNON: And do governments have a responsibility to ensure that happens?

Senator Seselja: I think certainly governments at all levels should do all they can to try to make housing as accessible and affordable as possible. When I was in another sphere of government in the ACT assembly, certainly in opposition we always pushed very hard for the local government to be doing more to allow people to buy a home, to rent and, for those who cannot afford to buy or rent, to be supported in other ways, through public housing or the community housing. It is a critically important issue.

Senator RHIANNON: Just on that, you mentioned local government. I am often asked this and not able to answer it adequately: what can local governments do in terms of housing programs in their area? Could you provide how—at your level, the federal government—interacts and can interact with local government in assisting them?

Senator Seselja: I am happy to take that on notice.

Senator RHIANNON: I gathered from some of the earlier discussion that you do not have the data on the shortage of affordable housing. Was that correct or did I misunderstand that?

Senator Seselja: Mr McBride was answering that question. I think it is fair to say that we would be happy to see improvements in that data, but I do not think it is fair to say that there is no data. There are various ways of getting that data. They are imperfect, but there are significant sources of data whether it is at a state level or whether it is in various parts of the private sector or community sector.

Senator RHIANNON: How are you judging appropriate levels of funding and the effectiveness of the agreements if the data is so weak?

Senator Seselja: I did not say that the data was weak; I said it should be improved. There are significant sources of data, and I will perhaps ask Mr McBride to expand on those for you briefly. What I would say is that getting better data is important. As we have discussions with the states and territories, I think it is fair to say that improving the data is a constant theme. But I do not think it is fair to say that there is not any data. If I look at the data in terms of individual agreements—you were not here earlier when I was talking about some of the failings with NAHA in terms of where it has gone and what the statistics show in terms of some of the key objectives under that—then clearly the data is showing that, as a nation, we have gone backwards in many areas despite significant Commonwealth spend. But I am not

sure if you are talking about that element of data or you are talking about other aspects of data, but I would not characterise it as being—I forget your word, was it 'insufficient'?

Senator RHIANNON: I said 'weak'. You do not think it is inadequate?

Senator Seselja: I certainly think it could be improved, I think it is fair to say. But there are all sorts of sources of the data, so I might get Mr McBride just to talk about some of those different sources of data.

Mr McBride: And we could tell you—

Senator RHIANNON: Can I just insert my question? I was asking about the data, which, from how are you judging appropriate levels of funding and effectiveness of agreements, seemed to be inadequate, if I am correct in understanding what you have said. I wanted to go from the data to understanding how you are making those judgements.

Mr McBride: The NAHA, as struck, had certain outcomes that collectively the NAHA was meant to deliver, and they were about homeownership for the Indigenous, overcrowding, rental stress and rates of homelessness, and we can measure outcomes against that. We do have a lot of data. We can tell you the size of the sector. We can tell you average rents. We can tell you rent exposure, rental stress and mortgage stress. We can tell you the size of the social housing sector and the affordable housing sector. So we do have enough data, and we have a relationship with the states, to the extent that they have sources of data that they share. We are just saying that we could make that process better, and the more data we have the better informed those discussions will be. But there is certainly a lot of data that gives us insights into what parts of the sector are performing well and what others not so much.

Senator RHIANNON: Minister, according to the Australian Institute of Health and Welfare, about \$378 million of federal investment supported services has assisted just under 280,000 people—adults and children—who are homeless or at risk of being homeless. That works out, from my calculations, at \$370 per person per night. By comparison, all the MPs who stay overnight in Canberra can get more than \$270 a night when we stay here. How do you resolve this gross inequality? This clearly is a major problem for the government and for all of us when homelessness numbers are going up—\$370 a night, compared to \$270 per night. There is something seriously wrong in how government is working.

Senator Seselja: I am not sure about the particular AIHW data that you are talking about. You are talking about an annual Commonwealth spend specifically on homelessness versus how many people have been assisted by that, and you have got a figure on that. Is that it?

Senator RHIANNON: Yes. It is \$378 million on federal investment supported services assisting 280,000 people—adults and children—who are at risk of becoming homeless or who are already homeless.

Senator Seselja: If I could just add, the report on government services for 2017 talks about nominal expenditure in 2015-16 on homelessness services delivery by state governments being \$744.6 million, so that is in addition, presumably, to that number. When we look at the Commonwealth spending on homelessness and housing, it was, I think, in total about \$6.8 billion per annum, and I think the states make up another \$4 billion or so in rough terms. We can get you more detail on that if you like. So we are talking about a \$10 billion spend between the states and the Commonwealth per annum. You have taken out the part that the Commonwealth spends specifically on homelessness services. I do not have those figures

in front of me, but if you were to combine even just what ROGS says the states spend in terms of homelessness plus what you have indicated that is well over a billion dollars there in terms of that spend. Now, what you are saying is: could we be spending more? Well, of course, in a range of worthy areas we certainly could if the money were there—and we always look to spend money appropriately—but I think we need to look at the entirety, particularly when you consider that the states and territories do have primary responsibility and constitutional responsibility for housing and homelessness.

Senator RHIANNON: But, Minister, you would not dispute that the situation is getting worse and that there is inequality. Homelessness is driving greater inequality in our society. You would not dispute that, would you?

Senator Seselja: I do not dispute that in the last decade or more that we have, unfortunately, seen more homeless people in this country. There is no doubt about that—I think the figures, if you look at one of the targets under NAHA was to reduce homelessness and between 2006 and 2013, there was a 17.3 per cent increase in that time. So, no, I do not dispute at all that there are more homeless people in Australia now than there were 10 or 15 years ago and I think that that is something that should concern us all.

Senator KAKOSCHKE-MOORE: I have some questions in relation to the NPAH. You might recall that in October last year I raised the issue around funding dedicated to support services for women and families escaping domestic violence—for example, women's shelters. At that time, when I asked: is it possible for funding to be directed into those programs, Dr Baxter, I think you said that some money may go to that but the Commonwealth does not dictate how that money is spent, which is one of the draw backs, I think, Minister, you described in the framing of these agreements .

In December last year, the Treasury put out a joint media release together with the Prime Minister, Minister Porter and also you, Minister Seselja in relation to transitional funding for the NPAH—the \$117.2 million. Towards the end of that release, it says:

The Transitional NPAH will continue to prioritise funding to services providing support to women and children experiencing domestic or family violence ...

Just based on what was told to the committee in October last year, how exactly can you prioritise funding for these services when you have conceded that the Commonwealth cannot dictate how NPAH funding is spent?

Senator Seselja: I will ask Dr Baxter.

Dr Baxter: I think, Senator, which I was explaining last time, I was saying that we do not have any hard levers to compel the states to spend that money on it. We do require that 25 per cent of funding under the NPAH goes to priority groups and that includes women and their children escaping violence and also includes young people who are homeless.

We require within the project plans that states and territories have to submit under the NPAH that they indicate to us where that money is being spent, how it is being spent but we do not have any hard levers to make changes to the amount of the money or the settings under the NPAH, if we feel the money is not being directed adequately. However, the states and territories are having very active discussions about how that money can be used more usefully so we have indicated to the states and territories the strong interest from our ministers in making sure that some of those outcomes that have been going backwards in terms of

homelessness, particularly that have been going backwards for women and children escaping violence, are rectified so there is a great interest in what can do done even within the current settings under the transitional NPAH to improve that situation—things like better integration of services, better measurement, better reporting, linking up with some of the services that go directly to addressing the problems of homelessness for those women and children. But we do not actually have any compulsion levers under the current NPAH through which we are able to make those changes.

Senator KAKOSCHKE-MOORE: So the 25 per cent of funding in the NPAH funding that is supposed to go towards domestic violence and services for young people experiencing homelessness, what does that really mean if you cannot force the states to actually meet that 25 per cent target?

Dr Baxter: I think, as the discussion has been here this afternoon, that is one of the limitations of the current funding structure that we have. We do know that about a hundred million of the total Australian government and state and territory investment is being provided to 130 services that deliver homeless initiative specifically for women and children escaping violence so we know that dollar is a significant portion that is spent on that and we continue to have those discussions with the states.

The only real requirement under the NPAH is that the states and territories submit these project plans. They have to tell us under that. They have to give us information about services that are being fund under the NPAH. They require each state and territory to identify the geographic areas that they will prioritise when considering that expenditure for priority groups so that is the women and children and the homeless youth—but they do not require any kind of line-by-line accounting for that money and they certainly do not have any levers, if that 25 per cent is not met.

Senator KAKOSCHKE-MOORE: You mentioned that limitations arise out of the current funding structure of the NPAH.

Dr Baxter: That is right.

Senator KAKOSCHKE-MOORE: Was any consideration given to amending the funding structure of the transitional NPAH in order to give the Commonwealth more ability to say to the states, 'You really need to meet this 25 per cent'?

Dr Baxter: The transitional NPAH was put in place, and when the government announced the transitional NPAH it was very much with a view to giving the states, territories and the Commonwealth an extra year to have those discussions. These are obviously very sensitive issues, particularly if you are looking at transitioning specialist homelessness services to a different model. How do we move to something that is more effective while making sure we do not take our hands off the people we are currently servicing? Certainly the view of everybody around the table was that that would take some time to negotiate. It is only a 12-month window, so we are in very active discussions with states about how that could look. One of the things we are very interested in is how we join up work happening under the National Plan to Reduce Violence against Women and their Children under the national child protection framework, which obviously deals with some of those homeless young people, and any kind of future homelessness approach to make sure that we are really pushing our money

in the same direction to get the best results that we can. I think it will take a year to resolve some of those issues.

Mr Pratt: Earlier we were discussing with Senator Cameron possible enhancements to the NAHA, which is also a significant source of funding for homelessness measures—approximately \$250 million a year. It is conceivable, depending on what governments land on, that those might do what you are seeking.

Senator KAKOSCHKE-MOORE: Part of where these concerns stem from is that it is my understanding that the NPAH has had to be renewed on a yearly basis.

Dr Baxter: Sometimes two-yearly—short-term renewals.

Senator KAKOSCHKE-MOORE: So these concerns had not been raised earlier. I am bringing it up because of the tremendous uncertainty that yearly funding agreements place on services and their staff. Based on these negotiations in the next 12 months, where you are looking for the states to come back to the Commonwealth with perhaps some better information about how they are spending the money, would that then result in greater funding certainty in the long term?

Mr Pratt: Before Dr Baxter tells you the sorts of discussions we are having with the states and territories on that, can I remind you that the states and territories are constitutionally responsible for housing and homelessness matters, and it is quite open to them, leaving aside any deals that the Commonwealth does to provide funding on a yearly or two-yearly basis, to have longer funding arrangements with their service providers, and in fact I would not be surprised to find out the states and territories do that in addition to the money that comes through our matched funding through the NPAH.

Senator KAKOSCHKE-MOORE: So long-term funding certainty for the NPAH is not a priority for the government?

Mr Pratt: No, I am not saying that. I am just saying that ultimately this area is a state and territory responsibility. Certainly the Commonwealth has a great interest in it and it puts a lot of money into this area through the NAHA and the NPAH. But ultimately it is open for the states and territories to provide longer term funding contracts or arrangements with their service providers in isolation from whatever the Commonwealth does with the states.

Senator KAKOSCHKE-MOORE: It has been my understanding that often the states and territories have been matching the Commonwealth contribution, which gives them an idea about exactly what programs they can fund and for how long. I am just concerned that asking the states on their own to commit to longer term funding strategies without an undertaking from the federal government to continue with federal government funding is not going to have the result that you would want to see and that we would want to see.

Mr Pratt: The states and territories do get a great deal of funding from the Commonwealth through the NAHA—\$1.3 billion a year, of which \$250 million is for homelessness purposes, in addition to the NPAH. Perhaps Dr Baxter will add to that.

Dr Baxter: There are probably a few bits that are worthwhile adding. In terms of the discussions we are having, obviously the issue of how long any future funding agreement would be is something that states and territories are very keen to have discussions about. It is not quite a right characterisation to say that there have not been those discussions about how you could improve the outcomes focus, the responsiveness, how we are doing, particularly for

women and children escaping violence, despite those shorter term agreements. I think this is something that both the Commonwealth and the states have been working on for some time.

As Mr Pratt said: while we do not have those direct funding levers, the Commonwealth has continued to exert leadership in saying: 'What else can we do? How can we look at using some of our research bodies who are telling us what the things are that might work better and more effectively? The plan is not about just saying to the states in the next year: 'How can you give us more information about what you are doing?' It is about saying: 'What could we do differently; particularly, how do we focus in a very targeted way on some of those priority groups; and what are the interventions that we know make a difference to their homelessness outcomes?' The states are engaging very actively in thinking about what some of those programs are, but it is a significantly complex area, so they are bringing some of those ideas to the table.

Senator KAKOSCHKE-MOORE: Minister, a little earlier you said, in relation to the NPAH, that there are a number of improvements that you would like to see.

Senator Seselja: I think I was referring to the NAHA.

Senator KAKOSCHKE-MOORE: Was that the NAHA?

Senator Seselja: Yes.

Senator KAKOSCHKE-MOORE: I see. Perhaps you could elaborate on what some of those improvements are.

Senator Seselja: I said to Senator Rhiannon earlier that, if you were designing it now, you certainly would not do what was done in the past. Fundamentally, when I came into the portfolio and had a look, I asked these questions of my department: 'What do we get for the money that we are spending here—the \$1.3 billion indexed in perpetuity for NAHA? What do people on the ground get for that? Are more people being housed? Are less people in housing stress? Are less people experiencing homelessness?' The answer to all those questions, unfortunately, was either, 'No,' or, 'We don't know.'

What I would like to see, when we have a deal with the states—so if we kept exactly the same amount of money in NAHA, the \$1.3-odd billion indexed, for argument's sake—is the states, as a result, increasing their investment in housing; more affordable houses as a result of that Commonwealth investment; and the states doing a range of things in both the social housing space and, of course more broadly, in making housing more affordable. That is, ultimately, where the government would like to get to. What exactly that looks like, obviously, is to be negotiated and is being very actively considered as we speak.

Senator KAKOSCHKE-MOORE: Minister, in October, when we were discussing the NAHA, we discussed how difficult it can be for the Commonwealth to determine exactly how that the money is being spent because you do not have the power to compel the states to report back on how Commonwealth funding is being spent. Are you still considering improvements, along those lines, to the funding structure around NAHA?

Senator Seselja: We are certainly considering a range of improvements, and that would include that. One of the things we saw in one of the recent reports is that—I think it was a report on government services—state and territory governments cut spending on social housing from \$4.1 billion in 2014-15 to \$3.9 billion in 2015-16. That concerns me when we have an index program which, in theory, should see them spending more in those areas.

Senator KAKOSCHKE-MOORE: I just want to remind you of the statement that you made at the time. You said:

... outcomes for that \$1.3 billion I think it is right for reform to ensure that there is maximum transparency and that we know what we are getting for all of our spending.

Senator Seselja: Correct.

Senator KAKOSCHKE-MOORE: I would just like to put on the record—

Senator Seselja: I stand by that statement 100 per cent.

Senator KAKOSCHKE-MOORE: Yes, I would strongly encourage any reforms to reflect that intention that you expressed in October.

Senator PRATT: I have a very brief follow-up question. I met with the Marnja Jarndu Women's Refuge in Broome last week. They are experiencing problems because of the uncertainty within NAHA. Their funding under NAHA was due to expire in September last year, and it has been extended to 30 June this year.

Senator Seselja: Sorry, I think you are referring to NPAH, if I might suggest that.

Senator PRATT: They have told me it is NAHA.

Mr Pratt: NAHA, as the minister has mentioned a few times, continues indefinitely.

Senator PRATT: I understand it continues, but, when you are looking at tying down the outcomes within this funding, one of the problems they express is the uncertainty of their funding that does not enable them to plan for their organisation. So when you are reviewing the outcomes and seeking better outcomes you need to pin the states down on making sure that they are providing certainty for organisations' funding of critical and vital services, because this is affecting their ability to maintain staff and plan for the year ahead.

Mr Pratt: I am interpreting what you are saying as that in seeking to enhance the NAHA with the states we should, as a condition of that, require the states and territories to have longer term funding and security for providers.

Senator PRATT: Yes—it is unthinkable that funding of domestic violence refuges would cease, but, in the meantime, these organisations still do not feel like they can plan for their futures and look at how they manage their services beyond their existing contracts.

Senator SMITH: I think there is a bit of romanticising about the effectiveness of the National Affordable Housing Agreement, and I am wondering whether you could share with us what the 2016 COAG performance report says about the agreement. I understand there is a series of benchmarks that are used to assess its performance.

Senator Seselja: Under NAHA there are a number of targets. NAHA have a goal of a 10 per cent reduction in the proportion of low-income renter households experiencing rental stress. That, instead of going down, has gone up—it increased from 35.4 per cent in 2007-08 to 42.5 per cent in 2013-14. So instead of going down by 10 per cent in the period it went up 7.1 per cent. There was a target of a seven per cent reduction in the number of homeless from 2006 to 2013, and that increased from just under 90,000 in 2006 to over 100,000 in 2011, which is a 17.3 per cent increase instead of a seven per cent reduction. There was to be a 10 per cent increase in the proportion of Indigenous Australians who own their home between 2008 and 2017-18. I do not have the exact figures but my notes say that there is no evidence of any increase, and perhaps if there are additional details on that we can get those to you.

I think the area where there has been some improvement is that there was a target of a 20 per cent reduction in the proportion of Indigenous households living in overcrowded conditions, and there was a 16 per cent decrease between 2008 and 2012-13. I think they are the key figures. In addition to that, if I look at other reports, there was a productivity report on government services, and the number of public housing dwellings has also fallen in that time, from approximately 336,000 at 30 June 2008 to a little over 320,000 as at 30 June 2016. Waiting lists for both public and community housing have increased in that time—public housing waiting lists from 177,000 to 187,000, and the total on the community housing waiting list increased from 36,946 applicants to 41,195.

That is a bit of a snapshot, and that goes to the point I was making earlier with Senator Cameron and others—for a significant Commonwealth spend, with not much accountability in my opinion by the states, those targets clearly have not been reached and in some cases we are a lot further away from those targets than we were. The other piece of data that I have already put on record is that the spend from state and territory governments on social housing fell between 2014-15 and 2015-16 by about \$200 million, which again is a concern given we have these funding streams which the Commonwealth is providing.

Senator SMITH: Let me summarise it for the layman—of the four benchmarks, only one has been met, one of them is not likely to be met and two are not on track

Sometimes, when you listen to the public commentary around the National Affordable Housing Agreement, if you were ill informed, you would think it was a gold standard and somehow there has been a falling back in recent time. It has never been a gold standard. Correct me if I am wrong, but how critical is the fact that the Commonwealth has no hard levers, to take Dr Baxter's term? How significant is that in contributing to the lack of effectiveness?

Senator Seselja: In my opinion, it is significant, and the reason for that—I am not going to attribute motivation to states and territories. Everyone seeks to do their best in governing their area, but, if there is not proper accountability, if you do not have levers and say, 'If we give you X hundred million dollars, State X, you need to deliver this many additional affordable housing units or other such benchmarks,' of course there is going to be a temptation to pocket that money and spend it on things that you were already spending on. Perhaps my officials can correct me if I am wrong on this, but it is my understanding of NAHA that things like state debt to the Commonwealth for housing can effectively be used, so they can get the money from NAHA and, if they have an outstanding debt to the Commonwealth, they can then use it. That is using money for housing. That would, in my understanding, fall within the agreement, and therefore, for a state which is just paying off its debts to the Commonwealth, we give it some money and it would give some of it back.

Senator SMITH: So there is some evidence of Commonwealth money being given to states and territories but not being used for the delivery of affordable housing initiatives on the ground?

Senator Seselja: To be fair, just to clarify, I think that the states and territories were already spending a significant amount of money on housing, and their only requirement is that they spend at least that amount in terms of housing. It does not require them to do anything extra for the additional money that they have received from the Commonwealth. So I do not think it is fair to say that they are not spending the money on housing, but they may have

already been spending that money on housing, and then we have given them extra, in which case I would think that a good agreement would have had certain benchmarks about additional effort to achieve some of those important goals.

Senator SMITH: Mr McBride, is there anything further? I have one more question.

Mr McBride: That was quite comprehensive.

Senator SMITH: How common is the absence of hard levers from national agreements with states and territories in your portfolio, Secretary?

Mr Pratt: Certainly the most significant one is the NAHA, but generally the agreements across the spectrum were redesigned to be ostensibly outcome focused and to pull out what were seen as onerous input related data, so I think it is reasonable to say that, at a broad level, most of them probably fall into that category.

Senator Seselja: Just on that, because it might assist, I have the *Council of Australian Governments: report on performance 2016*. It does not go specifically to that point, but I think it is related. This copy has some notes, but if we can get one that we can table, I am happy to.

Senator SMITH: What page of the report is this?

Senator Seselja: This is page 7, and it is on the website. It does go through the NAHA, but also it looks at some other agreements like the National Disability Agreement and the National Education Agreement. I think that, just on my very quick glance at those figures, in terms of achievement, I would say that some of those others are getting higher rates of achievement. But I can table that for you, and that might illuminate it a little bit.

Senator SMITH: Great. Thanks very much.

CHAIR: I believe that concludes consideration of outcome 4, housing, unless I am told differently.

[15:08]

CHAIR: Now we are going to move to outcome 1, social security. As discussed with senators and with the secretary, the hope is to progress through the programs sequentially, and hopefully we will not have to deviate from that. Senator Watt, I will start with you.

Senator WATT: Thanks, everyone, for coming. Obviously, this outcome is about family tax benefit, and that has been in the news a lot lately with the proposed cuts to family tax benefits that are under the government's omnibus bill. We obviously have a separate inquiry underway about that bill, which includes a hearing next week, where we will have the chance to go into a lot more detail, but we are quite keen today to just start better understanding what the government's policy objective is here, exactly how many people will be affected and how much—that kind of thing—because it is still a little bit unclear from the information that has been put in the public domain. Mr Pratt, what is your understanding, as the secretary of the department, of the policy objective of the family tax benefit?

Mr Pratt: The purpose of family tax benefit is to assist families and parents with the costs of properly bringing up children and ensuring that they are able to have as good a start to life as possible and to enjoy a proper education and, in due course, more positive outcomes in life as contributors in the Australian society.

Senator WATT: It sounds like a great thing. Am I right that the way that family tax benefit is currently structured is particularly weighted towards supporting low- and middle-income families to, as you put it, give their kids a good start in life and bring up their families? It is particularly weighted towards low- and middle-income families?

Mr Pratt: Yes, I would agree that that is the case. It has been increasingly directed that way over recent years.

Senator WATT: As means-testing and things like that have been tightened, so it has been increasingly focused on low- and middle-income families?

Mr Pratt: That is right.

Senator WATT: What is your understanding of the policy objective behind the cuts that are proposed in the omnibus bill?

Mr Pratt: There are a range of objectives. One is to ensure that there is a proper funding source for the childcare measures which the government is pursuing, which is also aimed at assisting families, parents and children, with similar sorts of outcomes to those I mentioned in relation to the family payment scheme. Also, it would contribute to budget repair.

Senator WATT: Just remind me about the savings that it is expected to generate from these cuts to family tax benefit. We will get into this, but my understanding is that they will particularly hit low- and middle-income families. Will the savings that are generated from those cuts entirely pay for the childcare changes, or is it not enough to cover all the childcare changes?

Mr Pratt: If the omnibus bill passes in its entirety, there will certainly be sufficient savings there to cover the childcare costs.

Senator WATT: So the amount being cut from family tax benefit is more than what is being put into child care?

Mr Pratt: Yes.

Senator WATT: The remainder of that is going towards reducing the deficit, effectively?

Mr Pratt: Well, budget repair, and of course the government has indicated that it intends for those savings to also go into the NDIS special account.

Senator WATT: Basically the proposal is to cut family tax benefit for low- and middle-income families to pay for child care, to pay for the deficit and to assist to pay for the NDIS?

Mr Pratt: I do not know that I would agree with the characterisation that it is aimed at cutting funding for low- and middle-income families. I think the proposal is—and this is the government's policy—that the savings which are generated from those cuts will be reinvested in particularly the childcare reforms and also will be available to contribute to the ongoing funding for the NDIS.

Senator WATT: And budget repair.

Mr Pratt: And budget repair, yes.

Senator WATT: How many families will be worse off as a result of these changes to family tax benefit A? Just for the sake of those millions of people watching at home, I should say that family tax benefit part A is paid to low- and middle-income families to help them meet the costs of children. It is paid per child and means-tested on family income. The cut-out

point depends on the number of kids and their ages. For example, a family with two children under high-school age would not be eligible for family tax benefit A at an income of \$105,000. Does that all sound right as a general description?

Mr Pratt: Just a point of clarification: are you asking us to give an assessment of the benefits and losses for families crossing both the family tax benefit and childcare reforms?

Senator WATT: No, what I am—

Mr Pratt: Or do you want us to look at just the family tax benefit—

Senator WATT: Yes.

Mr Pratt: in isolation, which is not, of course, how the government sees what it is doing.

Senator WATT: Sure, but I am assuming that not every family who will lose family tax benefit A or B will necessarily benefit from the childcare reforms.

Mr Pratt: I think that is right, but I think there is a significant overlap.

Senator WATT: Okay, point taken. But let us start with family tax benefit A, which, as I say, is paid to low- and middle-income families and paid per child and is means-tested. How many families will lose money in the sense of their family tax benefit A payments as result of these changes if they go ahead?

Ms Halbert: I think I heard your question correctly. Around 1.1 million families with an income of \$80,000 or less will be impacted by the phase-out of the FTB part A supplement.

Senator WATT: That is 1.1 million families—

Ms Halbert: That is right.

Senator WATT: across Australia who will lose some of their family tax benefit A.

Ms Halbert: They will be impacted by the phase-out of the supplement—

Senator WATT: And that is families with a household income—

Ms Halbert: Of \$80,000—

Senator WATT: of \$80,000 or less. Just remind me: if we are talking about quartiles or quintiles—blocks of, say, 20 or 25 per cent—I do not really mind which, and a household income of \$80,000, do you know off the top of your head what the median or mean household income in Australia is at the moment?

Ms Halbert: I do not know off the top of my head, but we can probably get that for you before the end of the session.

Senator WATT: Yes, if you would not mind. Does anyone know, similarly—I would not have thought that a household income of \$80,000 is in the top 10 per cent or anything like that. You are probably talking about the bottom third?

Ms Wilson: Can we take that on notice and come back to you—

Senator WATT: Yes, could you?

Ms Wilson: because there is a vast difference between household and individual, and I just want to make sure that we get that correct.

Senator WATT: If was very helpful before when Senator Ryan was able to arrange some fairly quick turnaround.

Ms Wilson: We should be able to do that very quickly.

Senator WATT: Thanks, that would be great.

Ms Halbert: The phase-out of the FTB part B supplement would affect 1.3 million FTB part B families, but the rate increase for family tax benefit—the \$20—

Senator WATT: Before you come to that, my understanding about family tax benefit B is that that is paid to single parents or single-income couples with children and, again, there is already a means test that applies to that payment.

Ms Halbert: That is correct.

Senator WATT: So it is paid to single-parent families or two-parent families with kids where only one of the parents works. There are 1.3 million of those families or households—

Ms Halbert: With heavy overlap with FTB A.

Senator WATT: I will come to that as well. It will affect 1.3 million FTB part B families, and you were able to tell me that, for FTB A, it was households with an income of under \$80,000. Is there anything like that for FTB B for those cuts?

Ms Halbert: One hundred thousand dollars is the relevant figure for FTB B.

Senator WATT: So there are 1.3 million families in Australia with a household income of less than \$100,000 who will now lose at least part of their FTB B.

Ms Halbert: The supplement at the end of the year.

Senator WATT: I think you made the point that it is not as if we are talking about 2.4 million families in total; there would be some families who get both.

Ms Halbert: Correct.

Mr Pratt: We should complete the picture here, though.

Ms Wilson: I think it is also important to point out some of the other provisions in the same bill, which include increasing the family tax benefit part A maximum fortnightly rates by around \$20 and aligning youth allowance and disability support pension rates with the new FTB A maximum rate. That will cost around \$2.4 billion over the period. One point two million families, including the lowest income families, those on income support, with 2.2 million children would receive the fortnightly increase, which will assist them with day-to-day living expenses consistent with the objective of the payment. Also, around 16,600 young people aged up to 18 in receipt of a payment other than FTB part A—young people who get youth allowance, disability support pension, Abstudy and special benefit—would also receive those rate increases.

Senator WATT: I accept that there are some people who will get a bit of extra money as a result of the changes, but you will not be surprised to hear that I am focusing on those who are losing out. In those figures—1.1 million for FTB A and 1.3 million for FTB B—do you actually know how many families get both?

Ms Halbert: It is almost all of them. We will get you those figures—it is the vast majority.

Senator WATT: Presumably, what this means is that those who lose both are on a household income of less than \$80,000 per year, because you have to be on less than that to be losing your FTB A.

Ms Wilson: To come back to your question, if I may, your question was: what number of families receive both FTB part A and FTB part B? It is 1.519241 million families.

Senator WATT: So, essentially, a bit over 1.5 million families will lose both, and we are talking there about families with a household income of under \$80,000 if they are losing both. I cannot quite do the maths, but we will be able to work out how many are just losing FTB B. Obviously, if you could also get back to me about the median income—what I am after is the median income of those who are losing A, those who are losing B and those who are losing both.

Ms Wilson: We will endeavour to do that. You actually asked us a different question, which I think was: where in the quintiles were quartiles of income distribution?

Senator WATT: Can I ask both?

Ms Wilson: We will see what we can do in the course of this session.

Senator WATT: I think Senator Siewert is very generously giving me a couple of minutes of her time.

Senator SIEWERT: I was going to follow that.

Senator WATT: This actually does follow something one of our witnesses was just talking about. I think Ms Halbert was making the point that there are some people who will actually be getting an increase to their FTB A supplement.

Senator SIEWERT: You started off from where I wanted to go. I was just double checking I had not missed something.

Senator WATT: I will just ask this one and hand over. My understanding is that there will be an increase to the FTB A supplement.

Ms Halbert: To the fortnightly rate.

Senator WATT: Am I right that families who lose their FTB A supplement but receive the \$20 per fortnight increase will still be \$200 worse off per child over the course of the year?

Ms Halbert: That sounds about right, Senator, but I will confirm that.

Senator WATT: I think I read that for those families who receive the base payment of FTB A there is no benefit in this, is there?

Ms Halbert: There will be for some base rate families. It is stretching my technical knowledge, but the \$20.02 per fortnight will be added into the calculation for everybody's rate. Some number of families will move from the base rate to a higher-than-base rate, and those on the base rate will at least not be worse off.

Senator WATT: But the point is that those families who lose their FTB A supplement but get the \$20 per fortnight increase will be \$200 worse off per child per year.

Ms Halbert: I will confirm that amount, but that does sound about right.

Mr Pratt: Noting again that this is in isolation of the child care.

Senator SIEWERT: But not all the families that receive FTB have kids in child care.

Mr Pratt: True.

Senator SIEWERT: So not all families gain through that.

Mr Pratt: A significant proportion of families do benefit from the child-care reforms.

Senator SIEWERT: So you have done the calculations for how many families potentially will have children in child care? I say 'potentially' because not all of them necessarily will. Have you done that? Do you know how many?

Ms Halbert: I think previously we have had figures for the likely number of children in child care. I do not believe I have that here now, but I can probably get it.

Senator SIEWERT: I am after the families, not the children per se.

Ms Halbert: Families with children in child care is an Education number. I think we have had it before, so I will endeavour to get it for you again.

Senator SIEWERT: I will be clear. Of the 1.5 million families, how many of those—

Ms Halbert: We can give you figures of the ages of children in the FTB pool and the likelihood of them using child care.

Senator SIEWERT: But you do not talk to Education about how many?

Ms Halbert: That is what I mean, yes. Here today we have the ages of children in the pool, but I do not have them added up for the child care. As I say, I am pretty sure we have had that figure before, so we can probably get it again for you.

Senator SIEWERT: Of those families that receive both A and B.

Ms Wilson: Is your question: what number of families who receive family tax benefit parts A and B who would lose the supplement would benefit from the child-care changes? Is that your question?

Senator SIEWERT: Yes, supplements.

Ms Wilson: We will endeavour to answer that for you in the course of the session. If we cannot get that we will take that on notice for you.

Senator SIEWERT: In terms of the payments, I had been doing my calculations based on fortnightly payments, which I can then divide 200 by, or work out the 200. Have you worked it out on a fortnightly basis for the different cohorts—for those that are supposedly better off and those that are worse off, both for family tax A and B?

Ms Halbert: I think we have talked about this a few times before. There are many, many permutations depending on the ages of the children, the amount of child care used et cetera. So, we really would need a specific example, and then we would be able to work that out.

Senator SIEWERT: Let's say there are one lot with children in child care, and those where they have older children who are not likely to be in child care.

Ms Halbert: Again, it depends on how many hours of child care they are using as to how much benefit they are going to get from the childcare package.

Senator SIEWERT: All right.

Ms Halbert: We could give you a cameo of a family with, say, younger children in child care who are likely to be using more hours of child care and possibly getting FTBA and B. I am not sure if we will get that to you by the end of the session, but we can certainly provide it on notice if not.

Senator SIEWERT: It would be useful. We have an inquiry on this next week, so it would be very handy to have it by then.

Ms Halbert: Yes, understood. I would imagine that we could readily have it by then.

Senator SIEWERT: That inquiry is going to be very crammed. We know we are going to be crammed for time, so that would be extremely useful.

Ms Halbert: Sure.

Senator SIEWERT: Can we have the difference, also, for families with older children—let's say ages nine or 10—who are not likely to be in child care.

Ms Halbert: Okay.

Senator SIEWERT: Thank you. And can we have those for A and B.

Senator PRATT: We were discussing earlier, in Senator Watt's questions, families who lose their FTBA but receive the \$20 fortnight increase. My understanding is they will be \$200 worse off per child, but that seems to contradict some of what Ms Halbert said.

Ms Halbert: The amount of supplement you get will depend on how many children you have.

Mr Hardy: The FTBA supplement is around \$726 per child, and the FTB supplement is about \$300 per family.

Senator PRATT: But is it not true to say that FTBA families will be \$200 worse off?

Ms Halbert: It depends on the size of the family and how much money they were getting in the supplement. If you just took a family with one, say, five-year-old child who was getting FTBA and FTB supplements in relation to that child, they would be losing roughly \$1,000, and they are gaining, through the \$20 a fortnight, roughly, just under \$1,000. So, yes, for that family, I think that amount sounds about right, but for different families it will have different impacts.

Ms Wilson: And the point that Mr Pratt made is that it depends also on their usage of child care, and the extent to which—

Senator PRATT: I am assuming that they are not getting any childcare benefit in looking at that issue. Can you take on notice in which situations families are better off and in which situations they are worse off.

Ms Halbert: As I have just explained to Senator Siewert, and as we have discussed before in this committee, there are many, many permutations depending on the ages, number and use of child care. We can commit to bringing a couple of cameos—

Senator PRATT: I am assuming all the families I am talking about are working families with school-age children.

Ms Halbert: Even with school-age children there are different rates.

Senator PRATT: I understand that; based on what the family income is.

Senator WATT: Have you provided any advice to ministers about the number of families that will be worse off in a global sense? I acknowledge that there are all sorts of different permutations, but have you been able to come up with a figure for those who will be behind?

Ms Halbert: No.

Ms Wilson: No, our advice has been in relation to the social security elements.

Senator WATT: Has anyone provided ministers with advice about how many people overall will be worse off as a result of these changes?

Senator Ryan: To be fair, they can only really answer for what this department has provided.

Ms Wilson: That is right.

Senator WATT: So, Senator Ryan, the ministers are going ahead with these changes despite not knowing how many families will be worse off?

Senator Ryan: I did not say that. I said that the officials could only answer with respect to the Department of Social Services. There are other measures in the bill, as you know, that come from the Department of Education and Training. My comment in no way reflects what you tried to assert it did.

Senator WATT: Again, it is the logical conclusion.

Senator Ryan: It is not a logical conclusion at all. The logical conclusion is that the Department of Social Services has provided advice with respect to the measures that are the responsibility of the Department of Social Services.

Senator PRATT: Can you confirm that a single parent whose youngest child is 17 and in school would be over \$3,000 worse off?

Ms Wilson: One child aged 17?

Senator PRATT: Yes.

Ms Wilson: We can come back to you on that. We may not be able to do it in the course of the session. We will take that on notice.

Senator PRATT: How many of these families receiving the maximum rate of FTB A—meaning that their household income is less than \$52,000 a year—are losing their FTB A supplement but receiving the \$20 a fortnight increase?

Ms Wilson: Sorry, could you repeat the question?

Ms Halbert: The number of maximum-rate FTB A families who are losing the supplement and gaining the \$20 increase. We can get you that figure.

Senator PRATT: I am interested in looking at how many children are in these families as well. How many families will have a reduced rate of FTB A and also lose their FTB B end-of-year supplement? Can you include in that how many of those families are single parent families.

Ms Wilson: I think we will need to take these on notice.

Senator PRATT: I have a series of questions here. How many of these families have children only of school age, and not younger?

Ms Halbert: If you have them written down, that would be helpful.

CHAIR: The secretariat may be able to photocopy them.

Senator PRATT: Have you, as a department, assessed the likelihood of increased debts for families at the end of the financial year when the supplements are abolished?

Ms Halbert: No.

Senator PRATT: How many families currently use their FTB B to clear any Centrelink debts? Because one of the things we are worried about—if payments are made throughout the year and someone is overpaid—is that the family will be left in a stressful situation of needing to clear debts when normally they would use their FTB B to do that.

Ms Halbert: As you may be aware, the supplement was brought in to account for the fact that families have to estimate their income throughout the year, and, as you are saying, they sometimes accumulate an overpayment because of that and use the supplement—

Senator PRATT: Sorry, I am having trouble hearing.

Ms Halbert: Sometimes they accumulate an overpayment because of that and use the supplement to reconcile that. The intention is that by the time the supplements are fully phased out the one touch payroll system, which we have talked about at this committee at earlier times, will have been implemented or largely implemented and families will be having income reported—

Senator PRATT: Sorry, there is too much going on. I am having significant trouble hearing you.

Ms Halbert: The Single Touch Payroll system, which is an ATO system that is going to be implemented, would allow real-time reporting of income, and the expectation is that the once-a-year reconciliation process will no longer be necessary because families will be reporting their income accurately throughout the year, so the chances of accumulating an overpayment will be—

Senator PRATT: When is that system due to be implemented?

Ms Halbert: I think it is in 2018.

Ms Wilson: It is an ATO system.

Ms Halbert: It is meant to be in line with the phasing-out of the supplements.

Ms Wilson: There are a range of other measures that are also available to families to help them manage the risk of a potential overpayment, which—

Senator PRATT: But one of those ways is currently using your FTB B to do that.

Ms Wilson: Certainly, some families will use an end-of-year supplement in the event that they have an overpayment, but there is a range of mechanisms that Centrelink and the Department of Human Services have in place to help—

Senator PRATT: Can you take on notice how many families currently do that?

Ms Wilson: Currently clear a debt with an end-of-year supplement? Certainly.

Ms Halbert: Yes, I have that. I will get that figure for you.

Senator PRATT: Are you able to confirm for me that the legislation that abolishes FTB B for single parents, in the cameo I described, where the youngest child is 17 or older and the payment is worth some \$3,000 currently, will leave them worse off by some \$3,000?

Ms Wilson: We need a bit more information: the income of the single parent will be highly germane to the level of family tax benefit they receive and what their end-of-year supplement would be. But I do not know that there would ever be an end-of-year supplement to the equivalent of \$3,000.

Ms Halbert: No, not \$3,000.

Ms Halbert: The normal family payment?

Senator PRATT: No, I am talking about FTB A and the changes there.

Ms Halbert: Depending on their income, as Ms Wilson just said, they would be experiencing an increase—

Senator PRATT: If they were on the currently highest level of benefit?

Ms Wilson: So they are a maximum-rate recipient—is that the question?

Senator PRATT: If their income is just under \$100,000, they would still be \$3,000 worse off. That is my understanding.

Ms Halbert: I am not sure we are following, because the supplements are not worth that much and that is what they are losing. What they are gaining would be \$20.02 a fortnight.

Senator PRATT: The minister said on *Sky News* that all FTB part A recipients will receive the proposed \$20 increase to the fortnightly rate. Is this true for families who only receive the base rates of FTB A?

Ms Wilson: I am not aware of what the minister said, but the way the proposal works is that the calculation of all recipients' FTB A entitlement would look at where they are and calculate this increase into their entitlement. For recipients where the \$20 a fortnight increase does not take their entitlement above the base rate, they would continue to receive payment at the base rate, hence they would be neither worse off nor better off. That is likely to be families on higher incomes or families receiving child support income. Around 90 per cent of FTB A families will receive a higher entitlement due to the increase of \$20 a fortnight, and this includes an estimated 50,000 families that would move from the base rate to a higher rate.

Senator PRATT: Therefore, it is not true for families who only receive the base rate of FTB A?

Ms Wilson: No, I have just said that an estimated 50,000 families would move from the base rate to a higher rate as a consequence of calculating their entitlement using the additional \$20 a fortnight.

Senator PRATT: So are you agreeing that recipients—

Ms Wilson: No, I have just explained how it works. All recipients' entitlements will be calculated against the new fortnightly rate and their income. For those recipients where the \$20-a-forenight increase does not take their entitlement above the base rate, they will not move from the base rate. But there would be 50,000 families that would move from the base rate to a higher rate once you calculate their entitlement against the new maximum rate payable.

Senator PRATT: Sorry, there is too much conversation around me to follow your explanation.

Ms Wilson: What will happen is that everybody's circumstances will be looked at. The \$20 a fortnight would be added to the maximum rate payable for a family. Their entitlement would be calculated. All families' entitlements will be examined against this new base rate. As a consequence of that, 50,000 families will move from the base rate to a higher rate. But there will be a group of families for whom, when that calculation is done, it will not take their entitlement above the base rate and they will stay where they are. In a general sense, about 90 per cent of FTB part A families will receive a higher entitlement due to that increase of \$20 a

fortnight. All families' entitlements will be calculated looking at the new base rate payable, the new maximum payable, and, for those on the base rate, some 50,000 will move up—they will get a higher rate; they will be above the base rate—but a remainder will stay on the base rate because the calculation of their entitlement will not take them above that.

Senator PRATT: I can only take from what you have said to me that what the minister said on Sky News is untrue, because what he said was that all FTB part A recipients will receive the proposed \$20-a-fortnight increase to the fortnightly rate, when what you have described—

Ms Wilson: I am not aware of what the minister said. I have explained how it will work.

Senator PRATT: Yes, I know. And that is consistent with it not being true for families who only receive the base rate of FTB A.

Ms Wilson: No. As I have said, there are 50,000 families who will move from the base rate to a higher rate as a recalculation of their entitlements, taking into account the new \$20-a-fortnight increase to the maximum rate payable.

Senator WATT: So you have never given advice to the minister that all FTB part A recipients will receive the \$20 increase to the fortnightly rate?

Mr Pratt: We are not going to go into what advice we have given the minister. We have certainly given the minister enormous amounts of advice on the operation of these measures.

Senator WATT: You would not have given him incorrect advice though, would you?

Mr Pratt: Not willingly.

Senator WATT: So, if he got it wrong, he got it wrong.

Mr Pratt: If we get it wrong, we own up to it.

Senator WATT: Does he?

Mr Pratt: The minister is quite forgiving of us.

Senator Ryan: Good try, Senator Watt. You are not going to get the officials commenting on that.

Senator PRATT: It is unclear to me how 90 per cent can be better off if, as you said earlier, they are \$200 worse off with the net increase and with the loss of the supplement. How many families will not receive the increase to the FTB A fortnightly rate?

Ms Wilson: I just said that about 90 per cent will. It therefore follows that around 10 per cent will not receive an increase.

Senator PRATT: How many families is that actually?

Ms Wilson: I do not have that with me. I will get that for you.

Senator PRATT: Okay, that is great. Is it true that those families will be worse off by some \$726 per child in FTB A?

Ms Halbert: If they only lose the FTB A supplement, yes.

Senator PRATT: Yes, of those 10 per cent of families that you talked about.

Ms Wilson: Yes. If they were families who lost the FTB A supplement and did not receive an increase in their fortnightly rate then the supplement is of that order.

Senator PRATT: Thank you for confirming that. Have you done modelling of the distributional analysis of the impacts of that package?

Ms Wilson: No.

Senator PRATT: You have not?

Mr Pratt: As the minister mentioned beforehand, we only look at what we are responsible for. The government's package, as we have said a few times, includes a range of other measures, so we are not able to do modelling on that basis.

Senator PRATT: It seems pretty extraordinary that you would not model the childcare impacts relative to the impacts on people's family income. That is what we are expected to do in parliament, as they are all rolled into the one bill.

Mr Pratt: If you have a question to the department on education or child care—

Senator PRATT: Is it fair to say that many of the families receiving family tax benefits would also be low-paid workers who would benefit from Sunday penalty rates?

Ms Wilson: I could not comment on the employment arrangements of recipients of family tax benefits. I can tell you what proportion are working families and I can let you know where they are in the income distribution, which we have taken on notice to do, but I would not be able to advise you on their employment arrangements. That is not administrative data that is available to us.

Senator PRATT: But you would not disagree that there would be families—

Ms Wilson: I cannot comment.

Senator PRATT: Are you saying that there are no families working on Sundays?

CHAIR: The officer has provided the answer.

Mr Pratt: We do not know.

Ms Wilson: I do not know is what I am saying.

Senator PRATT: Clearly there would be families with parents working Sundays.

CHAIR: The officer has provided her answer.

Ms Wilson: I do not have that knowledge. We do not have administrative data that tells us about people's employment arrangements, what awards they are employed under and what arrangements whether they are they are permanent, part-time, full-time or casual. I am not able to comment on that.

Senator WATT: I understand that. We know that people working in hospitality, retail, food businesses which are subject to this penalty rate cut tend to be low- or middle-income families. We know that people receiving family tax benefit part A and B are low-income families. I am not asking you to give me a percentage or anything like that but there has got to be at least a cross-section of families that get penalty rates that are about to be cut and also now are about to have a cut to their family tax benefit arrangements as well. You cannot say that they are completely separate.

Mr Pratt: We are not speculating. I guess what you are asking us to do is to make an assessment of the validity of your argument on that. We do not have any data which would support that.

Senator PRATT: So you will not even state the obvious, which is that there are some people working Sundays who will lose, who will be hit twice.

CHAIR: I think the officers have provided their answers. We can keep asking them to repeat them or we can move on.

Senator WATT: Equally, because you do not have that data, you cannot assure us that the families who are losing their family tax benefit payments will not also be hit by penalty rate cuts. It is an unknown.

Senator PRATT: We cannot comment on this.

Senator WATT: It is an unknown.

Mr Pratt: It is for us, yes.

Senator PRATT: We as members of parliament are asked to juggle this multitude of issues to ensure that these families are not worse off.

Senator XENOPHON: I want to discuss a couple of issues in relation to child support policy that have been raised by constituents. The first relates to care percentages, one of the factors considered in the determination of the payer's child support obligation. I have examples of cases—some involving mums and others involving dads—where the other parent, in contravention of a judicial parenting order, does not comply with the order by either refusing access outright or by limiting access but may end up receiving extra child support based on the actual care percentage. In a sense, there is a benefit to the person contravening the order. Why is it not the situation that the care percentage basis, in circumstances where the court has determined the best arrangement for the welfare of the child, is tied to the court order until such time as some other court application is raised, for instance, a contravention order?

Ms Halbert: I think am talking about the same issue as you. Where one parent is not following the agreed amount of care, currently what Centrelink or the Department of Human Services will do is apply an interim period where the care that has been agreed is assumed to continue. That might be court ordered care. Currently that is an interim period of up to 14 weeks or 26 weeks in special circumstances. It is after that point where the actual care is applied. You are probably aware that in the House of Reps inquiry into child support last year this issue came up quite a bit and the government indicated in its response that it was willing to look at perhaps an extended interim period. Especially in cases where there has just been a fresh court order made, the expectation is that that would be adhered to. So the government has indicated it is willing to look at extending the current 14-week period.

Senator XENOPHON: There is an argument that, where people are in contravention of an order, it is almost as though they are receiving a benefit from that contravention.

Ms Halbert: It is perceived by people as that, but the reason for that policy at the moment is that the actual care is being provided by one of the parents and the child support is meant to support the child. But the period may be too short at the moment and not allowing the parents to resolve that situation satisfactorily. So the government have indicated they are willing to review that.

Ms Wilson: But you are right, Senator. It is a highly contentious area. It is a difficult balance to achieve, and these arrangements seek to provide an interim period within which

this can be sorted out. But the government has indicated in its consideration of the House of Reps inquiry a disposition to extend that interim period to try to enable parents to resolve or go back to court if—

Senator XENOPHON: Obviously the emphasis here must be on a speedy dispute resolution—

Ms Wilson: Indeed.

Senator XENOPHON: particularly with the added imperative of this issue. The second matter I wish to raise relates to timely tax returns. This relates to the failure by parents, either the mother or the father, to lodge a tax return in circumstances where they have had a significant increase in salary or remuneration. What some parents seem to be doing is not lodging their tax return and accepting a provisional income assessment by the child support agency based on the CPI index, which could be dramatically less than what it ought to be and what they should be paying. I know it is illegal to fail to lodge a tax return on time but it is clearly—and this is not a criticism—not a key priority of the ATO to enforce that. Is there a mechanism—and I know that some people do not lodge their returns for years and years—that can be put in place in the instance where the taxpayer is also party to a child support assessment so that when someone does not lodge a tax return in time the child support agency takes a coercive action or an administrative action, either a significant increase or decrease in the child support obligations, to enforce that in order to encourage people to lodge their returns and have accurate returns and the appropriate payment to the child?

Ms Halbert: In fact, current laws do try to ensure there is no incentive for parents to not lodge their tax return or to lodge it late. When a parent lodges their tax return late currently and their taxable income is higher than the income used in the current assessment, the higher taxable income will be applied to the assessment retrospectively, which might cause arrears for overpayment. So that is an incentive—

Senator XENOPHON: Is there a penalty imposed on that?

Ms Halbert: Not currently, but I will get to that. When a parent lodges their tax return late and their taxable income is lower than the income used in the assessment, their assessment will generally only be reassessed prospectively. So they will lose what they have gained by lodging their return late. Again, the inquiry had a look at this and they have recommended that a performance audit be conducted of the Department of Human Services and ATO processes around nonlodgement of tax returns and also that penalties be applicable for nonlodgement or late lodgement for child support clients. The government has agreed in principle to these recommendations.

Senator XENOPHON: When will that be implemented, do you think?

Ms Halbert: That is a matter for government.

Senator XENOPHON: Minister, would you mind taking that on notice?

Senator Ryan: Sure.

Senator XENOPHON: Sorry, I know it is not your portfolio. The policy rationale is that if you are earning more money and you should be paying, therefore, more child support based on your significantly increased income and you are not lodging your tax returns there must be some appropriate penalties to deal with that.

Senator Ryan: I will take that on notice.

Ms Wilson: I might add to that answer from Ms Halbert. DHS also may refer cases to the ATO where a parent has complained that the other parent has not lodged their tax return to ensure appropriate action is undertaken to pursue lodgement. Once that referral is made, enforcement action is undertaken by the ATO which can include penalties from the ATO for lack of lodgement.

Senator XENOPHON: My final observation on this is on coordination. I am sure there is coordination between the agency and the ATO, but I wonder whether some closer level of cooperation—this is not a criticism in any way—or some fast-tracking mechanisms may be of assistance.

Ms Wilson: There is an audit underway currently by the ANAO that is looking at the child support collection arrangements between the ATO and DHS. I think that is due to report in a month or so. That may well shine a light on—

Senator XENOPHON: I know that will be my bedtime reading.

Mr Pratt: But also the Department of Human Services and the ATO do have pretty close links.

Senator XENOPHON: Thank you very much.

CHAIR: We will now break for 15 minutes.

Proceedings suspended from 16:01 to 16:16

CHAIR: We will recommence. I understand we have a clarification from the departmental officers to some questions from Senator Pratt.

Ms Wilson: Sorry, Senator Pratt, I think I misunderstood your question. Your question was, I believe, how many people received both FTB part A and part B, but the answer I gave you was to how many received part A, part B, or just one of them—so it was a bigger population. Those that received both FTB part A and part B: that is 1,161,367 families, with 2,124,071 children.

Senator PRATT: Okay.

Ms Wilson: You had another question about the number of people on the base rate of family tax benefit part A who would not benefit from the increase to the maximum rate of the fortnightly rate. That is 145,957 families.

Senator PRATT: Thank you. Can I seek one further point of clarification on some of the questions I asked. I was a bit flummoxed by you asking for more information on a cameo for someone receiving FTB B and having a child over 17 in relation to their income. I appreciate it is relative to income, but that is only if their income is above \$100,000. Is that correct?

Ms Wilson: I did not quite understand what your question was, and I think we might have to take it on notice.

Senator PRATT: I will go through it one by one. The correct rate of FTB B is \$3,186?

Ms Wilson: That is including the supplement, yes.

Senator PRATT: Is it correct that single parents receive the same rate of FTB B on any income up to \$100,000?

Ms Wilson: That is correct.

Mr Hardy: No, it is tapered.

Ms Wilson: No—for single parents.

Mr Hardy: Sorry, my apologies; I misheard.

Ms Wilson: For single parents it is the same rate.

Senator PRATT: Is it correct that the omnibus bill abolishes FTB B for single parents whose youngest child is 17 and over?

Ms Wilson: Yes.

Senator PRATT: Therefore, a single mother on any income under \$100,000 and whose youngest child is 17 or over will be worse off by some \$3,000?

Ms Wilson: Yes, they would lose that amount because they would lose FTB B.

Ms Halbert: But they would gain FTB A.

Ms Wilson: But, depending on what their income is, they would potentially gain from the increase to the FTB-A fortnightly rates.

Mr Hardy: That is right—the \$20.02 a fortnight.

Senator PRATT: Okay—depending on what their income is. So, at \$20 a fortnight, it will not be more than \$500, will it? They will be at least \$2,500 worse off.

Mr Hardy: It is calculated on a daily rate. It is probably a little bit more than \$500 but not a lot more.

Senator PRATT: So they will lose at least \$2,500.

Ms Wilson: That is right.

Senator WATT: Can I just go back and clarify one thing: we have not been able to get answers yet to some of the questions on notice that I asked earlier about median incomes?

Ms Wilson: No. We have to access ABS data, and we have to calculate that data for a later period and inflate it, because it is only available for some years previously. I am not sure that we will get it during the course of this session; I am sorry. I will have to take that on notice.

Senator WATT: Just to be clear: the information that you are seeking is the median household income of families that will lose FTB A.

Ms Wilson: I understood your question to be: what is the median household income for families with children? That was how I interpreted your question.

Senator WATT: Overall.

Ms Wilson: Yes.

Senator WATT: I am really interested in the people who are going to experience cuts to their FTB payments.

Ms Halbert: So will lose the FTB A supplement?

Senator WATT: Yes.

Mr Pratt: Can I suggest that, if you read your question into *Hansard*, we will use it as the gold standard and separately we will take notes and see what we can do.

Senator WATT: Yes, please look back at the earlier transcript as well in case there is a slight difference, because whatever I asked for before I probably still want. What I think I am trying to focus in on are the households that will lose their FTB A payment or supplement. What is the median income of those families?

Ms Wilson: That will vary by the number of children as well. We will look at the question and work out how to answer it.

Senator WATT: Equally, I am after the median income of families that will lose their FTB B payment. Thirdly, the median income of the families that will lose both A and B.

Ms Wilson: We will need to take that on notice.

Senator WATT: We have already established that the families that will be losing FTB A have a household income of under \$80,000 year.

Ms Halbert: That is right.

Senator WATT: And I was interested to know in what quintile or quartile—whichever way you want to cut it—that household income of \$80,000 a year fits in.

Ms Wilson: So you want to know where in the income distribution and quartiles of income distribution those families sit?

Senator WATT: Correct. And I am thinking about the \$80,000 threshold.

Ms Wilson: That is what we are trying to do by looking at the ABS data and then ageing it to 2017.

Senator WATT: Yes, and that is a separate question to what we asked about in terms of median incomes. Then, equally, what quintile or quartile does a household income of \$100,000 year sits?

Ms Wilson: Where do they sit in the distribution?

Senator WATT: Yes.

Ms Wilson: We will need to look at ABS data and then age that forward to the point of implementation of the visa measures that are proposed. That will take us a little bit of time, I am sorry.

Senator WATT: I suppose what this also shows is that you have not provided advice on these matters to minister—about what the median income of families losing these payments is?

Mr Pratt: I do not know that that follows. We do not have that data to hand.

Senator WATT: Then my question is: have you provided advice to ministers on the income distribution of families that will be losing these payments?

Ms Wilson: I will need to take that on notice. We certainly do provide advice on impacts. The exact framing of that, I do not have with me. So I will need to take that question on notice.

Senator REYNOLDS: I have a couple of questions about the NDIS Savings Fund Special Account. Could you provide some background to that account in terms of what it has been set up to do, why it has been set up and what funding shortfalls it might be seeking to address?

Mr Pratt: We would do that under outcome 3.

Senator REYNOLDS: I was just told it was this one. I will hold that off until outcome 3.

CHAIR: The upside of that is that we have now concluded dealing with program 1.1. Have we? I think we have finished.

Senator WATT: We are just checking, but we are pretty sure that we do not have any questions on 1.2, 1.3 or 1.4.

CHAIR: Okay. I have one senator who has questions on program 1.3, Senator Kakoschke-Moore, so we cannot skip past that.

Senator WATT: Sorry.

CHAIR: So are you done with 1.1?

Senator WATT: We are done with 1.1.

CHAIR: Okay. Does anyone have anything on 1.2? No? Okay.

Senator WATT: Sorry, just to clarify, we do have one item about the Try, Test and Learn Fund. I am not sure where that would fit.

Senator SIEWERT: That is working age payments—is that correct?

Mr Pratt: We can do that anywhere in outcome 1.

Senator SIEWERT: I have quite a few there too.

Mr Pratt: If it would help, perhaps if we were to try to knock off all of the income-support-specific questions, which are 1.1 through to 1.11, and then we could get into the broader issues of the investment approach and the Try, Test and Learn Fund.

CHAIR: Okay. So are you saying, Secretary, that we could deal with them as a group?

Mr Pratt: I was suggesting continuing what you were doing. So has anyone got anything on program 1.3, special benefit?

CHAIR: Yes, we do.

Senator PRATT: Are healthy welfare cards there?

Mr Pratt: No, that is under outcome 2.

CHAIR: Senator Kakoschke-Moore is on her way.

Senator SIEWERT: How about we skip to the next one?

CHAIR: Program 1.4?

Senator SIEWERT: Yes.

CHAIR: Do you have questions in program 1.4, Senator Siewert?

Senator SIEWERT: No, but to see if—

Senator WATT: Our next ones are 1.5.

CHAIR: Well, let's go to 1.5—oh, here is Senator Kakoschke-Moore.

Senator KAKOSCHKE-MOORE: Sorry.

Senator WATT: That was a good little filibuster!

CHAIR: Yes, we are good at some things!

Senator KAKOSCHKE-MOORE: My apologies, and thank you for your patience.

CHAIR: A pleasure.

Senator KAKOSCHKE-MOORE: In relation to the cashless debit card trial that has been—

Mr Pratt: Sorry, that is outcome 2.

Senator KAKOSCHKE-MOORE: I am sorry?

Senator SIEWERT: Wrong place.

Senator KAKOSCHKE-MOORE: Wrong place?

CHAIR: You did not need to rush.

Senator KAKOSCHKE-MOORE: Oh, I am sorry. I thought I was moving on to the cashless welfare card.

Senator SIEWERT: You apparently have something at 1.3.

CHAIR: Yes, we have been advised you have something on income support for vulnerable people. Did you not have a question for that?

Senator KAKOSCHKE-MOORE: No. That might have been in relation to the cashless debit card-trial.

Senator PRATT: I was confused as well.

Senator KAKOSCHKE-MOORE: All right. My sincere apologies, then.

Mr Pratt: We will still be here.

CHAIR: This is like *The Benny Hill Show*!

Senator WATT: We just need the music!

CHAIR: We do, yes!

Senator SIEWERT: Oh, no, please!

[16:27]

CHAIR: We will go, then, as I understand it, to program 1.5, which opposition senators have questions on.

Senator PRATT: This is in relation to the abolition of the energy supplement. I want to ask you what recent work has been done on the analysis of the adequacy of the Newstart allowance recently.

Senator SIEWERT: Is that here or working age payments?

Ms Wilson: That is working age payments.

Mr Pratt: That is 1.10.

Senator PRATT: Okay. This might be 1.10, but I need to ask it here anyway. I need to ask you: has the department done analysis of the impact of cutting the energy supplement on this already low payment?

Ms Wilson: We provide advice to government on what the loss will be and the change in income when there is a savings measure such as this. Certainly we have provided advice to government about what the amount would be that people would lose and the numbers of people affected.

Senator PRATT: Okay. Can you advise of the number of people receiving Newstart that would be impacted by the cutting of the energy supplement.

Ms Halbert: I will be able to.

Ms Wilson: It is prospective, so this is new claimants.

Senator PRATT: Yes.

Ms Halbert: I do not think we have it in our folders, so I will just have to get it.

Mr Pratt: That should be relatively straightforward to work out, based on the number of new claimants anticipated for the next year, or from when the measure is to be implemented.

Ms Wilson: We just do not have it with us at the table. We will have to source that from the department, which we can do in the course of the hearing.

Senator PRATT: If you are able to get that big picture statement for us today, that would be great, but I would like you to take on notice providing that information by state, electorate and type of payment.

Ms Wilson: We will need to take that on notice. Was that for Newstart? Was that the question?

Senator PRATT: No, for other payments as well.

Ms Wilson: Okay.

Senator PRATT: So I want the number of people affected for pension, carer payments and other payments by state and electorate.

Ms Wilson: Yes, we can certainly do that.

Senator PRATT: How many people overall, not just Newstart recipients, who currently receive the energy supplement will lose their payment—that is, those who began receiving the payment since 20 September 2016?

Ms Halbert: People who only started to get the energy supplement from 20 September 2016 will cease—

Senator PRATT: I understand it is grandfathered for the people who received it prior to that—

Ms Halbert: That is correct, but new entrants from that date will lose it once the legislation—

Senator PRATT: but not people who started post—

Ms Wilson: They will no longer continue to receive it.

Senator PRATT: That is right. How many people would that be?

Mr Pratt: We will take that on notice.

Senator PRATT: How many pensioners will be impacted by the loss of the pension supplement after six weeks overseas?

Ms Wilson: It is expected that this will affect 175,000 recipients in the first year and an additional 80,000 recipients each year afterwards.

Senator PRATT: Have you factored into those figures people spending less time overseas because of these changes?

Ms Wilson: I do not know the answer to that, but it is a relatively small supplement. People are looking for the answer, but I am not sure about that. In relation to one of your earlier questions—

Mr Pratt: We will correct this on notice, but I suspect we have not attempted to—

Ms Wilson: Quantify behaviour.

Mr Pratt: quantify a behavioural impact.

Ms Halbert: It is a relatively small supplement, as I said. In relation to the energy supplement for all payments—I do not have it broken down at the moment—it is estimated that by 30 June 2020, 1.7 million income support recipients and DVA clients will not receive the energy supplement as a result of the passage of the bill.

Mr Pratt: That is across all the payments, not just Newstart.

Ms Halbert: All payments—that is right.

Senator PRATT: Going back to the question about pensioners and the pension supplement after six weeks overseas, you advised that 175,000 pensioners will be affected. Can you advise how many of those are full pensioners?

Ms Wilson: No, I do believe we have that with us, I am sorry. We can take that on notice for you. So there are 175,000 in the first year and an additional 80,000 in each year thereafter, but I do not have a breakdown by full and part. We can take that on notice.

Senator PRATT: Can I ask what the policy rationale behind that measure is, given many of those supplements would be for ongoing costs?

Ms Wilson: The pension supplement is a payment designed to assist income support recipients with the cost of living in Australia. Effectively, it rolled in compensation for the introduction of the GST—the GST supplement. If they are not paying GST in Australia, they are not facing that cost of living in Australia and therefore no longer require the supplement after six weeks overseas. The rationale is really about strengthening the residence-based nature of our social security system.

Senator PRATT: So people do not deserve income support for those things if they are overseas?

Ms Wilson: No, but they do not face those costs of living if they are not actually in Australia, because it was introduced to compensate people for the GST.

Senator PRATT: Surely someone's pharmaceuticals, for example, are bought here in Australia?

Ms Wilson: But whilst they are in Australia. If they are not physically in Australia they will not be paying the GST in Australia—that is what the supplement was about—and therefore they are not facing those costs in Australia.

Senator PRATT: They still pay to keep their phone connected at home and those other kinds of costs.

Ms Halbert: That is what the six-week provision goes to.

Senator PRATT: Are you moving to have carer payments activity tested?

Ms Wilson: I do not understand the question.

Senator PRATT: My understanding of the current situation before the parliament is that in both the current and lapsed versions of the omnibus bills have proposed a removal of the pensioner education supplement and the education entry payment. The rationale is that

independent individuals on payments would be able to access the same or a similar service through the jobactive employment fund. Is that correct?

Ms Wilson: The rationale for removing the pensioner education supplement and the education entry payment is that they were introduced at a point in time when provisions for support for education were quite different. We did not have the job services arrangements that we currently have which will support people with education in respect of the education entry payment, and there is a lot more support and more appropriate support for people who are studying through HECS-HELP, FEE-HELP, VET Student Loans, tuition loan programs and, for those who are being supported by Job Services Australia, the employment fund. Therefore, the government's view was that these payments were no longer necessary.

Mr Pratt: Senator, in relation to your original question as to whether or not the activity test is being changed for people in receipt of carer payments, I do not believe there is one.

Ms Halbert: There is no suggestion that there is an activity test while someone is on the carer payment. People on carer payment can, however, access—

Mr Pratt: They can volunteer.

Senator PRATT: In a submission to this committee last year, Carers Australia raised the issue that the employment fund general account guidelines state that this fund is for individuals seeking employment through a jobactive provider—that is, an activity-tested payment.

Ms Halbert: That is probably a question for employment, but it would make sense in that on carer payment there is no obligation to find a job. Employment services are generally available for people who are obliged to look for work and to assist them to do so.

Ms Wilson: Although people can volunteer to be connected to an employment services provider.

Senator PRATT: So why remove the pensioner education supplement?

Ms Wilson: As I indicated, the government's view was that there were more appropriate sources of support for people to participate in education.

Senator PRATT: Give up your caring responsibilities so that you can access it?

Ms Wilson: No, that is not the suggestion; I am talking about financial support. Financial support for students includes HECS-HELP, FEE-HELP, VET Student Loans and tuition loans, and there are other scholarships et cetera available for people. There is quite a different fabric of support for education costs available now than was the case when the pensioner education supplement was introduced many, many years ago.

Ms Halbert: But if you were a carer you could continue to receive your carer payment and continue to study if you wished.

Senator PRATT: So you are not going to activity-test the carer payment. I am really concerned here that there seems to be a framework in place that the government does not want carers to be able to afford an education with the removal of this supplement.

Senator Ryan: Are you really saying the government does not want carers to be able to afford an education? By all means criticise us, but let us not just assign a motive.

Senator WATT: What is the policy rationale with this?

Senator PRATT: They have attempted to explain it; it is just not one that I agree with.

Senator RYAN: I will take on notice Senator Watts query, because this is not an area with which I am technically familiar. I just noted there that while I was listening there was a fairly outrageous statement. One can disagree on policy without assuming the other side necessarily grows horns and eats babies!

Senator WATT: Mr Pratt, earlier on when we were talking about the FTB cuts you explained to us the policy rationale for that. What is your understanding of the policy rationale for these cuts?

Mr Pratt: Once again, from memory these cuts were introduced in 2014 budget.

Senator WATT: We all remember that 2014 budget.

Mr Pratt: The rational at that stage was budget repair. Since that time, the government has combined a number of things to cover, as we know, child support, child care and budget repair and to provide funding for the NDIS special account.

Senator PRATT: Can you confirm for me that, even though someone is not required to be activity-tested, they will have access to jobactive employment funds?

Ms Wilson: These are questions best asked of the Department of Employment, but my understanding is that people can volunteer to be supported by jobactive providers and that carers would be one of those groups who could volunteer, just like people on the disability support pension and other groups who do not currently have an activity test as a condition of their payment. That is my understanding, but I also mentioned—

Senator PRATT: So you can rule out that their access to the jobactive employment type service will ever be activity-tested?

Ms Wilson: I do not think I could—

Mr Pratt: If you are on the carer payment you are not subject to the activity test.

CHAIR: We will move to program 1.8.

Senator SIEWERT: I have some questions on the disability support pension. I think I have been asking this every estimates since we started reassessing people on DSP. Now that you have finished the reassessment of people under the age of 35 on DSP, is it fair to assume there is very little or no movement there?

Ms Halbert: I can give you an update as at December 2016. As at December last year, Department of Human Services advised us that around 24,300 reviews had been finalised. At that date, 77 per cent of people who had been reviewed were still in receipt of DSP and 23 per cent, or 5,645 people, were not in receipt of DSP.

Senator SIEWERT: That is a substantial difference.

Ms Halbert: From the last estimates?

Senator SIEWERT: Yes.

Ms Halbert: I will just give you the straight number: 1,752 people out of that group were not in receipt of income support as at December 2016. So the remainder were receiving another income support payment at that date.

Senator SIEWERT: They were on Newstart—

Ms Halbert: It may be Newstart; it could be another payment.

Ms Wilson: It might be parenting payment, for example.

Senator SIEWERT: And what about the over-35s?

Ms Halbert: Yes. I think this is as at the beginning of February—out of the 30,000 reviews per year that are going to be conducted, 14,613 have been initiated.

Senator SIEWERT: That is of the first tranche of 30,000.

Ms Halbert: That is correct: in the first year of those reviews, and 4,222—if I can read my writing properly—have been finalised. Out of that group, 4,156 were found to be still eligible, 66 people voluntarily chose to give up their payment, 24 people are no longer receiving income support and 42 are on another payment.

Senator SIEWERT: And is that largely Newstart?

Ms Halbert: I do not have the breakdown but that would be largely Newstart—

Ms Wilson: Again, it could be youth allowance, it could be parenting, it could be Newstart.

Ms Halbert: It could be another payment, yes.

Senator SIEWERT: How many are reporting earnings—in both categories, under 35 and over 35?

Ms Halbert: Of those that have been reviewed, or just generally?

Senator SIEWERT: Sorry, I was not clear: I am asking about those that have been reviewed. I am trying to work out what is happening to these people.

Ms Halbert: I do not have that figure, Senator, but we could take that on notice.

Senator SIEWERT: Yes, could you take that on notice?

Ms Halbert: Sure.

Senator SIEWERT: Has there been any progress with employment, in discussions about whether people are gaining and holding employment?

Ms Halbert: We do have some information—from the compulsory participation requirements, I think it is. But I believe we have given similar figures previously. Of the DSP recipients aged under 35 who have a work capacity of at least eight hours, and therefore must undertake a compulsory work-focused activity, from 1 July 2014 to December 2016, 4,613 job placements had been found for the 3,738 individuals who chose to attend DES as their activity—that is, Disability Employment Services.

Senator SIEWERT: Sorry, just so I am clear, are these of the 5,000?

Ms Wilson: These are the people under 35 who have got compulsory participation requirements. And, of that group, 7,979 have an employment services activity as their compulsory activity. And of them, 4,613 job placements had been found via DES—via Disability Employment—for 3,738 individuals. And then 3,082 of those placements lasted for at least 13 weeks, and 2,020 lasted for 26 weeks or longer.

Senator SIEWERT: I am sorry if I am being dense, but do these figures relate to those that remained on DSP aged under 35—they were reviewed but remained on DSP?

Ms Halbert: No. These are the under-35s who have compulsory participation requirements who are on—

Ms Wilson: They may have been reviewed.

Ms Halbert: They may have been reviewed; they may not—

Ms Wilson: But they are in the same age bracket.

Senator SIEWERT: They are on DSP.

Ms Halbert: But they are on DSP.

Senator SIEWERT: Thank you for that. That is useful. What I am interested in is those that have been shifted off onto Newstart, and whether you have those same figures for that group. Can you provide those figures?

Ms Wilson: We will take that on notice for you, Senator, to see what we can tell you about their employment participation and their employment servicing after moving from DSP to Newstart—for those who have. But I do not have anything with me here today.

Senator SIEWERT: That would be appreciated. If I understand the figures correctly for over 35 review, the first group is almost half. So almost half have been assessed by the beginning of February. Is that correct?

Ms Halbert: They have been screened at some point in the process. And 4,222 have actually been finalised.

Senator SIEWERT: And of those the vast majority remain on DSP.

Ms Halbert: Correct.

Senator SIEWERT: That is correct, isn't it?

Ms Wilson: Yes.

Senator SIEWERT: So that will be done by July/June?

Ms Halbert: That is the intention. You would be best to direct that to DHS. This financial year—that was how many was to be done.

Senator SIEWERT: My understanding is there has been an increase in the number of appeals over DSP to the AAT?

Ms Wilson: It was not a massive change. There has been a—

Ms Halbert: During 2015-16, there were 4,491 DSP medical appeals decided by the AAT—level 1. That compares to 4,046 in 2014-15—so the previous year. In 2015-16, 76 per cent of appeals on medical grounds were affirmed.

Ms Wilson: Sorry, the decisions were affirmed. Let us be clear.

Senator SIEWERT: That is what I understood.

Ms Wilson: Appeals in relation to the decisions; the decisions were upheld.

Ms Halbert: That compares to 79 per cent in 2014-15. Seventeen per cent were set aside. That compares to 14 per cent in 2014-15. So a change from 14 to 17. Six per cent were withdrawn or dismissed, compared to seven per cent in 2014-15.

Senator SIEWERT: In the new process for the assessment by a government-appointed—

Ms Wilson: Government-contracted doctor.

Senator SIEWERT: When somebody then goes a lot, do they get some sort of formal assessment out of that process. In the same way they used to get when they went to their own doctor, do they get some sort of formal assessment that they get to keep?

Ms Halbert: I assume they can get a copy of the decision. So that would be the assessment. But, probably, it is best to direct that to DHS. The process is, as we have described before, they collect their medical information. That is assessed by a job capacity assessor. They would know the outcome of that because they might not progress any further past that point. But if they do, they then go to the government contracted doctor. Again, they have an assessment made there, and they would know the outcome of that.

Ms Wilson: Again, I agree with my colleague, Ms Halbert, in that it is probably best to ask DHS that question in detail. Generally, my understanding is, in the notification of a decision in relation to their case, they would be given some reasons for the decision—so, 'You didn't meet this criterion', or, 'You didn't meet that according to the assessment.' That is my understanding of how it would normally work.

Senator SIEWERT: They would be told that by the doctor?

Ms Wilson: No. They would get that from DHS. That would be my understanding. I do not have the exact detail.

Senator SIEWERT: So they no longer get given that as a matter of course by the doctor.

Ms Wilson: The doctor's assessment is given to a decision maker within DHS. So the doctor's assessment is an input to the decision, but it is a decision maker within DHS—who is not the doctor—who looks at all the information about the case and makes the decision about their eligibility.

Ms Halbert: The treating doctor was never making an assessment of a person's eligibility for—

Senator SIEWERT: No, no. I understand that. I have had some concerns raised with me that when people are turning up, for example, for appeals and things like that they do not necessarily have all the information.

Ms Halbert: Historically, when people go to appeal, they tend to bring more information to the appeal. Well before the government-contracted-doctor initiative, that was a feature. Where people had been rejected because they had not provided everything that they had, once they got to the SSAT, as it was then, or the AAT, they would produce more information and, in some cases, get a different decision, because they provided all the information that they had.

Senator SIEWERT: But that is historically—

Ms Halbert: That has been historically—

Senator SIEWERT: I am hearing there is an increase in the numbers of appeals and that there is an increase in the need for further legal support, and you are probably aware that I asked a question in the Senate about that. But some of the feedback that has come along with that is that they do not necessarily have the information that they would have had in the past if they had gone to their own doctor.

Ms Wilson: I think that is probably something best answered by DHS.

Senator SIEWERT: Okay, I will.

Ms Wilson: But, as you understand the process, they can seek a review of the original decision and another officer will look at all the circumstances of the case and would generally interact with the claimant to explain the reason for their decision in respect of that review and the outcome of the review, but I think colleagues in DHS are best placed to answer that.

Senator SIEWERT: I will follow up—

Mr Pratt: Also, it does not make sense to me why that would be the case, because the material they gather from their treating doctor is pretty much the same as what they always did, and that is now supplied to the government-contracted doctor to look at, along with other information.

Senator SIEWERT: I am just telling you what I am getting from people going through the process.

Mr Pratt: Well, DHS should be able to help.

Senator SIEWERT: I want to go back to the issue around employment. Are you talking to Employment about that? My understanding is: one of the issues around people who have been shifted—I am talking largely of the group, obviously, of under-35s—is that you are not able to track whether people have gained employment.

Ms Halbert: If they go off payment, we would not know why they went off payment.

Senator SIEWERT: So we are back to the same old, same old.

Ms Wilson: To the extent that they have been with an employment service provider and an outcome has been claimed for them, Employment should be able to provide that information, and, from Disability Employment Services, we should be able to get that information, and then possibly we would be able to get some information—again, this would have to be through Employment—of people who have found their own employment if they have notified DHS that that is the case and that has taken them off payment. It is not a simple thing to find, but we could see what we can—

Senator SIEWERT: I know I am going over the old ground we have gone over before, but I am going to keep hammering at it, and that is: these people were transferred off on the idea that they were going to be able to get employment, and I want to know whether it is working or not.

Ms Wilson: I understand.

Senator SIEWERT: And there are no key indicators that you have got. I would have thought that you would have set up some way, some key measurement, to measure that outcome.

Ms Halbert: We gave you some figures about job placements from the reviews, for example—

Mr Pratt: Certainly we can—

Senator SIEWERT: Yes, but that is for people on DSP. I am after the people who have been kicked off DSP onto Newstart.

Ms Halbert: I believe that we would be able to get information similar to that I read out to you before for the 30,000. So if they go to—

Senator SIEWERT: No—the under-35s. Sorry. I am not trying to be obstreperous.

Ms Wilson: What if I paraphrase what I think you want to know, and we will do our best to get it for you.

Senator SIEWERT: Yes.

Ms Wilson: As I understand it, you would like us to be able to advise of those whose income support status changed from DSP to an activity-tested payment like youth allowance or Newstart as a consequence of the medical reviews.

Senator SIEWERT: Yes.

Ms Wilson: What proportion of them subsequently reported earnings or gained employment—is that your question?

Senator SIEWERT: That is it in a nutshell.

Ms Wilson: We will do our best to obtain that for you.

Senator SIEWERT: That would be very much appreciated, thank you. Could you provide an update to the information asked for earlier about how many people are on temporary exemption and medical exemption?

Ms Wilson: Temporary exemption for incapacity?

Senator SIEWERT: Yes. I am asking how many people are on that, and—if you are able to—whether there are people who have had to apply for it multiple times. Where I am coming from is: of the people who have been put onto Newstart, how many have had to seek temporary exemption?

Ms Wilson: There are two different approaches. If somebody has a long-term illness and they have a medical certificate that identifies that that illness is likely to persist for up to 52 weeks and therefore they have an incapacity for that period, they would get a 13-week exemption in the first instance, but that could be extended up to the 52 weeks without a new medical certificate.

Senator SIEWERT: That is the medical?

Ms Wilson: That is a temporary incapacity exemption, and it is on the basis of having a serious illness. And then there are those where the treating medical professional has not said this is a serious illness that will persist for this period; it is temporary, and they would have an exemption for up to 13 weeks. If it were ongoing, they would have to seek another exemption with another medical certificate.

Senator SIEWERT: Is it possible to break down those two? What is that one called?

Ms Wilson: They are both the same thing. One is just a policy approach in respect of people who have—I believe it is called—a 'serious illness'; for example, someone who is being treated for cancer, and the nature of the treatment is such that they are not going to be able to work for the next 12 months. It is a very serious treatment regime.

Senator SIEWERT: I must admit that that is where I am getting confused, because some people call it 'medical exemption' and 'temporary' as if they are different things, when they are actually talking about—

Ms Wilson: It is the same provision in the act. It is the policy that determines how long it can be granted for, and the 'serious illness for up to 52 weeks', as I recall it, was introduced to cater for those people who have an ongoing illness, but it is temporary, it is likely they will

recover, and their doctor can certify that they will be unable to work or to face participation requirements for up to a year.

Senator SIEWERT: Do you have the information for that?

Ms Wilson: I cannot split those two groups for you. As I understand it, your question is about the whole of the group on an activity-tested payment like youth allowance or Newstart: what proportion have a temporary exemption from the activity test due to an incapacity? And, within that, what proportion have that exemption for up to 52 weeks, versus those who have a short-term exemption that has to be continued if they continue to have that issue? Is that your question?

Senator SIEWERT: Yes.

Ms Wilson: I think we will have to take that on notice.

Senator SIEWERT: This may be too hard. I am trying to follow up that group that have been dropped onto Newstart or another payment.

Ms Halbert: I can give you some information about that. I gave you the numbers before. Of the 2,735—I think that is a different date, so it is a different number to the number I gave you before—who had been moved off DSP and onto Newstart as a result of the under-35s reviews—so it is not the whole group but it is a group—some 2,602, or 95 per cent, were assessed as having a partial capacity to work. Ms Wilson has just explained that that means they are still expected to look for work but at a lower rate. Ninety-five per cent had partial capacity to work, and seven per cent, or 199 people, had an actual medical exemption from the activity test.

Ms Wilson: So a small proportion of those that were reviewed that ended up on Newstart—

Ms Halbert: That is right.

Ms Wilson: were subsequently granted that temporary exemption on medical illness grounds.

Ms Halbert: Some of them might have both—so they both have a partial capacity to work but they have a temporary illness or something that is causing them to be exempt altogether.

Senator SIEWERT: What I am trying to do is find out how many of that 95 per cent have subsequently gone onto total exemption or temporary exemption?

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

Senator SIEWERT: You have updated the figures you gave me last time quite significantly. Are you able to update that figure you just gave me—the 2,735. That is obviously now out of date.

Ms Halbert: That was September 2016.

Ms Wilson: We will see if we can get something later for you on notice.

CHAIR: If no-one has questions on 1.9, we will now move to program 1.10, working age payments.

[17:06]

Senator PRATT: I did ask a question earlier in relation to the energy supplement about Newstart payments and what work has been done on it—adequacy.

Ms Wilson: The department monitors the relative value of assistance provided to working age income support recipients as well as wellbeing outcomes for all groups on an ongoing basis, so we do look at issues around adequacy. We also brief on stakeholder submissions and commentary in the media and research that is around on issues such as hardship, poverty and the like.

Senator PRATT: What work have you done recently in relation to the Newstart payment?

Ms Wilson: I think I need you to be a bit more specific than that.

Senator PRATT: In addition to your normal monitoring, have you done any work recently on Newstart payments?

Ms Wilson: We do work all the time—

Senator PRATT: That answers the question, in terms of whether you have done any extra work. Do you have any findings from that that you can release to this committee?

Ms Wilson: We provide advice to government and I am not able to release that advice to government to this committee.

Senator PRATT: So have you provided advice to government on whether Newstart payments are adequate or not?

Ms Wilson: We provide ongoing advice about the circumstances of people receiving income support payments, including Newstart. We provide advice on research, media commentary, submissions from stakeholder groups, budget submissions from key peaks and the like, and that is an ongoing responsibility of the department.

Senator PRATT: Therefore I can take it from that that you have advised the government that the Newstart allowance is inadequate?

Ms Wilson: I did not say that, Senator.

Senator PRATT: No, of course not. I have no further questions.

CHAIR: Senator Siewert did have questions on this, but she has just walked out of the room so, with the indulgence of the committee, we may have to come back to program 1.10 and we will deal with the other matters that opposition senators want to do with that group. I do not think anyone had anything on 1.11, as I understand it.

Senator CAROL BROWN: Try, Test and Learn is in 1.11, isn't it?

Mr Pratt: Just generally, under outcome 1.

CHAIR: We will do this general group of things now.

Mr Pratt: The proposal was that once we had finished the questions on the actual payments, pensions and allowances that we would then cover things which are just the general responsibility of Ms Wilson's stream.

CHAIR: We will do this and then come back to her.

Senator CAROL BROWN: I want to get an update on the TTL fund. Can you remind me what the application process was for TTL.

Ms Wilson: There was an idea submission process that opened on 9 December and closed at close of business on 24 February. I think that, as at that time, there were 389 ideas submitted; they are currently being assessed. In addition to that we hosted a policy hack in

Melbourne earlier in February, which had around 93 participants and about a 30:70 split of government to non-government attendees, including people with lived experience from the priority groups, for the first tranche.

Senator CAROL BROWN: What split was that from the policy hack?

Ms Wilson: About 30 per cent government to 70 per cent non-government.

Senator CAROL BROWN: And some individuals?

Ms Wilson: Everyone who was there was an individual, but within those—

Senator CAROL BROWN: But they were not representing organisations?

Mr Pratt: Yes, that is right.

Ms Wilson: There were a few people who had that lived experience of being a young carer or a young parent or a student, for example. That policy hack also generated some policy ideas that were subsequently submitted through DSS Engage alongside all the other submissions for the ideas generation phase.

Senator CAROL BROWN: So did the ones from the policy hack increase the—

Ms Wilson: No, they were included in the 389.

Senator CAROL BROWN: Can you break down that 389 into where the ideas fit in terms of the priority groups?

Dr Reddel: I can do that. Of the 389, the breakdown between the three priority groups are: young carer ideas, 78; young parent ideas, 125; and young student ideas, 129.

Senator CAROL BROWN: For the committee's interest, were there ideas from all over the country—from every state and territory?

Dr Reddel: There were. We have a breakdown by state, and there was a good spread. I have that information. There were 25 from the Australian Capital Territory; 91 from New South Wales; five from the Northern Territory; 58 from Queensland; 34 from South Australia; 15 from Tasmania; 117 from Victoria; and 44 from Western Australia.

Senator CAROL BROWN: How were the invitation lists for the policy hack put together?

Dr Reddel: We did go out with an expression of interest for it to ask individuals and organisations if they would like to attend the policy hack. We had a significant number of people; there were 54 people who expressed an interest and who were selected for the policy hack, and the balance of members of the policy hack were people we selected based on their engagement in the process to date and their expertise around the three priority groups and, more broadly, their interest in the investment approach.

Senator CAROL BROWN: How did you advertise it? Was it just by direct invitation?

Dr Reddel: We put out an expression of interest through DSS Engage, our website. As well, we have a regular newsletter. I think we have had five or six editions of the newsletter, where we have promoted the policy hack. We have a subscription list of several hundred people who we engage with regularly.

Ms Wilson: We also promote it through our state and territory office network. The various stakeholders that we have consulted—

Dr Reddel: Peak bodies and such.

Ms Wilson: Peak bodies, through the course of developing and designing the Try, Test and Learn Fund.

Senator CAROL BROWN: When you talk about promoting it through your network, was that also the first part, in terms of people going online and putting in submissions?

Dr Reddel: Yes.

Senator CAROL BROWN: Was there any other promotion outside, like newspaper ads?

Dr Reddel: No, we did not—

Ms Wilson: No, we did not advertise in the newspaper. It is something that we are going to reflect on. This is the first time we have done it: what is the most effective way of getting information out there? As Dr Reddel identified, we have had quite a substantial subscription list to the newsletter around the Try, Test and Learn Fund. When people have made contact with the department about the Try, Test and Learn Fund we have asked them if they want to receive the newsletter, and we have kept a register of all the people who have made contact. Our sense was that the online world was the world where things were heading in terms of engagement and the like, so that is where we have concentrated our efforts, as well as word-of-mouth and through the newsletter.

Dr Reddel: The number of people who have subscribed to the newsletter is 678.

Senator CAROL BROWN: Can the committee receive a copy of the invitation list to the policy hack?

Ms Wilson: Do you want the participant list or—

Senator CAROL BROWN: Both. I think you said that 54 came along to—

Ms Wilson: There were 54 expressions of interest.

Senator CAROL BROWN: How many came along?

Dr Reddel: There were 93 participants in the hack.

Senator CAROL BROWN: We have come to the close of the submission period. What is happening from there? What is the future time line?

Dr Reddel: A total of 389 have been assessed, initially, in terms of their eligibility. That information has been provided as part of the information on our website around their focus on the priority groups and the evidence base. They have been clear about the problem they are trying to address within the three priority groups. That is the initial assessment. We will then select a number—

Senator CAROL BROWN: Were the 389 all the ideas that came out of both the submission and the policy hack?

Ms Wilson: That is right, yes.

Senator CAROL BROWN: So none have been disregarded?

Dr Reddel: No.

Ms Wilson: Some have been found ineligible along the way—they did not address the criteria or were not about the priority groups or the like. Mr Kimber might be able to talk more about those that were ineligible. They have to be eligible to proceed.

Mr Kimber: The ideas go through an initial eligibility check against five areas.

Senator CAROL BROWN: What unit does that?

Mr Kimber: The priority investment approach task force is undertaking that initial check. In terms of whether they have met five areas to be further considered, as Ms Wilson has said: do they actually address the barriers faced by the priority groups? How do they seek to improve workforce participation and attachment to the workforce? Whether the idea provides any useful new policy evidence; whether the idea can actually be measured; whether the outcomes could be expected within a reasonable time frame; and whether the idea does not pose any sort of unreasonable risk for the recipient et cetera.

Dr Reddel: I should add that that is outlined in the policy handbook that is on the DSS Engage website, and was part of the information provided to people wanting to submit their ideas. So the eligibility requirements were quite transparent.

Mr Kimber: As we moved through the process we had a number of people who are lodged ideas early in the process, in accordance with the handbook. We provided feedback against their eligibility within 10 days. Then they had the capacity to resubmit that idea and address those sort of issues that we may have raised. Now, we are in the process of taking all the ideas we have received and are going through, firstly, the eligibility check, and then they will go through, as Dr Reddel has suggested, a more detailed assessment to come up with a shortlist for consideration.

Senator CAROL BROWN: Detailed assessment is again through the task force?

Mr Kimber: We have set up a series of assessment panels within the department and we have drawn on expertise from the Department of Employment, DHS, and from across other agencies.

Senator CAROL BROWN: Is there any outside—

Mr Kimber: No, not outside government.

Senator CAROL BROWN: How many ideas were found not to be eligible?

Mr Kimber: As of 7:30 this morning 74 ideas were found to be ineligible.

Senator CAROL BROWN: Are they included in the 389?

Mr Kimber: They are included in the 389.

Senator CAROL BROWN: I thought you said the 389 ideas were collected and deemed to go on to the next section.

Mr Kimber: At this stage there are 74 that are deemed to be ineligible to go on to the next stage.

Dr Reddel: But we are still assessing a number.

Mr Kimber: We are still assessing a number. There is a number that we are still actually processing in terms of that early eligibility assessment.

Senator CAROL BROWN: How many were not even up to the eligibility standard and were disregarded prior to even getting—

Ms Wilson: That is the 74.

Mr Kimber: That did not meet the criteria I have just outlined.

Senator CAROL BROWN: So we are not really at the stage where we can say how many of the 389 will meet—

Ms Wilson: No.

Dr Reddel: No, we are still working our way through.

Mr Kimber: There is still a couple of weeks to go.

Dr Reddel: It closed only on Friday.

Ms Wilson: As is always the case, there was a very late burst. They all flood in at the last minute.

Senator CAROL BROWN: I can understand that. Dr Reddel, I interrupted you when you are going to—

Dr Reddel: In terms of the process of how we will go from the idea submission, in terms of the assessment, that initial assessment, as Mr Kimber has outlined, we expect will take a couple of weeks—that we will undertake that initial assessment. Then, as part of our process, we will take that forward to our interdepartmental committee—the list of ideas that have been assessed as eligible—and with the assessments of each of the ideas, in terms of the criteria. We will have a discussion there about the ones that we will consider for shortlisting into the next phase, which is the co-development, co-design process, where we will work with the ideas proponents about their idea to look at how we might refine and develop it through a collaborative process.

Senator CAROL BROWN: Would that be just those people that you indicated in the task force talking to the proposer?

Dr Reddel: We are looking at a mix of processes—having our internal people but also getting external expertise to assist in that co-development process, including an advisory group we have established to help guide that process of external experts such as academics and people with expertise in the priority groups.

Ms Wilson: The other thing we are doing as part of that co-development process is road testing the ideas with representatives of the priority groups to seek the feedback of, potentially, end-consumers or people with the same experience as people who might be participants in the ideas when delivered.

Senator CAROL BROWN: I will come back to the road testing. In terms of the external expertise, do you have a list—I think you said there was an advisory council.

Dr Reddel: An expert advisory panel.

Ms Wilson: We will provide that on notice.

Senator CAROL BROWN: So we are at the co-development stage—

Dr Reddel: We expect that will take until—we are looking at around 20 or 21 April. It is about a five-week process.

Senator CAROL BROWN: You are moving quite quickly, though.

Dr Reddel: We obviously want to do that as quickly and efficiently as possible, but we want to get the best outcome. As Ms Wilson said, this is quite a new approach for us, in terms of how we work with the people who have provided the ideas. We are looking at how we might turn that into an intervention that can be considered for funding. It is at that stage. Then

we will take the ideas that are being progressed and some recommendations from that process back to the interdepartmental committee for review, and then they will discuss and consider those proposals for recommendation to our minister, Minister Porter.

Senator CAROL BROWN: I will not say I will not hold you to it, but what date do you think Minister Porter might be getting a list of recommendations?

Dr Reddel: We are looking at that process of consideration being until late in April.

Ms Wilson: We hope to be able to brief and advise Minister Porter by about the end of April or early May.

Senator CAROL BROWN: Would the recommendations that go to Minister Porter have already been road tested?

Ms Wilson: Yes, that would be our intention—that we have a sense from people who might have been consumers of the supports and services or the interventions of what their views are about how useful they might have found it and whether it would resonate with them et cetera. Some of the things we really want to test are how to make things accessible to people who might feel a bit distant or alienated from the service system, and how to capture their aspirations and build on those with interventions that the evidence suggests will be effective for them and will increase their independence, improve their pathway to employment, reduce their barriers and so forth. That road testing is quite important. It might go to the design but also the location of where supports might be available from. That is a bit of testing that we want to do.

Senator CAROL BROWN: Can you give me an example or tell me how the road testing is going to be rolled out? How are you going to collect these people that you are road testing with?

Ms Wilson: We already have contacts in terms of service providers who work with some of these groups and who have offered to convene focus groups or discussions with us. We have already had a couple of those on the way prior to the fund closing. That is one avenue.

Senator CAROL BROWN: Did you say there has already been some road testing?

Ms Wilson: Not road testing. There have been discussions along the way to try and understand the consumers' perceptions of the barriers or the sort of supports that would be of use to them, as part of the general information available to both the task force and as part of the ideas generation process.

Senator CAROL BROWN: I might have misunderstood. I thought the road testing was to road test individual ideas.

Ms Wilson: It will be, but we were trying to get a better handle on the issue of how some of the consumer groups would identify the issues that they face and their priorities as part of the support for the ideas generation, if that makes sense.

Senator CAROL BROWN: Yes, absolutely.

Dr Reddel: The intent of the road testing co-design is that we have an idea, and some of them will be further developed than others. It is how we can turn that idea into an intervention that can be implemented, evaluated and ready for funding. So there is a bit of a way to go. As well, it is to make sense to the consumers where it is directed to.

Senator CAROL BROWN: So you have not finalised how the road testing will be rolled out or how you are going to select people to road test?

Dr Reddel: We are intending to look at getting some facilitators to help do that road testing to connect the idea proponent who might deliver the intervention, as well as how we might engage consumers in that process. We are about to engage in it.

Senator CAROL BROWN: Do you have any idea how many people might be part of this road testing for each of the ideas?

Ms Wilson: We have to finalise those yet. We would certainly want more than a handful. It depends on the extent to which the groups that we are working with how we might do that—whether it is about bringing a focus group together for discussion or whether it is about an online interaction through networks and the like. Both are possibilities. We have earlier engaged as part of the design of the Try, Test and Learn Fund with organisations that work with these consumer groups, as I mentioned, for the actual policy hack. We have some participants in the policy hack that have been referred through or had self-referred as members or people who had previously been in the same circumstances as the priority groups. We are exploring how we might use those networks best to do that road testing.

Senator CAROL BROWN: Okay. We are moving reasonably quickly in terms of what you want to provide or when you want to provide recommendations to the minister. When will you finalise how the road testing will actually work? In my understanding it may be different—one of the ideas might be put forward for a particular area. I do not know what you are actually looking at. Or it might be a program that is much broader.

Dr Reddel: Exactly. We might want to suggest that the idea in one location could be also implemented more broadly.

Senator CAROL BROWN: Do we have any idea when this will be finalised?

Dr Reddel: Pretty soon, I think.

Mr Pratt: Within weeks.

Senator CAROL BROWN: I appreciate Mr Pratt not saying 'shortly', because someone said that to me at an estimates committee once and I am still waiting.

Ms Wilson: Obviously it is going to be over the next 6 to 7 weeks.

Senator CAROL BROWN: We are road testing; the recommendations go to the minister; and we are looking for delivery when?

Dr Reddel: We hope to be committing the funding before the end of the financial year.

Ms Wilson: Delivery would likely be commencing at the start of the next financial year, depending on the nature of the idea what sort of lead time is required.

Senator CAROL BROWN: How much is this first tranche worth? How much are we funding this first tranche with?

Dr Reddel: It will be dependent on the quality and the nature of the ideas. Our approach has been that we want to take a cautious but steady approach with this. It is a new approach for us. We are trying to look at how we might start relatively small in terms of the number of interventions and then continue to roll it out as we go forward in subsequent years.

Senator CAROL BROWN: I did read the handbook. It indicated that it is expected that the total funding for this first tranche would be up to \$10 million, but it is not necessarily going to be \$10 million.

Ms Wilson: It depends on what the ideas cost and how many the minister decides to fund. It is a bit fluid at this stage because we have not been through that assessment process. We are not yet able to advise on what the appropriate envelope would be.

Senator CAROL BROWN: They are baby steps first.

Ms Wilson: Yes. We are learning a bit as we go, ourselves.

Senator CAROL BROWN: With the money provided to fund these ideas, will some of that funding include the evaluation process?

Ms Wilson: We will be supporting evaluation of the measures. The way they are evaluated will depend on the nature of the idea. The extent to which some additional discrete money is required will certainly be part of the assessment process—the cost of that and how best to do it.

Senator CAROL BROWN: The handbook suggested it might be up to 10 ideas—

Dr Reddel: Yes.

Ms Wilson: Yes.

Senator CAROL BROWN: but that might not necessarily be so—it depends.

Ms Wilson: We cannot pre-empt until we have done an assessment process and advised the minister.

Senator CAROL BROWN: How long are the first tranche of trials going?

Ms Wilson: It depends on the nature of the intervention and the idea. They could be 12 to 18 months—

Dr Reddel: It depends. The idea could be about some sort of technology approach to assisting people to participate in a program. It could be a one-off funding proposal or it could be over a longer period of time.

Senator CAROL BROWN: Have you settled on how the trials will be evaluated?

Ms Wilson: As I have explained, it depends on the nature of the intervention and the group. The sorts of things we could bring to bear on the evaluation include clearly following up administrative data and if it is something that is amendable to trialling the control group then that is one mechanism for evaluation. Other things like post-participant surveys, monitoring and action learning-type qualitative processes during the course of an intervention and follow-up is another mechanism. So there will be a range of different techniques that we can take to an idea, depending on the specifics.

Dr Reddel: That is part of the advice we received from the advisory expert panel. One of their tasks is to advise us on both an overall approach and, in particular, for each of the interventions on what might be the appropriate evaluation method.

Senator CAROL BROWN: Who will be doing the evaluation? Is it the expert panel or the IDC?

Ms Wilson: In terms of the evaluation the measures, our intention would be that we would contract or commission people to take the evaluation with us. We may do some internal parts

ourselves, such as interrogative administrative data, where it is something that is easy for us to do. Again, it depends on the nature of the idea. Part of the reason for engaging this expert panel is to make sure that we have the right sort of evaluation to test the efficacy of different interventions and supports.

Senator CAROL BROWN: We have three cohorts of people that you are targeting. Have you made a decision of how many ideas you want in each of those cohorts? Do you have an understanding of what you would like to see?

Ms Wilson: Ideally, we would like to see a good few in each to test but, again, I would not want to pre-empt what the proposals are, what decisions are that the minister might make and what advice the IDC might give. We would be pretty keen on testing a reasonable number—

Dr Reddel: Some of the interventions could address all three priority groups. Say if we did fund 10, you could have one intervention that is addressing multiple groups.

Senator CAROL BROWN: Will another priority also be to seek to have one of these trials in areas where there is a demonstrated need or a demonstrated area where there are people under 25 in one of the priority areas that are at risk of long-term unemployment? That is one of them, isn't it?

Ms Wilson: No, the three priority groups are—

Senator CAROL BROWN: At risk from studying?

Ms Wilson: people who have been a student—

Senator CAROL BROWN: 'An extended period of unemployment'.

Ms Wilson: Yes. It is someone who was a student participating in a post-secondary course who has moved on to either the youth allowance or Newstart allowance, so an unemployment benefit, and are at risk of long-term unemployment. That is one of the priority groups. That is what we call a young student group for want of a more specific title. So it could well be that there is a geographic concentration, a locational place-based proposal.

Senator CAROL BROWN: How many participants do you expect to take part in these ideas? Again, I am going to get the same answer, aren't I?

Ms Wilson: If it was something like a piece of technology, it might be something that you might have hundreds or thousands of people—

Senator CAROL BROWN: The funding is anywhere from \$50,000 to \$2 million.

Ms Wilson: That is correct. But it could be a couple of hundred, so, again, it depends very much on the proposed set of interventions and what issues they are trying to address. For example, around the young students some of the discussions at the policy hack went to how we could assess some of the early indicators of disengagement from study and potential dropping out and risk factors that would lead to long-term unemployment. If there were early indications in data at a TAFE or an institution, how could that be utilised to put in place some preventive actions? That might be something that has a technology platform for it, followed up by face-to-face assistance, for example.

Senator CAROL BROWN: Is participation in these pilots voluntary or compulsory?

Ms Wilson: It is likely to be voluntary, but it depends upon the group. At this stage we are not thinking of mandating a requirement, although it is open and has been through a range of

trials that successive governments have done to ask income support recipients in different at-risk groups to at least come in for a discussion or an interview. For example, there is a requirement, which was started under the Rudd-Gillard government when Jenny Macklin was the minister, for people under 35 on DSP to come in and have a discussion about participation and develop a plan.

Senator CAROL BROWN: Surely, Ms Wilson, this must be something that has been discussed within the department.

Ms Wilson: It is something that we would be working through in respect of the idea and it would depend upon the nature of the idea.

Senator SIEWERT: I want to ask about TTL specifically and I want to go to the bigger picture of the social investment approach. I had to be out of the room so, if I ask a question that you have already answered, just tell me to look at the *Hansard*. I am interested in the policy hack. You answered some questions on notice for me. Have the outcomes of the workshop been made available?

Ms Wilson: The ideas that came from the policy hack are up on DSS Engage. DSS Engage is our website platform.

Senator SIEWERT: So the ideas are the outcomes from the workshop?

Ms Wilson: Yes.

Senator SIEWERT: So there is no formal report?

Dr Reddel: The 10 ideas that came from the hack.

Ms Wilson: For the hack approximately 100 people got together in teams of around 10. They were assigned by the nature of their interest or affiliation a particular priority group to work on. I think there were three on young parents, three on young carers and four on students, so they were the 10 tables. There were around 10 participants in each group, or a little less because I think we had fewer than 100 participants in the policy hack.

Dr Reddel: 93.

Ms Wilson: Their role during the day was to talk about the priority group, clarify questions around data and issues definition, do a sort of ideas generation and then close in on an idea that they wanted to pursue, pitch back to the rest of the group and develop further. They had a week after the end of the policy hack to further develop the idea such that it could be submitted on the DSS Engage platform. That is a very shorthand description of it, I am sorry.

Senator SIEWERT: How did you pick the participants?

Ms Wilson: We gave that evidence earlier.

Senator SIEWERT: That is all right. I will go and look. You do not need to repeat it, because we will start running out of time.

Ms Wilson: And we have undertaken to provide a list of participants.

Senator SIEWERT: Thank you. That would be appreciated. Were participants paid to participate?

Ms Wilson: No.

Senator SIEWERT: I understand that participants had to sign an agreement before they could attend. Is that correct?

Ms Wilson: Yes.

Senator SIEWERT: What was the nature of the agreement?

Mr Kimber: There was a deed signed by the participants with regard to the discussions et cetera in terms of conduct and things we would normally expect at a government event in terms of what was discussed, the confidential nature and things like that.

Senator SIEWERT: In my previous life I went to lots of government things—in fact, in this life I have been to lots of government things—and I have never had to sign an agreement.

Ms Wilson: We have used that sort of approach when we have had advisory groups and the like because there may well be information that is provided that is somewhat sensitive or confidential, not in terms of breaching anything but coming from other participants around the table.

Mr Pratt: I can give you an example. If one of the young carers were to talk about something specific to their experiences and circumstances, that potentially could be quite sensitive for them and they may not wish others to then put it out on the internet.

Senator SIEWERT: Can you give us a copy of the agreement?

Mr Kimber: Yes, we can provide you with a copy. You asked also whether there was any report of the hack. We did actually publish online on 24 February an overview of the day, including some details of participant feedback.

Senator SIEWERT: Last week you put it on the internet?

Mr Kimber: Yes, that is right.

Senator SIEWERT: If you could provide a copy of that, that would be appreciated. Did any participants attend who did not sign the agreement?

Mr Kimber: I would have to take that on notice and check the records.

Ms Wilson: I do not believe it was an issue.

Dr Reddel: It was not raised.

Senator SIEWERT: It was not raised; okay. Is it possible to get a copy of the agreement today?

Ms Wilson: I think so.

Mr Kimber: Yes, we will attempt to do that.

Senator SIEWERT: Thank you; that would be appreciated. I will go to the website to look at the outcome, and I know you have had a lengthy discussion about where to from here. If Senator Brown asked this, tell me to go and read the *Hansard*: out of that process, did you get enough ideas to take you from here?

Ms Wilson: There were 10 ideas—one per table—coming out of the hack. There were certainly more ideas than that discussed before the table selected one idea to pursue, and it was open to participants to continue to refine that and provide through the broader submission process on DSS Engage. I do not think we have yet triangulated the participant information with who has submitted ideas and to what extent that happened over and above the 10 that

formally came out of the hack, but we will do that. As we mentioned before, we have had, as of close of business around the fund, 389 ideas submitted. Of these, 74 have been deemed along the way to be ineligible, and we have not finished assessing the ideas.

Senator SIEWERT: When will you finish doing that?

Dr Reddel: Next week. We hope by the end of next week to have the initial assessment finalised.

Senator SIEWERT: Thank you. I understand that you had a lengthy discussion about the process and where to from here, so I will check that. In terms of the policy hack, is that the way that you are going to continue to generate ideas?

Ms Wilson: It is the first time we have done one. The feedback was pretty positive. I think we would want to assess and discuss within the IDC and within the department, and clearly with the minister and his office, whether and when we would do another one. We think it was a fruitful experience. We probably need to do a more formal evaluation when we have looked at the quality of the ideas that came from there and the extent to which there were other ideas from the participants in the hack that came onto the table versus those that were submitted through the broader process. On first blush, I think it was pretty productive.

Dr Reddel: We have also had some stakeholders suggest that they would like to hold their own hack in a particular state, for example, to look at how they might do something within their particular jurisdiction. We are trying to look at how we use the model in different ways going forward.

Ms Wilson: We are also learning a bit from colleagues. For example, I am aware that in Canada recently there was a hackathon held around the issue of homelessness. I am trying to follow up with colleagues in the Canadian government to find out how effective they found that to be. It does seem to be something that is getting some currency, and it is really about the collaborative environment and bringing people together who might not always work together to work on an issue of common interest.

Senator SIEWERT: I would now like to ask about the general issue of where to with the social investment approach overall. You have done the first tranche of going through the analysis to identify the first groups. Is that work continuing? Where are you up to with that ongoing work?

Ms Wilson: Each year, there will be another evaluation. With each evaluation and each report, there will be refinements that help us get a bit more sophisticated. We anticipate that there would be other priority groups that come out in the analysis as we look at the data in more detail, and as we bring other lenses to bear on it. It will be an evolving process.

Senator SIEWERT: So are there further evaluations being done now? If there are, what is the timeline for those, and if there are not, what is the timeline to start the next one?

Ms Wilson: In the contract, there are four valuations due over the period of the contract, at 30 June 2015 and then each subsequent year through to 30 June 2018. We have a second valuation that has been undertaken, and Dr Reddel can explain where that is up to.

Senator SIEWERT: Okay, that would be appreciated.

Dr Reddel: We have received a draft from PwC of the 2016 valuation, and our team are working with PwC on working through some of their findings and clarifying some of the issues in the report.

Senator SIEWERT: Are you able to share some of those?

Ms Wilson: Not at this stage, no.

Dr Reddel: Not the numbers.

Ms Wilson: Not from a draft.

Senator SIEWERT: There is no harm in me pushing my luck.

Ms Wilson: Good try, Senator!

Senator SIEWERT: When do you think that this one will be finished?

Dr Reddel: We are hopeful of providing it shortly to the minister.

Senator SIEWERT: Shortly? Months or—

Dr Reddel: There are still a few issues we need to work through, and that will take a little bit of time. I do not want to give a time frame.

Ms Wilson: It is an iterative process. We get it, the IDC gets it, we have a look at it, and we may well have questions that we need to go back on and things that we need to refine and better understand. Then, when we are comfortable with the report, we would provide it to the minister, and then there would be a process of engagement around that as well. So we are getting close. I think that would be a fair thing to say.

Senator SIEWERT: And then you have another one next year.

Ms Wilson: Yes.

CHAIR: Senator Pratt has one very quick follow-one question, and then we will come back to you, Senator Brown. If you are not too long, we should then move on to disability.

Senator PRATT: Senator Siewert asked some questions around the DSP review. From the numbers you gave her, it sounded like the majority of people reviewed are staying on the DSP. Sorry, I know I am going backwards, but it is only in consideration of the answers given that these issues arise.

Ms Wilson: Are you asking in respect of the tranche of the reviews now underway, arising out of the most recent measure?

Senator PRATT: That is right.

Ms Wilson: What is the outcome? I think—

Senator PRATT: No, the question is: what savings were forecast before the review commenced, are those savings being realised, and are you able to provide the actual saving that is being realised?

Ms Wilson: We can answer the first question, about what the value of the measure was. The reviews are still ongoing, so we are not in a position to answer any of the other questions.

Ms Halbert: The measure is expected to save \$62 million over the forward estimates.

Senator PRATT: Okay, it was expected to save \$62 million over the forward estimates. That was based on how many people coming off the DSP?

Ms Halbert: It was based—as long as I have the right measure here—on 30,000 reviews being conducted each year over the forward estimates.

Senator PRATT: And how many of those 30,000 are being removed from the DSP?

Ms Wilson: About 10 per cent. It is about a 10 per cent cancellation rate from DSP onto other payments and/or off income support.

Senator PRATT: Of the reviews currently completed, what percentage have come off the DSP?

Ms Halbert: Of the 4,222 finalised—over 14,000 have been initiated—4,156 are still eligible. I gave these figures earlier. Sixty-six voluntarily chose to cancel their payment, 24 people are no longer on income support, and 42 are on a different payment.

Senator PRATT: Despite those proportions being very clear, you are not able to revisit that figure of \$62 million in terms of how much will be—

Ms Halbert: I just have not done that.

Ms Wilson: We will not be able to do that until we are much further progressed with the measure to see how it is tracking against those estimates. As Ms Halbert identified, around 14,000 have been initiated but only about 4,200 have been completed, and so until DHS is much further advanced with the measure we will not be in a position to really take stock of how it is tracking.

Senator PRATT: We can do our own forecast based on some of those figures, but you said—

Ms Wilson: I am not sure that it would be a sample that is sufficient.

Senator PRATT: I am not saying it would be entirely accurate, but it would give us an indication of whether we are anywhere near \$62 million or not, because with 4,200 reviews having been completed—

Mr Pratt: I suspect it might be almost entirely inaccurate at this stage.

Senator PRATT: And you have said, what, 4,100?

Ms Halbert: I think it is about 10 per cent. I am just adding it up. The bulk of them have not been finalised, but we could do a rough calculation. But we would have done the savings per full financial year, in the first place, so we are only part way through, as we were saying.

Senator PRATT: What is the cost of the review for each cohort of 30,000?

Ms Halbert: You will probably need to get that from DHS. Do you mean how much it is costing to undertake the review? That would be best directed at DHS, but we would have it in our costing.

Senator PRATT: Can you take that on notice?

Ms Wilson: Yes.

Senator PRATT: That would be great. You do not have it with you?

Ms Wilson: No.

CHAIR: That concludes our consideration of outcome 1.

[18:01]

CHAIR: We will now move to outcome 3: disability and carers. I welcome officers.

Senator WATT: I want to ask some questions about the NDIS, particularly the side deal that has been done between the Commonwealth government and the Western Australian government—miraculously, just before a state election over there. On 1 February this year the Commonwealth and WA governments signed a separate bilateral agreement on a state-run NDIS, and I think that was a day before the Western Australian government went into caretaker mode before their election. It was an amazing coincidence! I gather that today—again, miraculously, in the middle of an election campaign—an evaluation of the WA scheme has found its way into the public domain. Is that correct?

Ms Hand: That is correct. The WA government released it.

Senator WATT: The WA government today released a review of the proposed model for the WA scheme?

Ms Hand: No.

Mr Pratt: WA have released an evaluation, which was conducted some time ago, about a very early part of the Western Australian trial and the NDIS trial.

Senator WATT: That is right, sorry, it was. It is an evaluation of the trials. There were two different types of trials being run in WA.

Mr Pratt: At that time, yes.

Senator WATT: A Commonwealth-sponsored trial—

Mr Pratt: It was the NDIA in operation.

Senator WATT: Sorry, NDIA-sponsored, and the WA scheme, which was a bit different.

Mr Pratt: My Way. It was known as My Way at that time.

Senator WATT: That evaluation was essentially trying to work out which was operating better and whether they could work side by side. Is that right?

Ms Hand: No. At the time when the trials of the NDIA were first set up about four years ago, the then governments agreed that there would be a formal evaluation of both trials to see what the benefits were, because there could have been good aspects to both of them. It was meant to evaluate the outcomes and help inform governments' thinking on a future model in WA, whether it be the WA-run model or the NDIA-run model. As Mr Pratt said, it was done quite some time ago and a lot has happened since then. So we can talk to that evaluation if you wish, Senator, but the department's view on that evaluation is that it was not a very high-quality report.

Senator WATT: Is that the one that has been tabled today?

Ms Hand: Yes, that is right.

Senator WATT: So the Commonwealth's position—

Ms Hand: I should say, it is the department's view.

Senator WATT: The department's position on the evaluation that the Western Australian government released today is that it is not a very high-quality evaluation?

Ms Hand: No. It was based on a very small sample study of, I think, only 21 participants. It did not focus on outcomes; it focused on operations and business processes. Clearly the NDIS is about choice and control for participants, so you would want to be focusing an evaluation on that. That was the objective of the evaluation we all agreed, but what the actual

evaluators did was focus on the business process operations, which was not very useful, to be honest.

Senator WATT: Who contracted that evaluation?

Ms Hand: Stantons.

Ms McDevitt: Stantons International is the name of the company.

Senator WATT: They are consulting firm or something, are they?

Ms McDevitt: Yes.

Senator WATT: Was the cost of that review shared between the two governments?

Ms Hand: It was. I think it was \$1.25 million.

Ms McDevitt: The total cost was \$1.25 million, shared equally between the Commonwealth and WA government.

Senator WATT: Are you going to ask for a refund?

Ms Hand: In the current budget environment it would be quite nice to get some money back, but I do not think that is going to work.

Senator WATT: Maybe we would not have to go ahead with those nasty cuts to the family tax benefit if we got refunds for those sorts of things, would we?

CHAIR: Order! Questions only.

Senator WATT: The money that paid for that review—what bucket of funds did the Commonwealth share come from?

Ms Hand: I do not know specifically. We would have to take that on notice. As you would probably know, the Commonwealth reached agreements for the trials with each jurisdiction where we each put in money. At least from the Commonwealth's perspective, our money came from our contribution to the NDIS.

Senator WATT: So the Commonwealth's share of the funding for this review—your share—was about \$600,000.

Ms Hand: It was half, so it would have to be around \$650,000. I have gotten my maths wrong, but about that.

Senator WATT: That was funded from money that would otherwise have been used to provide NDIS services?

Ms Hand: I would have to take on notice exactly where it came from.

Mr Pratt: I am pretty sure it did not come from funds for people with disabilities.

Senator WATT: But it came from another source relating to disability.

Mr Pratt: To do with the NDIS.

Ms McDevitt: The evaluation was agreed in the agreements between governments to actually establish the trials. Therefore, as part of funding those trials that money was provided.

Senator WATT: So was the release of this evaluation that occurred today discussed with you before it was released?

Ms Hand: The WA government did not discuss it with us. They talked about it with us some time ago. The department was not keen. Our advice was not to release it because it was not a very good-quality report and actually did not really have a huge impact on our thinking for what type of model to take forward because it was a low-quality report.

Senator WATT: When did you communicate that view to the Western Australian department?

Ms Hand: I personally know that I spoke about four weeks ago with one of the WA officials.

Mr Pratt: We have been conveying that message for some time.

Ms McDevitt: There is a formal governance arrangement called the joint standing committee between the Commonwealth and WA that has had oversight of the trials from the beginning. Throughout the process of the evaluation that committee, which included not just our department but also the Department of Prime Minister and Cabinet and the Department of the Premier and Cabinet in Western Australia, provided substantial comment on the evaluation.

Senator WATT: Did that comment get incorporated into the report before it was released?

Ms McDevitt: To a minimal amount, yes.

Senator PRATT: Does that mean they were also critiquing the quality of the report?

Mr Pratt: Western Australia?

Senator PRATT: Yes.

Ms McDevitt: Yes.

Senator WATT: What is the main department over there that deals with this?

Ms McDevitt: The Disability Services Commission.

Senator WATT: They were quite critical of the draft report?

Ms Hand: We would say that DSS was critical. I would not want to put words in their mouth, but they were not happy with the initial report either. Collectively, we asked for quite a lot of changes.

Senator WATT: Okay. But from your point of view, the changes that your department requested were only minimally—

Ms Hand: To be honest, even if they had changed the words, the methodology and the sample size it would not have changed. Because it was flawed it was not going to change the findings in the report.

Senator WATT: Sure. I will come to that in a moment. But you were not made aware that the Western Australian government was going to release that report today?

Ms Hand: Yesterday we were not made aware at all. We found out by other means, but we did not hear from them directly.

Senator WATT: Okay. You found out in the newspaper, before it arrived, but not much before?

Ms Hand: That is right.

Senator WATT: Even though you paid half the cost?

Ms Hand: Yes.

Senator WATT: I am not saying that is your fault.

Ms Hand: Yes.

Senator WATT: And even though you had communicated quite a lot to the department.?

Mr Pratt: We thought we had an agreement that we would not.

Ms Hand: Some time ago, as the secretary just said, we thought that we had an agreement that we would not release it. But the fact that WA has released it means that we want to comment today.

Senator WATT: Clearly! So there was actually an agreement between the two governments or, at least, the two departments?

Mr Pratt: We thought we had an agreement with our counterparts in Western Australia.

Senator WATT: And when was that agreement reached?

Ms Hand: Months ago. As I said, four weeks ago it might have even been—

Senator PRATT: Oh, well, there is an election on. Maybe they decided to release it anyway.

CHAIR: Order! Senator Watt has the questions.

Senator WATT: Oh, I am sure that has nothing to do with it whatsoever! So the Western Australian government has gone ahead and, in your view, in breach of that agreement released that document today?

Mr Pratt: I would not say that the Western Australian government—

Senator WATT: Or department.

Mr Pratt: But we thought we had an agreement with our counterparts over in Western Australia. Actually, I do not know who released it.

Senator WATT: I understand that in December last year the shadow minister for families and social services, Jenny Macklin, lodged an FOI request for the evaluation, and your department rejected this on the grounds that it was not in the public interest to release that evaluation. Are you able to elaborate on that decision, given it has now been provided to a newspaper?

Ms Hand: Yes. At the time, no decision had been made on which model in WA. Both governments were using it to inform their thinking, so it would have been inappropriate to release it then. But also, because we thought it was flawed, we actually did not think it would be in the public interest to release it.

Senator WATT: Was it almost an embarrassing report?

Ms Hand: Yes.

Senator Ryan: Those are your words.

Senator WATT: Well, Ms Hand was nodding.

Senator PRATT: Not in the public interest to release it.

Senator SMITH: I am just curious, Secretary: how do you think you have an agreement? You either have an agreement or you do not have an agreement?

Senator PRATT: I don't know, the Bell inquiry—

Mr Pratt: We had an agreement, and apparently we were wrong.

Senator SMITH: It was not honoured. Right

Mr Pratt: Mind you, I have to be fair to our colleagues in Western Australia: I do not know that they had anything to do with the release of the evaluation report.

Senator SMITH: Right, so who chose Stantons?

Ms Hand: Western Australia. The steering committee for the evaluation was a joint one between the Commonwealth and WA, but Western Australia proposed Stantons and they were responsible for engaging them on behalf of both parties.

Senator SMITH: And that was part of the MOU, or contract or agreement that you had with Western Australia, that they would choose the reviewer?

Ms Hand: I would have to check that. To be honest, it was before my time.

Senator SMITH: It is quite a significant issue, to be criticising the reviewer but not knowing whether or not you actually agreed to the reviewer who was chosen.

Ms Hand: At the time, we did voice concerns about that particular evaluator.

Senator WATT: But they were chosen by the Western Australian government.

Mr Pratt: My recollection is also there was quite a bit of debate about the methodology that was going to be used.

Senator SMITH: The issue of a federated system or a national system is one that has been particularly acute to Western Australia for a long time, so it is not really a surprise that—I understand your issues around methodology, quality of the reporting, a sample size of 21—but this has been a sensitive issue for a while. I would have thought that you might have been extra vigilant in making sure that any reports that were done were as thorough as they could be, given that this is strong theme—

Mr Pratt: You are correct, Senator—and we were.

Senator SMITH: and has been for a long time. Indeed, I prosecuted the issue I think the first time with one of your officials at one of my very first estimates.

Ms Hand: Can I assure you on that. We were hugely vigilant. I even had a dedicated small number of people working, because I was so concerned with the first draft we got. We said, 'We can't take this.' So we had a joint team with WA working on it to try and enhance it. It was improved after that, but it still did not meet our objectives.

Senator SMITH: Has it ever been formally signed off by the working group that had state and federal officials?

Ms Hand: I do not recall any formal sign-off.

Ms McDevitt: It was provided to both ministers by the joint standing committee.

Senator SMITH: Does that mean it was signed off?

Ms McDevitt: It means it was concluded. It was not signed off in the sense that it was approved or endorsed but in terms of the final product being the best within the contract deliverables.

Senator WATT: You clearly have very strong views about the poor quality of this evaluation. Were your views—was the department's view—communicated to the Commonwealth minister?

Ms Hand: It was.

Senator WATT: How recently would be the last time that was communicated?

Ms Hand: Very recently.

Senator WATT: Yesterday?

Ms Hand: Verbally, we talk about it all the time. I am not sure we spoke yesterday; I did not personally speak with the—

Senator WATT: I am thinking, just before the release?

Ms Hand: Our minister did not release it. When we heard that it might be released today the department was definitely in communication with the minister's office about it.

Senator WATT: Did the minister's office express to you a view as to whether they felt the report should be released?

Mr Pratt: It would not be appropriate for us to talk about our discussions directly with the minister or the minister's office.

Senator SMITH: Are there—

Senator WATT: Senator Smith is a bit sensitive about this one!

Senator SMITH: No, no, I am genuinely interested—

Senator WATT: I know you are.

Senator SMITH: in issues around the NDIS and the federated versus national models. They are issues I have been concerned with for a long time. Was there a protocol around the release of the report? If reports lack credibility—if someone said, 'Here's an opinion poll and it's got 21 people in it,' that has no credibility—that interests me. As a senator for Western Australia, I am genuinely interested in this. Was there a protocol around the release?

Ms Hand: My understanding, but I will ask Ms McDevitt to confirm whether I am correct or not, is that both ministers had to be comfortable and sign it off.

Mr Pratt: Senator, can I clarify something. I do not think it is entirely accurate to conflate the merits and otherwise of a federated model vis-a-vis a national model—as you know, the Commonwealth government's position has been a strong preference for a national model—

Senator SMITH: Agreed, yes.

Mr Pratt: with our concerns about the early evaluation of two different trials which were evolving over a period. It is some time ago that this evaluation was done. They are not directly related. The deal that has been struck between the Western Australian government and the Commonwealth was quite separate to that process. Our concern is with the effectiveness and credibility of that evaluation of those early trials.

Senator SMITH: As is mine. Was there a protocol around the release? In your view, has it been honoured?

Ms McDevitt: It is normal process where it is a joint product, and, thus, it was provided by officials to both ministers on the assumption that both ministers would make a decision together about its release, and, certainly, officials had been working on that basis.

Senator WATT: From your discussions with the Commonwealth minister, was he okay with this evaluation being released despite the concerns about it?

Ms Hand: I cannot share our discussions with the minister.

Senator WATT: You have mentioned that you have significant concerns about the methodology, and you think that the report is fundamentally flawed. Can we go through some of those concerns. It sounds like one of your concerns is that the consultants who conducted the evaluation only spoke to 21 participants in the scheme, meaning 21 people with disabilities who receive some form of support.

Ms Hand: From the scheme.

Senator WATT: Do you know how many people are participating, all up?

Ms Hand: At the time it was done—and we will have to take that on notice—it was quite early in the trials, so I think I am right in saying that there were only about 8,000 people across the two trials in total, at the end of the trials. I do not know, but maybe by then it would have been for 4,000 or 5,000.

Senator WATT: Is the appropriate way to look at it: 21 of 8,000?

Ms Hand: It was done before the end.

Ms McDevitt: No, it would be fewer than that.

Senator WATT: So, 21 of a few thousand?

Mr Pratt: We would have to tell you how many people were in the two trials at that stage. But it was very small scale; there were 21 participant interviews and nine provider interviews and, I think, 54 questionnaires were received.

Senator WATT: Who were the questionnaires to?

Mr Pratt: Presumably, they were participants.

Ms McDevitt: We will take that on notice, because I think it might have been stakeholders.

Senator WATT: Do you feel that the recommendations that that evaluation has made are consistent with the body of the report—with what the report itself says?

Ms Hand: Perhaps the best way of answering that is to say that we agreed with the objectives of the report at the beginning, two or three years ago. The department is not of the view that the recommendations delivered on what the evaluators were meant to deliver on—that means some aspects did, but not all aspects.

Senator WATT: Did the evaluators have any consultation with the other states as part of this review?

Ms Hand: I do not know.

Ms McDevitt: I do not believe so, but I would have to take it on notice to confirm.

Senator WATT: Are you aware of any other consultation with people with disabilities as part of this evaluation, or in addition to it, to help inform the Western Australian government's decision to go with its own scheme?

Ms Hand: I am not aware of what Western Australia did, but obviously there are many ways of getting advice or intelligence to inform a government's consideration of what is the best model—talking to participants, to stakeholders, to peak bodies, to the NDIA. There are many—

Ms McDevitt: But it was not part of the formal evaluation.

Ms Hand: No.

Senator WATT: Do Stantons International, who conducted this review, have much experience in disability services?

Ms Hand: I do not know. They are meant to be a well-regarded evaluation company, but I do not know.

Senator WATT: Do you know whether they do a lot of other work for the Western Australian government?

Ms Hand: I believe they have done other work for the Western Australian government.

Senator WATT: Do you consider that they are truly independent reviewers?

Ms Hand: I cannot comment on that.

Senator SIEWERT: I appreciate this has only just been released, but you have just described your concerns about it. At any stage, has there been any participant feedback on the draft—through, say, the steering committee or the initial report?

Ms Hand: Not that I am aware of.

Mr Pratt: Sorry, which steering committee are you referring to?

Ms Hand: The WA joint steering committee.

Senator SIEWERT: The joint steering committee that operates in WA.

Ms McDevitt: The one that oversights the trials?

Senator SIEWERT: Yes.

Ms McDevitt: Sorry—your question was had any participants raised issues?

Senator SIEWERT: I asked about participants and/or people with disability, and then I am thinking, well, this is supposed to be a confidential process, so perhaps the only people who may have seen it are the steering committee, or whatever the—

Ms McDevitt: That is correct, yes.

Senator SIEWERT: So, was there feedback from the steering committee on this report? Had they seen it?

Ms Hand: The steering committee saw it, yes, absolutely.

Ms McDevitt: Yes, that is what Ms Hand referred to, saying that we gave robust feedback at both the interim stage and the final stages.

Senator SIEWERT: And what were their thoughts on the draft report?

Ms Hand: The steering committee, or the standing committee?

Senator SIEWERT: I mean the steering committee.

Ms Hand: We had a very interim earlier report, which was not very good, and the steering committee—both Western Australia and DSS—were quite concerned about the quality of that report. So yes, we did give feedback.

Senator SIEWERT: So, the steering committee did not think much of it either. Is that a correct understanding?

Ms Hand: That very early one, yes.

Senator SIEWERT: And my understanding from the detail that is here: there were 69 providers asked, and 21 participants?

Ms Hand: Nine providers.

Senator SIEWERT: It says here 69. It says 'comprehensive surveys of over 69 disability service providers with follow-up interviews'.

Ms Hand: Sorry, Senator; then I am wrong.

Senator SIEWERT: And then it says 21. In other words, the actual participants were swamped—three times—by the number of disability providers. It is not that I am having a go at providers, but I would have thought that the most important people to hear from would be the participants. Was that raised as an issue?

Ms Hand: Yes, it was.

Ms McDevitt: Yes, and there were difficulties in engaging and contacting participants, as I understand it, and that is what was reported to the committee, and they were advised that they should make all efforts to engage participants. But that was the end result.

Senator SIEWERT: So, there is this report. Are there other reports you are aware of, or other research or work—evaluations that have been done of the two trials in WA?

Ms Hand: I am not aware of any other external reports. Clearly with My Way, as it was then called—now WA NDIS—and the NDIA and the Commonwealth, just as for the rest of the scheme we got quarterly reports on how the two trials were going, so we were doing our own analysis, of course.

Senator SIEWERT: But there has been no other evaluation?

Ms Hand: Not that I am aware of.

Senator SIEWERT: So you were trying to rely on this report to actually look at the two trials?

Ms Hand: Yes.

Senator SIEWERT: Can I go then to the process of the agreement that was signed? You had so many concerns about this report. Why did you go ahead and sign the agreement?

Ms McDevitt: Sorry—the recent agreement?

Senator SIEWERT: The recent agreement, over WA NDIS.

Mr Pratt: My point before was that the two should not really be linked. One was an early evaluation of two very small trials in their infancy. The deal between the Western Australian government and the Commonwealth government came out of the negotiations that occurred following the April 2016 bilateral agreement with Western Australia, which was to look at

having transitional arrangements in place by July this year. Now, as we have indicated and as the minister has indicated, of course the Commonwealth's strong preference has always been to do a national scheme, but Western Australia was very determined to do their form of the scheme. So, subject to a tough negotiation with 11 non-negotiable conditions, the two governments were able to sign up to the arrangement that has been announced.

Senator WATT: Perhaps I could just recap on a couple of things. I take it from everything you have said that the evaluation was not used to inform the agreement between the Commonwealth and WA.

Ms Hand: From the Commonwealth's perspective, no.

Senator WATT: Do you know what did inform the Commonwealth's decision to sign the agreement?

Ms Hand: As the secretary just said, the Commonwealth's absolute desire was to have a consistent scheme in WA like in the rest of the country. So the Commonwealth government imposed very strict criteria to be able to sign up to this agreement, and WA met all of those things, like eligibility, access for participants, portability to other states, consistent policy, the WA legislation for the independent NDIS legislation. So they met all of the 11 conditions—

Senator WATT: So, they met the conditions, but the evaluation, which is not really worth much, was not used, from your point of view, in the Commonwealth deciding to sign up—

Mr Pratt: From our point of view, the evaluation was completely irrelevant to this arrangement.

Senator WATT: Completely irrelevant to the agreement?

Mr Pratt: Yes.

Senator SIEWERT: Why did you bother releasing it, then, when it was of such poor quality?

CHAIR: It being 6.30, we will break now for dinner.

Proceedings suspended from 18:30 to 19:31

CHAIR: We will reconvene now. I understand, Secretary, that you have a clarification.

Ms McDevitt: I have a couple of things. Firstly, in terms of how the WA evaluation was funded, it was paid for out of the COAG Reform Fund. To confirm the numbers that were used for the evaluation, there were 21 participant interviews, nine provider interviews and 44 provider responses—to a total of 69 survey requests. At that time, which was around June 2016, there were about 5,000 eligible participants in Western Australia. Of those, around 4½ thousand had plans.

CHAIR: Thank you very much. We will go to Senator Siewert first.

Senator SIEWERT: The former chair of the NDIA board made some comments yesterday about the WA trial. Have you had an opportunity to look at those comments?

Ms Hand: Yes.

Senator SIEWERT: Are the comments that he made accurate?

Ms Hand: I do not have a copy in front of me at the moment. Without being able to have another look at it, I cannot really say.

Senator SIEWERT: Are you going to have an opportunity to look at it? It is a bit silly for me to ask whether you are going to have an opportunity to look at, when we are sitting here.

Ms McDevitt: We have not analysed it in detail. Some of it is factual and some of it is opinion. Some of the facts about the payment of administration costs go back to the conditions that Mr Pratt mentioned before. So they can be confirmed, but others are opinions and we would not be able to confirm them.

Senator SIEWERT: Can you confirm that the facts basis is correct?

Ms McDevitt: Which particular one? It is a several-page document that I have.

Senator SIEWERT: The comments about the overall costs.

Ms Hand: Why don't we tell you the terms of the agreement, and I think that will answer the questions for you.

Senator SIEWERT: That would be appreciated.

Ms Hand: It is a three-year agreement, so it will be in transition in July. They will achieve full scheme based on the current agreement in July 2020, with 39,000 participants by full scheme. The scheme will be governed by state legislation, which will mirror the national NDIS legislation. There will be joint governance, and the Commonwealth will have a say in board members. There will be—this is really important—national consistency on key policy elements: portability, accessibility, eligibility, choice and control. The Commonwealth will fund about 40 per cent of average package costs and the NDIS authority in WA 60 per cent. WA will fund 100 per cent of administration and operating costs. The Commonwealth will fund a maximum of 25 per cent of the risk of any increase in cost overruns—higher costs with participant numbers and average package costs.

Senator SIEWERT: One of the points that Mr Bonyhady makes is the issue around the number of participants. He argues—and it is not a new argument in WA—that there are potentially more participants than the current 39,000.

Ms Hand: Actually, at the moment, based on what both the Commonwealth and WA thought would be the number for full scheme, it is lower than what we originally thought. That is not to say more might manifest, but at the moment it is lower than what we thought.

Senator SIEWERT: I have heard various reasons for why it might be lower than what you thought. I think there are arguments either way on that one at the moment. But, if it is higher, and if the people talking about it potentially being higher are correct, that means Western Australians pay 75 per cent of that.

Ms Hand: Western Australia would pay 75 per cent of that.

Senator SIEWERT: Across the board for all the costs?

Ms Hand: Yes.

Senator SIEWERT: In terms of the 40-60 split, what are the other states?

Ms Hand: It is the reverse. So the funding arrangements are completely the reverse.

Senator SIEWERT: How much is it expected that the Commonwealth saves by WA funding the administration?

Ms Hand: I cannot comment at the moment. Obviously there is a saving compared to having the NDIA run it, but I do not have that number. We can come back to you on notice.

Senator SIEWERT: Could you take that on notice for me, please?

Ms Hand: Yes.

Senator SIEWERT: In terms of national consistency, one of the issues that has continually been raised with me is the issue around portability. I am sure it has been raised with you. Can you take us through how that is going to operate and the confidence that Western Australians and people in the east can have if they are coming to WA.

Ms Hand: One of the things I said before is that the key fundamental objectives of the scheme as defined in the act will be mirrored in state legislation, and they do go to things like choice in control and access and all those fundamental principles. So that makes it more portable. The other thing is that the WA scheme will still be part of the Disability Reform Council process. They will still do all the normal reporting of quarterly reports. We will share data and there will be joint governance with the Commonwealth. So we will be able to monitor very closely that the scheme is mirroring basically the NDIA elsewhere.

Ms McDevitt: The key thing is that they have made a commitment that the legislation will mirror those core elements of the NDIS Act. By 'mirror' it means it has to be exactly the same.

Senator SIEWERT: Have you seen any draft legislation yet?

Ms Hand: No.

Senator SIEWERT: Will you be able to comment on draft legislation?

Ms Hand: Yes.

Senator SIEWERT: What powers do you have to enforce?

Ms McDevitt: It is in the agreement.

Senator SIEWERT: Okay.

Ms McDevitt: Sorry, we have no powers to influence the legislation, but the agreement says we will be consulted on legislation.

Senator SIEWERT: Okay, that is an important difference. Sorry, I did not ask the question very clearly. What I meant was: what powers do you have to ensure that, if you are not happy with the bill, the changes there do what the agreement says that you can do?

Ms McDevitt: In the bilateral agreement, it says that we will see the draft legislation. It also says that if the agreed conditions are not met in full, then the Commonwealth could withdraw from the agreement.

Senator SIEWERT: So, if you are not happy with it, you can withdraw?

Ms McDevitt: It is actually stronger than that. For example, if they have made a commitment to replicate parts of the legislation and we consider that the conditions referred to before have not been met, then the agreement—which is not a legally enforceable agreement; it is a bilateral agreement between governments—includes clauses that the Commonwealth could withdraw from the agreement without the usual withdrawal processes.

Senator SIEWERT: I have got some answers to questions on notice that I would like to follow up. SQ16-000408, where I was asking about the time line for the review of funding for the peak disability groups. In answer, you said, 'The Department of Social Services has engaged an independent consultant,' to conduct a review; and that, 'The Review will inform planning,' for grants selection processes; and that there has been, 'No decision made on the

levels of funding beyond June 2017.' Obviously, this is one of the funding areas that winds up in 2017. What is the progress of that review and when will you be making a decision?

Mr Christian: The review of the peak body funding model is very close to being completed, and we expect, very shortly, to be talking to the bodies that were funded under that peak funding model. Just prior to Christmas, I did write to each of those organisations to advise that the report would be finalised early in the New Year and that they would be advised of funding, beyond 30 June this year, early in the New Year. We still expect that to be the case. In the next few weeks, we should be in a position to be sitting down with those peak body funded organisations to talk about the review and also about their funding beyond 30 June this year.

Senator SIEWERT: Will you be releasing the review publicly?

Mr Christian: Not at this stage. It is likely to be involved in deliberative decisions for government.

Senator SIEWERT: Do the organisations involved get to see it?

Mr Christian: We will be talking to the organisations that were funded about the review report and going through the review report with them.

Senator SIEWERT: There is a difference between going through the report with them and giving it to them. Will they be given a copy of the report, and why won't it be released publicly?

Mr Christian: I answered the latter question earlier. It is subject to advice that we need to provide to government and government decisions to be made.

Senator SIEWERT: Sorry, but there are plenty of other reports that are released publicly where the same thing applies. What is there to hide by the fact that just because you are making a funding decision based on it, you cannot release what the review has found about the work of those organisations?

Mr Christian: The review goes broader than the funding; it goes to how the model has worked during the period that it has been in place, as well as options for future peak body funding arrangements.

Senator SIEWERT: That is the nature of things I was presuming. What is wrong with the public knowing about that?

Ms Hand: What Mr Christian is saying—if you do not mind, sorry James—is we talk about forward policy that we want to inform our government minister about, and frankly we have not consulted with our minister's office about it yet, so at this stage we are not intending to release the report.

Senator SIEWERT: You are not going to release a review of the peak organisations—a change largely driven by the government—to the public or the organisations?

Ms Hand: We have yet to talk even to our minister about the report, because we have literally just received a draft.

Senator SIEWERT: I realise what you are saying, not that I necessarily agree with it. Given your position not to release it while you are still advising government, will it be released when you make the decision, so that people can have a look at what the review says and the decision that the government makes?

Ms Hand: Because it is still in draft form, we actually have not got a formal decision on that yet, and we have not consulted with our minister's office on that yet.

Senator SIEWERT: I will follow that up in May. In the meantime, Mr Christian, my original question was: will organisations that are involved be able to at least see it, or will you provide them summaries of what it says?

Mr Christian: We will be going through, discussing and clarifying with the funded bodies their views about the review findings, which is another reason we would not release it before giving them natural justice to respond.

Senator SIEWERT: I was not necessarily arguing that it should be released before; I understand issues around natural justice, which is why I was asking whether they will get to see it properly.

Mr Christian: They will get to see the executive summary.

Senator SIEWERT: You say you have a draft. Are you giving the organisations, in view of natural justice, an opportunity to disagree with some of the findings or to at least comment on them?

Mr Christian: Part of the process for us will be to sit down, once the report is finalised, with the affected funding bodies, talk about the review findings and then take on board their responses before finalising the report.

Senator SIEWERT: I will follow that up in May, because by then you will have made the decision. I am presuming there will be budget implications and so it will be contained in the budget.

Ms Hand: There may. It depends where we go with it, so I cannot really make that comment.

Senator SIEWERT: I want to go to the response from the government to the Senate inquiry into young people in nursing homes. I will start but I know Senator Reynolds has lots of questions, so I will handover. Part of the Senate inquiry was a recommendation for a national rehabilitation strategy. This was not supported. If that approach is not supported, what kinds of skill development and independence training programs will be funded? This is both to the department and NDIS. The department drafted the response, I presume, to the Senate inquiry.

Unidentified speaker: Yes.

Senator SIEWERT: In that response, did you rely on the information from the NDIS?

Ms Hand: We consulted the NDIS.

Mr Christian: Senator Siewert, can I just point out that, in terms of that particular recommendation, I think they are also direct implications for Health. In leading the government's response, we did consult with the Department of Health, ABS and the Department of the Prime Minister and Cabinet. But that particular recommendation, I think, does go directly to the Department of Health and their portfolio.

Senator SIEWERT: Rather than the NDIS, are you saying?

Mr Christian: In terms of the government response—yes. That was one of the areas that we consulted the Department of Health.

Senator SIEWERT: Okay. I will put that on notice. There was basically no real development of okay, 'Well, if you're not going to do that, what are you going to do?' Can I ask the NDIS then: what kinds of skill development and independence training will there be for young people in nursing homes?

Mr Bowen: We have been doing some work and engaging with the Summer Foundation and the Young People in Nursing Homes National Alliance—can we mention at this point that Dr Bronwyn Morkham of that alliance is in the audience tonight—to do work to inform us in terms of engagement with young people in nursing homes by pre-planning and then looking at options to exit nursing homes, moving into more appropriate accommodation. At the moment, where we have a young person identified in a nursing home we are using specialist agency planners to work with that person. As part of the funding package—bearing in mind the NDIS does not pay for the residential component provided through the aged-care system—we do pay for a specialist plan support coordinator. That plan support coordinator will then work with the person around their options. And if that includes looking for different housing options, which we expect it will in many cases, then that becomes the critical part of the planning. Although we also recognise that there is a significant shortage of appropriate disability housing. But with the specialist disability accommodation component now coming into operation from 1 July next year, there are increasing options there. It is increasing the option that developers and builders will be building more accommodation so that we can address that component of it.

Senator SIEWERT: I appreciate what you have said about agency planner, but will there be some specific programs for skill development and independence training?

Mr Bowen: The best analogy I can use is: we have had a developed program over the trial working with people exiting from institutional settings. As a person exits that institutional setting and moves into more appropriate accommodation, in that accommodation the very big focus of the supports is upon increasing a person's independence, their independent living skills and their opportunities to participate in the community.

We have had some good successes there with people who have had long-term institutional living prior to entering the scheme and, so we see that as an area where the agency itself is building up considerable expertise to be the provider of that type of support to people entering the scheme with very high complex support needs.

Senator SIEWERT: I vividly remember the evidence that we received about brain injury—ABIs—and I am sure others that were there remember. The point that was made was that there is evidence of the success of some of that long-term rehabilitation, particularly, for ABIs. That just triggered the comment you made about putting it into a health issue. One of the things with ABIs is, very often, they fall between the stools and they often miss out. Specifically, I would like to know how you are handling, particularly, the longer-term rehabilitation that extends beyond—I remember the evidence suggesting, or saying, that quite often funding is not available for the full rehabilitation because of the length of time that is needed.

Mr Bowen: I could indicate I have a very strong personal knowledge over many years of the slow-stream recovery that is necessary for people with a brain injury. Generally, we would accept that the nature of the therapies and supports that a person needs once they exit a rehabilitation hospital would be provided by the NDIS, because, even though it is still

progress towards recovery, it is more about maintaining and assisting a person to live in the community.

However, there remains a grey area around post-acute rehabilitation in terms of what could be provided by state governments and the hospital systems. The knowledge of this is very clear that rehabilitation in the community is a better option to assist people, yet often, it is only provided in the hospital setting in a specialist rehabilitation area. We are reluctant to step into that space because the tendency is, with all of these interfaces, as the agency steps in, the other areas step back from it. So our starting point would be an expectation that state governments, through their hospital funding or hospital system operation, would be providing appropriate rehabilitation. As a person moves to live in the community, we will provide the supports that may be akin to rehab but are about supporting the person in the community.

Senator SIEWERT: I am sure Senator Reynolds will be going where I was about to go.

CHAIR: I am positive of that.

Senator REYNOLDS: Absolutely positive; I am, Senator Siewert. Thank you very much, and it is good to see you all again. I have one issue, and that is the issue of young people in aged care. Because this is going to be a recurring theme every estimates and into the committee, I have a whole series of questions here. Some I am happy to absolutely take on notice, but it is in a structure that the committee and I are interested in, so that for the next estimates you know what we will be asking and we will not have to reinvent the wheel. You might find other ways of getting some of this data to us, because a lot of it is data-driven. If you bear with me, we will systematically go through the questions and issues.

Mr Pratt: Thank you, Senator. That is a very useful approach for us.

Senator REYNOLDS: I have some suggestions as well that have come from a lot of the advocates, engaging further in what we could perhaps do over the next six to 12 months to speed the process up within the current COAG framework, so bear with me over the next 20-plus minutes.

CHAIR: Twenty flat.

Senator REYNOLDS: My time starts now?

CHAIR: It does—it did.

Senator REYNOLDS: My first question is in relation to the numbers. The last total numbers we had in aged care that you provided were just over 6,200. And, I have to say, having those figures, we on this side and all of the advocates found it extremely helpful. Can you give us a quick breakdown now of national or, on notice, national and by state, and we will ask the same thing as we go forward to the next estimates.

Mr Bowen: I can indicate that at the end of January we had 374 young people in residential aged care with the plan, and another 97 who had been found eligible but did not yet have a plan. I do not have either jurisdiction or regional breakdown, but we will endeavour to get that.

Senator REYNOLDS: Can I give you a list of figures we will be asking you about on notice? Then we can come back to them.

Ms Hand: I believe Mr Christian has them.

Mr Christian: Data provided by the Department of Health indicates that, at 31 December 2016, there were 6,225 young people aged under 65 receiving permanent residential care. This comprised 526 people, or 8.4 per cent aged, between zero and 49 years, and 5,699 people, or 91.6 per cent, aged 50 to 64 years. It is likely that these residents will be eligible to receive support under the NDIS at full scheme. That goes to some of the figures Mr Bowen has just quoted. I do have a breakdown by state.

Senator REYNOLDS: I would appreciate if you can table that tonight, rather than going through the numbers. On notice, are you able to break those down by federal electorate?

Mr Christian: They are figures we can try to get from the Department of Health.

Senator REYNOLDS: I had an unsuccessful attempt last night with Health, so I am happy to put them on notice either way, or if you can liaise with health.

Ms Hand: Normally we would break it down by trial site.

Senator REYNOLDS: They are the first lot of numbers. Are you able to break them down by the condition which has led them to be in an aged-care facility? Obviously, some people have had an accident or an injury and are on a slow-stream rehab process into aged care. Senator Siewert mentioned acquired brain injuries, and we have people who have congenital illnesses, and a lot of them are on stabilisation or are on a degenerative pathway to palliative care. There are others who have had an accident and who are on a slow-stream rehab. There is the whole range, and that information is quite critical to start working out what their housing requirements are going to be, where they are and whether it is actually high-need care or palliative care.

Ms Hand: Until they transition into the NDIS, the Department of Health holds that data. Obviously, as they transition across, we will be able to access that data. One of the things we have been working on since the last estimates is working with the Department of Health to get a really granular understanding of the data. That is a work in progress, but it is much more advanced than it was when we last spoke.

Senator REYNOLDS: That is very good news.

Mr Bowen: If I could add, for people who become participants in the scheme, the agency, recognising the importance of this issue, has decided, from the next quarterly report, that it will include young people in residential aged care as a category. You will be able to look at that by all of our other indicators, like the disability type, age type and location.

Senator REYNOLDS: As of this month, you said 374 now have a plan and 97 are eligible for a plan and are going through that process. But I think at the last estimates you said that, by the end of June, your plan was to have 2,000 of this cohort.

Ms Hand: Thereabouts.

Senator REYNOLDS: Have you any idea how many you are likely to achieve? It looks to be around the 500 or 600 mark, rather than the 2,000.

Ms Hand: No.

Ms McDevitt: No. That was the estimate that, adding up all the agreements we have with states and territories, we would have around 2,000 by the end of this financial year. Then we would have around 72 per cent of the total number by the end of the next financial year.

Clearly, the transition has been a little bit slower, and, as Ms Hand said, we are still working with Health to really get all the data needed.

As Mr Bowen said, we are hopeful to have that sorted out reasonably quickly. I do not know, and I cannot say at this point in time whether we can catch up by then. It will be a challenge to do that, but we will certainly aim to get back on track very quickly.

Senator REYNOLDS: I think we would appreciate this: could you update this with the next lot of regular data in terms of how many have got plans and how many are in the process of getting plans? And then could you estimate that forwards, with the total number of people in aged care? Unfortunately, people are now coming in the trial sites backing in behind those who are leaving—I will come to that in a minute. Could we have updates every estimates—or periodically—on how many you are forecasting? You have some idea of how long it is taking, and presumably you get efficiencies as you go forward. But the last estimate—based on the 2,000—was that it would take nearly three years to get people enrolled in a plan. Based on the YPRAC experience, it can then take another 18 months to two years to start getting people out of aged-care facilities. So, even on that optimistic number of 2,000, you are still looking at having a large number of this cohort in aged care for the next five-plus years. If that does not speed up, then that is a horrible message for any 20-year-old in aged care today: to think that they might be there for another five years. And as we know, a lot of the relatives will have given up hope by then, or may not be with us any more.

Ms Hand: We absolutely cannot promise this, but one of the things we are keen to do as we get better data is to fast-track young people in residential aged care out. I think we spoke with you at the last estimates about changes that are required to the Aged Care Act, which is a barrier. Once those changes are made, hopefully at the end of March, the data and getting rid of that barrier will make it much easier, and we are very keen to engage the states—and obviously that will be an adjustment to phasing, so we would need their agreement and we would need to look at the funding implications—to see if we can actually fast-track.

Senator REYNOLDS: We have talked about this cohort—we know who they are and we know where they are, and there are actually priority places now in the program. Was there a list? Was it 72 or 73 priority categories that get automatic—

Ms McDevitt: Yes, they are people in defined programs.

Senator REYNOLDS: Given that the summer trial showed that, I think, 98 per cent were eligible, is there any way to work with the states to get this cohort—or even the cohort that is, say, under 50, which is a much smaller number—as a first group into that category? Because I understand that when the states' plans come in, there are enough positions for that cohort, if they were categorised as such.

Ms McDevitt: Can I clarify what we will do during transition, which is the three years you referred to—we do not think it will be possible to make changes to the Aged Care Act, but we have agreed that we will work with that, and that is partly why we are putting arrangements in place so that the NDIS Act and the Aged Care Act work together, and to determine what the NDIA will be funding et cetera. So that is the detailed work, as well as actually getting all the data on the participants. The next step, as Ms Hand said, would be— young people in residential aged care is not a program in the sense of the other defined programs, but what we would aim to do would be to agree phasing arrangements. Under the

NDIS Act, we have rules and we have phasing rules, and that is where we set down in a legislative instrument how people will come in. We would be aiming to agree with the states and territories, so we would need to work with them about how we may bring people in, in that way. And the NDIA works on that basis then.

Senator REYNOLDS: Can I perhaps ask you to take on notice to provide a little more information on that process? I think it would be interesting for us, but also for the applicants and people that work in the area, to get a little more clarity on how that is going to work, in terms of the phasing and the timing. Is that possible?

Ms McDevitt: At the moment—as you have said, Senator—with all potentially eligible people, the agreements with states and territories are either over a two-year period or a three-year period, depending on the jurisdiction. Within each of those bilateral agreements there are certain ways in which they have been established and modelled, and they are within phasing rules. Generally, people in supported accommodation come in early, but that is usually early within a quarter or within a year. But it is still over the period, so it is still over the two- or three-year period of that transition agreement. Because, in many cases, the agreements are based on geography. So in New South Wales, it is location by location; or in Queensland, for example. So that is the way they have been set up now.

Senator REYNOLDS: We are looking at three to five years for a large percentage of that cohort to actually even start getting a plan together to start looking at getting out of aged care. One of the things that strikes me now is, in the Barwon trial site, 100 people, I understand, came in behind 130 who went out. Have you started working with the states—I know you did not approve of the rehab situation—to start doing some triaging or intervention at that point with perhaps the ACAT teams, perhaps with the NDIA to actually stop young people going into aged care so we can start reducing the cohort, so as they go out they do not come back in? Have you started perhaps forcing the states and territories to do more in terms of that slow stream rehabilitation in particular?

Mr Bowen: In our regional offices, we have agreements and contact with the local area health services that should involve the agency at the point when discharge planning may be occurring for a potential new participant. But unless we have an alternative location for that person to live, it will be the decision often of the rehabilitation physician and the family in trying to find a location for that person to live until such time as they are entered into the scheme and we can find some appropriate housing. We are not always included in those discussions as much as we would like to be.

Senator REYNOLDS: To be quite brutal about it, if the ACAT team was brought into those discussions, if the recommendation was that for someone is 20, 30, 40 years old who actually needs slow stream rehab or some other sort of medical assistance or rehab, could the Commonwealth force the states to actually find some other alternative? Otherwise, if you have to, on compassionate grounds, keep people in aged care, can they be enrolled in the NDIS immediately so at least in the aged care facility they are getting the support they need and a visible pathway back out again? Are either of those two options possible?

Mr Bowen: The earlier the contact with the agency, the more we can explore options for the person to live other than in residential aged care. We do have to be careful around stepping into rehab at a point where a person may not have achieved recovery and therefore have been retained in the community. Otherwise, I conceded earlier, some of that slow stream

recovery is about maintaining the person in the community. There are many conditions where there is insufficient or inadequate rehabilitation in the health system. Young people who are stroke victims hardly get any rehabilitation at all and they are discharged in the community. We are not in a position to assess whether they meet a permanent disability requirement often until at least 12 months after that discharge because recovery is so uncertain and that is true often in the case of brain injury, so we stepping into what are pre-existing service gaps between disability and health services.

Senator REYNOLDS: Do you mind taking it on notice to provide a bit more detail of some of the issues there. I will certainly pursue it with health. While brutal, the Commonwealth government said they are actually not suitable for aged care, and we are not going to give them an ACAT assessment and a pathway into aged care. Do you have any comments on that?

Ms Hand: Mr Bowen has said that we would need to be absolutely sure there was somewhere for them to go. As you know, the stock of specialist disability accommodation is tight. The agency and others are trying to build that and I am confident it will happen but there is the issue of where do they go in the short term.

Senator REYNOLDS: A number of the advocates and a number of individuals have raised with me that one of the financial hardships when coming out of a care facility or specialist housing into aged care is that people will be on a DSP mobility allowance and quite often rental assistance. Then they get moved into an aged-care facility and they get the pension. So they lose 85 per cent of that to the facility. A lot of people have a public trustee, so they have public trustee figures to come out of that. They are then left with about \$20 to \$25 a week. There is a lot of evidence showing that a lot of them going on the pension are significantly financially disadvantaged. They do not even have enough money to get a taxi to go and do anything. Has anyone looked at that as a policy issue in terms of putting these young people on a pension and then being subject to the same financial constraints that an elder person is subject to?

Ms McDevitt: Are you referring to young people who might be on the disability support pension going into residential aged care and are subject to the Aged Care Act and the means testing?

Senator REYNOLDS: Yes.

Ms McDevitt: That would be a question for the Department of Health, who understand how that works. Because it is means tested, people who are on low incomes would therefore not be paying as much.

Senator REYNOLDS: There are a lot of cases. If they have been on disability support, mobility allowance or rental allowance, it is not a luxurious life but at least there is more financial support than when they go into an aged-care facility and go on the pension and lose 85 per cent of it. Everyone's circumstance is slightly different, but it seems to be a very common hardship, particularly if you have no other means of income and you are permanently disabled. From an anecdotal report, that increases mental illness, a sense of isolation, self-harm and sometimes suicide, because they have no money and they are stuck in the facility with people who are last few days, weeks or months of their lives. And at the moment we are saying to these people: 'Some of you will have to stay there for another five

years.' I have some suggestions—and I am happy to give them to you—about what we might be able to do to speed up the process. But what I am trying to get at is how we get Health together with DSS, the NDIS and state departments and just turbocharge this for that small number of people.

Senator CAROL BROWN: I want to go back to the agreement with the Western Australia government. I note that Senator Siewert asked a question about administrative savings with the Western Australian NDIS. Can you give me the overall figure of what the Commonwealth will save as a result of this agreement with Western Australia?

Ms Hand: We have already had that question and we said that we would have to take it on notice.

Senator CAROL BROWN: You must know the difference in the Commonwealth's expenditure on the NDIS as a result of the agreement with WA as opposed to a fully national scheme. You must have some idea.

Ms McDevitt: Without having the actual savings amount, fundamentally the participant package costs, where the Commonwealth pays 40 per cent and the state pays 60 per cent, that is the same across all states and territories. The difference in Western Australia is that WA will pay 100 per cent of the administrative costs. So we would provide operational costs to the NDIA. We will not be providing that—

Senator CAROL BROWN: I understand—and you did set that our previously. But you must have some understanding of the dollar costs.

Ms Hand: As I said earlier, we do not have that actual figure here, but I said that we would take it on notice and provide it.

Mr Pratt: You are correct: we would have some idea of that and we will take it on notice.

Senator CAROL BROWN: Why do you have to take it on notice if you have some idea about it?

Ms Hand: There are many, many figures associated with the NDIS. I look at millions of figures every day.

Senator CAROL BROWN: But this is a negotiation that you have been having with the Western Australian government for a very long time. I am surprised, given what has been released in the media, that you have not come with some more information for questions about Western Australia.

Mr Pratt: Apologies for this. Yes, we can calculate what the difference is between what was originally anticipated and what will occur under the new scheme, but I do not think any of us has that figure on the top of our head.

Ms Hand: I should say, Senator, that what was originally provisioned for by the Commonwealth four years ago that has changed because, as I was saying earlier, the participant numbers are lower than was envisaged. There are a range of ons and offs that we need to look at.

Senator CAROL BROWN: Do you have any idea how much it will cost Western Australia to run their own scheme?

Ms Hand: They have not shared that with us.

Senator CAROL BROWN: Earlier you did go through a breakdown of costs, but can you do so again so I can get it clear.

Ms Hand: We have already said on the record that the Commonwealth will pay for 40 per cent of our bridge package costs and the Western Australian independent authority or whatever they set up will pay for 60 per cent; that Western Australia will pay for 100 per cent of administration and operating costs and the Commonwealth will only fund up to a maximum of 25 per cent of the risk of any overrun with package costs et cetera.

Senator CAROL BROWN: Was any consultation done with people with disability prior to the bilateral agreement being signed?

Ms Hand: We negotiated with Western Australia, but of course the Commonwealth and jurisdictions in any negotiations have a range of input to final decisions. We have been talking earlier about the evaluation—not that we used that in this particular case. We get intelligence all the time; we meet the stakeholders, the NDIA gets intelligence so, yes, those are all inputs to final decisions.

Senator CAROL BROWN: The bilateral agreement indicates that, in having a state-run scheme, the Western Australian government will have to take on the additional costs such as costs of overruns and administrative costs. Can you tell me on notice, unless you are able to tell me now, the estimated cost that the scheme will run to per annum for the Western Australian government?

Ms Hand: Western Australia has not shared with us what they think the cost to them will be.

Mrs McDevitt: The bilateral agreement has the contributions to the package costs; that is documented in the bilateral agreement, but not for the Western Australian government's administrative costs.

Senator CAROL BROWN: They do not appear to share very much at all. What about data sharing between the state and the national schemes to ensure national consistency and quality? We have heard about portability.

Ms Hand: You would probably have seen that in the bilateral agreement there is a very strong provision that Western Australia and the Commonwealth have agreed there will be data sharing, because we need to have that to get a national picture.

Senator CAROL BROWN: Will the NDIS Act have to be amended?

Ms Hand: No. Actually, there may be some consequential amendments, but the key thing here is that Western Australia will be introducing their own state legislation that will mirror the NDIS Act. We spoke about this earlier.

Senator CAROL BROWN: I am sorry; I may have been out of the room. So there will be only minor consequential amendments to the federal legislation?

Ms McDevitt: No, there may be some Commonwealth legislation that refers to the NDIS Act, and once Western Australia has their own act it may need to refer to that as well.

Senator CAROL BROWN: So there might be then—or there will be. Can you take on notice what that might entail?

Ms Hand: Yes.

Ms McDevitt: Yes.

Senator CAROL BROWN: You talked about the number of estimated participants in the WA scheme being lower than was first expected. What figure are we talking about now?

Ms Hand: I said that earlier too. I said 39,000.

Senator CAROL BROWN: That is the figure now, but that is not what DSS expected previously.

Ms Hand: When the Commonwealth and WA were negotiating for the trials four years ago, we thought the number would be higher.

Senator CAROL BROWN: What data is that 39,000 figure based on?

Ms Hand: The latest intelligence we have on people with disability, projections of new people coming in, a range of data inputs plus advice from the Australian Government Actuary and other people.

Ms McDevitt: And the WA government's actuary as well.

Senator CAROL BROWN: Is that data provided by the WA government? I am sorry, I could not hear.

Ms McDevitt: WA have done some actuarial analysis that said that, based on trial experience, they were proposing that 39,000 would be a more realistic number.

Senator CAROL BROWN: The figures that we are now working on are for 39,000 participants?

Ms Hand: That is right.

Ms McDevitt: For the three-year transition period, yes.

Senator CAROL BROWN: If that number were to be greater—like 50,000—you do not have any costs? What was the previous estimate? What did we think it was going to be?

Ms McDevitt: The origin estimates were around 46,000.

Mr Pratt: Chair, I have a document to table, with your permission. It is the policy hack participation deed that we talked about earlier. I should mention this was accompanied by a verbal briefing with participants around expected behaviour in terms of confidentiality, privacy and so forth.

CHAIR: Excellent, that would be of value. Thank you, Secretary.

Senator CAROL BROWN: Regarding the question I asked during the discussion prior to dinner break, I want to clarify whether your minister, Minister Porter, had signed off on the release of the evaluation.

Ms Hand: Not to our understanding, no.

Mr Pratt: We will correct this on the record, but I believe that he had not agreed to the release of the evaluation.

Senator PRATT: Can I clarify whether it was that he had agreed that it should not be released or that he had not considered the issued?

Mr Pratt: No, my understanding is the minister had agreed that it should not be released.

Senator CAROL BROWN: I want to ask about call centre wait times for NDIS participant.

Mr Tidswell: We have been surging with the number of participants on the scheme. Last year we doubled the number of people on the scheme to over 60,000 by the end of December. As a result, there are more providers in the scheme, and we have continued at pace this quarter as we move, again, to put more people on the scheme. In about November last year we had an approach where the contact centre staff were tending just to answer the calls and then pass them on to other staff for further advice. To make sure we could answer as many of the inquiries as possible we decided to provide further training to those staff and access to the operating system so they could answer the inquiries. What has occurred is that the length of calls has increased and that has meant that it has been more difficult for us to manage the demand. We are in the process of working our way through what we can do to improve that in terms of arrangements for advice to our staff, putting some more staff on and having the best ability to provide both participants and providers with the service they need.

Senator CAROL BROWN: Thank you for that. Could you tell me what the call wait times are?

Mr Tidswell: Over the financial year, it is about eight minutes.

Senator CAROL BROWN: How is that worked out?

Mr Tidswell: That is the average speed of answer.

Senator CAROL BROWN: What is the longest and the—

Mr Tidswell: I do not have that information with me. I have quite rudimentary information about the call wait times.

Senator CAROL BROWN: Sorry?

Mr Tidswell: We have quite limited information.

Senator CAROL BROWN: Why is that?

Mr Tidswell: We are trying to get on top of that to get a better understanding of durations of calls, longest calls and when calls arrive. We know, for example, that we get a surge in calls post 10 am. We have opened our call centres from 8 am to 11 pm so we are trying to work through—

Senator CAROL BROWN: But you know that the average wait time is eight minutes. Is that what you are telling me?

Mr Tidswell: Yes. But I do not have the figure for the longest wait time.

Senator CAROL BROWN: Do you know the figure for the longest wait time?

Mr Tidswell: No, we do not have it.

Senator CAROL BROWN: It is not back at the office?

Mr Tidswell: No, it is not.

Senator CAROL BROWN: Really? Then how do you work out the average if you do not know—

Mr Tidswell: We were provided with some information data in February. It gave us the average speed of answer, average handle time—

Senator CAROL BROWN: Who provided you with that information?

Mr Tidswell: The Department of Human Services.

Senator CAROL BROWN: So you could ask them for more information?

Mr Tidswell: Yes. We are actually doing a deep dive on all of the work in relation to call centres.

Senator CAROL BROWN: So you cannot give me the information because you did not ask the Department of Human Services for it?

Mr Tidswell: At this stage we have not asked for that information, no.

Senator CAROL BROWN: What information will you be asking DHS for?

Mr Tidswell: We hope to be given call arrival patterns on the hour for every day that the national contact centre is open. We then plan to do some deep diving and get some quality information about why people are ringing, what sort of issues there are, what we can do to assist, what is the level of resourcing we need, are there better approaches to answering some of the inquiries, what messaging we can put on the IVR so that callers do not have wait on the phone and we are putting in place a call-back mechanism.

Senator CAROL BROWN: Does anyone at the table have figures other than eight minute, and that you have not been provided with anything from DHS other than an average wait of eight minutes?

Mr Tidswell: I can provide you with the average handle time and the average abandon time but the information that you have asked for, which was in relation to the longest wait time, I do not have that with me. We will take it on notice.

Senator CAROL BROWN: But you will seek that information in future?

Mr Tidswell: Yes, Senator.

Senator CAROL BROWN: You are telling me that you have not sought that information?

Mr Tidswell: No, Senator.

Senator CAROL BROWN: Okay. I probably should know this: is the call centre phone number the same for participants and for providers?

Mr Tidswell: Yes, it is an 1800 number. You enter into it and you stream off for general inquiries or you go—

Senator CAROL BROWN: It is one of those where you press 1 or you press 2.

Mr Tidswell: It is through voice and you will be streamed into the appropriate queue.

Senator CAROL BROWN: Yes.

Mr Tidswell: We have a dedicated staff of providers and participants. Sometimes providers also go through the general inquiry line to talk about participants in the scheme as well.

Senator CAROL BROWN: How much does it cost? How much do you pay the DHS to run your call centre?

Mr Tidswell: I am not sure. We are still in the throes of negotiating the total funding involved for it. As we have grown the scheme and worked out the best way to do it, we are in the process of thinking through the volume of resources we will need to provide a good service.

Senator CAROL BROWN: How long have they been taking your calls?

Mr Tidswell: I am not sure. Someone else might be able to tell me when we started the national call centre.

Mr Bowen: We will take that on notice, but it has been at least 18 months.

Senator CAROL BROWN: And you do not know how much you are paying DHS?

Mr Tidswell: Since I have been in the organisation—since the last couple of days of August 2016—we have been progressively asking the Department of Human Services to do more work in assisting us with providers and other provider work and activity for registration, and also in expanding the work that we are doing in the contact centre. It is a conversation we are having at the moment. We are working through those numbers. I do not think we have resolved the exact quantum of resources and, in fact, we are talking to them at the moment about increasing that quantum. It is a work in progress under the shared service arrangements we have with the Department of Human Services.

Senator CAROL BROWN: You might have to explain that to me. They have been operating for 12 months for you, and you cannot tell me how much you are paying?

Mr Bowen: We have a shared services agreement that covers a number of matters with the Department of Human Services. But, when we had significant problems in July, we were able to immediately engage the department to bring in considerable additional resources. You will recall at the time, the minister announced 100 additional staff in DHS and, I believe, in the end, we may have had closer to 200 staff assisting them, but not over a full year. Some of that has changed into other sorts of provider support for a period of time as we got that under control. There is now an ongoing call centre capability.

We are doing that work with DHS in two areas: one is to quantify and settle an agreed amount for all of that additional work in the current financial year; and the other is to get an agreed amount for our estimated volume going forward. But, bearing in mind, in a growing situation, we are still assessing how many of these additional calls to the call centre are going to be a permanent and ongoing feature of the scheme, or if it is still part of the lag on the recovery last year, where people were having problems during November and December.

CHAIR: Senator Brown, we are almost at the end of your allocation of time. One more question, and then we will do the rotation.

Senator CAROL BROWN: I am sorry, just to clarify—

CHAIR: You have had almost 20 minutes now.

Senator CAROL BROWN: I am not arguing with you; I am just asking will the rotation be five, five, five or something?

CHAIR: I reckon about that.

Senator CAROL BROWN: So you will come back to me?

CHAIR: Yes, I will come back to you, bearing in mind, we also have—by agreement of the committee, if you want to truncate the final outcome to make time for your questions, if that is what you want to do—

Senator CAROL BROWN: No, no, I will not do that.

CHAIR: I thought that would work! One more question, and then we will move around.

Senator CAROL BROWN: I have a question that has two parts.

CHAIR: Here we go! Well, ask part 1, and then we will go.

Senator CAROL BROWN: I am going to ask some questions on notice around the call centre, so hopefully you will be able to provide some information there. Can you tell me where the idea came from for 'Nadia', the virtual assistant. How, and by whom, was she developed?

Ms Glanville: Nadia is a virtual assistant. Development commenced probably 18 months ago now. She is a cognitively intelligent emotionally-assisted avatar, and she has been developed by the agency's technology authority with people with disability—an expert group led by Sean Fitzgerald, who himself has a significant disability. The members of that group have worked together to develop her. She is currently in what we would call a training phase. She learns by people asking her questions, so we have her on a secure part of the portal, and that engagement with individuals helps her learn.

A good example of that is that yesterday, Mr Bowen spoke at a webinar, where we had about 2,300 registered participants. All of the questions that come through that will be worked into scripts for Nadia, who will be able to assist people with disability in terms of the questions they have about the scheme. It is an important development, in our view, for really ensuring that people with disability have different ways in which they can seek information and answers to their questions. Nadia is super smart already, and she will become much, much smarter by the time she is formally launched in an online environment in about nine months to a year's time. The importance of her is that she is available 24/7. She is, I am told, omnipresent! I have often asked, 'How much can she deal with at one time?' but she has incredible capability. As has been reported, her voice is the voice of Cate Blanchett, and the actress took that on, as she has herself said, because she has personal experience of disability in her family. Nadia is a terrific example of the way in which digital innovation not only can assist people with disability but can actually begin to transform the way government works. It will be a very good complement to call centres, and it will mean that people will be able to engage with her in real time in their own time. She is incredibly lifelike, and she can recognise emotion, and she knows her own limitations.

Mr Pratt: So we can expect her to be testifying at estimates in the near future!

Senator CAROL BROWN: Does Ms Blanchett get paid?

Ms Glanville: No, Cate Blanchett donated her time to this project.

CHAIR: Very good.

Senator CAROL BROWN: And the last part of my question was: has this sort of virtual assistant been done anywhere else in the world?

Ms Glanville: No, this combination of cognitive intelligence and emotional intelligence, and certainly her design by people with disability, is a first in the world.

Senator REYNOLDS: This is further to what I had foreshadowed. I have been having a talk to some of the advocates. This is such a complex issue. It is a small group of people, relatively, but it is very complex, between different departments and states and territories. I will put these formally as questions on notice, but, if you do not mind—it is bit unorthodox—to speed things up, I have a few areas I just want to run through with you, to see whether these

are things that you could possibly look at as policy options to implement this year. Would you mind handing those around?

CHAIR: Senator Reynolds is tabling a document.

Senator REYNOLDS: I am tabling a document. While that document goes around, I will go through five key areas—and I am sure you will be able to think of some really creative additions to this. The first one is: for this year, how to reduce the bureaucratic hurdles to get into the NDIS and to support young people to facilitate that. There are three initial ideas here. First of all: 'Commonwealth should designate being in residential aged-care a program that makes young people automatically eligible,' as we have talked about before. Then: 'A one-off initiative to get young people in nursing homes connected more quickly.' And there are a couple of ideas there on how to do that. And: 'Additional NDIA training to update NDIS planners on the particular requirements of this cohort.' And then the second point is: 'Bring young people in aged care into the NDIS faster and with a higher priority.' I will not read those out, but there are three options there. The third range is to bring forward support for young people in aged care who live in the last rollout sites—so the ones who are already looking at three years plus to even start. One of the options that has been put to me—and this is not my idea but has been put to me by others—is of bringing forward the housing options package. The clear advice and experience with the YPIRAC program is that with this particular cohort it can take a long time for an advocate to get to the point where they really have a clear idea of what their accommodation or support requirements will be. If you could bring that forward it would also give them hope and see that while they might be in the facility for another three or four years there is an earlier pathway out for them and also some additional support for them.

A fourth issue is to build the capacity of aged care providers; to build their understanding but also the supports that either they or others provide—and a better understanding of what their requirements are, so that for socialisation and mental health—they cannot always provide the rehab or the health care they need. It is about finding some smart ways to bring it all together. The fifth one is to stop the pipeline of entry this year. I know you have talked about some difficulties there, but I think with some smart working group ideas it has to be possible. Again, they are just a couple of ideas brainstormed with the industry. My question with that is, would you mind having a look at these proposals, and if there are any other smart ideas between yourselves and Health and the NDIA perhaps you can report back as a question on notice to these, whether these are viable or not. Would you do that?

Ms Hand: Thank you very much for sharing this with us. We will definitely look at it. Indeed, we are looking at some of these things as a result of questions you have asked in the past. We will absolutely look at these options.

Senator REYNOLDS: Thank you very much. From memory, Mr Bowen, I think that at the last estimates you said that once young people are on the NDIS on a package, if they are still in aged care they would not have to pay any extra fees or charges while they are in the aged care facility. Is that right? I do not want to misquote you. Does that ring a bell with you?

Mr Bowen: Is it in relation to the provision of therapy supports?

Senator REYNOLDS: Yes. RSE fees. 'Young people in aged care would not be required to pay for fees that relate to their care and support in the aged care facility.' Does that mean

they transfer off pensions to the disability support pension plus additional support? How does this actually work? Once they are enrolled and have a plan, how does a payment for the aged care accommodation work?

Ms McDevitt: This is part of the work we are trying to finalise. To be accurate around this, given the complications of some of the aged care supplements and how that would translate, we can take that on notice.

Senator REYNOLDS: There are 374 now do have a plan. Who is paying for the aged care? Are they still on the pension or are they changing over to different payments? Do they go onto disability support or what? Those 374 to start with, while you are working the rest out.

Mrs McDevitt: Being an NDIS participant does not affect whether they are eligible for the disability support pension. I think you are talking about if they come under the aged care act whether they are subject to those provisions. That is a thing—

Senator REYNOLDS: I understand that all of them who have ACAT assessments do go onto a pension. They come off disability support and go onto a pension.

Ms Hand: We will take it on notice. If I understand you correctly, until they move out of the aged care facility, anything to do with being in that aged care facility other than the supports they get through the NDIS remains the same with aged care.

Senator REYNOLDS: Could you take that particular question on notice? I asked a bit of that before, but given that they are still significantly financially disadvantaged by being on a pension and not in the DSP with other allowances that they have had in other facilities, could you unpack that for us?

Mr Pratt: Certainly we will take that on notice. That is actually a bit of a mystery to me, because if they do not qualify for the age pension by age, I am not sure why they would move from DSP to it, given that the amount is the same. So we will—

Senator REYNOLDS: If you could. That is the advice we have had from people who are actually in the facilities.

Senator SIEWERT: I will whizz through a couple of things I want to address, then I have a number of questions I will put on notice. Can the department confirm that children receiving support through Helping Children with Autism and Better Start for Children with Disability who are not eligible for the NDIS will continue to access support through these existing programs?

Ms Hand: In the short term, yes, but I will hand over to Mr Riley.

Mr Riley: If you are a current participant in those two programs, until such time as you have a funded NDIS package you remain in those programs, subject to the usual eligibility criteria.

Senator SIEWERT: I thought that was the case, but I am specifically asking about if they do not qualify for NDIS. We are back to that.

Mr Riley: If they do not qualify for the NDIS that does not affect their eligibility for those programs.

Senator SIEWERT: So they will still continue in those programs?

Mr Riley: That is right.

Senator SIEWERT: Are they time limited?

Mr Riley: They are.

Senator SIEWERT: So what happens after that?

Mr Riley: The same thing that has happened historically, which is that the states and territories have the primary role.

Senator SIEWERT: So it is only until those programs run out of funding?

Mr Riley: They have an upper age of the seventh birthday or until the \$12,000 is expended.

Senator SIEWERT: I have to be clear in my questions. I mean, time limited in terms of the funding for the programs.

Mr Riley: The programs will cease at full scheme NDIS. The Commonwealth is developing its position on continuity of support.

Senator SIEWERT: I am getting used to this, because as far as I can tell this is happening with virtually every program where participants are going to the NDIS. There is no position on any of these programs, it seems to me, about what happens to people, whether it be mental health—we had a discussion about this at the last estimates, and we now have a separate inquiry into this by the joint committee into the NDIS—what happens to these other programs? What happens to these children who are not eligible for NDIS but still need a level of support?

Ms Hand: Just to be clear, as Mr Riley said, different Commonwealth programs expire or run out at different periods, but the vast majority are at full scheme. We are actively working on and hope to take to government fairly soon what continuity of support will look like. Let me assure you that we are not just sitting back and doing nothing. There is a lot of work going on.

Mr Bowen: Could I also mention that the agency has established an early childhood early intervention gateway. These children would come in and they would get the support in that gateway. If they had a functional impairment that would require either an early intervention or a permanent package, they would get it, but one of the early learnings out of the scheme during trial is that a diagnosis is not a very good indicator of functional support need or even the level of development of the child.

Senator SIEWERT: I am aware of that and we have talked about this before. Can I go to housing. I am aware of the discussions about the bigger picture just then. Can I ask about the specialist disability accommodation funding and the position that was supposed to start on 1 July 2016?

Mr Bowen: This is agency from 1 July under a direction that I gave to my staff, including funding in people's package where they would qualify for specialist disability accommodation we are setting up so that providers of accommodation could enrol their houses and register as specialist accommodation providers. All of that has been happening. My direction has now been superseded by a rule made by the Commonwealth and all the state ministers. So it is all systems go.

Senator SIEWERT: How much has been spent in the first seven months since then?

Mr Bowen: We will take on notice the amount that has been committed in the plans.

Senator SIEWERT: I should say committed.

Mr Bowen: We will come back to you on that.

Senator SIEWERT: I notice you said 'committed' rather than 'spent'. I understand the difference, but, specifically, has the money actually started flowing?

Mr Bowen: A significant component of the Specialist Disability Accommodation funding for the people who have entered in the first two quarters of the scheme was for people who were getting in-kind support from states and territories. In that sense it is coming off an in-kind contribution from the relevant state. The amount spent otherwise would be very limited at this stage. I am not sure whether we have had any invoices at all from providers for SDA.

Senator SIEWERT: I will come to that in a minute. How many new properties are there?

Mr Bowen: I will take it on notice and give you a breakdown of the information we have on the enrolled properties. I suspect that there are very few new builds, but there may be properties that are newly being used to provide housing.

Senator SIEWERT: Could you take on notice what is a new property in that context and also if there have been any new builds.

Mr Bowen: Yes.

Senator SIEWERT: I want to go to the point you touched on about whether any invoices have been raised. I am given to understand that there is in fact an outstanding claim of \$150,000 for the Newcastle area—for the Hunter, so that is the Newcastle area. Could you confirm whether in fact that is the case?

Mr Bowen: We will have to take that on notice, and quite possibly I will need more details of who the provider is and what the circumstances are. To be able to claim SDA there need to be three things in place: funding in the package of the person who is living in the house; enrolment of the house as meeting the STA criteria; and the provider of that support needs to be registered. It is only when all of those conditions are met that a claim for payment can be made. If we can get some detail from you we will investigate any outstanding claim. Generally, we have an extremely quick turnaround time on claims made through our system.

Senator SIEWERT: If you could take that on notice. If it has been, that is great; if it has not been, could you give me the reasons why against those criteria you have just articulated. How is this process going to work in WA?

Mr Bowen: It is not a matter for the agency to answer that question.

Senator SIEWERT: Could we take it on notice, then. This is the Specialist Disability Accommodation funding. How is it going to work in WA?

Ms Hand: We have yet to work that through.

Senator SIEWERT: So you have signed the agreement and you do not know?

Ms Hand: There is a range of micro policy design stuff that needs to be worked through.

Senator SIEWERT: This is a comment rather than a suggestion: I would suggest it is not a micro. Take that on notice.

Senator CAROL BROWN: I want to go to the issue of people who have a mental illness who fall outside the NDIS. Has the department done any modelling, assessment or analysis on the number of people.

Ms Hand: As you are probably aware, the Department of Health is responsible for people who have a mental illness, from the Commonwealth perspective, and for people who are not eligible for the NDIS, obviously the states and territories are. Having said that, we spoke at the last estimates, in October, about the fact that we were in consultation with both the Department of Health and the states about mental health and being outside the NDIS. So there are some discussions on that underway.

Senator CAROL BROWN: The Department of Health is the lead agency?

Ms Hand: If someone has a mental illness, at the Commonwealth level the Department of Health is responsible.

Senator CAROL BROWN: What about when we talk about community mental health services like PHaMs. That is a DSS program?

Ms Hand: DSS has four community mental health programs that are transitioning to the NDIS. As you know, in full or in part PHaMs is one of them. At the moment not all PHaMs people have moved to the NDIS and not all will. I will get Mr Riley to comment on that further.

Mr Riley: I am going to talk to you about PHaMs and eligibility. The eligibility criteria for PHaMs are a very good match with the eligibility criteria for the NDIS, though not an exact match. So we anticipate that most of the PHaMs clients will become—

Senator CAROL BROWN: You have done some work on this?

Mr Riley: We have, and we have been looking at those services that are operating in what we would call advanced trial sites that are now eight months into transition. What we are seeing at our service provider level is very encouraging in that regard.

Senator CAROL BROWN: How many people are participating in the PHaMs program?

Mr Riley: There are just over 20,000 people in the program nationally.

Senator CAROL BROWN: How many would be eligible to be part of the NDIS?

Mr Riley: Obviously, each site is going to have its own characteristics, but what we are seeing in those advance sites is that the experience is tracking in accordance with the Productivity Commission's estimates for eligibility into the scheme.

Senator CAROL BROWN: Can you remind me of those estimates?

Mr Riley: There are 64,000 people, at full scheme, who will be eligible by virtue of a primary psychosocial disability, accounting for 13.9 per cent of overall scheme participants.

Senator CAROL BROWN: How many of those people who are participating in a PHaMs program now will be eligible for an NDIS plan?

Ms Hand: The estimate at the beginning of the trial was about 80 per cent and the indications so far are that it is probably going to track close to that.

Senator CAROL BROWN: What about the other programs you operate?

Mr Riley: At the moment, of the four programs that Ms Hand referred to—we have Partners in Recovery and assistance with Day to Day Living in the Community, which are

administered by the Department of Health. They are transitioning in-kind at the moment and I do not have data on the number of their clients who are eligible. The other one is the Mental Health Respite: Carer Support program, where it is the care recipient rather than the client of the mental health respite program who is likely to be eligible for the NDIS.

Senator CAROL BROWN: My problem is that when we ask questions of Health they do not give us any answers and then we come here and—

Ms Hand: We can give you answers on PHaMs and Mental Health Respite: Carer Support, but the Department of Health runs the other two programs.

Senator CAROL BROWN: Is DSS working with the Department of Health in terms of people who require services that fall outside the NDIS?

Ms Hand: We are in discussions, yes.

Senator CAROL BROWN: When can we expect some public information about this—unless you can give me some information now?

Ms Hand: No, I cannot, and I cannot comment on a time line at the moment because discussions are in the very early stages.

Senator CAROL BROWN: Would the discussions include some modelling in terms of working out how many people—I am now just talking about people with mental health issues—will fall outside the NDIS? Are you doing any modelling in that regard?

Ms Hand: The Department of Health and the states are responsible for data and numbers on people who have a mental illness outside the NDIS, not our department.

Senator CAROL BROWN: Are you privy to that information? When you say that DSS and the Department of Health are working together, how is that working?

Ms Hand: We are looking at what the system today looks like outside the NDIS and what might be some options going forward. But I stress that we are not the lead on this because it is not our accountability.

Senator CAROL BROWN: The Department of Health is the lead and they are doing some modelling and some work.

Ms Hand: They are looking at this issue. Whether they are modelling, I do not know.

CHAIR: That concludes our consideration of outcome 3, disability and carers. We will now consider outcome 2, families and communities. We are going to commence on the issue of the cashless debit card.

[21:15]

CHAIR: We will commence consideration of outcome 2, families and communities. Welcome back, Minister. I am sure you are pleased to be here! We are going to commence, I understand, on the issue of the cashless welfare card with Senator Siewert.

Mr Pratt: It is now officially the cashless debit card.

Senator SIEWERT: Firstly, I want to go to the issue of the interim evaluation report. In the last estimates, we spent a little bit of time discussing the existence or the non-existence of a report. At that stage, there was no report, if you remember our discussion. And, yet, a matter of 10 days later there was a report. So at that stage you had not prepared a report, you did not

know where the minister had got some of the information, other than anecdotal information, but you were clear that there was no report. How did it get pulled together in 10 days?

Ms Bennett: Ms Mandla will talk about the evaluation and the timing, and where that was released. We had always explained that there would be a first-wave evaluation. At the point in time when you were asking, we did not have that first-wave evaluation. Ms Mandla—

Senator SIEWERT: Hang on. Let us just make it really clear: the minister had already been releasing information, and there was talk in the media of a secret report or a report.

Ms Bennett: You asked us questions about that, and we were explaining that we did not have a secret report.

Senator SIEWERT: You were explaining that there was no report—

Ms Bennett: But the report that you are referring to is the first-wave evaluation, which Ms Mandla can talk about.

Senator SIEWERT: No. I want to know about the report—the first-wave evaluation is not the report, is it, that the minister released just after estimates? Or is that now classed as the first-wave report?

Dr Baxter: No. I think the report you are now referring to is the report that was released in October as a progress report on the trials.

Senator SIEWERT: Straight after estimates—yes.

Dr Baxter: I think it was a couple weeks later, but it was drawing together—

Senator SIEWERT: I said 10 days. I think it was about 10 days.

Dr Baxter: It was drawing together some of the data that Ms Bennett had referred to at the time, saying that we do collect admin data from time to time on the trial. We are in regular contact with the states on that. So we had a number of data sources but we did not have a single report that was drawing that together. Following the interest in it, there was a decision to release a report, bringing together some of that material. And that was the report that was released.

Senator SIEWERT: Take me through the time frame and who did it in that short time when it went from nothing to a report that was released 10 days later.

Dr Baxter: The team is in a continuous state—I think as we said last estimates—of receiving admin data from the states so we can check on the progress of the trial, so we can look at whether we need to recalibrate the service offer, so we can ensure that things are going well, or if there is anything we need to address. We have always been very aware that that does not constitute evaluation data, because much of it needs a longer lead time. We have continuously fed that through the evaluation team. There was no single report, or single source of truth of that, although we did have a lot of different—

Senator SIEWERT: Sorry. What does a 'single source of truth' mean?

Dr Baxter: We did not have one single source where all of that was pulled together and it was telling a common story. Following the interest in it, the minister made a decision to release a progress report to give some transparency to some of the data that he and others had been discussing. The department then pulled together some of those various pieces of admin data that we had been collecting from the various state departments—and some of it was

related to support services data, as well—and pulled that into a single PowerPoint. That was what was then released.

Senator SIEWERT: So it was a PowerPoint that you pulled together?

Dr Baxter: It was a slide deck with some backup material behind it, I think, at the time.

Senator SIEWERT: Some selected quotes. Who provided the quotes?

Dr Baxter: That was a selection of anecdotal material. Because we have not had the first wave of the evaluation that Ms Bennett referred to, we have relied on the admin data from states as it has come in and also on the anecdotal material that we are gathering from time to time from the trial sites. Some of that comes from community leaders; some comes from our local partners. For us, it has been quite a rich source of information, so we were keen to include that in the progress report.

Senator SIEWERT: So the minister had been quoting that anecdotal information. Did the minister provide that anecdotal information for inclusion in the progress report, or did you provide it to him prior to the release of the report?

Dr Baxter: We meet regularly with the minister and we provide him with information we are hearing as it filters through, so I am not sure which particular source he drew on when he was quoting that in the media, but we certainly are in regular contact with him about things we are hearing both from the admin state data and from on the ground. I am not sure which of that he was drawing on.

Senator SIEWERT: Okay. So you pulled that together after estimates in that 10 days.

Dr Baxter: Yes, that is right. It was not necessarily a particularly difficult exercise, because we did have that; it was just about amassing it and getting the appropriate clearances once we had the go-ahead to do that.

Senator SIEWERT: Did you get the Institute of Health and Welfare or any recognised research body to look over the report for quality, veracity, what data was not in there, what data was in there or the convenient non-inclusion of data that did not support the hypothesis that this is okay?

Ms Bennett: That is a part of the evaluation, of which we can talk about the first wave. As Dr Baxter explained, this was a collection of administrative information and anecdotal information that was put together following that estimate and was provided as progress.

Dr Baxter: And I think we have always been really careful never to pitch that as evaluative. We have always said that it is a point-in-time snapshot and that some of the data comes in on different time frames. Some of it we get six-monthly, some quarterly and some monthly. So I do not believe we tried to pitch it as a fulsome evaluative piece. It was much more like: 'These are the things we are hearing from the states. This is the material that we have at this point in time from the sites.' And we fed that continually through the evaluation team, but we have always been very careful to separate what we are hearing from time to time from the kind of robust evaluation you talk about. Certainly, in terms of how that admin data is being examined for the evaluation—Ms Mandla can go into this in more detail—there is exactly that sort of lens that you are talking about. 'Can you draw a conclusion from this data? What does that conclusion mean?' We have experts on the steering committee for the evaluation who are looking at just that, and for the wave 1 evaluation they are really going to

what conclusions can be drawn from this data given the time frame we are looking at and given some of the limitations in being able to compare. We are very confident that that kind of lens is being applied for the evaluation but not for the progress report.

Senator SIEWERT: Do you intend to do another one?

Dr Baxter: Another progress report? At this stage there are no plans to release another progress report.

Senator SIEWERT: Last estimates you did not have a plan to do it either, but 10 days later there was one, so is there?

Dr Baxter: There are no plans at this stage to have another progress report.

Senator SIEWERT: I will look out in 10 days time, shall I? Sorry, but I found your answers last time and the comments that you made previously about there not being one report and then having one turn up 10 days later made it quite obvious that you did not have a report and were not developing one—unless the answers you gave me last time were not reflecting what you were actually doing.

CHAIR: Questions and answers if we can, please.

Senator SIEWERT: Thank you. The trial is due to finish soon—March and April. Where to from here? Will they be transitioning back to not having to exist on the card?

Dr Baxter: The department has been consulting really closely with leaders and services from both trial communities on how the trials are going and options going forward. Ultimately, it is a matter for government to make a final decision about what happens to the trials from here. We expect that that decision is imminent, but we do not have one at the moment.

Senator SIEWERT: What does imminent mean?

Dr Baxter: Any time now.

Senator SIEWERT: Okay. Does that mean the evaluation is done?

Dr Baxter: The first wave of the evaluation is complete and has initially been presented to the minister very recently, but Ms Mandla can talk to the time frames on some of that.

Senator SIEWERT: I do want to come back to that in a second, but I want to go back to what happens from here. You said a decision is imminent. It is 14 March?

Dr Baxter: That is right. I think that, if you look at the time frames, it is clear that it will be very soon.

Senator SIEWERT: Does that mean that, as of 14 March, people come off the cards and go back to normal?

Dr Baxter: Any decision that the government makes will definitely include provision for transition planning. If the decision was to continue with the trials, there would obviously be a very rapid period of talking to community and explaining to them what that means. If it was to proceed to something else then that decision would need to encompass a period of time for transition planning.

Senator SIEWERT: Shouldn't you be transition planning now given it is less than two weeks away?

Dr Baxter: Certainly the advice we have prepared for government includes scenarios for whether the trial continues or does not continue and what would be the things that would need to be in place. We are really confident that we have the local infrastructure in place to do whatever we need to do with those trial communities, depending on the decision the government gives us. We have local partners in place who can very quickly speak to the people who are on the card and look at what may need to be done. We have our support services in place at this point in time as well. So we are confident that we have scenario planning for whichever scenario might eventuate and we are speaking to the leaders of the communities about those.

Senator SIEWERT: Can you provide the names of the leaders that you are speaking to?

Dr Baxter: Yes, we absolutely can.

Ms Bennett: I think we have provided it previously, but certainly—

Senator SIEWERT: No, I mean now, for this current—you have not provided it now in terms of this particular aspect. I would like to know who the leaders are that you are speaking to in both East Kimberley and Ceduna.

Dr Baxter: We might take that one on notice, because we would have to get their permission to release that.

Senator SIEWERT: So you are speaking to leaders in the community about something that affects everybody that is on a working-age payment in these two communities, and you will not tell me. You have to get their permission. What happens if they say no? Does that mean you will be consulting nameless people in a community about the future of what happens to everybody on a working-age payment in those communities?

Dr Baxter: We are very confident that in both communities the leaders have not only openly supported the trial but have gone out and spoken to the members of the community about it. I am very confident that they would be comfortable with that, but I think that is something that we would need to check with them.

Senator SIEWERT: I have been up in the East Kimberley and I can tell you there are a lot of people who will not be very comfortable with that. It has completely divided the community.

Dr Baxter: I mean I think that the leaders are comfortable talking about the role that they have played in supporting the trial in their community and going out and speaking to community members about it. But I think we could not do that without speaking to them first. In both trial sites, we have been talking to the leadership grouping.

Senator SIEWERT: I do not want to be waiting until a couple of months down the track when answers to questions on notice come back way after the transition-or-not period, so can you get that to us next week?

Mr Pratt: To the extent that we can control it, we will do it as quickly as we can. It is not entirely in our control. So that is what we will do.

Senator SIEWERT: Thank you. So you have consulted in both Ceduna and East Kimberley?

Dr Baxter: Yes, we have.

Senator SIEWERT: Could we perhaps go to the evaluation? I did not mean to cut you off previously. Could you tell us where you are up to with the first wave?

Ms Mandla: The wave 1 final report has been provided to the department. We actually got final report this week, and that has just very recently—on 28 February—been provided to the minister.

Senator SIEWERT: Minister or Mr Pratt, when is that first wave report going to be publicly released?

Mr Pratt: The minister needs time to digest the findings from the report. We have done quite a bit of consultation with the draft report. That will be at a time of the minister's choosing.

Senator SIEWERT: That is why I asked the minister; I knew you would not be in a position to answer. I have been here long enough to know you cannot answer that question. Is it going to be publicly released? I am looking at Mr Pratt or the minister.

Ms Mandla: It is subject to the minister.

Senator SIEWERT: Is it the presumed intent that it will be released?

Ms Mandla: We believe that it is likely to be released.

Senator SIEWERT: Before the announcement of the transition or with the transition?

Ms Mandla: That is up to the minister.

Senator SIEWERT: Fair enough. I will not push on that any further. I have a lot of questions. I know that I am likely to have to put some on notice but, when I was in the east Kimberley, there was a comment made that there is a charge made at the supermarket for the use of the card and it just turns up on the card. Have you come across that?

Dr Baxter: I think this is an issue that we have spoken about a number of times over the last couple of estimates. There are two types of charges. There was a charge that related to having to push the credit button when you were using the card. That is a technical fix that we have implemented so that people no longer have to push credit; they can use the cheque or savings function and avoid those charges where certain establishments impose them.

Senator SIEWERT: How long ago did you fix that?

Mr Reed: I do not have the exact date, but it was in February.

Dr Baxter: We can get that for you during this session.

Mr Reed: I can get that.

Senator SIEWERT: So it is just this year, you mean?

Mr Reed: Yes, early February.

Senator SIEWERT: Okay, because I was up in there in December, so it could have still been a problem. Is that what you are saying?

Dr Baxter: It could have still been a problem. Then there is a second—

Senator SIEWERT: How much was it? Because—

Dr Baxter: That would vary from merchant to merchant. It is not something that is set—

Senator SIEWERT: People spoke about \$15, and I—

Dr Baxter: Per transaction? No, it certainly is not that high. We can get that for you. We can probably get that for you in this session—

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

Dr Baxter: but it does jump around. So that is one lot of charges that people have reported to us. The other lot of charges just relate to some places charging for use of EFTPOS generally, so any use of a card—

Senator SIEWERT: And they are still doing that?

Dr Baxter: And some are still doing it. I think we have spoken a couple of times here about the outreach work that the team did to speak to providers and merchants in the local communities. In fact, we managed to get many of them to waive those. I have got the figures here somewhere, and I will get Tristan to check the exact numbers while I explain it to you. I know that, in Ceduna, we managed to get the numbers who were doing that down quite low, so it is in small single figures—three or four merchants. In the east Kimberley, it is a little bit higher, and that varies from place to place. What we do is provide the information to people who have the card that some merchants will charge that fee, and local partners are able to give them information about where they can go where those fees are not charged if they are experiencing them. In some places that did not have EFTPOS facilities at all, we have also worked with them to ensure that they have EFTPOS facilities installed—in particular, a couple of op shops that were very popular in both locations. We have worked where we can to ensure that people have free transactions.

Shortly before Christmas—and, again, I will just check the date for you while we are in this session—we also introduced free balance checking from ATMs, because that was something that people had said they were experiencing; they were unable to check a balance at an ATM. We were very worried about potential costs of people having to do that. So people now have fee-free balance checking from Westpac and also DCM-based ATMs in each of the trial locations.

Senator DODSON: I just want to make sure that I understand what you have said, given there are evaluations, and there are reports and there are waiver reports, and I am not sure whether we are surfing or what we are doing. It is a bit unclear to me. But the trial of this card, and I want to make sure that the Healthy Welfare card is the same as this—what did you call it—

Mr Reed: Cashless debit card.

Senator DODSON: They are exactly the same—

Mr Reed: It is the same thing, yes.

Senator DODSON: Okay. We have different terminology. The one in Ceduna is due to terminate on 15 March. Is that right?

Dr Baxter: That is right.

Senator DODSON: And the one in Kununurra is due to terminate on 26 April?

Dr Baxter: The 25th.

Mr Reed: The 25th will be the last day of the operation.

Senator DODSON: The 25th? Thank you. I heard what you said about the plans beyond that period—it is imminent. Is that in relation to both of those locations?

Dr Baxter: The decision will be in relation to both trial sites.

Senator DODSON: Are there plans to extend beyond these two locations?

Dr Baxter: There have been no announcement about a third site or further trial sites at this point.

Senator DODSON: There was a suggestion earlier about Geraldton. Is that no longer—

Dr Baxter: We did have discussions with the Geraldton community, and the Geraldton community, in particular, I think approached the minister and the trial team about the possibility. There continue to be discussions, but there are a number of other communities as well who have approached us about the possibility of having the cashless debit card.

Senator DODSON: And you cannot give us a date on when this evaluation is going to be made public—I understand that.

Dr Baxter: No.

Senator DODSON: And you cannot assure us that it will be made public?

Dr Baxter: That is a decision for the minister.

Senator DODSON: I understand that as well. I just want to be clear. Just clear this up for me: that what is called the wraparound or the additional services associated with the application of these trials—was there an allocation of \$1 million in Ceduna?

Dr Baxter: Yes. It was \$1 million of additional funding for support services in Ceduna, and it was \$1.3 million in Kununurra-Wyndham.

Senator DODSON: Has that all been expended?

Dr Baxter: Do you mean over the trial period?

Senator DODSON: Well, to date, yes.

Dr Baxter: By the end of the trial period, that cost for those services will be completed. That is right.

Senator DODSON: Is it intended to have wraparound services if the minister decides to extend this process? Has that proved to be a valuable add-on to this process or not?

Dr Baxter: I think that was one of the issues—and Ms Mandla can talk some more to this—that the evaluation was particularly interested to look at. That was one of the key questions. The feedback we have had from the ground is that it has not been necessarily the key component in what has gone on with the trial to date, and our early discussions suggest that that might be the case, but we are definitely waiting for the evaluation to see whether that is the case or not. In terms of whether they would be extended, that would be, again, a decision for the minister, but certainly I know those issues have been the subject of discussions with local leaders and local community support services. So that is something that the community is very interested in.

Senator DODSON: I note in the final report of 2016, the review of the Stronger Futures measures, there is a reference to the fact that the most effectiveness in this process is when people are dealt with individually, or at an individual level. Is that an experience that is coming from your evaluation?

Dr Baxter: I think that the really important piece for us about the evaluation or understanding of what works about the trial is that it is quite different from what has come before, including the Stronger Futures income management, which had really quite broad objectives. The cashless debit card has always, and quite deliberately, had a very narrow set of objectives, around social harms. Particularly, alcohol, gambling and drug use have been the three core social harm indicators we have looked at. So we have not had any feedback to date that that would work better if it were applied on an individual level rather than to all participants in a community, and in fact the working assumption, which will be tested through the evaluation, is that it is actually the application of it to the whole group that has the impact. That is because the card has the effect of sucking a lot of available cash from a particular place and a particular community, and it is that cumulative effect of less cash available for drugs, for gambling and for alcohol that—the thesis is—will have the effect.

Ms Mandla: The evaluation will try to isolate the impact of the card. Your earlier question was around the other services. The evaluators are using a range of techniques and a range of data sources to see if they can actually discern what impact the card is having. You talked about some of the earlier work that had been done. We looked at the theories of change and what they had shown and had not shown in relation to these sorts of targeted locational sorts of supports and interventions, and we developed what we call theory of change to look at, if you look to do this, in this community setting, with this many people, could we reasonably expect to see community-level outcomes? So that is what the evaluation is going to try to answer.

Senator DODSON: Is it right to assume that you have not set an individual database for the recipients of this card on the positives and the negatives in relation to their particular predicament; you have dealt with this in a global manner? Is that what I am hearing? I just want to know whether an individual who is placed on this card has an analysis of what their problems and their challenges are and then the wraparound services or the add-on services are co-related to addressing those factors. It does not sound like that happens. It sounds like you have got a global approach with some assumption that this whole community is somehow or other at deficit.

Dr Baxter: The trial is not based on an individual assessment of need, no.

Senator DODSON: How do you deal with drug and alcohol counselling?

Dr Baxter: The local partners and the people who have been working on the ground in the community have made community members aware that that counselling is available. It is part of the wraparound support services in both communities, and they have worked with existing service providers and also through those local partners individually with people on the card to let them know that those services are available and that extra services are available.

Senator DODSON: Is there an analysis of the use of those services—

Dr Baxter: Yes, there is.

Senator DODSON: and of the effectiveness of that use? Not only in relation to drug and alcohol—there is a list of things that you have in the wraparound system. Are they itemised and analysed?

Ms Mandla: As part of the evaluation, we have a range of techniques. People on the card who are participating in the evaluation and who are doing interviews will answer a series of

questions about their experience on the card. There are also interviews with service providers and we also have access, as part of the evaluation, to a range of administrative data, including data provided by service providers on the ground. As to what level of analysis the evaluators can provide, a lot of that goes to the numbers of people and the quality of the data that has been provided. We know from previous evaluations, where they want to backup, for example some of the more global claims, they might draw on individual quotes from people and their experience and—

Senator DODSON: I suppose where I was trying to go was: has anyone got an exit out of the system by virtue of the structure that you put in place? Is there a review mechanism of an individual's performance, change or whatever it is that enables them to move off the card into employment, training or some other system?

Dr Baxter: Should an individual move into employment, they would move off the benefit, so—

Senator DODSON: I am asking about the effectiveness of the system that you have imposed upon people, and whether that system is, in fact, delivering positive outcomes?

Dr Baxter: I guess that is a question the evaluation is set up to answer for us. Does the card deliver those outcomes, to—

Senator DODSON: You are guessing that, but have you installed that as a criteria?

Dr Baxter: Yes, that is, absolutely, one of the criteria that is being looked at in the evaluation.

Senator DODSON: Okay, that is fine. I look forward to the day I read it. Can you tell me how many people have moved off the card?

Dr Baxter: We can tell you how many people have moved off the card either because they have moved out of the trial site or because they have been granted an exemption to being on the trial, and we can also tell you the numbers of people whose quarantined amount has been reduced because of applying through a local community panel.

Senator DODSON: If you do not have the figures now, I am happy to take it on notice.

Dr Baxter: Yes, we have that data.

Senator DODSON: I want to know about the effectiveness in terms of the local government or the local traders and the other organisations in a community. Do you do an analysis of how they perceive these trials?

Dr Baxter: Again, views of the people who are not participants in the trial are a key part of the evaluation.

Senator DODSON: Yes, people who live in the community.

Dr Baxter: We are looking both at trial participants and people who are not trial participants. We would need to wait for the findings evaluation to tell you about that, but that has been one of the key questions—not just how do people on it feel, but how is the community perceiving the change.

Senator DODSON: As a consequence, are there opportunities for employment opening up for individuals?

Dr Baxter: We know that the Department of Prime Minister and Cabinet has had employment services in place as part of their contribution to the extra \$1 million and \$1.3 million respectively in each place, and we know that they are continuing to work on employment strategies for both locations. What effect they have had, what kind of take up those services have had, and whether they expect that they will yield jobs would have to be questions for Prime Minister and Cabinet. But we know it is something that community leaders have been very interested in.

Senator SIEWERT: I want to double check something. I was of the understanding—in fact, I am sure we have had discussions about this—that if you moved once the trial had started you would still be under the trial and still have the card. Is that not the case?

Mr Reed: That is the case.

Dr Baxter: Yes, you do stay—for a period of time, though.

Mr Reed: You stay on the card if you move.

Senator SIEWERT: So that answer to Senator Dodson's question about the people who have come off the card was not about people leaving?

Dr Baxter: No, sorry, they are about people who have—

Mr Reed: There are a couple of ways to get off the card. One is to get into employment and off welfare and they may be taken off the card. There are some exemptions where a social worker assesses that there are health risks if you remain on the card. The only other way to be off the card—which may be what Ros was talking about—is if there is a retrospective change of address from prior to the trial commencing.

Senator SIEWERT: I see. So if you thought they were in either Ceduna or East Kimberley and in fact they were not.

Dr Baxter: That is right.

Senator SIEWERT: In terms of the evaluation, I am aware that you had surveys going out into the field. I am also told that some people refused to fill them in. Is that correct?

Ms Mandla: I do not have detailed information on that. I would have to talk to the evaluators to get that information.

Senator SIEWERT: If you could take it on notice it would be appreciated. Could you take on notice how a refusal was dealt with in terms of whether it was counted as people having concerns, et cetera? That would be appreciated. When I went up to East Kimberley I spoke to all sides of the debate because up there people are quite divided about it, as I am sure you will be aware. I did speak to all sides so I was doing it fairly. One of the things I was told was that there are more groceries being bought at the supermarket. You see Aboriginal people walking around with trolleys and lists. Was it recounted to the people that were doing the evaluation up there that what is happening is that people are basically being paid—they are doing the shopping and they are getting the cash for the shopping. So people walking around with lists are potentially people walking around and doing shopping for other people. I am raising that issue. I am also told that people have been hanging around shopping centres offering to do that, for example. Have those sorts of things been picked up in your evaluation?

Ms Mandla: The evaluation is drawing data from a whole range of sources. Senator Dodson's question was about people not in the trial being interviewed—servers, shopkeepers

and so forth. Not to pre-empt what will be in the report, but any unintended consequences, issues or workarounds would also be within the ambit of the evaluation and would be picked up.

Senator SIEWERT: I am aware that you set up in Robson Park—was that the name of the park in the middle of Kununurra? Anyway, the main park in Kununurra. If you know Kununurra, everybody knows where it is. You set up a consultation process—in fact, I have seen the photos of it. How many people attended that particular consultation?

Ms Mandla: I would have to take that on notice. Was that the consultation for the purposes of the evaluation?

Senator SIEWERT: That is what I understood it was, but I am only going on what I have been told and from seeing the photos of the flags and things.

Ms Mandla: I would have to get a better understanding of the specific situation. I know the evaluators have had multiple consultations with various community groups and people within the community. It probably would be fair to say it brought in more than several. I would have to talk to them to find out which one they had in the park because I know they have had them in major retail areas.

Senator SIEWERT: Perhaps you could take it on notice, because that was the next question. I understand you had a marquee or something near the supermarket out there. So if you can take on notice each of the centres where you did the more public consultations—the stalls or whatever you are calling them when they are more public and not targeted and you are inviting people to just drop in.

Ms Mandla: I understand the interviewers and the evaluators have set up a range of things. There are two processes. There are community discussions with community leaders and other interested people and then there are the actual interviews and group discussions, where that information provides a set format and feeds into the evaluation, and there is the awareness-raising of the works that they do. There are also the interviews with trial participants, their families and other people. They are done, I understand, in a marquee set-up and they try to make them little private areas. They just use their computer-assisted standard questionnaire form.

So there has been quite a lot happening. I would have to talk to the evaluators to get the full list of—

Senator SIEWERT: If you could take on notice what that is and the attendance that would be appreciated, thank you. Are people in the communities aware of who is on the panels, their make-up?

Dr Baxter: I would need to check. My recollection is that on one of the panels the panel members wish to remain anonymous.

Mr Reed: That is right. The Windermere and Kununurra panels do not wish to—

Senator SIEWERT: So people are being judged by their peers and they do not know who they are.

Dr Baxter: That is correct.

Senator SIEWERT: And they are getting information that would normally not be disclosed.

Dr Baxter: The bulk of the information is given, by the person making the application, on their application form. They are asked to provide a set of information that is in the pack. People can see what they are being asked to provide and some of that is verified through state admin data.

Senator SIEWERT: They are having to give people they do not know—who are in the community, and I acknowledge they are relatively small communities we are talking about—on the panels, whether they are self-disclosing or not, this information if they want to get a reduction on the amount that is quarantined.

Dr Baxter: That is right. If they wish to go through the panel process they need to provide that information.

Senator SIEWERT: To people they do not know—they could be walking down the street and pass them—they are disclosing this sort of information to.

Dr Baxter: That is correct.

Mr Reed: Could I correct that? It is Ceduna only and the cape panels.

Senator SIEWERT: Sorry? I can't hear you.

Mr Reed: It is Ceduna and the East Kimberley panels that are—

Senator SIEWERT: So none of the panels are publicly known.

Dr Baxter: As you pointed out, that is because these are very small communities and, because of the sensitive nature of these decisions, people have been very concerned about being identified as being the people making those decisions. But the basis—

Senator SIEWERT: Doesn't that sound to you like a Star Chamber? I absolutely understand what you are saying but can't you see the other side of it? It is just incredible.

Senator PRATT: You are referring to them as leaders and then they are invisible. It is ridiculous.

Senator SIEWERT: Is there any intention to ever release these names, if it is extended?

Dr Baxter: No, not at this point.

Senator SIEWERT: It is unbelievable. Can you understand why it is creating dispute and division in communities? Are you aware of the issue in the Kimberley with some of the CDP workers who have concerns that they are doing Work for the Dole and are on the cut?

Dr Baxter: I think that is probably a question better directed to Prime Minister and Cabinet. We have not been made aware of that, directly, no.

Senator SIEWERT: I will ask them but I do not think it is better directed at them. You are the people organising this.

Dr Baxter: I am not aware of any of those concerns directly, no.

Senator SIEWERT: Is anybody from the department aware of it?

Mr Reed: Concerns have been raised from the department of Prime Minister and Cabinet.

Senator SIEWERT: Sorry, with you?

Mr Reed: Prime Minister and Cabinet have advised us of concerns that have been raised with them.

Senator SIEWERT: What have you done about it?

Mr Reed: The nature of the trial is that everyone who has received an income support payment is on the trial, and that objective remains.

Senator SIEWERT: Has that been included as part of the evaluation, the impact on people who are doing Work for the Dole who feel like they are doing work and are still getting quarantined?

Ms Mandla: If that information has been provided as feedback by people participating, then it should be picked up in the evaluation.

Senator SIEWERT: I want to quickly go back to the progress report that was released last year. The hospital data was used. I do not think you used any of the data from Ord Valley Aboriginal Health Service. Why was that?

Dr Baxter: The data released was the data that we had on hand at the time. It may have been that we do not collect data from that source.

Senator SIEWERT: You do, let me tell you! That data is collected. I had a long discussion about that, on several occasions, in the appropriate places. That information is available to government.

Dr Baxter: It may be available to government, but it may be that that is not information that the team receives on a regular basis. The progress report reflected the admin data that is collected. Some of it is collected across a different time period, as I said before, so it may have been what was available at that particular point in time. The progress report was pitched as a snapshot, as I said before. It was not attempting to be a very complete picture of everything that was happening. It was simply a point in time, pulling together the administrative data that we had.

Senator SIEWERT: You provided some information in the past on which organisations have received funding. It was fairly early days, so you had to give it to us in fairly broad terms. I presume you now have more detail about who it has gone to specifically in each of the trial sites. Which specific projects were funded?

Dr Baxter: Could I check whether you are referring to the support services or the money for the local partners, or both?

Senator SIEWERT: Both, please.

Dr Baxter: We can take on notice to give you that.

Senator SIEWERT: That would be appreciated. We have dealt with the issue of the \$15. I think somebody has misunderstood a receipt or something. I am not sure. Could you take on notice what the maximum charges were? The other complaint that I have had is that people think that they have money in their accounts and they go to spend it but there is no money there. One of the concerns is: 'My money has been spent.' Because there is automatic taking of rent and utilities, would that be the case?

Dr Baxter: No, that would not be the reason.

Senator SIEWERT: People are saying, 'I go to spend money and there is no money in my account.'

Dr Baxter: There are probably a few aspects to it. One that has often been a problem and has been reported, including the background through income management, is that people mix up not having money in their account for a range of reasons and think that it is about income

management or the cashless card. The reason it is not likely to be the result of an ongoing transfer is that the cashless debit card is quite different from income management in that it does not have the process of taking out payments for different buckets—

Senator SIEWERT: But what if I have done Centrepay?

Dr Baxter: If you have done Centrepay, that may well be the case, but that is not related to the trial. That is something that you may have had in place or you may have had it regardless of the trial.

Senator SIEWERT: I mean people are confusing it. I understand that it is not, but people are confusing what they may have signed up for with Centrepay.

Dr Baxter: The money goes to Centrepay first and the residual goes to the card. The other thing that people can do if they are—

Senator SIEWERT: The ones who do not have money in their account.

Dr Baxter: The other thing that people can do if they are experiencing problems—and this is one of the things we have had the local partners promoting for people—is get a text every time they make a transaction. We know there is a very high rate of mobile phone usage amongst the trial population, and for free people are able to get a text message notification when they make a purchase that tells them what their balance is and also when their balance reaches a particular limit. Because of the problem we have had historically with income management and with the trial, where people feel that not having money is something to do with the nature of the trial, we really have tried to have as many options as possible for people to get regular information about their trial balance, and local partners can help people set that up.

Senator DODSON: Given the majority of people who are subject to this trial are Indigenous people and potentially women, will the evaluation deal with the human rights instruments in relation to both of those groups or potential discrimination in terms of the application of these measures that you are implementing?

Ms Mandla: The evaluation has certain questions that it asks around the impact of the trial on communities and people in the communities. Similar to the answer I provided before, if there are any human rights issues and implications that get raised by interviewees, and it becomes a bit of a theme, then generally those sorts of issues would be picked up in an evaluation.

Senator DODSON: I understand that, but the Australian government is implementing a scheme that should adhere to the highest level of standards. Surely those international standards should be part of any evaluation that you are making of this given that, firstly, it is Indigenous people and, secondly, it is the gender specific group of women. Can you ensure that this is picked up in the evaluation?

Ms Mandla: I cannot ensure it is picked up in the evaluation because we have independent evaluators, but what I can tell you—

Senator DODSON: Who sets the terms of reference for those evaluators?

Ms Mandla: We do.

Senator DODSON: Can't you set the terms of reference?

Ms Mandla: We require evaluations to be conducted in accordance with Australian and international standards.

Senator DODSON: And Australia's obligations internationally.

Ms Mandla: Yes. We also expect our evaluators to comply with relevant legislation standards and codes, including the Australian Code for the Responsible Conduct of Research, ethical standards and national standards in relation to ethical conduct. We have a high expectation that our evaluators will actually comply—

Senator DODSON: It is not at the highest level. That is what I am hearing. It is at a level, which is fair enough, but it is not at the highest level of international standards, which we are signatories to.

CHAIR: We will move away now from the cashless debit card.

Senator SIEWERT: We have questions on notice, though.

CHAIR: Yes, there will be many questions on notice, I suspect.

Senator LEYONHJELM: I want to ask questions on the violence against women campaign. The campaign, which is outlined at www.respect.gov.au, has the slogan, 'Violence against women. Let's stop it at the start'. It is referred to as a joint government initiative and links to the Department of Social Services. The campaign is informed by research by TNS for the Department of Social Services. Can you tell me what the cost of the research was to inform the campaign?

Ms Bell: The total expenditure to date for developmental research is \$420,000.

Senator LEYONHJELM: Would all of that be attributable to TNS or are there other suppliers as well?

Ms Bell: That is the TNS component. The benchmarking and tracking evaluation is provided by Hall & Partners Open Mind.

Senator LEYONHJELM: The TNS document states:

There is strong community support for the cessation of extreme violence against women.

A significant barrier to achieving this change, however, is low recognition of the heart of the issue and where it begins. There is a clear link between violence towards women, and attitudes of disrespect and gender inequality.

But there is no citation provided for this clear link, despite the depth of literature on violence and its causes. Can you give a citation for the claim that disrespect and gender inequality is where extreme violence against women begins and is at the heart of the issue?

Ms Bell: I will have to take that on notice. I may be able to get that tonight. I can check, but otherwise I will have to take that on notice.

Senator LEYONHJELM: On notice is fine. While you are at it, can you also give a citation that suggests that poverty, alcohol abuse and drug abuse are not where extreme violence against women begins and are not at the heart of the issue? I know that is attempting to prove a negative, perhaps, but I am assuming that you have looked at this fairly thoroughly and there is some evidence that would suggest that disrespect and gender inequality is at the very least substantially more significant than poverty, alcohol abuse or drug abuse.

Ms Bell: I can take those on notice.

Senator LEYONHJELM: The TNS document states that the ABS Personal Safety Survey of 2012 is the most comprehensive Australian data source on the prevalence of violence. Do you agree with that?

Ms Bell: Currently in Australia, yes.

Senator LEYONHJELM: That TNS document cites the ABS Personal Safety Survey of 2012, which indicates that 8.7 per cent of men reported experiencing violence in the previous 12 months, compared with 5.3 per cent of women. Is this correct?

Ms Bell: I am not aware of that specific statistic—

Dr Baxter: We have some up-to-date statistics that we can run you through in terms of the comparators, some of which are drawn from the PSS survey and some of which are drawn from the ABS victims and offenders data, if that would help. In terms of comparison of both victim and perpetrator rates amongst men and women, the victims and offenders data of the ABS, which is drawn from police data, indicates that on average women were two to five times more likely to be the victims of family and domestic assault than men, so 64 per cent of total female family and domestic violence assault victims were women and 33 per cent were men—

Senator LEYONHJELM: Dr Baxter, two to five times more likely but 64 per cent versus 33 per cent?

Dr Baxter: Two to five times more likely to be victims of family and domestic violence assaults than men, and 28.8 per cent of family and domestic violence victims were men and 71.2 per cent were women.

Senator LEYONHJELM: That does not make two to five times, does it?

Dr Baxter: I think the 28.8 compared to the 71.2 is where that figure comes from. The ABS offenders data, which is also police data, tells us that there were five times as many male offenders of domestic and family violence related offences as female offenders. I think the two to five depends on the particular jurisdiction. In New South Wales there were closer to four times as many male offenders, so there is an overall amount and then there is an amount between particular jurisdictions.

Senator LEYONHJELM: Do you think the current data you are citing, which I am obviously not familiar with, is more reliable or more up-to-date than the ABS survey of 2012?

Dr Baxter: I think they measure slightly different things, so the personal safety survey and the victims and offenders data measure different things. One is about reports and one is about self-reporting; one is police reports and one is self-reporting. We can certainly give you a list of those. We have to hand statistics across a range of measures for each of those datasets.

Senator LEYONHJELM: Is there any reason to believe that police reporting would be more reliable than self-reporting?

Dr Baxter: Again, I do not think it is more less reliable—I think it measures a different thing. We know that people are more or less likely to report depending on particular circumstances, and we also know that personal reports, through things like the personal safety survey, can be skewed for other reasons as well. They tell us a story in conjunction.

Senator LEYONHJELM: I have come across reports in the literature which would indicate that the police reports of male victims of domestic violence are substantially lower than actual levels due to various factors relating to, for example, shame about reporting, not being believed, and variations around those two reasons. Have you encountered the same literature?

Dr Baxter: I am certainly aware of that literature. It is very difficult to weigh that because there is also a body of literature that suggests where a woman makes a complaint there can be a counter complaint made or vice versa. It is very difficult to unpick the various elements of that. There are certainly claims that it could be an inflated number and there are claims that it could be a deflated number, depending on whether you have a view about people attempting to get back at the person who may have made the allegation.

Senator LEYONHJELM: I accept that. I am just going to go back to a few of the figures in the TNS report nonetheless. I think self-reporting is probably inherently—I am more inclined to accept the numbers. I have a copy of the TNS report here and it does say that in 2012, 8.7 per cent of men reported experiencing violence in the previous 12 months versus 5.3 per cent of women. But most of the ABS statistics cited refer to violence experienced by the respondents over their entire life, rather than the last 12 months. Do you think responses about lifetime violence are more or less useful in indicating current levels of violence than the reports experienced in the last 12 months?

Dr Baxter: Again, we think that they measure quite different things. We think that a lifetime quantification can talk to you about the journey for a particular woman. Experiences in the last 12 months can tell you something about that, but they can also tell you about the recency. They do not give you that picture of what then happens to someone from that point. Again, I do not think it is a less or a more; I think it is about looking at that stuff together and understanding what it means for us.

Senator LEYONHJELM: The ABS safety survey of 2012 indicates that 1.5 per cent of women reported experiencing violence—that is, physical or sexual violence—or threat by a partner or ex-partner in the previous 12 months—1.5 per cent. Would you class this as epidemic levels?

Dr Baxter: That would not be for me to classify. There is certainly a body of literature that suggests people are less likely to self-report violence if it has occurred very recently, and that may be because they are still with the partner who has been violent towards them. They might be less inclined to admit to themselves or others that they are in a violent situation, whereas with the passage of time, particularly if they have moved out of that relationship, people feel more comfortable and more inclined to admit that there was violence happening. Again, it is a bit swings and roundabouts.

Senator LEYONHJELM: Okay, that is a valid comment, although you would expect that that same influence on the numbers would apply if the same methodology was used at different time periods. So the corresponding period for the 2005 survey—so seven years prior—was also 1.5 per cent—no change. So 1.5 per cent in 2012; 1.5 per cent in 2005.

Dr Baxter: But still asking about experiences in the last year?

Senator LEYONHJELM: Yes.

Dr Baxter: So you are not necessarily asking the same women five or seven years later.

Senator LEYONHJELM: Yes, that is right. But I guess the question is: would it be fair to say that there is a public view that domestic violence against women is on the rise, notwithstanding those same numbers?

Dr Baxter: There is certainly a public view that domestic violence is on the rise. Whether domestic violence is on the rise or whether community awareness about it is on the rise is an open question.

Senator LEYONHJELM: I am specifically referring to women, but, anyway, yes. In 2012, 0.6 per cent of men experienced violence by a partner or ex-partner during the previous 12 months according to the same source.

Dr Baxter: Sorry, but can I just check which source? I have a lot of statistics here, so I want to make sure we are on the right page.

Senator LEYONHJELM: This is the ABS—

Dr Baxter: Is this the recorded crime offenders, the recorded crime victims—

Senator LEYONHJELM: The chair is going to cut me off due to lack of time in a moment—

CHAIR: Yes; we have very limited time. We have approximately 2½ minutes left for this tranche of questions.

Senator LEYONHJELM: I am close to the end of my questions. If we can just take my data for granted for the moment, what I am getting to is that in 2012, according to my data, 0.6 per cent of men experienced violence by a partner or ex-partner during the previous 12 months. Given that more than one-third of the reported victims of violence by a partner are men—your number says less than that; 28 per cent I think, but it is roundabout right—do you think a campaign concentrating on male perpetrators and female victims is disproportionate, leaves a significant part of the problem unaddressed?

Dr Baxter: That is probably a question that falls a little bit between Ms Bell and me. I think the important thing to note about the Stop It at the Start campaign is that it was not a campaign about prevalence. It was a campaign that looked at the attitudes supporting violence against women. In fact, the developmental research went directly to the issue of: is there a particular attitude or community view that people have about violence against women? The developmental research pointed strongly to the idea that violence against women and girls is excused and minimised. That was the particular focus of the campaign, and you might like to add some more.

Senator PRATT: Just as he is doing now.

Senator LEYONHJELM: The only thing is the data suggests, as I said, that in 2012 1.5 per cent of women reported experiencing violence. In 2005 it was the same percentage. In 2012 0.6 per cent of men—so there is no question that it is less—experienced violence by a partner or ex-partner during the previous 12 months, and in 2005 it was 0.4. In other words, within the limits of the survey, domestic violence against men, where men were victims, has gone up, but it had not gone up in the case of women. What I am questioning is whether the very strong focus on women as victims of domestic violence is misplaced. It should be 'victims of domestic violence full stop'.

CHAIR: This will have to be our last answer.

Senator LEYONHJELM: Lucky we did not talk about data too much.

Ms Bell: Collectively the data does show that domestic and sexual violence is overwhelmingly committed by men against women and women are more likely to experience physical and sexual violence in their homes at the hands of a male current or ex-partner, whereas men are more likely to experience violence at the hands of a stranger or acquaintance.

Senator LEYONHJELM: I am familiar with that data.

Ms Bell: The focus was on domestic violence and protection of women and children.

Senator LEYONHJELM: This data and the numbers that I just cited to you were violence by a partner or ex-partner—in other words, domestic violence. These numbers I have cited to you would suggest that the problem of domestic violence against men is rising and it is not rising in relation to women, albeit I am not disputing the fact that it is still twice the level that it is against men. If we are talking about a problem that is growing, then the growing problem is the domestic violence against men. There is a problem of domestic violence against women, but the data would suggest that it is not growing.

CHAIR: I am afraid any further questions will have to be placed on notice. I am sorry about that.

Senator LEYONHJELM: That is all right.

Senator PRATT: I will try and truncate my questions so that we can get through them in time to go home.

CHAIR: Are you able to indicate the specific areas, to make sure?

Senator PRATT: This is on 1800Respect, so hopefully we have got the proper officers at the table already. I am hoping the department can advise why Rape and Domestic Violence Services Australia were provided only four days to submit an expression of interest to continue their contract with 1800Respect.

Dr Baxter: All of the people who are invited to submit an expression of interest were given the four days. The expression of interest is just the first stage in the tender process and it is an opportunity for MHS to identify who might be those organisations who might be in scope for the tender. That is very important for this particular process because MHS is very keen to ensure that those organisations who are tendering are in scope to receive verbal briefing on the contract, the tender process and the things that might be needed to apply. The tender process will be 28 days, but it may be that it is longer, depending on when that start date happens.

Recognising that RDVSA is a special partner in this process, we know that MHS did provide information to RDVSA as early as 3 January that a tender process was likely and also that that was likely to involve an initial EOI process. They advised them again on 3 February, and then when the decision was made they had a special face-to-face, personal meeting with the CEO to let them know that was happening and to let them know what the EOI—

Senator PRATT: So anyone who is going to be successful in the ultimate contract would have to have put that EOI in within those four days?

Dr Baxter: That is right. And to ensure that we can—

Senator PRATT: That is fine. I understand that 1800Respect have received an increase in calls since August. I have also noted that according to some sources there has been a spike in complaints and that there have been reports attributing this spike in complaints to the restructure of the service in August to the triaging model it currently has. Can the department confirm that there has been a spike in complaints and what the time period for those complaints is.

Dr Baxter: We can advise you that we do know about some complaints since the triage service has been implemented. I cannot confirm for you that there has been a spike in complaints, because we did not have access to reliable complaints data prior to the operation of the triage system. So we know that, while there was complaints data that jumped around a bit that was provided from RDVSA, we were simultaneously receiving in the department many complaints about the service, and particularly about call wait times and abandonment times. We can certainly give you—I think Ms Purdy will have that to hand—the data about complaints, but I certainly could not tell you, nor would we assume, that there has been a spike. We have also looked really carefully into how many of those complaints were substantiated and how many related to the triaging aspect of the service, and we are very confident that we do not have a problem with that element of the service.

Senator PRATT: If you could tell us a breakdown of the areas of complaints that 1800Respect has been receiving, that would be terrific. What have you done to address those complaints?

Dr Baxter: To address the first part, would you like us to give you that on notice? The breakdown of the data and what we have?

Senator PRATT: Yes. Given the time that will probably be good.

Dr Baxter: We will take that on notice. On the second part, MHS has an established complaints protocol. Complaints are investigated. They are either substantiated or not. They are dealt with. We also in the department receive complaints and we ensure that they are dealt with. As I said, we are very confident that those that were substantiated have been dealt with appropriately.

Senator PRATT: Are you confident that complaints are being directed to the right place, in that RDVSA have said they are receiving complaints separately from the complaints process?

Dr Baxter: The issue that we have with the idea that there are complaints that are going to a separate place and not to MHS is that RDVSA are contractually required to pass on information of those complaints.

Senator PRATT: Yes. I would hope that is the case.

Dr Baxter: There have been suggestions from RDVSA that there have been complaints that they are aware of that have not been passed on to MHS. Unless those complaints are passed on, unfortunately, we do not have visibility of them and we cannot action them.

Senator SESELJA: I think it is worth Ms Purdy very briefly clarifying the number of complaints to get that on the record, because I think that will correct some erroneous reporting on this.

Ms Purdy: I have data from Medibank Health Solutions for the period from October to December 2016. It was provided to the department on 31 January. During this period, MHS handled 18,934 contacts. Of the complaints, 18 were about first-response counsellors; six were about trauma specialist counsellors—those counsellors that are provided by RDVSA; two are unrelated to the service, so sometimes issues about broader government policy or other issues; three were technical issues; and four were about issues unrelated to Medibank Health Solutions. So all of those complaints have been reviewed and responded to by MHS and, following the assessment of those complaints, six of these were found to be substantiated.

Senator PRATT: So that would go to examining the new triaging model. Can you tell us what has been done in relation to those first-response complaints, which clearly might indicate that someone who is calling in a crisis is not getting the right sympathetic ear that then enables them to be transferred without needing to tell their story over again et cetera.

Ms Purdy: We know from Medibank Health Solutions that they review those complaints and they take action as required. In relation to the transfer over, it is called a warm transfer, and how that works is that the caller is answered by the first responder and tells their story and then, if they request or if the responder realises they need a more intensive form of specialist trauma counselling, they are warm referred to the RDVSA counsellor. What the warm referral means is that the initial counsellor stays on the line so the caller does not have to repeat their story as part of that transfer process. Then, after sharing that information, the first responder will leave the conversation.

Senator PRATT: Okay, so the counsellor is on the line. Why, if the first-responder model has the potential to divert women away from counselling, was it chosen to improve the 1800RESPECT service rather than hiring additional counsellors?

Dr Baxter: I can answer that. In 2015 we experienced the situation of an extreme spike in calls to the 1800 service generally. We made a number of concerted attempts to address those within the existing business model. In May 2015 an extra \$4 million was designated for the service, to try to deal with this issue of unanswered calls and call wait times.

Senator PRATT: Was that money applied to extra counsellors?

Dr Baxter: Yes; \$3.6 million of the \$4 million went directly to RDVSA in four \$900,000 allotments. That money enabled RDVSA to increase its staff by 50 per cent, so the staff went from 21 to 31.65. However, unfortunately, we found that we were still seeing approximately 67 per cent of calls not being answered, even with that 50 per cent extra staff, and we were still seeing call wait times in excess of 10 minutes and, in some cases, up to 88 minutes.

Senator PRATT: What was the increase in calls relative to the increase in staff?

Dr Baxter: With the increase in calls, what was hoped was that we would be able to increase the calls by about 10,000 with that extra funding and staff, so from 45,000 to 55,000 calls. But in fact only 20,713 calls were able to be answered in that period. So in fact we saw a dropping off. There were some calls returned.

Having looked into this very closely, and considering the KPMG report which we later commissioned to try to understand why this business model was not able to respond to the extra money, it was very clear that the situation where your most-qualified counsellors have to answer every call, even those calls that are for information, or from another service which

is seeking to know where they can get particular information or from a friend or family member, is not the best use of your very expensive, trauma-specialist counselling.

Trauma-specialist counsellors cost \$245,000 each to train, and that is absolutely value for money for a trauma specialist counsellor. But it is not value for money for someone who is essentially just directing traffic—directing someone somewhere else. So that was the first problem that we realised was not going to be able to be solved through this.

The second was that while the 1800RESPECT service has always been MHS's baby—so, we contract MHS to deliver that service, we are not directly contracted with RDVSA—we did take a very keen direct interest in this issue. In fact, on a number of occasions in 2015 I met personally with both MHS staff and RDVSA staff. I recall several conversations with RDVSA where I asked them what it would take. Was it about extra staff? What is it that we can do to get these calls answered? It was very clear from RDVSA that there was not the ability to scale-up to the degree that was needed to meet the excess calls. We were told there had been some new staff come on but they were not able to take on new staff at that time.

They are still a relatively small nongovernment organisation, so their ability to grow rapidly is very constrained. We also know that it would have involved new premises. In fact, I had a conversation with the CEO of RDVSA where I said we were open to looking at that, if that were required. But it was made very clear that even aside from premises they just did not have the ability to train, to bring staff on to the degree that was required. So something else needed to be looked at. That is why a piece of the \$5 million funding that came through the Women's Safety Package was dedicated to looking at what the right model is.

RDVSA did put forward a model through that process but, unfortunately, the model that they put forward was really unsatisfactory to us. It still involved 25 per cent of calls being abandoned. The projection from RDVSA itself was that 25 per cent of calls would still be unable to be answered and that you would still have unacceptably long wait times.

Senator PRATT: Okay, thank you. How many expressions of interest were received, and do you think that the number of expressions of interest was limited by it only being four days?

Dr Baxter: We do not have access to that information, because the tender was being run by MHS. I can tell you that MHS did very concerted outreach to all of the relevant counselling organisations, peak bodies and people who might have had an interest in it, ensuring that they had access to the EOI and that they understood what was involved. That was the first stage in the tender process.

Senator PRATT: So, you think four days was enough?

Dr Baxter: We are given to understand, from conversations we have had with MHS, that they sought probity advice about what is appropriate for this very first registration-of-interest stage and that the four days really reflects the amount of work that was required to fill out the form.

Senator Seselja: Chair, if I could just quickly add to an answer, because I do not think it has yet been put on record: I think there has been a massive improvement here, and it is worth getting on record that in December 2015, of 5,724 calls, only 17 per cent were answered; a year later, with an extra 1,000 calls—6,818 calls—92 per cent were answered. So, I think we have seen a pretty dramatic improvement, and I think it is a credit to those involved.

Senator PRATT: With respect to some funding and expiry of future grant programs within outcome 2.1, at the last Senate estimates you advised that you were aiming to inform providers with agreements expiring 30 June 2017 of future funding arrangements. Did this occur?

Dr Baxter: Are you referring to a particular program?

Senator PRATT: Within the families and communities grants programs—you advised that you were aiming to inform providers that had agreements expiring on 30 June of future funding arrangements. Did this occur? I think you said you were aiming to do it by the end of the year.

Mr Scott: Yes, we have been aiming to achieve two time frames with new grant agreements—first, that at least six months before an activity is due to cease we would provide advice to providers about the way forward. So, the intended process would be that funding will either cease or go through a selection process—

Senator PRATT: That is what you said last time. Has that happened? Have people been notified at least six months before?

Mr Scott: I can confirm that for activities that are due to cease by 30 June 2017 all providers were advised of the department's intent in terms of future directions. So, we were able to meet that benchmark. We are now in the process of finalising new grant agreements with the objective of having those out by the end of March so that providers have three months to consider the new agreements. On that one, I would note that we are likely for some rounds to not quite meet it, but it is likely to be only a matter of weeks.

Senator PRATT: So you are saying that all were informed?

Mr Scott: For the six months.

Senator PRATT: In how many cases has that involved an extension of the existing grant in order to provide that certainty?

Mr Scott: I would have to take on notice specifically round by round. It is around 80 activities where we have at least one funding agreement that is due to cease by the end of June 2017. My recollection is that it is just over 50 of those activities in which we were continuing the current providers through an extension. The others will be either through one-off projects, new rounds or activities ceasing.

Senator PRATT: So, we know that some organisations that are funded, for example, under financial wellbeing and capability, with funding expiring in June 2017, such as counselling services, have received notification of extensions to funding contracts for 12 months, until the middle of next year. Was this consistent across all organisations that are currently funded under financial wellbeing and capability?

Dr Baxter: Everybody except the financial inclusion action plans—so, all of the different subcomponents under financial wellbeing and capability, except the financial inclusion action plans—have been offered an additional 12 months through to 30 June 2018. In late December all the service providers got a letter as well as a telephone call advising of that extension, and government still—

Senator PRATT: That answers it. Are you extending those funding grant contracts because you are conducting or planning to conduct a review or redesign of those grant programs?

Dr Baxter: In relation to FWC, yes.

Senator PRATT: Into financial counselling—

Dr Baxter: And wellbeing and capability.

Senator PRATT: And what about the other initiatives, such as national initiatives, settlement services, families and children and families and community service improvement?

Mr Scott: That spans a number of our different programs.

Ms Bennett: There are a number of programs in which we were required to do some redesign work. We have provided that list previously and we can do it for you again. The redesign related to some recent developments that had occurred in case law in relation to constitutional powers. We particularly had to look at the fact that some of those services, some of those grant programs, had over time evolved outside of what the Commonwealth has constitutional authority over. In those cases that redesign work is taking some time, and that includes talking to the sector and engaging about the best way to go through and meet the objectives. In cases where it is appropriate—not universally—we have given the extension for that redesign work to occur.

Senator PRATT: I have the *Strong and resilient communities* paper in front of me. Are you able to provide for the committee the other papers attached to the redesign?

Ms Bennett: We may not necessarily have that, but we will go through where we already have something out. Some are more ahead than others, and for some of them we are still thinking and having discussions before papers come out. But we will go through what is available and take that on notice.

Senator SIEWERT: You said some papers are out, but not all. What is the time line for the rest of them?

Ms Bennett: It will occur where there has been an extension for that 12 months. I will just have to take on notice where the progress is, but it is just working through that pile and the complexities of issues and—

Senator SIEWERT: So, the existing providers have been given an extension?

Ms Bennett: In the main, and there are some that got 12 months, and some are in redesign that have contracts still until 2020. So, there are a number of issues.

Senator SIEWERT: I understand. So, all of them at the moment are carrying on under their current—

Ms Bennett: Yes.

Senator SIEWERT: And that is still considered okay in the short term.

Ms Bennett: Yes, in the short term.

Senator SIEWERT: So, the ones that are extended are the ones that are under redesign, because you basically could not sign contracts under the current circumstances. Is that correct?

Ms Bennett: We have more work to do on those, so we have given ourselves and the providers some time to work through those issues.

Senator SIEWERT: And for the others, they have been notified as to whether they are continuing or not.

Ms Bennett: Well, that is a normal cycle of grants. There will be different reasons—the period is up, they were one-off grants. So, depending on—all that list of notice that we provided to you—

Senator SIEWERT: Yes, that is exactly what I am looking at.

Ms Bennett: All of that will depend on the nature of the grant and what program it was under, whether there is funding in the forward estimates and how long those projects were for. So, there is no one answer to all of those. It just depends on the specific grant program.

Senator SIEWERT: I am sort of trying to work out which ones are for which reasons.

Ms Bennett: I think we have previously provided—I do not have it with me—the redesign list.

Senator SIEWERT: Yes.

Ms Bennett: So you know really specifically which broad programs.

Senator SIEWERT: But those are the redesigned ones.

Ms Bennett: Yes.

Senator SIEWERT: As I understand it, some of these are redesigned and some are not. That is correct, isn't it?

Ms Bennett: Yes.

Senator SIEWERT: So, if I look at the list and compare it to this list, I will work out which ones are redesigned and which ones—

Ms Bennett: Are just in the normal cycle.

Senator SIEWERT: All right. And you are now negotiating contracts for the other programs—is that correct?

Ms Bennett: Broadly, what Mr Scott was saying was that, after rich and deep feedback including through this committee, we have worked really hard to try to meet that guideline of giving people notice about where their status is within that six months beforehand. If it were for continuous funding or it would be a new grant round, they were given that advice around December if they were running out on 30 June. Now what we are doing is actually getting contracts out. It takes time to get the pieces of paper for them to sign and send back to us and put them in place. So they were informed about what their status was, in the bulk, by December, and I think it is such a small number that fell over into January. Now we are going through the mechanics of putting those arrangements in place.

Senator SIEWERT: Thank you. We had a discussion earlier about the peak disability advocacy groups and the review process there. I do not intend to revisit that discussion.

CHAIR: Good!

Senator SIEWERT: I would not drag us all through that process. But are there other programs that are subject to a review of that nature that are outstanding at the moment? Those

are obviously outstanding in this process. I know it is in another outcome, but they are outstanding in the process in terms of being able to be notified about whether they are continuing or not.

Ms Bennett: I would have to take that on notice. You have seen the list that we provided you; it is quite extensive.

Senator SIEWERT: Yes.

Ms Bennett: So we will have to take that on notice.

Senator SIEWERT: Could you take on notice ones that are still undergoing review and for which the future is yet to be determined.

Ms Bennett: Separate from redesign—any other review that they might be subject to?

Senator SIEWERT: Yes.

Ms Bennett: We will take that on notice.

Senator SIEWERT: Okay, thank you.

Senator PRATT: With respect to the redesign, I know it is designed to be broader and more flexible in nature. First, how do you intend to identify priority areas of funding? Do you expect that any organisations currently funded under the current design will no longer be eligible for funding under the new programs?

Ms Bennett: Are you specifically referring to Strengthening Communities?

Senator PRATT: Yes, in this case I am, with a particular example being volunteer management.

Ms Bennett: Volunteer management will have to change to meet the redesigned program. There are two elements to it. I will get the officers that have that information. But, just broadly, the two elements of that new component include volunteer grants of \$10 million, and they are unchanged.

Senator PRATT: I am not interested in that. It is the volunteer support services that I am concerned will be ineligible, and I understand they might be ineligible because they are not directly targeting the outcomes in question; they are providing the support services to organisations that might be.

Ms Bennett: The issue that goes to that redesign is that, for the services that you are talking about, there is not a constitutional authority to fund those particular activities, so what we are trying to do in that redesign is to find the programs or the activities.

Senator PRATT: What is the nature of the constitutional question in relation to volunteer support? Is it because it is not welfare oriented—is that right?

Ms Bennett: There is not an appropriate head of power or legislation that says that this is the remit where the Commonwealth can do some funding.

Senator PRATT: What is the difference between volunteer services and other welfare issues? Explain the technical difference to me.

Ms Bennett: It is not the volunteer services; it was the nature of those activities.

Mr Lewis: It was the particular nature of the services and activities undertaken under that particular grant. I understand that Ms Sims was party to a conversation that you were at recently.

Ms Sims: In terms of the constitutional issues, I do not think there is anything in particular, in relation to volunteer services, that would be different from any other grant-funding arrangement that has constitutional issues, but in terms of the—

Senator PRATT: Why is this coming out, specifically?

Ms Sims: We are redesigning the Strengthening Communities Activity and that will be—

Senator PRATT: In a way that would make these services ineligible?

Ms Sims: No. Let me just explain what might—

Senator PRATT: Hopefully, they will, some of the eligible. I just want you to assure me that that is the case.

Ms Sims: Yes, that is right. State volunteering peaks are not presently funded by the Department of Social Services—

Senator PRATT: No, I understand that.

Ms Sims: in their capacity as peaks. They have been funded to provide specific volunteer support services, as you said, and we anticipate that, under their new redesigned program, these organisations will be invited to apply for funding to provide specific services again. We anticipate that the services provided under 'Building strong and resilient communities' will have a stronger focus on building community resilience in accordance with the government's objectives.

Senator PRATT: I understand all of that, but what I do not understand is whether you can provide volunteer support services. For example, an organisation might be applying for funding so that they can have a volunteer program that targets disadvantaged communities, but what they will not have under this program are the volunteer support services that they would otherwise be relying on to provide a program like that, including the recruitment of the volunteers themselves, potentially.

Ms Sims: My understanding is that infrastructure actually relates to the funding of the peaks.

Senator PRATT: No. These are volunteer services that have a regional fabric currently right around the country, where you have volunteer service organisations who were doing things like providing constitutional advice, occupational health and safety, working with children type checks and doing those support services so that organisations doing the grassroots volunteering are able to do that, because, as you understand, it is an increasingly complicated environment for voluntary organisations and they need that professional support in order to sustain their voluntary activities.

Ms Bennett: The restructure will actually allow capacity-building—

Mr Lewis: That is right.

Ms Bennett: that is built in, and the type of thing that you are talking about is actually about the building of the capacity of that sector, and that is going to be very allowable under the new restructure.

Senator PRATT: So those existing services should be eligible to apply to do the same kinds of things that they are currently doing?

Mr Lewis: They will be able to apply under a different envelope.

Senator PRATT: I do not care about the envelope. I understand it is a bigger envelope and people will be in the same pot together—

Ms Bennett: I cannot promise you that this group will continue to be funded.

Senator PRATT: No, I am asking if they will be eligible to apply for funding and whether their services will be able to compete against the other programs?

Ms Bennett: The answer that we can give you is that that illustrative model that you gave about capacity-building to support the sector is not being precluded under the new arrangements.

Senator PRATT: And will that include volunteer support for sporting organisations and environmental organisations that might be outside the social services that you are targeting under the Strengthening Communities type program?

Mr Lewis: The new program will be under three broad areas: community resilience grants, which cover a broad spectrum; targeted communities showing potential or early signs of both social cohesion and a range of activities will cover under there; inclusive communities, which are community organisations which address a significant need within a community—it might be about vulnerable citizens, people with disability, a range of issues there, national projects and research. So they are the three—

Senator PRATT: So it will not include sporting organisations unless they are targeted at people that are disadvantaged, environmental works or, for example, other organisations that might like to recruit volunteers?

Ms Bennett: I am not certain that we used to fund sporting organisations per se. They had a contribution that they—

Senator PRATT: No, you do not fund sporting organisations per se; you fund volunteer support services that might, in turn, support those organisations.

Ms Bennett: The capacity building for the issues that Mr Lewis said has been a bit of a longstanding priority about disadvantage. It could be that some of the sporting groups we have funded are focused on reducing violence against women, respectful relationships and being inclusive for young Indigenous people, so there has been an array of support for sports organisations, but in their social good that they do within their communities in those areas of disadvantage and discrimination or—

Senator PRATT: And they will still be eligible to do that work under this new program?

Ms Bennett: I think it is very hard to answer a question without a specific example—

Senator PRATT: So you do not know yet?

Ms Bennett: I think you need to put the question on notice.

Mr Pratt: I do not think we can answer your question definitively.

Senator PRATT: But you must know what kinds of services are funded currently and whether they will be able to be funded, albeit in a bigger pot of money, competing against

other programs to do the same kind of things that they are currently doing. Is the answer 'yes' or 'no'?

Mr Pratt: I do not think we can answer your question that definitively.

Senator PRATT: So you do not know yet because the process is not complete?

Mr Pratt: That is part of it. We are quite conscious of the issue that you are concerned about, and, pretty much, we share your concerns. We are engaged in a process where we are trying to find ways to maintain, to the extent that we can, the beneficial aspects of this while not being in breach of the outcomes of these—

Senator PRATT: Okay. With respect to multicultural affairs, they are currently going through the same redesign process at the moment as well. Are they in the same bucket?

Ms Sims: Are you talking about the Multicultural Arts and Festivals Grants?

Senator PRATT: That is right.

Ms Sims: That is correct.

Senator PRATT: They will be within the same stream of community funding as volunteering et cetera? Is that correct?

Ms Sims: That is right. Up to five per cent of an inclusive communities funding proposal can be used for those types of activities. In fact, the funding available is \$7,500 as compared to the current \$5,000.

Senator PRATT: Does that mean you will not have any specific funding streams for multicultural programs targeted only at multicultural activities?

Ms Sims: The multicultural arts and festivals events will be eligible for funding under the inclusive-community sub-activity.

Senator PRATT: So they are being subsumed into a broader, non-multicultural-specific pool of funding, albeit there will be reference to multicultural activities as one of the criteria.

Mr Lewis: That is correct.

Ms Sims: That is right.

Senator PRATT: I will put some questions on notice, but I am also interested in the consultation paper. It used the words 'to be free from intolerance and discrimination'. I am interested to know if that means grants will be aimed at communities that are perpetrators of discrimination and intolerance or the victims of it, or do you not have a clear understanding of what you mean when you say that?

Mr Lewis: That probably goes to a broader question—

Mr Pratt: I am not agreeing with the last point, Senator.

Senator PRATT: I do not quite understand the criteria that you are using, because it says, 'SARC aims to build stronger communities to ensure that individuals, families and communities have the opportunity to thrive, to be free from intolerance and discrimination, and have the capacity to respond to local and emerging needs and challenges.' Providing funding to multicultural communities specifically is not freeing them from the intolerance and discrimination that other people subject them to, necessarily, so I just want to make sure that their cultural activities in and of themselves will still be able to be funded if those are the criteria you are using.

Mr Lewis: The question you ask goes to the intent and purpose of what people are applying for, so in terms of going to market we would be saying, 'This is the intention of what the funding is about.' It does not mean we assume the reverse, which is what you are implying.

Senator PRATT: No. While I understand that we want a society that is free from intolerance and discrimination, traditionally this bucket of money has been targeted at communities and festivals being able to do their own cultural activities, not at the perpetrators of racism. Perhaps in part it could and should be because there are inclusive activities that you could encourage communities to do that would help eliminate racism and discrimination. It is an interesting distinction that you have made in the document.

Mr Lewis: The intent is to look at a strengths base and a positive focus; therefore, the assertion by the applicants would be around that positive aspect.

Senator PRATT: So how does giving the Indian society money to do a cultural dance activity free them specifically from racism and intolerance?

Senator Seselja: Do I understand your question correctly? Are you suggesting that people could apply for these grants because they believe that they are racist and that we would help them to overcome their racism?

Senator PRATT: No. I am sorry if you misunderstand what I am saying. Traditionally these have been for specific cultural communities to do their activities. You are now using the term 'to promote a society that is free from intolerance and discrimination', which implies that you might be targeting that cultural diversity funding at a much broader group for much broader purposes. I am not saying that I object to that. I just want to know what your objective is here.

Mr Lewis: I think it is probably a fair assumption that it is a broader group and that is where the comment by Ms Sims goes—that the multicultural bit will be embedded in a broader envelope of intent.

Senator PRATT: I will have to put some questions on notice. Is there any progress being made on developing a national working with children check?

Ms Bennett: That question should actually go to Attorney-General's, who is leading that work.

Senator PRATT: Damn; I was in there for most of the day. What is in your plan to ensure that you are able to respond quickly to the recommendations of the Royal Commission into Institutional Responses to Child Sexual Abuse?

Ms Bennett: The department now has responsibility for developing a redress scheme for victims of child abuse that occurred in Commonwealth institutions.

Senator PRATT: I am more interested in the preventative aspects relating to current children in Australia rather than the redress scheme—

Ms Bennett: We should probably take that on notice for you because there are bits that belong to other Commonwealth departments, there is Commonwealth responsibility and there is work we are doing with the states and territories where they have primary responsibility. It is the layers of that. I could go through it, but—

Senator PRATT: It is a large question for this time of the night?

Ms Bennett: It is a large question. Would you like us to take it on notice?

Senator PRATT: Yes, thank you. That would be good. I guess there is probably not much point getting into the detail of my other questions at this time of the night. Thank you.

CHAIR: Excellent. That concludes the examination of the Health and Social Services, including Human Services, portfolios. I would like to thank the minister and all the officers for their attendance and of course thank the very patient Hansard, broadcasting and secretariat staff. Senators are reminded that written questions on notice should be provided to the secretariat by close of business on Friday, 10 March 2017.

Committee adjourned at 22:59